



# 2006 VITA/TCE

## Form 6745

# Volunteer Assistor's Retest

(for use in preparing Tax Year 2006 Returns)

Coming together to  
strengthen communities  
through free volunteer  
tax return preparation  
programs

For the most up to date tax product,  
information and other training options  
such as visit [www.irs.gov](http://www.irs.gov).



Department of the Treasury  
Internal Revenue Service

[www.irs.gov](http://www.irs.gov)

Form 6745 (Rev. 2006)  
Catalog Number 43561G

## **Pending Legislation**

At the time this publication went to print, there was pending legislation on tax topics contained in this publication including the expired tax benefits listed below:

### **Expired Tax Benefits:**


- Deduction from adjusted gross income for educator expenses.
- Tuition and fees deduction.
- Deduction for state and local general sales taxes.
- District of Columbia first time homeowner credit (for homes purchased after 2005).

Tax law changes implemented after this publication may cause various forms, tables, and worksheets to change. Visit [www.irs.gov](http://www.irs.gov) for current information on tax changes. If there are changes, additional guidance will be issued in the form of a supplement.

---

*The IRS Mission*

Provide America's taxpayers  
top quality service by helping  
them understand and meet  
their tax responsibilities and  
by applying the tax law with  
integrity and fairness to all.



**IRS**  
Department of the Treasury  
Internal Revenue Service  
[www.irs.gov](http://www.irs.gov)

TaxWise® is a copyrighted software program owned by Universal Tax Systems, Inc.® (UTS). All screen shots that appear throughout the official Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) training materials are used with the permission of UTS. The screen shots used in this publication—or any other screen shots from TaxWise or its affiliated programs—may not be extracted, copied, or distributed without written approval from the IRS SPEC Office of Education and Product Development.

### **Confidentiality Statement:**

All tax information you receive from taxpayers in your VOLUNTEER capacity is strictly confidential and should not, under any circumstances, be disclosed to unauthorized individuals and should be properly safeguarded

### Preface

#### Quality Return Process

The IRS has an ongoing initiative to improve and/or enhance the quality of returns prepared at VITA/TCE sites. For three years the Volunteer Return Preparation Program – Quality Improvement Process has focused on improving the return preparation process.

An accurate return is the most important aspect of providing quality service to the taxpayer; it establishes credibility and integrity in the program and the volunteer who prepared the return. Throughout the training material you were introduced to the major components of the VITA/TCE return preparation process including:

- Understanding and applying tax law
- Screening and interviewing taxpayers (Intake and Interview Sheet)
- Using references, resources, and tools
- Conducting quality reviews

During your training you were given an opportunity to apply the tax law knowledge you gained. You also learned how to properly apply the screening and interview information on the Intake and Interview Sheet to prepare a correct tax return. You also learned how to use your references, resources, and tools; and conduct a quality review of the returns that you have prepared.

Now comes the time to test the knowledge and competencies you have acquired and apply them to specific scenarios. All of these steps help you in achieving the goal of preparing accurate tax returns within your scope of training.

We welcome your comments for improving these materials and the VITA/TCE programs. You may follow the evaluation procedures in this kit or e-mail your comments to [partner@irs.gov](mailto:partner@irs.gov).

Thank you for being a part of this valuable public service for your neighbors and community.

---

## Retest Instructions

**Special Accommodations** If you require special accommodations to complete the retest, please advise your Facilitator immediately.

---

**Reference Materials** Use **2006** Values for Deductions, Exemptions, Tax, or Credits for all answers on the retest. Remember to round to dollars. Test answers have been rounded up or down at the point of entry on the return.

This is an open book test. You may use your course book and any other reference material you will use as a volunteer. Blank forms for the test are located in the back of the retest booklet. If extra forms are needed they may be photocopied.

Please complete this retest on your own. Taking the test in groups or with outside assistance is a disservice to the customers you have volunteered to help.

Income amounts for these test scenarios may exceed the income limits for VITA sites.

---

**Using Software** The retest is designed to be taken on paper. However, volunteers who use tax preparation software to complete the test or retest should be aware of the version of the software. Only the final 2006 version of the software will generate the correct answers for 2006 returns.

All Social Security Numbers, Employer Identification Numbers, and routing/account numbers provided in the scenarios are fictitious.

Volunteers using tax preparation software to complete the retest should replace the X's as directed by the software. Use your city, state, and zip code when completing any of the forms.

---

**Retest Answer Sheet** When you complete the retest, please transfer all answers to the tear-out Retest Answer Sheet.

Make sure your name is at the top of the page.

Forward the completed Retest Answer Sheet and the completed Form 13615, Volunteer Agreement, as directed for grading.

Do not submit your entire test booklet unless otherwise directed.

## Retest Instructions, Continued

---

<b>Retest Score</b>	You will be advised of your retest results. Your Retest Answer Sheet and Volunteer Agreement will be maintained by your Site Coordinator.
<b>Certification</b>	Each course must be passed with a minimum score of <b>80%</b> for certification. If you do not achieve a score of at least <b>80%</b> , you should discuss it with your Facilitator or Training/Site Coordinator.
<b>VITA/TCE Courses</b>	<p>There are five courses. They are <b>Basic, Intermediate, Advanced, Military, and International</b>. Each course is summarized below.</p> <ul style="list-style-type: none"><li>• <b>Basic:</b> This course covers the completion of wage earner type returns.</li><li>• <b>Intermediate:</b> This course covers completion of returns from wage earners, those who receive pension income, and more complex Forms 1040.</li><li>• <b>Advanced:</b> This course covers the completion of the full scope of returns. It requires certification in Basic and Intermediate.</li><li>• <b>Military:</b> This course covers the full scope of returns presented by members of the Armed Forces, Reserve and National Guard. It requires certification in Basic and Intermediate.</li><li>• <b>International:</b> This course covers the completion of returns for taxpayers (non-Military) living outside the United States and assisted by volunteers working at U.S. Embassies and Consulates or other areas. This requires certification in Basic and Intermediate.</li></ul> <p><b>All volunteers must complete the Basic course.</b> Volunteers who are certified in Basic can prepare returns within the scope of the Basic course. Volunteers can stop with Basic or proceed with other courses. Volunteers can only prepare returns for the level for which they have been certified.</p> <p>Volunteers who wish to take Advanced, Military or International <b>must</b> complete Basic and Intermediate before proceeding with these additional courses. Remember each course for which you wish to be certified must be passed with a minimum score of 80% accuracy.</p>

You may take this volunteer certification test online using the Link & Learn Taxes e-learning application at <http://www.irs.gov/app/vita/index.jsp>

or

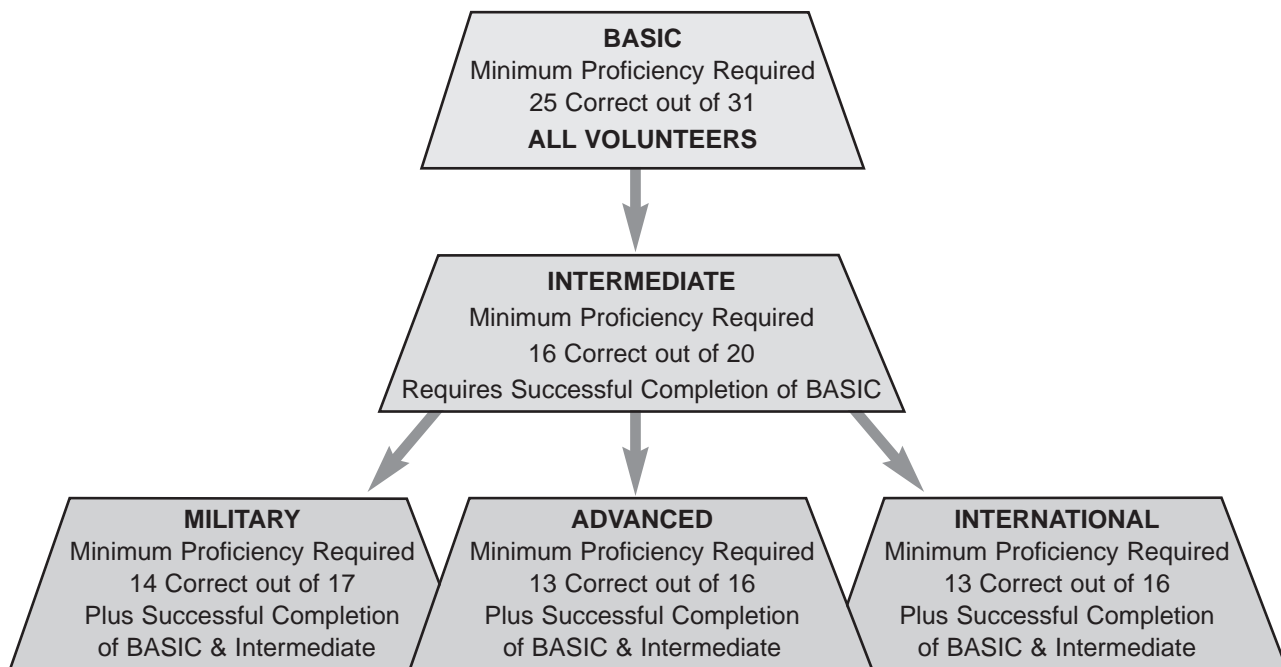
at [www.irs.gov](http://www.irs.gov), using keyword search: Link and Learn.



## VITA/TCE Certification Requirements

**Basic** certification is required for all volunteers who prepare or review tax returns in the VITA/TCE programs. Volunteers may certify at increasing levels of complexity based on their training and experience. Each level of certification builds on the previous level.

After completing the **Basic** certification (4 Scenarios and 1 Quality Review), volunteers may proceed to the **Intermediate** certification (2 Scenarios) followed by the **Advanced** or **Military** or **International** certification (1 Partial Return and 1 Quality Review of a completed return) as their training and experience warrants.



# Retest Answer Sheet

Name \_\_\_\_\_

Record all your answers on this tear-out page. Your Facilitator will tell you where to send your Retest Answer Sheet for grading. Be sure to complete and sign the Form 13615, Volunteer Agreement.

**Privacy Act Notice**

The Privacy Act of 1974 requires that when we ask for information we tell you our legal right to ask for the information, why we are asking for it, and how it will be used. We must also tell you what could happen if we do not receive it, and whether your response is voluntary, required to obtain a benefit, or mandatory.

Our legal right to ask for information is 5 U.S.C. 301.

We are asking for this information to assist us in contacting you relative to your interest and/or participation in the IRS volunteer income tax preparation and outreach programs. The information you provide may be furnished to others who coordinate activities and staffing at volunteer return preparation sites or outreach activities. The information may also be used to establish effective controls, send correspondence and recognize volunteers.

Your response is voluntary. However, if you do not provide the requested information, the IRS may not be able to use your assistance in these programs.

Question	Answer
<b>Basic Scenario 1</b>	
1.1	
1.2	
1.3	
1.4	
1.5	
1.6	

<b>Basic Scenario 2</b>	
2.1	
2.2	
2.3	
2.4	
2.5	
2.6	

<b>Basic Scenario 3</b>	
3.1	
3.2	
3.3	
3.4	
3.5	
3.6	

<b>Basic Scenario 4</b>	
4.1	
4.2	
4.3	
4.4	
4.5	
4.6	

<b>Basic Scenario 5</b>	
5.1	
5.2	
5.3	
5.4	
5.5	
5.6	
5.7	

Total Answers Correct: _____	
Total Questions:	31
<b>Passing Score:</b>	<b>25 of 31</b>

Question	Answer
<b>Intermediate Scenario 1</b>	
6.1	
6.2	
6.3	
6.4	
6.5	
6.6	
6.7	
6.8	
6.9	
6.10	
6.11	

<b>Intermediate Scenario 2</b>	
7.1	
7.2	
7.3	
7.4	
7.5	
7.6	
7.7	
7.8	
7.9	

Total Answers Correct: _____	
Total Questions:	20
<b>Passing Score:</b>	<b>16 of 20</b>

Question	Answer
<b>Advanced Scenario 1</b>	
8.1	
8.2	
8.3	
8.4	
8.5	
8.6	

<b>Advanced Scenario 2</b>	
9.1	
9.2	
9.3	
9.4	
9.5	
9.6	
9.7	
9.8	
9.9	
9.10	

Total Answers Correct: _____	
Total Questions:	16
<b>Passing Score:</b>	<b>13 of 16</b>

Question	Answer
<b>Military Scenario 1</b>	
10.1	
10.2	
10.3	
10.4	
10.5	
10.6	
10.7	
10.8	
10.9	

<b>Military Scenario 2</b>	
11.1	
11.2	
11.3	
11.4	
11.5	
11.6	
11.7	
11.8	

Total Answers Correct: _____	
Total Questions:	17
<b>Passing Score:</b>	<b>14 of 17</b>

Question	Answer
<b>International Scenario 1</b>	
12.1	
12.2	
12.3	
12.4	
12.5	
12.6	
12.7	

<b>International Scenario 2</b>	
13.1	
13.2	
13.3	
13.4	
13.5	
13.6	
13.7	
13.8	
13.9	

Total Answers Correct: _____	
Total Questions:	16
<b>Passing Score:</b>	<b>13 of 16</b>

Department of the Treasury – Internal Revenue Service  
**Volunteer Agreement**  
**(Standards of Conduct – VITA/TCE Programs)**

The mission of the VITA/TCE Program is to provide free basic tax return preparation for eligible taxpayers. Volunteers are the program's most valuable resource. To establish the greatest degree of public trust Volunteers have a responsibility to provide high quality service and uphold the highest of ethical standards.

**Instructions: To be completed by all volunteers in the VITA/TCE (Certified and non-certified) program.**

As a participant in the VITA/TCE Program, I agree to the following standards of conduct:

- I will treat all taxpayers professionally, with courtesy and respect.
- I will safeguard the confidentiality of taxpayer information.
- I will apply the tax laws equitably and accurately to the best of my ability.
- I will only prepare returns within the scope of my training and certification level. (Basic, advance, etc)
- I will exercise reasonable care in the use and protection of equipment and supplies.
- I will not solicit business from taxpayers I assist or use the knowledge I have gained about them for any direct or indirect personal benefit for me or any other specific individual.
- I will not accept payment from taxpayers for the services I provide. I may receive compensation as an employee of a program sponsor.

**Volunteer Information**

Print Full Name

Signature and Date

Home Street Address

Daytime Telephone

City, State and Zip Code

E-mail Address

Site and/or Partner Name

**This form is to be retained at the Site or Partner level.**

**Volunteer position(s)** \_\_\_\_\_ **Was a test taken?** Yes  No   
(screener, preparer, interpreter, etc.)

**(IRS or Partner Use Only) Test Results – write the test score in the appropriate box below.**

	Basic	Intermediate	Advanced	Military	International	Foreign Student/Scholars		
						Part 1	Part 2	Part 3
Volunteer's VITA/TCE Test Score – Mark the appropriate box								
Certification level – Mark the appropriate box								
Testing Method	Link & Learn	IRS Paper Test	Non-IRS Approved Test	Other (describe method of testing)				
Mark the appropriate box								

Certified by (IRS or SPEC Partner Only): \_\_\_\_\_ Date: \_\_\_\_\_

**Privacy Act Notice**—The Privacy Act of 1974 requires that when we ask for information we tell you our legal right to ask for the information, why we are asking for it, and how it will be used. We must also tell you what could happen if we do not receive it, and whether your response is voluntary, required to obtain a benefit, or mandatory. Our legal right to ask for information is 5 U.S.C. 301. We are asking for this information to assist us in contacting you relative to your interest and/or participation in the IRS volunteer income tax preparation and outreach programs. The information you provide may be furnished to others who coordinate activities and staffing at volunteer return preparation sites or outreach activities. The information may also be used to establish effective controls, send correspondence and recognize volunteers. Your response is voluntary. However, if you do not provide the requested information, the IRS may not be able to use your assistance in these programs.



## 2006 6745 Retest – Basic Course

### Basic Scenario 1: Fred Fulton

**Taxpayer** Fred Fulton completed Form 13614, Intake and Interview Sheet.

---

**Taxpayer Documents**

- Social Security card for Fred Fulton
- W-2 for Fred Fulton

---

**Interview Notes**

- Fred lived with his parents all year. He does not pay rent or household bills.
- Fred tells you he does not provide over half of his own support.
- He started working full-time in 2006 and is saving most of his money.
- Fred does not want to designate \$3 to go to the Presidential Election Campaign Fund.



**Intake and Interview Sheet**

**You (and Spouse) will need:**

- Proof of Identity
- Copies of ALL W-2 1098, 1099 forms
- Social Security (SSN) or Individual Tax Identification Number (ITIN) for all individuals to be listed on the return
- Child care providers' identification number
- Taxpayers' banking information (voided check and/or savings deposit slip) for refund deposits
- Estimated tax payments made, etc.
- Amounts of other income

**Part I: Taxpayer Information**

1. Your First Name FRED		M.I. R	Last Name FULTON		2. SSN or ITIN 1 1 0 - X X - X X X X	
3. Date of Birth (mm/dd/yyyy) 01 / 16 / 1988		4. Job Title CUSTOMER SERVICE REP				
5. Spouse's First Name		M.I.	Last Name		6. SSN or ITIN - -	
7. Date of Birth (mm/dd/yyyy) / /		8. Job Title				
9. Address 551 SOUTH LULLWOOD			Apt #	City YOUR CITY	State YS	Zip Code YOUR ZIP
10. Phone Numbers: Daytime YOUR PHONE NUMBER		Evening		Cell		
11. Are you a U.S. Citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			12. Is your Spouse a U.S. Citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No			
13. Can your parents or someone else claim you or your spouse as a dependent on their tax return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No						
14. Did you pay more than half the cost of keeping up the home? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No						
15. Check if Legally Blind: <input type="checkbox"/> Taxpayer <input type="checkbox"/> Spouse						
16. Check if Permanently and Totally Disabled: <input type="checkbox"/> Taxpayer <input type="checkbox"/> Spouse						
17. On December 31st 2006: Were you: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Legally Married <input type="checkbox"/> Separated <input type="checkbox"/> Divorced a. If married, were you living with your spouse at anytime during the last 6 months of the year? <input type="checkbox"/> Yes <input type="checkbox"/> No						
18. Was your spouse deceased? If yes, provide the date of death. ___ / ___ / ___ (mm/dd/yyyy)						

**Part II. Family and Dependent Information – Do not include you or your spouse.**

*Print the name of everyone who lived in your home and outside your home that you supported during the year.*

Name	Date of Birth mm/dd/yyyy	Social Security Number or ITIN	Relationship (son, daughter, etc.)	Months person lived with you in 2006	Check if resident of Canada or Mexico	Is the dependent a full time student? (yes or no)
(a)	(b)	(c)	(d)	(e)	(f)	(g)

**STOP Page 2 TO BE COMPLETED BY CERTIFIED VOLUNTEER**

---

**Part III. Filing Status & Dependency Determination**

---

Volunteers: In order to conduct a thorough interview, please use the decision trees, interview tips and informational charts in Publications 4012 and/or 17 in addition to this intake sheet. This intake sheet does not constitute a complete interview.

---

**Filing Status Determination – Use Publications 4012 and/or 17 to determine filing status.**

1. Based on the interview, the filing status of the taxpayer is:  Single  MFJ  MFS\*  HH  Qualifying Widow(er)

\*Spouse Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

**Dependency Determination – Use Publications 4012 and/or 17 to determine dependency exemptions.**

- Yes  No 2. Did the taxpayer provide more than 50% of the support for the dependents claimed?  
 Yes  No 3. Is there a signed Form 8332 or a divorce decree that allows someone else to claim the dependent(s)?  
 Yes  No 4. Is the dependent permanently and totally disabled?  
5. Based on the interview, how many individuals qualify as dependents for this return? \_\_\_\_\_
- 

**COMMONLY USED INCOME AND EXPENSES**

Volunteers: Please use Publication 17, *Your Federal Income Tax for Individuals* and Publication 4012, *Volunteer Resource Guide* while discussing the questions below with the taxpayer.

---

**Part IV. Income – In 2006, did you receive:**

- Yes  No 1. Wages or Salary (Include W-2s for all jobs worked during the year)  
 Yes  No 2. Disability income  
 Yes  No 3. Interest from: checking or savings account, bonds, dividends, CD, or brokerage account  
 Yes  No 4. State tax refund (may be taxable if you itemized last year)  
 Yes  No 5. Alimony income  
 Yes  No 6. Tip income  
 Yes  No 7. Pension and/or IRA distribution  
 Yes  No 8. Unemployment  
 Yes  No 9. Social Security or Railroad Retirement  
 Yes  No 10. Self Employment  
 Yes  No 11. Other income such as gambling winnings, awards, prizes and Jury duty
- 

**Part V. Adjustment – Did you have 2006 expenses for:**

- Yes  No 1. IRA or other retirement account  
 Yes  No 2. Alimony payments paid (If yes, you must provide the name and SSN of the recipient)  
 Yes  No 3. Education related expenses
- 

**Part VI. Itemized Deductions – Did you have 2006 expenses for:**

- Yes  No 1. Un-reimbursed medical expenses  
 Yes  No 2. Home mortgage payments (interest and taxes – see Form 1098)  
 Yes  No 3. Charitable contributions
- 

**Part VII. Credits – In 2006, did you have:**

- Yes  No 1. Child/dependent care expenses that allow you (and your spouse-if MFJ) to work  
 Yes  No 2. Educational expenses for you or your dependents  
 Yes  No 3. Retirement Savings Contribution
- 

**Part VIII. Earned Income Tax Credit Determination – EITC Eligibility**

- Yes  No 1. Was EITC previously disallowed (if yes taxpayer may not be eligible for EITC)  
 Yes  No 2. Based on the interview, is the taxpayer qualified for EITC?
-

a. Control number		22222	Void <input type="checkbox"/>	For Official Use Only OMB No. 1545-0046		
b. Employer identification number (EIN)		01-1XXXXXX		1. Wages, tips, other compensation	2. Federal income tax withheld	
c. Employer's name, address, and ZIP code HI DEF CABLE COMPANY 2710 BIRCH, BLDG 5 YOUR CITY, STATE ZIP		3. Social security wages		8500.00	4. Social security tax withheld	627.00
		5. Medicare wages and tips		8500.00	6. Medicare tax withheld	123.25
		7. Social security tips			8. Allocated tax	
d. Employee's social security number		110 XX XXXX		9. Advance EIC payment	10. Dependent care benefits	
e. Employee's first name and initial		Last name		Self		11. Requalified plans
FRED R.		FULTON				12a. See instructions for box 12
551 SOUTH LULLWOOD YOUR CITY, STATE ZIP		13. Health insurance		<input type="checkbox"/>	13b.	
		14. Other		<input type="checkbox"/>	13c.	
f. Employee's address and ZIP code				<input type="checkbox"/>	13d.	
					13e.	
					13f.	
19. Yes <input type="checkbox"/> No <input type="checkbox"/> Employer's 2006 ID number		20. Gross wages, tips, etc.	21. Union reporting fee	22. Local income tax, etc.	23. Local income tax	24. Union dues
YS 01-1XXXXXX		8500.00	220.00			

Form **W-2** Wage and Tax Statement **2006** Department of the Treasury—Internal Revenue Service  
 Copy A For Social Security Administration — Send this entire page with Form W-3 to the Social Security Administration; photocopies are not acceptable. Fair Privacy Act and Paperwork Reduction Act Notice, see back of Copy D. Cat. No. 10124D

Do Not Cut, Fold, or Staple Forms on This Page — Do Not Cut, Fold, or Staple Forms on This Page

---

## Basic Scenario 1 Retest Questions

### Directions

Using your resource materials and Interview Notes, answer the following questions. You are a volunteer at site S11011111.

*Note: To complete social security numbers and employer identification numbers, replace Xs with 286560 or with the EFIN provided by your instructor.*

- 1.1** Fred wants to know if he is required to file a tax return. You answer:
- a. Yes
  - b. No
- 1.2** Fred decides to file a tax return. Fred's total number of personal exemptions is:
- a. 0
  - b. 1
  - c. 2
  - d. Fred can choose either 0 or 1
- 1.3** For one question on the Intake and Interview sheet, Fred's answer is inconsistent with the Interview Notes. Which question is that? Provide the number to that question: \_\_\_\_\_
- 1.4** What is the amount of Fred's standard deduction?
- a. \$0
  - b. \$850
  - c. \$5,150
  - d. \$5,450
- 1.5** During 2006, Fred's grandmother gave him a \$5,000 gift. Will you include that on Fred's tax return?
- a. Yes
  - b. No
- 1.6** Does Fred meet the Earned Income Tax Credit eligibility requirements?
- a. Yes
  - b. No

## Basic Scenario 2: Jake and Maria Flood

**Taxpayer** Jake and Maria Flood completed their Intake and Interview Sheet (Form 13614) and want to file together.

---

**Taxpayer Documents**

- Social Security card for Jake Flood
- Social Security card for Maria Flood
- Form W-2 for Jake Flood
- Form W-2 for Maria Flood
- Form 1099-INT from credit union
- Form 1099-G for unemployment Maria received: \$3,000
- Worker's compensation for Jake: \$1,000

---

**Interview Notes**

- Jake and Maria do not receive tips from their jobs.
- Neither one attends school.
- Jake pays child support each month for a son who lives with the son's mother. The son's mother always claims the son on her tax return.
- Neither Jake nor Maria has received any distributions from any type of retirement plan.
- Both of them want to designate \$3 to go to the Presidential Election Campaign Fund.



**Intake and Interview Sheet**

**You (and Spouse) will need:**

- Proof of Identity
- Copies of ALL W-2 1098, 1099 forms
- Social Security (SSN) or Individual Tax Identification Number (ITIN) for all individuals to be listed on the return
- Child care providers' identification number
- Taxpayers' banking information (voided check and/or savings deposit slip) for refund deposits
- Estimated tax payments made, etc.
- Amounts of other income

**Part I: Taxpayer Information**

1. Your First Name JAKE		M.I. H	Last Name FLOOD		2. SSN or ITIN 1 2 0 - X X - X X X X	
3. Date of Birth (mm/dd/yyyy) 02 / 27 / 1980		4. Job Title CUSTODIAN				
5. Spouse's First Name MARIA		M.I. E	Last Name FLOOD		6. SSN or ITIN 1 2 1 - X X - X X X X	
7. Date of Birth (mm/dd/yyyy) 08 / 19 / 1983		8. Job Title HOUSEKEEPING				
9. Address 2022 RILEY ROW			Apt # 205	City YOUR CITY	State YS	Zip Code YOUR ZIP
10. Phone Numbers: Daytime YOUR PHONE NUMBER		Evening		Cell		
11. Are you a U.S. Citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			12. Is your Spouse a U.S. Citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
13. Can your parents or someone else claim you or your spouse as a dependent on their tax return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No						
14. Did you pay more than half the cost of keeping up the home? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No						
15. Check if Legally Blind: <input type="checkbox"/> Taxpayer <input type="checkbox"/> Spouse						
16. Check if Permanently and Totally Disabled: <input type="checkbox"/> Taxpayer <input type="checkbox"/> Spouse						
17. On December 31st 2006: Were you: <input type="checkbox"/> Single <input checked="" type="checkbox"/> Legally Married <input type="checkbox"/> Separated <input type="checkbox"/> Divorced a. If married, were you living with your spouse at anytime during the last 6 months of the year? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No						
18. Was your spouse deceased? If yes, provide the date of death. ___ / ___ / ___ (mm/dd/yyyy)						

**Part II. Family and Dependent Information – Do not include you or your spouse.**

*Print the name of everyone who lived in your home and outside your home that you supported during the year.*

Name	Date of Birth mm/dd/yyyy	Social Security Number or ITIN	Relationship (son, daughter, etc.)	Months person lived with you in 2006	Check if resident of Canada or Mexico	Is the dependent a full time student? (yes or no)
(a)	(b)	(c)	(d)	(e)	(f)	(g)

**STOP Page 2 TO BE COMPLETED BY CERTIFIED VOLUNTEER**

---

**Part III. Filing Status & Dependency Determination**

---

Volunteers: In order to conduct a thorough interview, please use the decision trees, interview tips and informational charts in Publications 4012 and/or 17 in addition to this intake sheet. This intake sheet does not constitute a complete interview.

---

**Filing Status Determination – Use Publications 4012 and/or 17 to determine filing status.**

1. Based on the interview, the filing status of the taxpayer is:  Single  MFJ  MFS\*  HH  Qualifying Widow(er)

\*Spouse Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

**Dependency Determination – Use Publications 4012 and/or 17 to determine dependency exemptions.**

- Yes  No 2. Did the taxpayer provide more than 50% of the support for the dependents claimed?  
 Yes  No 3. Is there a signed Form 8332 or a divorce decree that allows someone else to claim the dependent(s)?  
 Yes  No 4. Is the dependent permanently and totally disabled?  
5. Based on the interview, how many individuals qualify as dependents for this return? \_\_\_\_\_
- 

**COMMONLY USED INCOME AND EXPENSES**

Volunteers: Please use Publication 17, *Your Federal Income Tax for Individuals* and Publication 4012, *Volunteer Resource Guide* while discussing the questions below with the taxpayer.

---

**Part IV. Income – In 2006, did you receive:**

- Yes  No 1. Wages or Salary (Include W-2s for all jobs worked during the year)  
 Yes  No 2. Disability income  
 Yes  No 3. Interest from: checking or savings account, bonds, dividends, CD, or brokerage account  
 Yes  No 4. State tax refund (may be taxable if you itemized last year)  
 Yes  No 5. Alimony income  
 Yes  No 6. Tip income  
 Yes  No 7. Pension and/or IRA distribution  
 Yes  No 8. Unemployment  
 Yes  No 9. Social Security or Railroad Retirement  
 Yes  No 10. Self Employment  
 Yes  No 11. Other income such as gambling winnings, awards, prizes and Jury duty
- 

**Part V. Adjustment – Did you have 2006 expenses for:**

- Yes  No 1. IRA or other retirement account  
 Yes  No 2. Alimony payments paid (If yes, you must provide the name and SSN of the recipient)  
 Yes  No 3. Education related expenses
- 

**Part VI. Itemized Deductions – Did you have 2006 expenses for:**

- Yes  No 1. Un-reimbursed medical expenses  
 Yes  No 2. Home mortgage payments (interest and taxes – see Form 1098)  
 Yes  No 3. Charitable contributions
- 

**Part VII. Credits – In 2006, did you have:**

- Yes  No 1. Child/dependent care expenses that allow you (and your spouse-if MFJ) to work  
 Yes  No 2. Educational expenses for you or your dependents  
 Yes  No 3. Retirement Savings Contribution
- 

**Part VIII. Earned Income Tax Credit Determination – EITC Eligibility**

- Yes  No 1. Was EITC previously disallowed (if yes taxpayer may not be eligible for EITC)  
 Yes  No 2. Based on the interview, is the taxpayer qualified for EITC?
-



a Control number <b>22222</b>		Void <input type="checkbox"/>	For Official Use Only OMB No. 1545-0048	
b Employee identification number (EIN) <b>02-1XXXXXX</b>		1 Wages, inc. other compensation <b>21080.00</b>		2 Federal income tax withheld <b>1080.00</b>
c Employer's name, address, and ZIP code <b>NORTHSIDE ISD 9543 LANDINGS POINT YOUR CITY, STATE ZIP</b>		3 Social security wages <b>21580.00</b>		4 Social security tax withheld <b>1336</b>
		5 Medicare wages and tips <b>21580.00</b>		6 Medicare tax withheld <b>313</b>
		7 Social security tips		8 Allocated tips
d Employee's social security number <b>121 XX XXXX</b>		9 Advance EIC payment		10 Dependent care benefits
e Employer's first name and initial <b>JAKE H</b>		Last name <b>FLOOD</b>		11 Nonqualified plan
f Employer's address and ZIP code <b>2022 RILEY ROW, APT 205 YOUR CITY, STATE ZIP</b>		12a See instructions for box 12 <b>D 500.00</b>		12b
		12c		12d
15 State Employer's state ID number <b>YS 02-1XXXXXX</b>		16 State wages, inc. etc. <b>21080.00</b>	17 State income tax <b>327.00</b>	18 Local wages, inc. etc.
		19 Local income tax	20 Locality name	

Form **W-2** Wage and Tax Statement **2006** Department of the Treasury—Internal Revenue Service  
 Copy A For Social Security Administration — Send this entire page with Form W-3 to the Social Security Administration; photocopies are not acceptable. For Privacy Act and Paperwork Reduction Act Notice, see back of Copy D. Cat. No. 101040

Do Not Cut, Fold, or Staple Forms on This Page — Do Not Cut, Fold, or Staple Forms on This Page

a Control number <b>22222</b>		Void <input type="checkbox"/>	For Official Use Only OMB No. 1545-0048	
b Employee identification number (EIN) <b>02-2XXXXXX</b>		1 Wages, inc. other compensation <b>10200.00</b>		2 Federal income tax withheld <b>423.00</b>
c Employer's name, address, and ZIP code <b>STAY-A-WHILE MOTEL 18302 WEST MARLBORO MESA YOUR CITY, STATE ZIP</b>		3 Social security wages <b>10200.00</b>		4 Social security tax withheld <b>632.00</b>
		5 Medicare wages and tips <b>10200.00</b>		6 Medicare tax withheld <b>148.00</b>
		7 Social security tips		8 Allocated tips
d Employee's social security number <b>121 XX XXXX</b>		9 Advance EIC payment		10 Dependent care benefits
e Employer's first name and initial <b>MARIA E</b>		Last name <b>FLOOD</b>		11 Nonqualified plan
f Employer's address and ZIP code <b>2022 RILEY ROW APT 205 YOUR CITY, STATE ZIP</b>		12a See instructions for box 12		12b
		12c		12d
15 State Employer's state ID number <b>YS 02-2XXXXXX</b>		16 State wages, inc. etc. <b>10200.00</b>	17 State income tax <b>195.00</b>	18 Local wages, inc. etc.
		19 Local income tax	20 Locality name	

Form **W-2** Wage and Tax Statement **2006** Department of the Treasury—Internal Revenue Service  
 Copy A For Social Security Administration — Send this entire page with Form W-3 to the Social Security Administration; photocopies are not acceptable. For Privacy Act and Paperwork Reduction Act Notice, see back of Copy D. Cat. No. 101040

Do Not Cut, Fold, or Staple Forms on This Page — Do Not Cut, Fold, or Staple Forms on This Page

**State Worker's  
Compensation  
Commission**

1216 Jordan  
Your City, Your State Your Zip

January 6, 2007

Statement of Worker's Compensation Benefits

Period ending 12/31/2006

Jake H. Flood 120-XX-XXXX

Year to date benefits received \$1000

Roger P. Andrews

CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no. TEACHERS FEDERAL CREDIT UNION 74 PAYDEN PLACE YOUR CITY, STATE ZIP		Payer's RTN (optional)	OMB No. 1545-0112 <b>2006</b> Form <b>1099-INT</b> <b>Interest Income</b>
PAYER'S Federal identification number 02-3XXXXXXX	RECIPIENT'S identification number 120-XX-XXXX	1 Interest income not included in box 1 \$ 215.00	<b>Copy B For Recipient</b> This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
RECIPIENT'S name JAKE FLOOD		2 Early withdrawal penalty \$	
Street address (including apt. no.) 2022 RILEY ROW APT 205 City, state, and ZIP code YOUR CITY, STATE ZIP		3 Interest on U.S. Savings Bonds and Treas. obligations \$	
Account number (see instructions)		4 Federal income tax withheld \$	
		5 Investment expenses \$	
		6 Foreign tax paid \$	7 Foreign country or U.S. possession
Form <b>1099-INT</b>		(keep for your records)	Department of the Treasury - Internal Revenue Service

CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no. <b>STATE UNEMPLOYMENT COMMISSION</b> <b>100 MARKET STREET</b> <b>YOUR CITY, STATE ZIP</b>		1 Unemployment compensation \$ <b>3000</b>	OMB No. 1545-0120 <b>2006</b> Form <b>1099-G</b>
		2 State or local income tax refunds, credits, or offsets \$	
PAYER'S federal identification number <b>02-4XXXXXX</b>	RECIPIENT'S identification number <b>121-XX-XXXX</b>	3 Box 2 amount is for tax year	4 Federal income tax withheld \$ <b>0</b>
RECIPIENT'S name <b>MARIA E FLOOD</b>		5 ATAA payments \$	6 Taxable grants \$
Street address (including apt. no.) <b>2022 RILEY ROW, APT 205</b>		7 Agriculture payments \$	8 Box 2 is trade or business income <input type="checkbox"/>
City, state, and ZIP code <b>YOUR CITY, STATE ZIP</b>			
Account number (see instructions)			

**Certain  
Government  
Payments**

**Copy B  
For Recipient**

This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

Form **1099-G**

(keep for your records)

Department of the Treasury - Internal Revenue Service

---

## Basic Scenario 2 Retest Questions

### Directions

Complete Form 1040 for Jack and Maria Flood through line 56 in order to answer the following questions. You are a volunteer at site S12011111.

*Note: To complete social security numbers and employer identification numbers, replace Xs with 286560 or with the EFIN provided by your instructor.*

- 2.1 What is the Floods' total income on line 22 of Form 1040? \_\_\_\_\_
- 2.2 What is the Floods' standard deduction amount on line 40 of Form 1040? \$\_\_\_\_\_
- 2.3 If the Floods' taxable income on line 43 of Form 1040 is \$17,595, what is the tax on line 44? \$\_\_\_\_\_
- 2.4 On what page of Publication 4012, Volunteer Resource Guide, is there a chart of the requirements for qualifying for the Retirement Savings Credit? \_\_\_\_\_
- 2.5 There are a number of criteria taxpayers must meet to qualify for the Retirement Savings Contribution Credit. Do the Floods qualify?
- a. Yes
  - b. No
- 2.6 Is the child support that Jake pays for his son deductible?
- a. Yes
  - b. No

### Basic Scenario 3: Matilde and Darius Howard

**Taxpayer** Matilde and Darius Howard completed their Intake and Interview Sheet, Form 13614, and want to file together. Their two children, Michael and Isabelle live with them.

- Taxpayer Documents**
- Social security cards for Matilde, Darius, Michael, and Isabelle Howard
  - Form W-2 for Matilde Howard
  - Form W-2 for Darius Howard
  - Form 1099-DIV from US Equity Fund
  - Form 1098-T from Brown Junior College
  - Statement from Extended Learning Center
  - Statement from Outdoor Experiences

- Interview Notes**
- Their son, Michael, started college in September, working toward a degree in business. They used a student loan to pay for tuition, fees, books and other expenses since he did not have a scholarship. Michael was free of any felony conviction for possessing or distributing a controlled substance.
  - They showed you a statement from Brown Junior College showing Tuition and Fees paid matching the dollar amount in box 2 of Form 1098-T.
  - Their daughter, Isabelle, attended school and went to after-school care during the school year until either Darius or Matilde could pick her up.
  - Isabelle attended an overnight camp for one week.
  - Most of the summer, Michael took care of Isabelle during the day and his parents paid him \$375. This was his only income for the year.
  - The Howards paid Beatrice Wallace, a neighbor, \$400 to keep Isabelle in Beatrice's home for two weeks during the summer. Her SSN is 134-XX-XXXX, and her address is 1920 Calvin's Court, Plantation FL, 33306.
  - The Howards want to claim the Federal Telephone Excise Tax. They state they paid taxes on their long distance service, but did not keep any bills that would show the amount they paid.



**Intake and Interview Sheet**

**You (and Spouse) will need:**

- Proof of Identity
- Copies of ALL W-2 1098, 1099 forms
- Social Security (SSN) or Individual Tax Identification Number (ITIN) for all individuals to be listed on the return
- Child care providers' identification number
- Taxpayers' banking information (voided check and/or savings deposit slip) for refund deposits
- Estimated tax payments made, etc.
- Amounts of other income

**Part I: Taxpayer Information**

1. Your First Name DARIUS		M.I. P	Last Name HOWARD		2. SSN or ITIN 1 3 0 - X X - X X X X	
3. Date of Birth (mm/dd/yyyy) 09 / 21 / 1960		4. Job Title TRUCK DRIVER				
5. Spouse's First Name MATILDE		M.I. S	Last Name HOWARD		6. SSN or ITIN 1 3 1 - X X - X X X X	
7. Date of Birth (mm/dd/yyyy) 03 / 06 / 1961		8. Job Title SALES CLERK				
9. Address 1932 CALVIN'S COURT			Apt #	City YOUR CITY	State YS	Zip Code YOUR ZIP
10. Phone Numbers: Daytime YOUR PHONE NUMBER		Evening		Cell		
11. Are you a U.S. Citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		12. Is your Spouse a U.S. Citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
13. Can your parents or someone else claim you or your spouse as a dependent on their tax return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No						
14. Did you pay more than half the cost of keeping up the home? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No						
15. Check if Legally Blind: <input type="checkbox"/> Taxpayer <input type="checkbox"/> Spouse						
16. Check if Permanently and Totally Disabled: <input type="checkbox"/> Taxpayer <input type="checkbox"/> Spouse						
17. On December 31st 2006: Were you: <input type="checkbox"/> Single <input checked="" type="checkbox"/> Legally Married <input type="checkbox"/> Separated <input type="checkbox"/> Divorced a. If married, were you living with your spouse at anytime during the last 6 months of the year? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No						
18. Was your spouse deceased? If yes, provide the date of death. ____ / ____ / ____ (mm/dd/yyyy)						

**Part II. Family and Dependent Information – Do not include you or your spouse.**

Print the name of everyone who lived in your home and outside your home that you supported during the year.

Name	Date of Birth (mm/dd/yyyy)	Social Security Number or ITIN	Relationship (son, daughter, etc.)	Months person lived with you in 2006	Check if resident of Canada or Mexico	Is the dependent a full time student? (yes or no)
(a)	(b)	(c)	(d)	(e)	(f)	(g)
MICHAEL T HOWARD	7/25/1987	132-XX-XXXX	SON	12		YES
ISABELLE M HOWARD	12/3/1995	133-XX-XXXX	DAUGHTER	12		YES

**STOP** Page 2 TO BE COMPLETED BY CERTIFIED VOLUNTEER

---

**Part III. Filing Status & Dependency Determination**

---

Volunteers: In order to conduct a thorough interview, please use the decision trees, interview tips and informational charts in Publications 4012 and/or 17 in addition to this intake sheet. This intake sheet does not constitute a complete interview.

---

**Filing Status Determination – Use Publications 4012 and/or 17 to determine filing status.**

1. Based on the interview, the filing status of the taxpayer is:  Single  MFJ  MFS\*  HH  Qualifying Widow(er)

\*Spouse Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

**Dependency Determination – Use Publications 4012 and/or 17 to determine dependency exemptions.**

- Yes  No 2. Did the taxpayer provide more than 50% of the support for the dependents claimed?  
 Yes  No 3. Is there a signed Form 8332 or a divorce decree that allows someone else to claim the dependent(s)?  
 Yes  No 4. Is the dependent permanently and totally disabled?  
5. Based on the interview, how many individuals qualify as dependents for this return? \_\_\_\_\_
- 

**COMMONLY USED INCOME AND EXPENSES**

Volunteers: Please use Publication 17, *Your Federal Income Tax for Individuals* and Publication 4012, *Volunteer Resource Guide* while discussing the questions below with the taxpayer.

---

**Part IV. Income – In 2006, did you receive:**

---

- Yes  No 1. Wages or Salary (Include W-2s for all jobs worked during the year)  
 Yes  No 2. Disability income  
 Yes  No 3. Interest from: checking or savings account, bonds, dividends, CD, or brokerage account  
 Yes  No 4. State tax refund (may be taxable if you itemized last year)  
 Yes  No 5. Alimony income  
 Yes  No 6. Tip income  
 Yes  No 7. Pension and/or IRA distribution  
 Yes  No 8. Unemployment  
 Yes  No 9. Social Security or Railroad Retirement  
 Yes  No 10. Self Employment  
 Yes  No 11. Other income such as gambling winnings, awards, prizes and Jury duty
- 

**Part V. Adjustment – Did you have 2006 expenses for:**

---

- Yes  No 1. IRA or other retirement account  
 Yes  No 2. Alimony payments paid (If yes, you must provide the name and SSN of the recipient)  
 Yes  No 3. Education related expenses
- 

**Part VI. Itemized Deductions – Did you have 2006 expenses for:**

---

- Yes  No 1. Un-reimbursed medical expenses  
 Yes  No 2. Home mortgage payments (interest and taxes – see Form 1098)  
 Yes  No 3. Charitable contributions
- 

**Part VII. Credits – In 2006, did you have:**

---

- Yes  No 1. Child/dependent care expenses that allow you (and your spouse-if MFJ) to work  
 Yes  No 2. Educational expenses for you or your dependents  
 Yes  No 3. Retirement Savings Contribution
- 

**Part VIII. Earned Income Tax Credit Determination – EITC Eligibility**

---

- Yes  No 1. Was EITC previously disallowed (if yes taxpayer may not be eligible for EITC)  
 Yes  No 2. Based on the interview, is the taxpayer qualified for EITC?
-

a Control number		22222	VOID <input type="checkbox"/>	For Official Use Only OMB No. 1545-0048		
b Employer identification number (EIN) 03-5XXXXXX			1 Wages, tips, other compensation 24900.00	2 Federal income tax withheld 1344.00		
c Employer's name, address, and ZIP code CROSSROADS SHIPPING 12 DOUGHTIE STREET STE 150 YOUR CITY, STATE ZIP			3 Social security wages 24900.00	4 Social security tax withheld 1544.00		
			5 Medicare wages and tips 24900.00	6 Medicare tax withheld 351.00		
			7 Social security tax	8 Allocated tax		
d Employee's social security number 130 XX XXXX			9 Advance EIC payment	10 Dependent care benefits		
e Employee's first name and initial DARIUS		Last name HOWARD	11 Nonqualified plans	12a See instructions for box 12		
f Employee's address and ZIP code 1932 CALVINS COURT YOUR CITY, STATE ZIP			13 Health coverage <input type="checkbox"/> None <input checked="" type="checkbox"/> Self <input type="checkbox"/> Other	12b		
			14 Other	12c		
f Employee's address and ZIP code			12d			
15 Yes	Employer's state ID number 03-5XXXXXX	16 State wages, tips, etc. 24900.00	17 State income tax 725.00	18 Local wages, tips, etc.	19 Local income tax	20 Local option

Form **W-2 Wage and Tax Statement** **2006** Department of the Treasury—Internal Revenue Service  
 For Privacy Act and Paperwork Reduction Act Notice, see back of Copy D.  
 Copy A For Social Security Administration — Send this entire page with Form W-3 to the Social Security Administration; photocopies are not acceptable. Cal No. 1015HD

Do Not Cut, Fold, or Staple Forms on This Page — Do Not Cut, Fold, or Staple Forms on This Page

a Control number		22222	VOID <input type="checkbox"/>	For Official Use Only OMB No. 1545-0048		
b Employer identification number (EIN) 03-6XXXXXX			1 Wages, tips, other compensation 13,855.00	2 Federal income tax withheld 540.00		
c Employer's name, address, and ZIP code BONNIES BONNETS 2250 DELORIS AVE YOUR CITY, STATE ZIP			3 Social security wages 13,855.00	4 Social security tax withheld 859.00		
			5 Medicare wages and tips 13,855.00	6 Medicare tax withheld 201.00		
			7 Social security tax	8 Allocated tax		
d Employee's social security number 131 XX XXXX			9 Advance EIC payment	10 Dependent care benefits		
e Employee's first name and initial MATILDE S		Last name HOWARD	11 Nonqualified plans	12a See instructions for box 12		
f Employee's address and ZIP code 1932 CALVINS COURT YOUR CITY, STATE ZIP			13 Health coverage <input type="checkbox"/> None <input type="checkbox"/> Self <input type="checkbox"/> Other	12b		
			14 Other	12c		
f Employee's address and ZIP code			12d			
15 Yes	Employer's state ID number 03-6XXXXXX	16 State wages, tips, etc. 13855.00	17 State income tax 519.00	18 Local wages, tips, etc.	19 Local income tax	20 Local option

Form **W-2 Wage and Tax Statement** **2006** Department of the Treasury—Internal Revenue Service  
 For Privacy Act and Paperwork Reduction Act Notice, see back of Copy D.  
 Copy A For Social Security Administration — Send this entire page with Form W-3 to the Social Security Administration; photocopies are not acceptable. Cal No. 1015HD

Do Not Cut, Fold, or Staple Forms on This Page — Do Not Cut, Fold, or Staple Forms on This Page



8383

VOID  CORRECTED

FLSBT (name, street address, city, state, ZIP code, and telephone number) <b>BROWN JUNIOR COLLEGE</b> <b>8700 PALLADIN</b> <b>PORTSMOUTH, NH 03801</b>		1 Payments received for qualified tuition and related expenses <b>\$ 2000.00</b>	DMB No. 1543-1074  Form 1098-T	Tuition Statement
		2 Amounts billed for qualified tuition and related expenses <b>\$ 2000.00</b>		
FLEBT (federal-identification no.) <b>03-1XXXXXX</b>	STUDENT'S social security number <b>132 XX XXXX</b>	3 Check if you have changed your reporting method for 2006 <input type="checkbox"/>		Copy A For Internal Revenue Service Center File with Form 1098. For Privacy Act and Paperwork Reduction Act Notice, see the 2006 General Instructions for Forms 1098, 1099, 5498, and W-2G.
STUDENT'S name <b>MICHAEL T HOWARD</b>		4 Adjustments made for a prior year <b>\$</b>	5 Subsidies or grants <b>\$</b>	
Street address (including apt. no.) <b>1932 CALVINS COURT</b>		6 Adjustments to scholarships or grants for a prior year <b>\$</b>	7 Check this box if the amounts in line 1 or 2 include amounts for an academic period beginning January - March 2007 <input type="checkbox"/>	
City, state, and ZIP code <b>YOUR CITY, STATE ZIP</b>				
Service Provider/Inst. No. (see form)	8 Check if at least part-time student <input checked="" type="checkbox"/>	9 Check if a graduate student <input type="checkbox"/>	10 Inc. contact resp./refund <b>\$</b>	

Form 1098-T

Oct. No. 23007

Department of the Treasury - Internal Revenue Service

Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page

## Extended Learning Center

3030 Joann  
Your City, Your State Your Zip

December 31, 2006

Received \$2700 from Matilde Howard for after-school care of Isabelle.

Della Krause

EIN: 03-3XXXXXX

# OUTDOOR EXPERIENCES

PO BOX 29805  
Your City, Your State Your Zip

August 27, 2008

Received from: Matilde Howard

Amount: \$500

For: One week overnight camp for Isabelle

Jennifer Early, Camp Director

**EIN 03-2XXXXXX**

CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no.		1a Total ordinary dividends	OMB No. 1545-0110	<b>2006</b>	<b>Dividends and Distributions</b>
US EQUITY FUND 8020 YONKERS BLD YOUR CITY, STATE ZIP		\$ 112.00	Form <b>1099-DIV</b>		
		1b Qualified dividends			
		\$ 112.00			
		2a Total capital gain distr.	2b Unrecap. Sec. 1250 gain		<b>Copy B For Recipient</b>
		\$ 25.00	\$		
PAYER'S federal identification number	RECIPIENT'S identification number				
03-4XXXXXX	131-XX-XXXX				
RECIPIENT'S name		2c Section 1202 gain	2d Collectible (28%) gain		This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
MATILDE S HOWARD		\$	\$		
Street address (including apt. no.)		3 Nondividend distributions	4 Federal income tax withheld		
1932 CALVINS COURT		\$	\$		
City, state, and ZIP code		5 Investment expenses	6 Foreign tax paid	7 Foreign country or U.S. possessor	
YOUR CITY, STATE ZIP		\$	\$		
Account number (see instructions)		8 Cash liquidation distributions	9 Noncash liquidation distributions		
		\$	\$		

Form **1099-DIV**

(keep for your records)

Department of the Treasury - Internal Revenue Service

**Label**

See instructions on page 16.  
Use the IRS label. Otherwise, please print or type.

For the year Jan. 1–Dec. 31, 2006, or other tax year beginning 2006, ending , 01

Your first name and initial: **DARIUS P** Last name: **HOWARD**

If a joint return, spouse's first name and initial: **MATILDE S** Last name: **HOWARD**

Home address (number and street, if you have a P.O. box, see page 16) Apt. no.:  
**1932 CALVINS COURT**

City, town or post office, state and ZIP code. If you have a foreign address, see page 16.  
**YOUR CITY, STATE ZIP**

OMB No. 1545-0074

Your social security number:  
**130 XX XXXX**

Spouse's social security number:  
**131 XX XXXX**

You must enter your SSN(s) above.

**Presidential Election Campaign**

Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 16):  You  Spouse

**Filing Status**

Check only one box.

- 1  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 page 17. If the qualifying person is a child but not your dependent, enter the child's name here.
- 5  Qualifying widow(er) with dependent child (see page 17)

**Exemptions**

If more than four dependents, see page 19.

a  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) <input checked="" type="checkbox"/> If qualifying child, see instructions on page 16
MICHAEL	HOWARD	132 XX XXXX	SON	<input type="checkbox"/>
ISABELLE	HOWARD	133 XX XXXX	DAUGHTER	<input checked="" type="checkbox"/>

d Total number of exemptions claimed: **4**

**Income**

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

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

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

7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	38755
8a	Taxable interest. Attach Schedule B if required	8a	
b	Tax-exempt interest. Do not include on line 8b	8b	
9a	Ordinary dividends. Attach Schedule D if required	9a	112
b	Qualified dividends (see page 23)	9b	112
10	Taxable refunds, credits, or offsets of state and local income taxes (see page 23)	10	
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 <input checked="" type="checkbox"/>	13	25
14	Other gains or (losses). Attach Form 4797	14	
15a	IRA distributions	15a	
b	Taxable amount (see page 25)	15b	
16a	Pensions and annuities	16a	
b	Taxable amount (see page 23)	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 (see page 21)	20b	
21	Other income. List type and amount (see page 20)	21	
22	Add the amounts in the far right column for lines 7 through 21. This is your total income	22	38892

**Adjusted Gross Income**

23	Architect MSA deduction. Attach Form 8853	23	
24	Certain business expenses of reservists, performing artists, and fee-based 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	One-half of self-employment tax. Attach Schedule SE	27	
28	Self-employed SEP, SIMPLE, and qualified plans	28	
29	Self-employed health insurance deduction (see page 30)	29	
30	Penalty on early withdrawal of savings	30	
31a	Alimony paid. Is Recipient's SSN <input type="checkbox"/>	31a	
32	IRA deduction (see page 31)	32	
33	Student loan interest deduction (see page 33)	33	
34	Jury duty pay you gave to your employer	34	
35	Domestic production activities deduction. Attach Form 8803	35	
36	Add lines 23 through 31a and 32 through 35	36	
37	Subtract line 36 from line 22. This is your adjusted gross income	37	38892

**Tax and Credits**

**Standard Deduction list—**  
 • People who checked any box on line 39a or 39b or who can be claimed as a dependent, see page 36.  
 • All others:  
 Single or Married filing separately, \$5,150  
 Married filing jointly or Qualifying widow(er), \$10,300  
 Head of household, \$7,550

38 Amount from line 37 (adjusted gross income) **38** 38892

39a Check  You were born before January 2, 1942,  EFiled  Total boxes checked **▶** 39a

or  Spouse was born before January 2, 1942,  EFiled  **▶** 39b

b If your spouse files on a separate return or you was a dual status alien, see page 35 and check here **▶** 39b

40 Itemized deductions (from Schedule A) or standard deduction (see left margin) **40** 10300

41 Subtract line 40 from line 38 **41** 28592

42 If line 38 is over \$113,600, or you provided housing to a person displaced by Hurricane Katrina, see page 37. Otherwise, multiply \$3,300 by the total number of exemptions claimed on line 6d **42** 13200

43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0- **43** 15392

44 Tax (see page 37). Check if any tax is from: a  Form(s) 9914 b  Form 4972 **44** 1543

45 Alternative minimum tax (see page 20). Attach Form 8861 **45**

46 Add lines 44 and 45 **▶** **46** 1543

47 Foreign tax credit. Attach Form 1118 if required **47**

48 Credit for child and dependent care expenses. Attach Form 2441 **48**

49 Credit for the elderly or the disabled. Attach Schedule R **49**

50 Education credits. Attach Form 8863 **50**

51 Retirement savings contributions credit. Attach Form 8880 **51**

52 Residential energy credits. Attach Form 5695 **52**

53 Child tax credit (see page XX). Attach Form 8801 if required **53**

54 Credits from: a  Form 838 b  Form 839 c  Form 832 **54**

55 Other credits: a  Form 3000 b  Form 891 c  Form **55**

56 Add lines 47 through 55. These are your total credits **▶** **56**

57 Subtract line 56 from line 46. If line 56 is more than line 46, enter -0- **▶** **57**

**Other Taxes**

58 Self-employment tax. Attach Schedule SE **58**

59 Social security and Medicare tax on its income not reported to employer. Attach Form 4137 **59**

60 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required **60**

61 Advance earned income credit payments from Form(s) W-2, box 9 **61**

62 Household employment taxes. Attach Schedule H **62**

63 Add lines 57 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 2008 estimated tax payments and amount applied from 2006 return **65**

66a Earned income credit (EIC) **66a**

b Nonrefundable combat pay excluder **▶** 66b

67 Excess social security and tier 1 RRTA tax withheld (see page 39) **67**

68 Additional credit tax credits. Attach Form 8812 **68**

69 Amount paid with request for extension to file (see page 50) **69**

70 Payments from: a  Form 2439 b  Form 4130 c  Form 8000 **70**

71 Credit for federal telephone excise tax paid. Attach Form 8913 if required **71**

72 Add lines 64, 65, 66a, and 67 through 71. These are your total payments **▶** **72**

**Refund**

Direct deposit? See page 59 and fill in 74b, 74c, and 74d or Form 8888

73 If line 72 is more than line 63, subtract line 63 from line 72. This is the amount you overpaid **73**

74a Amount of line 73 you want refunded to you, if Form 8888 is attached, check here  **74a**

b Routing number  **▶** c Type  Checking  Savings

d Account number

75 Amount of line 73 you want applied to your 2007 estimated tax **▶** **75**

**Amount You Owe**

76 Amount you owe. Subtract line 72 from line 63. For details on how to pay, see page 60 **▶** **76**

77 Estimated tax penalty (see page 60) **77**

**Third Party Designee**

Do you want to allow another person to discuss this return with the IRS (see page 67)?  Yes. Complete the following.  No

Designee's name  Phone no.  Personal identification number (PIN)

**Sign Here**

Joint return? See page 17. Keep a copy for your records.

Under penalty of perjury, I declare that I have prepared 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	Designee phone number
Spouse's signature. If a joint return, both must sign	Date	Spouse's occupation	

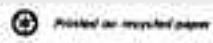
**Paid Preparer's Use Only**

Preparer's signature  Date  Check if self-employed

Preparer's SSN or PTIN

Firm's name or yours if self-employed, address, and ZIP code  EIN

Phone no.



---

## Basic Scenario 3 Retest Questions

### Directions

Use the partially completed Form 1040 (through line 46) and the additional information to answer the following questions. You are a volunteer at site S13011111.

*Note: To complete social security numbers and employer identification numbers, replace Xs with 286560 or with the EFIN provided by your instructor.*

- 3.1** What is the total amount of expenses for Isabelle's care that qualify for inclusion to be entered in box 2c on Part II of Form 2441 (Child and Dependent Care Expenses)? \$\_\_\_\_\_
- 3.2** If line 6 of Form 2441, Child and Dependent Care Expense, is \$3,000, what is the credit allowed on line 11? \$\_\_\_\_\_
- 3.3** The Howards' tentative Education Credit on line 7 of Form 8863 is:
- a. 400
  - b. 690
  - c. 1,550
  - d. 1,650
- 3.4** There are interview tips in Publication 4012, Volunteer Resource Guide, to help determine whether a taxpayer can claim the Child Tax Credit. Those tips are on page \_\_\_\_\_.
- 3.5** Assume for this question only: if the total amount for line 3 of the Child Tax Credit Worksheet is \$1,480, then the Child Tax Credit the Howards can enter on line 53 of Form 1040 is: \_\_\_\_\_
- 3.6** What is the amount of Federal Telephone Excise Tax that the Howards may claim on line 71 of Form 1040? \$\_\_\_\_\_

## Basic Scenario 4: Gladys Berry

**Taxpayer** Gladys Berry completed Form 13614, Intake and Interview Sheet. She has two children, Maria and Kevin.

---

**Taxpayer Documents**

- Social Security card for Gladys
- Social Security card for Kevin
- Social Security card for Maria
- Two Forms W-2 for Gladys
- Form 1099-G – unemployment compensation for Gladys
- Form W-2G for Gladys

---

**Interview Notes**

- Gladys is married but her husband, Sam, moved out of the house and left the family March 2006, and she has not seen Sam since.
- Gladys' mother (Helen) kept the children (Maria and Kevin) in her home after school and during the summer but did not allow Gladys to pay her anything for this help.
- Gladys was laid off in August and received unemployment for two months.
- If she is due a refund, she wants half placed in her checking account and half in her savings account.
- Gladys spent \$400 purchasing lottery tickets during the year and has the tickets at home.



**Intake and Interview Sheet**

**You (and Spouse) will need:**

- Proof of Identity
- Copies of ALL W-2 1098, 1099 forms
- Social Security (SSN) or Individual Tax Identification Number (ITIN) for all individuals to be listed on the return
- Child care providers' identification number
- Taxpayers' banking information (voided check and/or savings deposit slip) for refund deposits
- Estimated tax payments made, etc.
- Amounts of other income

**Part I: Taxpayer Information**

1. Your First Name GLADYS		M.I. S	Last Name BERRY		2. SSN or ITIN 1 4 0 - X X - X X X X	
3. Date of Birth (mm/dd/yyyy) 04 / 29 / 1968		4. Job Title RECEPTIONIST				
5. Spouse's First Name SAM		M.I. A	Last Name BERRY		6. SSN or ITIN - -	
7. Date of Birth (mm/dd/yyyy) 05 / 15 / 1961		8. Job Title CONSTRUCTION WORKER				
9. Address 129 PETERBOROUGH			Apt #	City YOUR CITY	State YS	Zip Code YOUR ZIP
10. Phone Numbers: Daytime YOUR PHONE NUMBER		Evening		Cell		
11. Are you a U.S. Citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		12. Is your Spouse a U.S. Citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
13. Can your parents or someone else claim you or your spouse as a dependent on their tax return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No						
14. Did you pay more than half the cost of keeping up the home? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No						
15. Check if Legally Blind: <input type="checkbox"/> Taxpayer <input type="checkbox"/> Spouse						
16. Check if Permanently and Totally Disabled: <input type="checkbox"/> Taxpayer <input type="checkbox"/> Spouse						
17. On December 31st 2006: Were you: <input type="checkbox"/> Single <input checked="" type="checkbox"/> Legally Married <input type="checkbox"/> Separated <input type="checkbox"/> Divorced a. If married, were you living with your spouse at anytime during the last 6 months of the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No						
18. Was your spouse deceased? If yes, provide the date of death. ___/___/___ (mm/dd/yyyy)						

**Part II. Family and Dependent Information – Do not include you or your spouse.**

Print the name of everyone who lived in your home and outside your home that you supported during the year.

Name (a)	Date of Birth (b)	Social Security Number or ITIN (c)	Relationship (son, daughter, etc.) (d)	Months person lived with you in 2006 (e)	Check if resident of Canada or Mexico (f)	Is the dependent a full time student? (yes or no) (g)
MARIA S BERRY	8/25/2000	141-XX-XXXX	DAUGHTER	12		YES
KEVIN T BERRY	6/6/1996	142-XX-XXXX	SON	12		YES

---

**Part III. Filing Status & Dependency Determination**

---

Volunteers: In order to conduct a thorough interview, please use the decision trees, interview tips and informational charts in Publications 4012 and/or 17 in addition to this intake sheet. This intake sheet does not constitute a complete interview.

---

**Filing Status Determination – Use Publications 4012 and/or 17 to determine filing status.**

1. Based on the interview, the filing status of the taxpayer is:  Single  MFJ  MFS\*  HH  Qualifying Widow(er)

\*Spouse Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

**Dependency Determination – Use Publications 4012 and/or 17 to determine dependency exemptions.**

- Yes  No 2. Did the taxpayer provide more than 50% of the support for the dependents claimed?  
 Yes  No 3. Is there a signed Form 8332 or a divorce decree that allows someone else to claim the dependent(s)?  
 Yes  No 4. Is the dependent permanently and totally disabled?  
5. Based on the interview, how many individuals qualify as dependents for this return? \_\_\_\_\_
- 

**COMMONLY USED INCOME AND EXPENSES**

Volunteers: Please use Publication 17, *Your Federal Income Tax for Individuals* and Publication 4012, *Volunteer Resource Guide* while discussing the questions below with the taxpayer.

---

**Part IV. Income – In 2006, did you receive:**

- Yes  No 1. Wages or Salary (Include W-2s for all jobs worked during the year)  
 Yes  No 2. Disability income  
 Yes  No 3. Interest from: checking or savings account, bonds, dividends, CD, or brokerage account  
 Yes  No 4. State tax refund (may be taxable if you itemized last year)  
 Yes  No 5. Alimony income  
 Yes  No 6. Tip income  
 Yes  No 7. Pension and/or IRA distribution  
 Yes  No 8. Unemployment  
 Yes  No 9. Social Security or Railroad Retirement  
 Yes  No 10. Self Employment  
 Yes  No 11. Other income such as gambling winnings, awards, prizes and Jury duty
- 

**Part V. Adjustment – Did you have 2006 expenses for:**

- Yes  No 1. IRA or other retirement account  
 Yes  No 2. Alimony payments paid (If yes, you must provide the name and SSN of the recipient)  
 Yes  No 3. Education related expenses
- 

**Part VI. Itemized Deductions – Did you have 2006 expenses for:**

- Yes  No 1. Un-reimbursed medical expenses  
 Yes  No 2. Home mortgage payments (interest and taxes – see Form 1098)  
 Yes  No 3. Charitable contributions
- 

**Part VII. Credits – In 2006, did you have:**

- Yes  No 1. Child/dependent care expenses that allow you (and your spouse-if MFJ) to work  
 Yes  No 2. Educational expenses for you or your dependents  
 Yes  No 3. Retirement Savings Contribution
- 

**Part VIII. Earned Income Tax Credit Determination – EITC Eligibility**

- Yes  No 1. Was EITC previously disallowed (if yes taxpayer may not be eligible for EITC)  
 Yes  No 2. Based on the interview, is the taxpayer qualified for EITC?
-



a Control number <b>22222</b>		Void <input type="checkbox"/>	For Official Use Only OMB No. 1545-0046	
b Employer identification number (EIN) <b>04-1XXXXXX</b>			1 Wages, tips, other compensation <b>10790</b>	2 Federal income tax withheld <b>484</b>
c Employer's name, address, and ZIP code <b>LOST PINES CRAFTS 10588 LILLIAN YOUR CITY, STATE ZIP</b>			3 Social security wages <b>10790</b>	4 Social security tax withheld <b>660</b>
			5 Medicare wages and tips <b>10790</b>	6 Medicare tax withheld <b>156</b>
			7 Social security tips	8 Allocated tips
d Employee's social security number <b>140 XX XXXX</b>			9 Advance EIC payment <b>52</b>	10 Dependent care benefits
e Employee's first name and initial <b>GLADYS S</b>		Last name <b>BERRY</b>	11 Nonqualified plans	12a See instructions for box 12
f Employee's address and ZIP code <b>129 PETERBOROUGH YOUR CITY, STATE ZIP</b>			13a Health insurance <input type="checkbox"/>	13b
			13b Retirement plan <input type="checkbox"/>	13c
g Employee's address and ZIP code <b>129 PETERBOROUGH YOUR CITY, STATE ZIP</b>			13c Termination date <input type="checkbox"/>	13d
			14 Other	13e
f Employee's address and ZIP code <b>129 PETERBOROUGH YOUR CITY, STATE ZIP</b>			16 Local wages, tips, etc.	17 State income tax <b>155</b>
18a Yes	18b Employer's state ID number <b>04-1XXXXXX</b>	18c State wages, tips, etc. <b>10790</b>	18d Local wages, tips, etc.	18e Local income tax
19a Yes	19b Employer's state ID number <b>YS 04-1XXXXXX</b>	19c State wages, tips, etc. <b>10790</b>	19d Local wages, tips, etc.	19e Local income tax

Form **W-2** Wage and Tax Statement **2006** Department of the Treasury—Internal Revenue Service  
 Copy A For Social Security Administration — Send this entire page with Form W-3 to the Social Security Administration; photocopies are not acceptable. For Privacy Act and Paperwork Reduction Act Notice, see back of Copy D. Cat. No. 10134D

Do Not Cut, Fold, or Staple Forms on This Page — Do Not Cut, Fold, or Staple Forms on This Page

a Control number <b>22222</b>		Void <input type="checkbox"/>	For Official Use Only OMB No. 1545-0046	
b Employer identification number (EIN) <b>04-2XXXXXX</b>			1 Wages, tips, other compensation <b>6250.00</b>	2 Federal income tax withheld <b>253.00</b>
c Employer's name, address, and ZIP code <b>ORTHOPEDIC SERVICES, PA 1270 WEST 29TH STREET YOUR CITY, STATE ZIP</b>			3 Social security wages <b>6250.00</b>	4 Social security tax withheld <b>388.00</b>
			5 Medicare wages and tips <b>6250.00</b>	6 Medicare tax withheld <b>91.00</b>
			7 Social security tips	8 Allocated tips
d Employee's social security number <b>140 XX XXXX</b>			9 Advance EIC payment	10 Dependent care benefits
e Employee's first name and initial <b>GLADYS S</b>		Last name <b>BERRY</b>	11 Nonqualified plans	12a See instructions for box 12
f Employee's address and ZIP code <b>129 PETERBOROUGH YOUR CITY, STATE ZIP</b>			13a Health insurance <input type="checkbox"/>	13b
			13b Retirement plan <input type="checkbox"/>	13c
g Employee's address and ZIP code <b>129 PETERBOROUGH YOUR CITY, STATE ZIP</b>			13c Termination date <input type="checkbox"/>	13d
			14 Other	13e
f Employee's address and ZIP code <b>129 PETERBOROUGH YOUR CITY, STATE ZIP</b>			16 Local wages, tips, etc.	17 State income tax <b>97.00</b>
18a Yes	18b Employer's state ID number <b>04-2XXXXXX</b>	18c State wages, tips, etc. <b>6250.00</b>	18d Local wages, tips, etc.	18e Local income tax
19a Yes	19b Employer's state ID number <b>YS 04-2XXXXXX</b>	19c State wages, tips, etc. <b>6250.00</b>	19d Local wages, tips, etc.	19e Local income tax

Form **W-2** Wage and Tax Statement **2006** Department of the Treasury—Internal Revenue Service  
 Copy A For Social Security Administration — Send this entire page with Form W-3 to the Social Security Administration; photocopies are not acceptable. For Privacy Act and Paperwork Reduction Act Notice, see back of Copy D. Cat. No. 10134D

Do Not Cut, Fold, or Staple Forms on This Page — Do Not Cut, Fold, or Staple Forms on This Page

3232

CORRECTED

PAYER'S name <b>STATE LOTTERY COMMISSION</b> Street address <b>1800 RAINBOW'S END</b> City, state, and ZIP code <b>YOUR CITY, STATE ZIP</b> Federal identification number Telephone number <b>04-4XXXXXX</b>		1 Gross winnings <b>800</b>	2 Federal income tax withheld <b>0</b>
		3 Type of wager <b>QUICK PICK TICKET</b>	4 Date won <b>07 27 2006</b>
		5 Transaction	6 Race
		7 Writings from identical wagers	8 Cashier
WINNER'S name <b>GLADYS S BERRY</b> Street address (including apt. no.) <b>129 PETERBOROUGH</b> City, state, and ZIP code <b>YOUR CITY, STATE ZIP</b>		9 Winner's taxpayer identification no. <b>140-XX-XXXX</b>	10 Window
		11 First I.D.	12 Second I.D.
		13 StatePayer's state identifier no.	14 State income tax withheld
Under penalties of perjury, I declare that, to the best of my knowledge and belief, the name, address, and taxpayer identification number that I have furnished correctly identify me as the recipient of this payment and any payments from identical wagers, and that no other person is entitled to any part of these payments.			
Signature ▶		Date ▶	

OMB No. 1545-0038

**2006**  
**Form W-2G**  
**Certain**  
**Gambling**  
**Winnings**

For Privacy Act and Paperwork Reduction Act Notice, see the 2006 General Instructions for Forms 1099, 1098, 5498, and W-2G.

File with Form 1096.

**Copy A**  
**For Internal Revenue**  
**Service Center**

Form **W-2G**

Cat. No. 10138V

Department of the Treasury - Internal Revenue Service

CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no. <b>STATE UNEMPLOYMENT COMMISSION</b> <b>1000 GOVERNMENT PLAZA</b> <b>YOUR CITY, STATE ZIP</b>		1 Unemployment compensation <b>\$ 2510.00</b>	OMB No. 1545-0120 <b>2006</b> Form <b>1099-G</b>
		2 State or local income tax refunds, credits, or offsets <b>\$</b>	
PAYER'S federal identification number <b>04-3XXXXXX</b>	RECIPIENT'S identification number <b>140-XX-XXXX</b>	3 Box 2 amount is for tax year	4 Federal income tax withheld <b>\$ 0</b>
RECIPIENT'S name <b>GLADYS BERRY</b> Street address (including apt. no.) <b>129 PETERBOROUGH</b> City, state, and ZIP code <b>YOUR CITY, STATE ZIP</b> Account number (see instructions)		5 ATAA payments <b>\$</b>	6 Taxable grants <b>\$</b>
		7 Agriculture payments <b>\$</b>	8 Box 2 is trade or business income: <input type="checkbox"/>

**Certain**  
**Government**  
**Payments**

**Copy B**  
**For Recipient**

This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

Form **1099-G**

(keep for your records)

Department of the Treasury - Internal Revenue Service

Gladys S. Berry  
 129 Peterborough  
 Your City, State 00000  
 1234  
 15-0000000000  
 ZIP

PAY TO THE ORDER OF

**Bank of America**  
 Anytown, State 00000  
 For

: 111000025 : 123456789 12

**Gladys S. Berry**  
 129 Peterborough  
 Your City, State 00000

**Savings Deposit**  
Please endorse all checks.

Date \_\_\_\_\_  
Deposits may not be available for immediate withdrawal.

Sign Here (If Cash Received)

**Bank of America**  
 Anytown, State 00000  
 : 111000026 : 987654321

Cash \_\_\_\_\_  
 Checks \_\_\_\_\_  
 Subtotal \_\_\_\_\_  
 Less Cash Received \_\_\_\_\_  
 Total Deposit \_\_\_\_\_

---

## Basic Scenario 4 Retest Questions

### Directions

Using your resource materials, answer the following questions. You are a volunteer at site S14011111.

*Note: To complete social security numbers and employer identification numbers, replace Xs with 286560 or with the EFIN provided by your instructor.*

- 4.1** Which filing status should Gladys claim?
- a. Single
  - b. Married Filing Jointly
  - c. Married Filing Separately
  - d. Head of Household
  - e. Qualifying Widow(er) with dependent child
- 4.2** Do any of Gladys' children qualify for the Child Tax Credit according to Form 13614, Intake and Interview Sheet?
- a. Yes
  - b. No
- 4.3** If Gladys' taxable income on line 43 on Form 1040 is \$2,900, what is the tax on line 44? \$\_\_\_\_\_
- 4.4** For all taxpayers, which of the following must be claimed as other income on line 21 of Form 1040?
- a. Unemployment insurance
  - b. Worker's compensation
  - c. Lottery winnings
  - d. Child support payments

- 4.5** What is the amount of Gladys' Earned Income Tax Credit?
- a. \$0
  - b. \$3,353
  - c. \$3,364
  - d. \$3,375
- 4.6** If she is due a refund, Gladys wants half deposited into her checking account and half into her savings account. What form should you complete for a split refund? Form number \_\_\_\_\_.

## Basic Scenario 5: Brenda James

**Taxpayer** Brenda James completed her Form 13614, Intake and Interview Sheet. Her two children, Paul and Emily, live with her.

---

- Taxpayer Documents**
- Social security card for Brenda
  - Social security card for Paul
  - Social security card for Emily
  - Two Forms W-2 for Brenda
  - Form 1099-DIV from Small Cap Mutual Fund
  - Form 1099-INT from First National Bank and Trust
- 

- Interview Notes**
- Brenda and her family live in Texas.
  - Texas does not have a state income tax.
  - Brenda's mother, Sara Reynolds, takes care of Paul all day and Emily after school in her home while Brenda works. Brenda paid her mother \$600 in 2006. Her mother's address is 5200 Lancaster, Your City, State Zip.
  - Brenda's mother is not eligible for a social security number



**Intake and Interview Sheet**

**You (and Spouse) will need:**

- Proof of Identity
- Copies of ALL W-2 1098, 1099 forms
- Social Security (SSN) or Individual Tax Identification Number (ITIN) for all individuals to be listed on the return
- Child care providers' identification number
- Taxpayers' banking information (voided check and/or savings deposit slip) for refund deposits
- Estimated tax payments made, etc.
- Amounts of other income

**Part I: Taxpayer Information**

1. Your First Name BRENDA		M.I. L	Last Name JAMES		2. SSN or ITIN 1 5 0 - 1 1 - 2 9 7 6	
3. Date of Birth (mm/dd/yyyy) 11 / 29 / 1976		4. Job Title CLERK				
5. Spouse's First Name		M.I.	Last Name		6. SSN or ITIN - -	
7. Date of Birth (mm/dd/yyyy) / /		8. Job Title				
9. Address 1492 COLUMBUS DRIVE			Apt #	City AUSTIN	State TX	Zip Code 78701
10. Phone Numbers: Daytime YOUR PHONE NUMBER		Evening		Cell		
11. Are you a U.S. Citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			12. Is your Spouse a U.S. Citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No			
13. Can your parents or someone else claim you or your spouse as a dependent on their tax return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No						
14. Did you pay more than half the cost of keeping up the home? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No						
15. Check if Legally Blind: <input type="checkbox"/> Taxpayer <input type="checkbox"/> Spouse						
16. Check if Permanently and Totally Disabled: <input type="checkbox"/> Taxpayer <input type="checkbox"/> Spouse						
17. On December 31st 2006: Were you: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Legally Married <input type="checkbox"/> Separated <input type="checkbox"/> Divorced a. If married, were you living with your spouse at anytime during the last 6 months of the year? <input type="checkbox"/> Yes <input type="checkbox"/> No						
18. Was your spouse deceased? If yes, provide the date of death. ___/___/___ (mm/dd/yyyy)						

**Part II. Family and Dependent Information – Do not include you or your spouse.**

Print the name of everyone who lived in your home and outside your home that you supported during the year.

Name	Date of Birth (mm/dd/yyyy)	Social Security Number or ITIN	Relationship (son, daughter, etc.)	Months person lived with you in 2006	Check if resident of Canada or Mexico	Is the dependent a full time student? (yes or no)
(a)	(b)	(c)	(d)	(e)	(f)	(g)
PETER JAMES	5/10/2003	151-05-1003	SON	12		NO
EMILY JAMES	12/5/1997	152-12-0597	DAUGHTER	12		YES

**STOP** Page 2 TO BE COMPLETED BY CERTIFIED VOLUNTEER

---

**Part III. Filing Status & Dependency Determination**

---

Volunteers: In order to conduct a thorough interview, please use the decision trees, interview tips and informational charts in Publications 4012 and/or 17 in addition to this intake sheet. This intake sheet does not constitute a complete interview.

---

**Filing Status Determination – Use Publications 4012 and/or 17 to determine filing status.**

1. Based on the interview, the filing status of the taxpayer is:  Single  MFJ  MFS\*  HH  Qualifying Widow(er)

\*Spouse Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

**Dependency Determination – Use Publications 4012 and/or 17 to determine dependency exemptions.**

- Yes  No 2. Did the taxpayer provide more than 50% of the support for the dependents claimed?  
 Yes  No 3. Is there a signed Form 8332 or a divorce decree that allows someone else to claim the dependent(s)?  
 Yes  No 4. Is the dependent permanently and totally disabled?  
5. Based on the interview, how many individuals qualify as dependents for this return? \_\_\_\_\_
- 

**COMMONLY USED INCOME AND EXPENSES**

Volunteers: Please use Publication 17, *Your Federal Income Tax for Individuals* and Publication 4012, *Volunteer Resource Guide* while discussing the questions below with the taxpayer.

---

**Part IV. Income – In 2006, did you receive:**

---

- Yes  No 1. Wages or Salary (Include W-2s for all jobs worked during the year)  
 Yes  No 2. Disability income  
 Yes  No 3. Interest from: checking or savings account, bonds, dividends, CD, or brokerage account  
 Yes  No 4. State tax refund (may be taxable if you itemized last year)  
 Yes  No 5. Alimony income  
 Yes  No 6. Tip income  
 Yes  No 7. Pension and/or IRA distribution  
 Yes  No 8. Unemployment  
 Yes  No 9. Social Security or Railroad Retirement  
 Yes  No 10. Self Employment  
 Yes  No 11. Other income such as gambling winnings, awards, prizes and Jury duty
- 

**Part V. Adjustment – Did you have 2006 expenses for:**

---

- Yes  No 1. IRA or other retirement account  
 Yes  No 2. Alimony payments paid (If yes, you must provide the name and SSN of the recipient)  
 Yes  No 3. Education related expenses
- 

**Part VI. Itemized Deductions – Did you have 2006 expenses for:**

---

- Yes  No 1. Un-reimbursed medical expenses  
 Yes  No 2. Home mortgage payments (interest and taxes – see Form 1098)  
 Yes  No 3. Charitable contributions
- 

**Part VII. Credits – In 2006, did you have:**

---

- Yes  No 1. Child/dependent care expenses that allow you (and your spouse-if MFJ) to work  
 Yes  No 2. Educational expenses for you or your dependents  
 Yes  No 3. Retirement Savings Contribution
- 

**Part VIII. Earned Income Tax Credit Determination – EITC Eligibility**

---

- Yes  No 1. Was EITC previously disallowed (if yes taxpayer may not be eligible for EITC)  
 Yes  No 2. Based on the interview, is the taxpayer qualified for EITC?
-

a Control number		22222	VOID <input type="checkbox"/>	For Official Use Only OMB No. 1545-0048		
b Employer identification number (EIN)			1 Wages, tips, other compensation	2 Federal income tax withheld		
05-1286560			20200	816		
c Employer's name, address, and ZIP code METRO LEGAL OFFICES 9850 PECAN AUSTIN, TX 78701			3 Social security wages	4 Social security tax withheld		
			5 Medicare wages and tips	6 Medicare tax withheld		
			7 Social security tips	8 Allocated tips		
d Employee's social security number			9 Advance EIC payment	10 Dependent care benefits		
150 11 2978			200			
e Employee's first name and initial		Last name	11 Nonqualified plans		12a See instructions for box 12	
BRENDA L		JAMES				
f Employee's address and ZIP code 1492 COLUMBUS DRIVE AUSTIN, TX 78701			13 Health insurance	12b		
			14 Other	12c		
g Employee's address and ZIP code			12d			
19 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 Locally imposed
TX	05-1286560	20200				

Form **W-2 Wage and Tax Statement** **2006** Department of the Treasury—Internal Revenue Service  
 Copy A For Social Security Administration — Send this entire page with Form W-3 to the Social Security Administration; photocopies are not acceptable. For Privacy Act and Paperwork Reduction Act Notice, see back of Copy D. Cat. No. 10134D

Do Not Cut, Fold, or Staple Forms on This Page — Do Not Cut, Fold, or Staple Forms on This Page

a Control number		22222	VOID <input type="checkbox"/>	For Official Use Only OMB No. 1545-0048		
b Employer identification number (EIN)			1 Wages, tips, other compensation	2 Federal income tax withheld		
05-2286560			8250	858		
c Employer's name, address, and ZIP code LARAMIE, SNEED, & COLT, PA 4007 OCEAN SIDE DRIVE, STE 500 AUSTIN, TX 78701			3 Social security wages	4 Social security tax withheld		
			5 Medicare wages and tips	6 Medicare tax withheld		
			7 Social security tips	8 Allocated tips		
d Employee's social security number			9 Advance EIC payment	10 Dependent care benefits		
150 11 2978						
e Employee's first name and initial		Last name	11 Nonqualified plans		12a See instructions for box 12	
BRENDA L		JAMES				
f Employee's address and ZIP code 1492 COLUMBUS DRIVE AUSTIN, TX 78701			13 Health insurance	12b		
			14 Other	12c		
g Employee's address and ZIP code			12d			
19 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 Locally imposed
TX	05-2286560	8250				

Form **W-2 Wage and Tax Statement** **2006** Department of the Treasury—Internal Revenue Service  
 Copy A For Social Security Administration — Send this entire page with Form W-3 to the Social Security Administration; photocopies are not acceptable. For Privacy Act and Paperwork Reduction Act Notice, see back of Copy D. Cat. No. 10134D

Do Not Cut, Fold, or Staple Forms on This Page — Do Not Cut, Fold, or Staple Forms on This Page



CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no. <b>FIRST NATIONAL BANK AND TRUST          1000 MAIN STREET          AUSTIN, TX 78701</b>		Payer's RTN (optional)	OMB No. 1545-0112 <div style="text-align: center; font-size: 2em; font-weight: bold;">2006</div>	<b>Interest Income</b>
PAYER'S federal identification number <b>05-5286560</b>	RECIPIENT'S identification number <b>150-11-2976</b>	1 Interest income (net included in 1099-INT) <b>\$ 57</b>		<b>Copy B For Recipient</b> <small>This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.</small>
RECIPIENT'S name <b>BRENDA L JAMES</b>		2 Early withdrawal penalty \$	3 Interest on U.S. Savings Bonds and Treas. Obligations \$	
Street address (including apt. no.) <b>1492 COLUMBUS DR</b>		4 Federal income tax withheld <b>\$ 0</b>	5 Investment expenses \$	
City, state, and ZIP code <b>AUSTIN, TX 78701</b>		6 Foreign tax paid \$	7 Foreign country or U.S. possession	
Account number (see instructions)		Form <b>1099-INT</b> (keep for your records)		Department of the Treasury - Internal Revenue Service

CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no. <b>SMALL CAP MUTUAL FUND          7800 BRIGHTON          AUSTIN, TX 78701P</b>		Payer's RTN (optional)	OMB No. 1545-0112 <div style="text-align: center; font-size: 2em; font-weight: bold;">2006</div>	<b>Dividends and Distributions</b>
PAYER'S federal identification number <b>05-4286560</b>	RECIPIENT'S identification number <b>150-11-2976</b>	1a Total ordinary dividends <b>\$ 97</b>		<b>Copy B For Recipient</b> <small>This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.</small>
RECIPIENT'S name <b>BRENDA LEE JAMES</b>		1b Qualified dividends <b>\$ 97</b>		
Street address (including apt. no.) <b>1492 COLUMBUS DRIVE</b>		2a Total capital gain dist. <b>\$ 80</b>		
City, state, and ZIP code <b>AUSTIN, TX 78701</b>		2b Unrecap. Sec. 1250 gain \$		
Account number (see instructions)		2c Section 1202 gain \$	2d Collectible (29%) gain \$	Department of the Treasury - Internal Revenue Service
Form <b>1099-DIV</b> (keep for your records)		3 Nondividend distributions \$	4 Federal income tax withheld <b>\$ 0</b>	
Account number (see instructions)		5 Investment expenses \$	6 Foreign tax paid \$	
Account number (see instructions)		8 Cash liquidation distributions \$	9 Noncash liquidation distributions \$	

Form **1040**

Department of the Treasury—Internal Revenue Service  
**U.S. Individual Income Tax Return 2006**

OMB No. 1545-0047

**Label**

(See instructions on page 16.)  
Use the IRS label. Otherwise, please print or type.

For the year Jan. 1–Dec. 31, 2006, or other tax year beginning \_\_\_\_\_, 20\_\_

Your first name and initial: **BRENDA L** Last name: **JAMES**

If a joint return, spouse's first name and initial: \_\_\_\_\_ SSN: \_\_\_\_\_

Home address (number and street, if you have a P.O. box, see page 18) Apt. no.: \_\_\_\_\_

**149 COLUMBUS DRIVE**

City, town or post office, state and ZIP code, if you have a foreign address, see page 18.

**AUSTIN, TX 78701**

OMB No. 1545-0047

Your social security number: **150 11 2976**

Spouse's social security number: \_\_\_\_\_

You must enter your SSN(s) above.

Presidential Election Campaign: Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 16)  You  Spouse

**Filing Status**

Check only one box.

- 1  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 page 17.) If the qualifying person is a child but not your dependent, enter the child's name here.
- 5  Qualifying widow(er) with dependent child (see page 17).

**Exemptions**

If more than four dependents, see page 18.

a  Yourself. If someone can claim you as a dependent, do not check this box.

b  Spouse

c Dependents:

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) Qualifying child for child tax credit (see page 18)
PETER	JAMES	151 05 1003	SON	<input checked="" type="checkbox"/>
EMILY	JAMES	152 12 0597	DAUGHTER	<input checked="" type="checkbox"/>

d Total number of exemptions claimed: **3**

Boxes checked on 1a and 1b. No. of children on file who:

- lived with you: \_\_\_\_\_
- did not live with you due to divorce or separation (see page 20): \_\_\_\_\_

Dependents on 1c not entered above: \_\_\_\_\_

Add numbers on lines above: **3**

**Income**

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

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

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

7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	28450
8a	Taxable interest. Attach Schedule B if required	8a	57
8b	Tax-exempt interest. Do not include on line 8a	8b	
9a	Ordinary dividends. Attach Schedule B if required	9a	97
9b	Qualified dividends (see page 23)	9b	97
10	Taxable refunds, credits, or offsets of state and local income taxes (see page 23)	10	
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 <input checked="" type="checkbox"/>	13	80
14	Other gains or (losses). Attach Form 4797	14	
15a	IRAs distributions	15a	
15b	Taxable amount (see page 25)	15b	
16a	Pensions and annuities	16a	
16b	Taxable amount (see page 25)	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	
20b	Taxable amount (see page 27)	20b	
21	Other income. List type and amount (see page 29)	21	
22	Add the amounts in the far right column for lines 7 through 21. This is your total income	22	28684

**Adjusted Gross Income**

23	Another MSA deduction. Attach Form 8853	23	
24	Certain business expenses of reservists, performing artists, and fee-based government officials. Attach Form 2106 or 2106-EZ	24	
25	Health savings account deduction. Attach Form 8889	25	
26	Moving expenses. Attach Form 8903	26	
27	One-half of self-employment tax. Attach Schedule SE	27	
28	Self-employed SEP, SIMPLE, and qualified plans	28	
29	Self-employed health insurance deduction (see page 30)	29	
30	Penalty on early withdrawal of savings	30	
31a	Alimony paid. Recipient's SSN	31a	
32	IRA deduction (see page 31)	32	
33	Student loan interest deduction (see page 33)	33	
34	Jury duty pay you gave to your employer	34	
35	Domestic production activities deduction. Attach Form 8802	35	
36	Add lines 23 through 31a and 32 through 35	36	
37	Subtract line 36 from line 22. This is your adjusted gross income	37	28684

**Tax and Credits**

**Standard Deduction for—**

- People who checked any box on line 39a or 39b or who can be claimed as a dependent, see page 36.
- All others:

Single or Married filing separately, \$11,500

Married filing jointly or Qualifying widow(er), \$13,300

Head of household, \$7,500

38	Amount from line 37 (adjusted gross income)	38	20604
39a	Check <input type="checkbox"/> You were born before January 2, 1942, <input type="checkbox"/> Blind, <input type="checkbox"/> Total losses checked <input type="checkbox"/> 39a		
b	If your spouse (or you) is a spouse (or you) who was a full-time student, see page 36 and check box <input type="checkbox"/> 39b		
40	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	40	7500
41	Subtract line 40 from line 38	41	21134
42	If line 38 is more than \$12,075, or you provided housing to a person displaced by Hurricane Katrina, see page 37. Otherwise, multiply \$3,300 by the total number of exemptions claimed on line 6d	42	9900
43	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	11234
44	Tax (see page 37). Check if any tax is from a <input type="checkbox"/> Pump) 8814 b <input type="checkbox"/> Form 4872	44	1133
45	Alternative minimum tax (see page 38). Attach Form 6251	45	
46	Add lines 44 and 45	46	1133
47	Foreign tax credit. Attach Form 1116 if required	47	
48	Credit for child and dependent care expenses. Attach Form 2441	48	
49	Credit for the elderly or the disabled. Attach Schedule R	49	
50	Education credits. Attach Form 8863	50	
51	Retirement savings contributions credit. Attach Form 8880	51	
52	Residential energy credits. Attach Form 5695	52	
53	Child tax credit (see page 30). Attach Form 8801 if required	53	1133
54	Credits from: a <input type="checkbox"/> Form 8320 b <input type="checkbox"/> Form 8520 c <input type="checkbox"/> Form 8528	54	
55	Other credits: a <input type="checkbox"/> Form 3800 b <input type="checkbox"/> Form 8801 c <input type="checkbox"/> Form	55	
56	Add lines 47 through 55. These are your total credits	56	1133
57	Subtract line 56 from line 46. If line 56 is more than line 46, enter -0-	57	0

**Other Taxes**

58	Self-employment tax. Attach Schedule SE	58	
59	Social security and Medicare tax on tip income not reported to employer. Attach Form 4137	59	
60	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	60	
61	Advance earned income credit payments from Form(s) W-2, box 11	61	
62	Household employment taxes. Attach Schedule H	62	
63	Add lines 57 through 62. This is your total tax	63	0

**Payments**

If you have a QUALIFYING child, attach Schedule EIC

64	Federal income tax withheld from Forms W-2 and 1099	64	1674
65	2008 estimated tax payments and amount applied from 2005 return	65	
66a	Earned income credit (EIC)	66a	1616
b	Nonrefundable combat pay election <input type="checkbox"/> 66b		
67	Excess social security and tier 1 RRTA tax withheld (see page 58)	67	
68	Additional child tax credit. Attach Form 8812	68	867
69	Amount paid with request for extension to file (see page 59)	69	
70	Payments from: a <input type="checkbox"/> Form 1099 b <input type="checkbox"/> Form 4328 c <input type="checkbox"/> Form 6885	70	
71	Credit for federal telephone excise tax paid. Attach Form 8813 if required	71	
72	Add lines 64, 65, 66a, and 67 through 71. These are your total payments	72	4157

**Refund**

Direct deposit? See page 68 and fill in 74b, 74c, and 74d, or Form 8888

73	If line 72 is more than line 63, subtract line 63 from line 72. This is the amount you overpaid	73	4157
74a	Amount of line 73 you want refunded to you. If Form 8888 is attached, check here <input type="checkbox"/>	74a	4157
b	Routing number		
c	Account number		
d	Type <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
75	Amount of line 73 you want applied to your 2007 estimated tax	75	

**Amount You Owe**

76	Amount you owe. Subtract line 72 from line 63. For details on how to pay, see page 60	76	
77	Estimated tax penalty (see page 60)	77	

**Third Party Designee**

Do you want to allow another person to discuss this return with the IRS (see page 61)?  Yes. Complete the following.  No

**Sign Here**

Joint return? See page 17. Keep a copy for your records

Designee's name	Phone no	Personal identification number (PIN)
Your signature	Date	Your occupation
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation

**Paid Preparer's Use Only**

Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's EIN or PTIN <b>S15011111</b>
Firm's name (or yours if self-employed, address, and ZIP code)	EIN	Phone no	

Form **8812**

# Additional Child Tax Credit



OMB No. 1545-0074

**2006**

Attachment Sequence No. **47**

Department of the Treasury  
Internal Revenue Service (99)

Complete and attach to Form 1040, Form 1040A, or Form 1040NR.

Name(s) shown on return  
**BRENDA L JAMES**

Your social security number  
**105 11 2976**

**Part I All Filers**

1	Enter the amount from line 1 of your Child Tax Credit Worksheet on page 42 of the Form 1040 instructions, page 39 of the Form 1040A instructions, or page 20 of the Form 1040NR instructions. If you used Pub. 972, enter the amount from line 8 of the worksheet on page 4 of the publication	1	2000
2	Enter the amount from Form 1040, line 53; Form 1040A, line 33; or Form 1040NR, line 48	2	1133
3	Subtract line 2 from line 1. If zero, stop; you cannot take this credit	3	867
4a	Enter your total earned income (see instructions on back)	4a	28450
b	Nontaxable combat pay (see instructions on back)	4b	
5	Is the amount on line 4a more than \$11,300? <input type="checkbox"/> No. Leave line 5 blank and enter -0- on line 6. <input checked="" type="checkbox"/> Yes. Subtract \$11,300 from the amount on line 4a. Enter the result	5	17150
6	Multiply the amount on line 5 by 15% (.15) and enter the result Next, do you have three or more qualifying children? <input checked="" type="checkbox"/> No. If line 6 is zero, stop; you cannot take this credit. Otherwise, skip Part II and enter the smaller of line 3 or line 6 on line 13. <input type="checkbox"/> Yes. If line 6 is equal to or more than line 3, skip Part II and enter the amount from line 3 on line 13. Otherwise, go to line 7.	6	2573

**Part II Certain Filers Who Have Three or More Qualifying Children**

7	Withheld social security and Medicare taxes from Form(s) W-2, boxes 4 and 6. If married filing jointly, include your spouse's amounts with yours. If you worked for a railroad, see instructions on back	7	
8	<b>1040 filers:</b> Enter the total of the amounts from Form 1040, lines 27 and 59, plus any uncollected social security and Medicare or tier 1 RRTA taxes included on line 63. <b>1040A filers:</b> Enter -0-. <b>1040NR filers:</b> Enter the total of the amounts from Form 1040NR, line 54, plus any uncollected social security and Medicare or tier 1 RRTA taxes included on line 58.	8	
9	Add lines 7 and 8	9	
10	<b>1040 filers:</b> Enter the total of the amounts from Form 1040, lines 66a and 67. <b>1040A filers:</b> Enter the total of the amount from Form 1040A, line 40a, plus any excess social security and tier 1 RRTA taxes withheld that you entered to the left of line 42 (see instructions on back). <b>1040NR filers:</b> Enter the amount from Form 1040NR, line 61.	10	
11	Subtract line 10 from line 9. If zero or less, enter -0-	11	
12	Enter the larger of line 6 or line 11 Next, enter the smaller of line 3 or line 12 on line 13.	12	

**Part III Additional Child Tax Credit**

13	This is your additional child tax credit	13	867
----	------------------------------------------	----	-----

Enter this amount on:  
Form 1040, line 68,  
Form 1040A, line 41, or  
Form 1040NR, line 62.

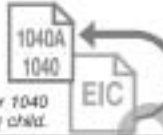
For Paperwork Reduction Act Notice, see back of form.

Cat. No. 10644E

Form **8812** (2006)

**SCHEDULE EIC**  
(Form 1040A or 1040)

**Earned Income Credit**  
Qualifying Child Information



OMB No. 1545-0074

**2006**

Attachment  
Sequence No. **43**

Department of the Treasury  
Internal Revenue Service 508  
Name(s) shown on return

Complete and attach to Form 1040A or 1040  
only if you have a qualifying child.

**BRENDA L JAMES**

Your social security number  
**105 11 2978**

**Before you begin:** See the instructions for Form 1040A, lines 41a and 41b, or Form 1040, lines 66a and 66b, to make sure that (a) you can take the EIC, and (b) you have a qualifying child.



- If you take the EIC even though you are not eligible, you may not be allowed to take the credit for up to 10 years. See back of schedule for details.
- It will take us longer to process your return and issue your refund if you do not fill in all lines that apply for each qualifying child.
- Be sure the child's name on line 1 and social security number (SSN) on line 2 agree with the child's social security card. Otherwise, at the time we process your return, we may reduce or disallow your EIC. If the name or SSN on the child's social security card is not correct, call the Social Security Administration at 1-800-772-1213.

**Qualifying Child Information**

**Child 1**

**Child 2**

	First name	Last name	First name	Last name		
<b>1 Child's name</b> If you have more than two qualifying children, you only have to list two to get the maximum credit.	PETER	JAMES	EMILY	JAMES		
<b>2 Child's SSN</b> The child must have an SSN as defined on page 44 of the Form 1040A instructions or page 48 of the Form 1040 instructions unless the child was born and died in 2006. If your child was born and died in 2006 and did not have an SSN, enter "Died" on this line and attach a copy of the child's birth certificate.	115	05	1003	152	12	0597
<b>3 Child's year of birth</b>	Year <u>2 0 0 3</u> <i>If born after 1987, skip lines 4a and 4b; go to line 3.</i>		Year <u>1 9 9 7</u> <i>If born after 1987, skip lines 4a and 4b; go to line 3.</i>			
<b>4 If the child was born before 1988—</b>						
<b>a</b> Was the child under age 24 at the end of 2006 and a student?	<input type="checkbox"/> Yes. <i>Go to line 5.</i>	<input type="checkbox"/> No. <i>Continue.</i>	<input type="checkbox"/> Yes. <i>Go to line 5.</i>	<input type="checkbox"/> No. <i>Continue.</i>		
<b>b</b> Was the child permanently and totally disabled during any part of 2006?	<input type="checkbox"/> Yes. <i>Continue.</i>	<input type="checkbox"/> No. <i>The child is not a qualifying child.</i>	<input type="checkbox"/> Yes. <i>Continue.</i>	<input type="checkbox"/> No. <i>The child is not a qualifying child.</i>		
<b>5 Child's relationship to you</b> (for example, son, daughter, grandchild, niece, nephew, foster child, etc.)	SON		DAUGHTER			
<b>6 Number of months child lived with you in the United States during 2006</b> • If the child lived with you for more than half of 2006 but less than 7 months, enter "7." • If the child was born or died in 2006 and your home was the child's home for the entire time he or she was alive during 2006, enter "12."	12 months <i>Do not enter more than 12 months.</i>		12 months <i>Do not enter more than 12 months.</i>			



You may also be able to take the additional child tax credit if your child (a) was under age 17 at the end of 2006, and (b) is a U.S. citizen or resident alien. For more details, see the instructions for line 42 of Form 1040A or line 68 of Form 1040.

For Paperwork Reduction Act Notice, see Form 1040A or 1040 instructions.

Cat. No. 13339M

Schedule EIC (Form 1040A or 1040) 2006

## Purpose of Schedule

After you have figured your earned income credit (EIC), use Schedule EIC to give the IRS information about your qualifying child(ren).

To figure the amount of your credit or to have the IRS figure it for you, see the instructions for Form 1040A, lines 41a and 41b, or Form 1040, lines 66a and 66b.

**Taking the EIC when not eligible.** If you take the EIC even though you are not eligible and it is determined that your error is due to reckless or intentional disregard of the EIC rules, you will not be allowed to take the credit for 2 years even if you are otherwise eligible to do so. If you fraudulently take the EIC, you will not be allowed to take the credit for 10 years. You may also have to pay penalties.

## Qualifying Child

**A qualifying child for the EIC is a child who is your . . .**

Son, daughter, stepchild, foster child, brother, sister, stepbrother, stepsister, or a descendant of any of them (for example, your grandchild, niece, or nephew)

**AND**

**was . . .**

Under age 19 at the end of 2006

or

Under age 24 at the end of 2006 and a student

or

Any age and permanently and totally disabled

**AND**

**who . . .**

Lived with you in the United States for more than half of 2006. If the child did not live with you for the required time, see *Exception to time lived with you* on page 43 of the Form 1040A instructions or page 48 of the Form 1040 instructions.



*If the child was married or meets the conditions to be a qualifying child of another person (other than your spouse if filing a joint return), special rules apply. For details, see page 44 of the Form 1040A instructions or page 48 of the Form 1040 instructions.*



Do you want part of the EIC added to your take-home pay in 2007? To see if you qualify, get Form W-5 from your employer, call the IRS at 1-800-TAX-FORM (1-800-829-3676), or go to [www.irs.gov](http://www.irs.gov).

---

## Basic Scenario 5 Retest Questions

### Directions

You are conducting a quality review of a return prepared by another volunteer tax preparer. Brenda is sitting with you as you conduct the review. Using your resource materials and all the taxpayer's documents, review the tax return and answer the questions below.

You are a volunteer at site S15011111.

- 5.1** Which names are entered incorrectly on the tax return? (Select only one answer.)
- a. Paul and Brenda
  - b. Paul and Emily
  - c. Emily and Brenda
  - d. Paul, Emily, and Brenda
- 5.2** The information on the tax return is inconsistent with information from which question in Part I of the Intake and Interview Sheet? Question number \_\_\_\_\_.
- 5.3** What information did the volunteer fail to enter correctly from Form W-2?
- a. Wages, tips, other compensation
  - b. Federal income tax withheld
  - c. Advance EIC payment
  - d. Local wages, tips, etc.
  - e. State income tax
- 5.4** On what line of Form 1040 do you record a taxpayer's qualified traditional IRA contribution? Line \_\_\_\_\_.
- 5.5** Which form do you use to determine if a taxpayer is qualified for a Retirement Savings Contributions Credit for their traditional IRA contribution? Form number \_\_\_\_\_.
- 5.6** Did the volunteer take the appropriate credit(s) for the \$600 Brenda paid her mother for taking care of her children?
- a. Yes
  - b. No
- 5.7** What page of Publication 4012, Volunteer Resource Guide, covers entering direct deposit information correctly on the tax return? Page \_\_\_\_\_.

This page intentionally left blank.



## 2006 6745 Retest – Intermediate Course

### Intermediate Scenario 1: Paul Harvard

**Taxpayer** Paul Harvard is a general construction worker in Arizona. He is divorced and has no children.

- 
- Taxpayer Documents**
- Social security card for Paul Harvard
  - Forms W-2
  - Forms W-2G
  - Form 1099-INT
  - Form 1098
  - Form 1098-E
  - Form 1099-R

- 
- Interview Notes**
- Paul won a poker tournament in 2006. He received a form from the casino, but doesn't think he should report the winnings because he lost \$7,215 that weekend.
  - Paul bought a certificate of deposit in 2005. It has matured and he received a 1099-INT from the bank. He has not withdrawn the interest but he is entitled to it without penalty.
  - Paul paid \$700 in interest on his student loan in 2006.
  - Paul served on a jury and received \$150. He kept the money from jury duty and did not turn it over to his employer.
  - When Paul changed jobs in 2006, he cashed out his 401K. He received Form 1099-R for that distribution, and he had taxes withheld.
  - Pursuant to his divorce, which became final in 2004, Paul pays his ex-wife \$400 a month in alimony. The ex-wife's SSN is 211-XX-XXXX.

---

**Interview  
Notes**  
(continued)

- Paul has never itemized his deductions but thinks he may have enough this year. Paul gives you a list of the following items he paid.
  - Interest on car loan \$1,845
  - Medical insurance premiums paid \$1,260
  - Unreimbursed medical and dental bills \$745
  - Non-prescription medicine \$275
  - Vehicle registration fees based on the value of his car \$54
  - Donation to National Public Radio \$80 (received a mug worth \$10 for his donation)
  - Cash contributions to church \$560
  - Paid medical bills for mother, but cannot claim her as a dependent \$1,150
  - Gambling losses \$7,215
  - Union dues \$400
  - Safe deposit box \$30 (Paul keeps savings bonds in a safety deposit box. These bonds accrue interest that will be taxable when they are redeemed.)



**Intake and Interview Sheet**

**You (and Spouse) will need:**

- Proof of Identity
- Copies of ALL W-2 1098, 1099 forms
- Social Security (SSN) or Individual Tax Identification Number (ITIN) for all individuals to be listed on the return
- Child care providers' identification number
- Taxpayers' banking information (voided check and/or savings deposit slip) for refund deposits
- Estimated tax payments made, etc.
- Amounts of other income

**Part I: Taxpayer Information**

1. Your First Name PAUL		M.I. A	Last Name HARVARD		2. SSN or ITIN 2 1 0 - X X - X X X X	
3. Date of Birth (mm/dd/yyyy) 08 / 10 / 1974		4. Job Title CONSTRUCTION WORKER				
5. Spouse's First Name		M.I.	Last Name		6. SSN or ITIN - -	
7. Date of Birth (mm/dd/yyyy) / /		8. Job Title				
9. Address 847 MARTY			Apt #	City PHOENIX	State AZ	Zip Code 85013
10. Phone Numbers: Daytime YOUR PHONE NUMBER		Evening		Cell		
11. Are you a U.S. Citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			12. Is your Spouse a U.S. Citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No			
13. Can your parents or someone else claim you or your spouse as a dependent on their tax return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No						
14. Did you pay more than half the cost of keeping up the home? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No						
15. Check if Legally Blind: <input type="checkbox"/> Taxpayer <input type="checkbox"/> Spouse						
16. Check if Permanently and Totally Disabled: <input type="checkbox"/> Taxpayer <input type="checkbox"/> Spouse						
17. On December 31st 2006: Were you: <input type="checkbox"/> Single <input type="checkbox"/> Legally Married <input type="checkbox"/> Separated <input checked="" type="checkbox"/> Divorced a. If married, were you living with your spouse at anytime during the last 6 months of the year? <input type="checkbox"/> Yes <input type="checkbox"/> No						
18. Was your spouse deceased? If yes, provide the date of death. ___ / ___ / ___ (mm/dd/yyyy)						

**Part II. Family and Dependent Information – Do not include you or your spouse.**

*Print the name of everyone who lived in your home and outside your home that you supported during the year.*

Name (a)	Date of Birth (b) mm/dd/yyyy	Social Security Number or ITIN (c)	Relationship (son, daughter, etc.) (d)	Months person lived with you in 2006 (e)	Check if resident of Canada or Mexico (f)	Is the dependent a full time student? (yes or no) (g)

**STOP Page 2 TO BE COMPLETED BY CERTIFIED VOLUNTEER**

---

**Part III. Filing Status & Dependency Determination**

---

Volunteers: In order to conduct a thorough interview, please use the decision trees, interview tips and informational charts in Publications 4012 and/or 17 in addition to this intake sheet. This intake sheet does not constitute a complete interview.

---

**Filing Status Determination – Use Publications 4012 and/or 17 to determine filing status.**

1. Based on the interview, the filing status of the taxpayer is:  Single  MFJ  MFS\*  HH  Qualifying Widow(er)

\*Spouse Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

**Dependency Determination – Use Publications 4012 and/or 17 to determine dependency exemptions.**

- Yes  No 2. Did the taxpayer provide more than 50% of the support for the dependents claimed?  
 Yes  No 3. Is there a signed Form 8332 or a divorce decree that allows someone else to claim the dependent(s)?  
 Yes  No 4. Is the dependent permanently and totally disabled?  
5. Based on the interview, how many individuals qualify as dependents for this return? \_\_\_\_\_
- 

**COMMONLY USED INCOME AND EXPENSES**

Volunteers: Please use Publication 17, *Your Federal Income Tax for Individuals* and Publication 4012, *Volunteer Resource Guide* while discussing the questions below with the taxpayer.

---

**Part IV. Income – In 2006, did you receive:**

---

- Yes  No 1. Wages or Salary (Include W-2s for all jobs worked during the year)  
 Yes  No 2. Disability income  
 Yes  No 3. Interest from: checking or savings account, bonds, dividends, CD, or brokerage account  
 Yes  No 4. State tax refund (may be taxable if you itemized last year)  
 Yes  No 5. Alimony income  
 Yes  No 6. Tip income  
 Yes  No 7. Pension and/or IRA distribution  
 Yes  No 8. Unemployment  
 Yes  No 9. Social Security or Railroad Retirement  
 Yes  No 10. Self Employment  
 Yes  No 11. Other Income such as gambling winnings, awards, prizes and Jury duty
- 

**Part V. Adjustment – Did you have 2006 expenses for:**

---

- Yes  No 1. IRA or other retirement account  
 Yes  No 2. Alimony payments paid (If yes, you must provide the name and SSN of the recipient)  
 Yes  No 3. Education related expenses
- 

**Part VI. Itemized Deductions – Did you have 2006 expenses for:**

---

- Yes  No 1. Un-reimbursed medical expenses  
 Yes  No 2. Home mortgage payments (interest and taxes – see Form 1098)  
 Yes  No 3. Charitable contributions
- 

**Part VII. Credits – In 2006, did you have:**

---

- Yes  No 1. Child/dependent care expenses that allow you (and your spouse-if MFJ) to work  
 Yes  No 2. Educational expenses for you or your dependents  
 Yes  No 3. Retirement Savings Contribution
- 

**Part VIII. Earned Income Tax Credit Determination – EITC Eligibility**

---

- Yes  No 1. Was EITC previously disallowed (if yes taxpayer may not be eligible for EITC)  
 Yes  No 2. Based on the interview, is the taxpayer qualified for EITC?
-

a Control number		22222	VOID <input type="checkbox"/>	For Official Use Only OMB No. 1545-0046	
b Employer identification number (EIN)		11-1XXXXXX		1 Wages, tips, other compensation	3 Federal income tax withheld
c Employer's name, address, and ZIP code PHOENIX RISING CONSTRUCTION CO 3604 FORREST TRAIL PHOENIX, AZ 85501		38190		2 Social security wages	4 Social security tax withheld
		38190		6 Medicare wages and tips	8 Medicare tax withheld
		38190		7 Social security tips	9 Allocated tax
				10 Advance EIC payment	10 Dependent care benefits
d Employee's social security number		210 XX XXXX			
e Employee's first name and initial		Last name		Sub E	
PAUL A		HARVARD		11 Nonqualified plans	
847 MARTY PHOENIX, AZ 85013		10a		12a See instructions for box 12	
		10b		12b	
		10c		12c	
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
AZ	11-1XXXXXX	38190	1076		

Form **W-2** Wage and Tax Statement **2006** Department of the Treasury—Internal Revenue Service  
 Copy A For Social Security Administration — Send this entire page with Form W-3 to the Social Security Administration; photocopies are not acceptable. For Privacy Act and Paperwork Reduction Act Notice, see back of Copy D. Cat. No. 10194D

Do Not Cut, Fold, or Staple Forms on This Page — Do Not Cut, Fold, or Staple Forms on This Page

a Control number		22222	VOID <input type="checkbox"/>	For Official Use Only OMB No. 1545-0046	
b Employer identification number (EIN)		11-5XXXXXX		1 Wages, tips, other compensation	3 Federal income tax withheld
c Employer's name, address, and ZIP code SHORT HAUL MOVERS 7850 WINDTALKER PHOENIX, AZ 85501		1800		2 Social security wages	4 Social security tax withheld
		2000		6 Medicare wages and tips	8 Medicare tax withheld
		2000		7 Social security tips	9 Allocated tax
				10 Advance EIC payment	10 Dependent care benefits
d Employee's social security number		210 XX XXXX			
e Employee's first name and initial		Last name		Sub E	
PAUL A		HARVARD		11 Nonqualified plans	
847 MARTY PHOENIX, AZ 85013		10a		12a See instructions for box 12	
		10b		12b	
		10c		12c	
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
AZ	11-5XXXXXX	1800	69		

Form **W-2** Wage and Tax Statement **2006** Department of the Treasury—Internal Revenue Service  
 Copy A For Social Security Administration — Send this entire page with Form W-3 to the Social Security Administration; photocopies are not acceptable. For Privacy Act and Paperwork Reduction Act Notice, see back of Copy D. Cat. No. 10194D

Do Not Cut, Fold, or Staple Forms on This Page — Do Not Cut, Fold, or Staple Forms on This Page

CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no. <b>ZIA SAVINGS AND LOAN</b> <b>5250 DOUGLAS</b> <b>PHOENIX, AZ 85022</b>		Payer's RTN (optional)  	OMB No. 1545-0112  	<h1 style="margin: 0;">2006</h1> <h2 style="margin: 0;">Interest Income</h2>
PAYER'S federal identification number <b>11-2XXXXXX</b>	RECIPIENT'S identification number <b>210-XX-XXXX</b>	1 Adjusted income not included in Form 1 <b>\$ 523</b>		<b>Copy B For Recipient</b> This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that it has not been reported.
RECIPIENT'S name <b>PAUL A HARVARD</b> Street address (including apt. no.) <b>847 MARTY</b> City, state, and ZIP code <b>PHOENIX, AZ 85013</b>		2 Early withdrawal penalty <b>\$</b>	3 Interest on U.S. Savings Bonds and Treas. obligations <b>\$</b>	
Account number (see instructions)  		4 Federal income tax withheld <b>\$</b>	5 Investment expenses <b>\$</b>	
 		6 Foreign tax paid <b>\$</b>	7 Foreign country or U.S. possession  	
Form <b>1099-INT</b>		(keep for your records)		Department of the Treasury - Internal Revenue Service

CORRECTED

PAYER'S name <b>DEALERS CHOICE CASINO</b> Street address <b>7261 S VIRGINIA ST</b> City, state, and ZIP code <b>RENO, NV 89566</b> Federal identification number Telephone number <b>11-3XXXXXX</b>		1 Gross winnings <b>5600</b>	2 Federal income tax withheld <b>1375</b>	<h1 style="margin: 0;">2006</h1> <h2 style="margin: 0;">Form W-2G</h2> <h3 style="margin: 0;">Certain Gambling Winnings</h3>
Winner's name <b>PAUL A HARVARD</b> Street address (including apt. no.) <b>847 MARTY</b> City, state, and ZIP code <b>PHOENIX, AZ 85013</b>		3 Type of wager <b>POKER TOURNAMENT</b>	4 Date won <b>10 15 2006</b>	For Privacy Act and Paperwork Reduction Act Notice, see the 2006 General Instructions for Forms 1099, 1098, 5498, and W-2G.  <b>File with Form 1096.</b>  <b>Copy A For Internal Revenue Service Center</b>
Under penalty of perjury, I declare that, to the best of my knowledge and belief, the name, address, and taxpayer identification number that I have furnished correctly identify me as the recipient of this payment and any payments from identical wagers, and that no other person is entitled to any part of these payments.		5 Transaction  	6 Race  	
Signature <b>▶</b>  		7 Winnings from identical wagers  	8 Cashier <b>7522</b>	
Date <b>▶</b>  		9 Winner's taxpayer identification no. <b>210-XX-XXXX</b>	10 Window <b>5</b>	
11 First I.D.  		12 Second I.D.  		
13 State/Payer's state identification no. <b>11-3XXXXXX</b>		14 State income tax withheld <b>0</b>		
Form <b>W-2G</b>		Cat. No. 10139V		Department of the Treasury - Internal Revenue Service

CORRECTED (if checked)

RECIPIENT'S/LENDER'S name, address, and telephone number <b>FIRST MORTGAGE COMPANY</b> <b>9800 WENGLER WAY</b> <b>YOUR CITY, STATE ZIP</b>		* <b>Caution:</b> The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.	OMB No. 1545-0901  	<h1 style="margin: 0;">2006</h1> <h2 style="margin: 0;">Mortgage Interest Statement</h2>
RECIPIENT'S federal identification no. <b>11-4XXXXXX</b>	PAYER'S social security number <b>210-XX-XXXX</b>	1 Mortgage interest received from payer(s)/borrower(s) <b>\$ 3045</b>		<b>Copy B For Payer</b> The information in boxes 1, 2, and 3 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for the mortgage interest or for these points or because you did not report the refund of interest on your return.
PAYER'S/BORROWER'S name <b>PAUL A HARVARD</b> Street address (including apt. no.) <b>847 MARTY</b> City, state, and ZIP code <b>PHOENIX, AZ 85013</b>		2 Points paid on purchase of principal residence <b>\$</b>	3 Refund of overpaid interest <b>\$</b>	
Account number (see instructions)  		4 <b>REAL ESTATE TAXES \$917</b>		
Form <b>1098</b>		(keep for your records)		Department of the Treasury - Internal Revenue Service

CORRECTED (if checked)

RECIPIENT'S/LENDER'S name, address, and telephone number <b>Financial Aid Partners</b> <b>666 Lincoln</b> <b>PHOENIX, AZ 85622</b>		OMB No. 1545-1576  <div style="font-size: 2em; font-weight: bold;">2006</div> Form 1098-E	<b>Student Loan Interest Statement</b>
RECIPIENT'S federal identification no. <b>11-8XXXXXX</b>	BORROWER'S social security number <b>210-XX-XXXX</b>	<b>1 Student loan interest received by lender</b> <b>\$ 700</b>	
BORROWER'S name <b>PAUL A HARVARD</b>  Street address (including apt. no.) <b>847 MARTY</b> City, state, and ZIP code <b>PHOENIX, AZ 85013</b>		<b>2 Box 1 includes loan origination fees and/or capitalized interest (if checked) - - - - - <input type="checkbox"/></b>	
Account number (see instructions)			
Form <b>1098-E</b>		Department of the Treasury - Internal Revenue Service	

(keep for your records)

**Copy B For Borrower**

This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for student loan interest.

CORRECTED (if checked)

PAYER'S name, street address, city, state, and ZIP code <b>SOUTHWEST FIDELITY</b> <b>9910 OAK KNOLL</b> <b>YOUR CITY, STATE ZIP</b>		OMB No. 1545-0119  <div style="font-size: 2em; font-weight: bold;">2006</div> Form 1099-R	<b>Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.</b>
PAYER'S federal identification number <b>11-7XXXXXX</b>		<b>1 Gross distribution</b> <b>\$ 4550</b> <b>2a Taxable amount</b> <b>\$ 3350</b>	<b>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.</b>
RECIPIENT'S identification number <b>210-XX-XXXX</b>		<b>2b Taxable amount not determined <input type="checkbox"/></b> <b>Total distribution <input checked="" type="checkbox"/></b>	
RECIPIENT'S name <b>PAUL A HARVARD</b>  Street address (including apt. no.) <b>847 MARTY</b> City, state, and ZIP code <b>PHOENIX, AZ 85013</b>		<b>3 Capital gain (included in box 2a)</b> <b>\$</b>	<b>4 Federal income tax withheld</b> <b>\$ 385</b>
First year of desig. Roth contrib.		<b>5 Employee contributions or insurance premiums/designated Roth basis</b> <b>\$ 1200</b>	<b>6 Not realized appreciation in employer's securities</b> <b>\$</b>
Account number (see instructions)		<b>7 Distribution code(s)</b> <b>1</b>	<b>8 Other</b> <b>\$</b>
Account number (see instructions)		<b>9a Your percentage of total distribution</b> %	<b>9b Total employee contributions</b> <b>\$</b>
Account number (see instructions)		<b>10 State tax withheld</b> <b>\$ 226</b>	<b>11 State/Payer's state no.</b> <b>\$</b>
Account number (see instructions)		<b>13 Local tax withheld</b> <b>\$</b>	<b>14 Name of locality</b> <b>\$</b>
Account number (see instructions)		<b>15 Local distribution</b> <b>\$</b>	This information is being furnished to the Internal Revenue Service.
Form <b>1099-R</b>		Department of the Treasury - Internal Revenue Service	

---

## Intermediate Scenario 1 Retest Questions

### Directions

Using your resource materials and interview notes, complete Form 1040 through line 64, complete Schedule A, and answer the following questions. You are a volunteer at site S21012222.

*Note: To complete social security numbers and employer identification numbers, replace Xs with 286560 or with the EFIN provided by your instructor.*

- 6.1** Paul's adjusted gross income on Line 37 of Form 1040 is \$\_\_\_\_\_.
- 6.2** Paul's medical and dental expenses on line 1 of Schedule A are:
- a. \$2,005
  - b. \$2,330
  - c. \$3,155
  - d. \$3,430
- 6.3** What amount is on line 9 of Schedule A in the Taxes You Paid section?  
\$\_\_\_\_\_
- 6.4** The sum of the interest Paul paid, listed on line 14 of Schedule A, is:
- a. \$3,045
  - b. \$3,745
  - c. \$4,890
  - d. \$5,590
- 6.5** What amount is on line 18 of Schedule A in the Gifts to Charity section?  
\$\_\_\_\_\_
- 6.6** The sum of Paul's Job Expenses and Certain Miscellaneous Deductions, listed on line 23 of Schedule A, is:
- a. \$0
  - b. \$430
  - c. \$5,930
  - d. \$7,645
- 6.7** What amount is on line 27 of Schedule A in the Other Miscellaneous Deductions section? \$\_\_\_\_\_



- 6.8** Paul had taxes withheld when he cashed out his 401K; however, he owes an additional tax. What is the additional tax on IRAs Paul owes, listed on line 60 on Form 1040?
- a. \$0
  - b. \$34
  - c. \$335
  - d. \$455
- 6.9** In general, if taxpayers pay alimony, can they deduct it?
- a. Yes
  - b. No
- 6.10** On what page of Publication 4012, Volunteer Resource Guide, are there examples of income items with the appropriate line on Form 1040?  
Page \_\_\_\_\_
- 6.11** What is the total federal income tax withholding reported on all of Paul's income reporting documents which would be on line 64 of Form 1040?  
\$\_\_\_\_\_

## Intermediate Scenario 2: George and Alberta Farmer

**Taxpayer** George and Alberta completed Form 13614, Intake and Interview Sheet, and want to file together.

---

**Taxpayer Documents**

- Social security card for George C. Farmer
- Social security card for Alberta L. Farmer
- Form W-2 for Alberta Farmer
- Form 1099-INT
- Form 1099-DIV
- Form 1099-MISC
- Forms 1099-R
- Form SSA-1099 for George Farmer

---

**Interview Notes**

- George retired in 2004 and is receiving a pension and social security.
- George began doing consulting work on a gardening book in June 2006. This requires him to travel to public and private gardens. He received Form 1099-MISC, which included all income from this business.
- George has written records for all of his business expenses:
  - August 26, 2006, he purchased a truck used primarily for business travel (he has another car for personal use). He logged 5,300 miles on the truck including 5,100 miles for business use.
  - Office expenses (paper, postage, envelopes, etc.) of \$216.
  - Long distance phone calls \$94.
- Alberta works part-time at a nursing home as a cook. Because she doesn't have a retirement plan, she contributed \$1,000 in 2006 to a traditional IRA.
- Alberta took \$4,000 out of the IRA in 2006 so George could buy a truck to use for his gardening business.

---

**Interview Notes**  
(continued)

- They received \$244 interest on municipal bonds they own, but did not get a statement from the city that issued the bonds. The city issuing the bonds was Your City.
- They have not itemized their deductions since their home was paid off four years ago and do not want to itemize this year.
- The Farmers remodeled their home this year and installed an energy efficient door. They have the manufacturer's certification that it qualifies for the energy credit. The total cost was \$1,000. (\$700 for the door and \$300 for the installation.)



**Intake and Interview Sheet**

**You (and Spouse) will need:**

- Proof of Identity
- Copies of ALL W-2 1098, 1099 forms
- Social Security (SSN) or Individual Tax Identification Number (ITIN) for all individuals to be listed on the return
- Child care providers' identification number
- Taxpayers' banking information (voided check and/or savings deposit slip) for refund deposits
- Estimated tax payments made, etc.
- Amounts of other income

**Part I: Taxpayer Information**

1. Your First Name GEORGE		M.I. C	Last Name FARMER		2. SSN or ITIN 2 2 0 - X X - X X X X	
3. Date of Birth (mm/dd/yyyy) 03 / 17 / 1940		4. Job Title RETIRED				
5. Spouse's First Name ALBERTA		M.I. L	Last Name FARMER		6. SSN or ITIN 2 2 1 - X X - X X X X	
7. Date of Birth (mm/dd/yyyy) 11 / 22 / 1948		8. Job Title COOK				
9. Address 1551 BALTIC			Apt #	City YOUR CITY	State YS	Zip Code YOUR ZIP
10. Phone Numbers: Daytime YOUR PHONE NUMBER		Evening		Cell		
11. Are you a U.S. Citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		12. Is your Spouse a U.S. Citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
13. Can your parents or someone else claim you or your spouse as a dependent on their tax return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No						
14. Did you pay more than half the cost of keeping up the home? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No						
15. Check if Legally Blind: <input type="checkbox"/> Taxpayer <input type="checkbox"/> Spouse						
16. Check if Permanently and Totally Disabled: <input type="checkbox"/> Taxpayer <input type="checkbox"/> Spouse						
17. On December 31st 2006: Were you: <input type="checkbox"/> Single <input checked="" type="checkbox"/> Legally Married <input type="checkbox"/> Separated <input type="checkbox"/> Divorced a. If married, were you living with your spouse at anytime during the last 6 months of the year? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No						
18. Was your spouse deceased? If yes, provide the date of death. ___ / ___ / ___ (mm/dd/yyyy)						

**Part II. Family and Dependent Information – Do not include you or your spouse.**

Print the name of everyone who lived in your home and outside your home that you supported during the year.

Name	Date of Birth mm/dd/yyyy	Social Security Number or ITIN	Relationship (son, daughter, etc.)	Months person lived with you in 2006	Check if resident of Canada or Mexico	Is the dependent a full time student? (yes or no)
(a)	(b)	(c)	(d)	(e)	(f)	(g)

**STOP** Page 2 TO BE COMPLETED BY CERTIFIED VOLUNTEER

---

**Part III. Filing Status & Dependency Determination**

---

Volunteers: In order to conduct a thorough interview, please use the decision trees, interview tips and informational charts in Publications 4012 and/or 17 in addition to this intake sheet. This intake sheet does not constitute a complete interview.

---

**Filing Status Determination – Use Publications 4012 and/or 17 to determine filing status.**

1. Based on the interview, the filing status of the taxpayer is:  Single  MFJ  MFS\*  HH  Qualifying Widow(er)

\*Spouse Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

**Dependency Determination – Use Publications 4012 and/or 17 to determine dependency exemptions.**

- Yes  No 2. Did the taxpayer provide more than 50% of the support for the dependents claimed?  
 Yes  No 3. Is there a signed Form 8332 or a divorce decree that allows someone else to claim the dependent(s)?  
 Yes  No 4. Is the dependent permanently and totally disabled?  
5. Based on the interview, how many individuals qualify as dependents for this return? \_\_\_\_\_
- 

**COMMONLY USED INCOME AND EXPENSES**

Volunteers: Please use Publication 17, *Your Federal Income Tax for Individuals* and Publication 4012, *Volunteer Resource Guide* while discussing the questions below with the taxpayer.

---

**Part IV. Income – In 2006, did you receive:**

---

- Yes  No 1. Wages or Salary (Include W-2s for all jobs worked during the year)  
 Yes  No 2. Disability income  
 Yes  No 3. Interest from: checking or savings account, bonds, dividends, CD, or brokerage account  
 Yes  No 4. State tax refund (may be taxable if you itemized last year)  
 Yes  No 5. Alimony income  
 Yes  No 6. Tip income  
 Yes  No 7. Pension and/or IRA distribution  
 Yes  No 8. Unemployment  
 Yes  No 9. Social Security or Railroad Retirement  
 Yes  No 10. Self Employment  
 Yes  No 11. Other income such as gambling winnings, awards, prizes and Jury duty
- 

**Part V. Adjustment – Did you have 2006 expenses for:**

---

- Yes  No 1. IRA or other retirement account  
 Yes  No 2. Alimony payments paid (If yes, you must provide the name and SSN of the recipient)  
 Yes  No 3. Education related expenses
- 

**Part VI. Itemized Deductions – Did you have 2006 expenses for:**

---

- Yes  No 1. Un-reimbursed medical expenses  
 Yes  No 2. Home mortgage payments (interest and taxes – see Form 1098)  
 Yes  No 3. Charitable contributions
- 

**Part VII. Credits – In 2006, did you have:**

---

- Yes  No 1. Child/dependent care expenses that allow you (and your spouse-if MFJ) to work  
 Yes  No 2. Educational expenses for you or your dependents  
 Yes  No 3. Retirement Savings Contribution
- 

**Part VIII. Earned Income Tax Credit Determination – EITC Eligibility**

---

- Yes  No 1. Was EITC previously disallowed (if yes taxpayer may not be eligible for EITC)  
 Yes  No 2. Based on the interview, is the taxpayer qualified for EITC?
-

a Control number 22222		void <input type="checkbox"/>	For Official Use Only OMB No. 1545-0048		
b Employer identification number (EIN) 13-1XXXXXX		1 Wages, tax, other compensation 9880	2 Federal income tax withheld 192		
c Employer's name, address, and ZIP code WEST DALE RETIREMENT VILLAGE 1001 RIVENDALE YOUR CITY, STATE ZIP		3 Social security wages 9880	4 Social security tax withheld 613		
		5 Medicare wages and tips 9880	6 Medicare tax withheld 143		
		7 Social security tips	8 Allocated tips		
d Employee's social security number 221 XX XXXX		9 Advance ERT payment		10 Dependent care benefits	
e Employee's first name and initial ALBERTA L		Last name FARMER		11 Nonqualified plans	
1551 BALTIC YOUR CITY, STATE ZIP		18 Health coverage <input type="checkbox"/>		19a See instructions for box 12	
		19b Life insurance <input type="checkbox"/>		19c	
		19c Other <input type="checkbox"/>		19d	
f Employee's address and ZIP code 1551 BALTIC YOUR CITY, STATE ZIP		16 State wages, tips, etc. 9880		17 State income tax 66	
15 State Employer's state ID number YS 13-1XXXXXX		16 State wages, tips, etc. 9880		17 State income tax 66	
		18 Local wages, tips, etc.		19 Local income tax	
		20		21	

Form **W-2 Wage and Tax Statement** **2006** Department of the Treasury—Internal Revenue Service  
 Copy A For Social Security Administration — Send this entire page with Form W-3 to the Social Security Administration; photocopies are not acceptable.  
 Copy B For Recipient — This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a refundable credit or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

Do Not Cut, Fold, or Staple Forms on This Page — Do Not Cut, Fold, or Staple Forms on This Page

CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no. NEIGHBORHOOD BANK & TRUST 98 FIESTA CIRCLE YOUR CITY, STATE ZIP		Payer's EIN (optional)	OMB No. 1545-0112 <b>2006</b> Form <b>1099-INT</b>	<b>Interest Income</b>
PAYER'S Federal identification number 13-2XXXXXX	RECIPIENT'S identification number 220-XX-XXXX	1. Interest income (net included in box 3) \$ 765		<b>Copy B For Recipient</b> This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a refundable credit or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
RECIPIENT'S name GEORGE C FARMER		2. Early withdrawal penalty \$ 75	3. Interest on U.S. Savings Bonds and Treas. obligations \$	
Street address (including apt. no.) 1551 BALTIC		4. Federal income tax withheld \$	5. Investment expenses \$	
City, state, and ZIP code YOUR CITY, STATE ZIP		6. Foreign tax paid \$	7. Foreign country or U.S. possession	
Account number (see instructions)				

Form **1099-INT** (keep for your records) Department of the Treasury - Internal Revenue Service

CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no.  <b>INTERNATIONAL VALUE FUNDS</b> <b>623 ARBOR HILL</b> <b>YOUR CITY, STATE ZIP</b>		1a Total ordinary dividends	OMB No. 1545-0110	<div style="font-size: 2em; font-weight: bold;">2006</div> <div style="font-weight: bold;">Form 1099-DIV</div>	<div style="font-weight: bold;">Dividends and Distributions</div>
		\$ 330	1b Qualified dividends		
		\$ 200	2a Total capital gain distr.		
PAYER'S federal identification number <b>13-3XXXXXX</b>		RECIPIENT'S identification number <b>220-XX-XXXX</b>	\$ 100	2b Unrecap. Sec. 1250 gain	<div style="font-weight: bold;">Copy B</div> <div style="font-weight: bold;">For Recipient</div>
RECIPIENT'S name  <b>GEORGE C FARMER</b>  Street address (including apt. no.) <b>1551 BALTIC</b>  City, state, and ZIP code <b>YOUR CITY, STATE ZIP</b>  Account number (see instructions)		2c Section 1202 gain \$	2d Collectibles (28%) gain \$	This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.	
		3 Nondividend distributions \$	4 Federal income tax withheld \$		
		5 Investment expenses \$	6 Foreign tax paid \$		
		8 Cash liquidation distributions \$	9 Noncash liquidation distributions \$		
Form <b>1099-DIV</b>		(keep for your records)	Department of the Treasury - Internal Revenue Service		

CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no.  <b>RTK ENTERPRISES</b> <b>8009 CENTER</b> <b>YOUR CITY, STATE ZIP</b>		1 Rents	OMB No. 1545-0115	<div style="font-size: 2em; font-weight: bold;">2006</div> <div style="font-weight: bold;">Form 1099-MISC</div>	<div style="font-weight: bold;">Miscellaneous Income</div>
		\$	2 Royalties		
		\$	3 Other income		
PAYER'S federal identification number <b>13-4XXXXXX</b>		RECIPIENT'S identification number <b>220-XX-XXXX</b>	\$	4 Federal income tax withheld	<div style="font-weight: bold;">Copy B</div> <div style="font-weight: bold;">For Recipient</div>
RECIPIENT'S name  <b>GEORGE C FARMER</b>  Street address (including apt. no.) <b>1551 BALTIC</b>  City, state, and ZIP code <b>YOUR CITY, STATE ZIP</b>  Account number (see instructions)		5 Fishing boat proceeds \$	6 Medical and health care payments \$	This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.	
		7 Nonemployee compensation <b>\$4200</b>	8 Substantive payments in lieu of dividends or interest \$		
		9 Paper made direct sale of \$5,000 or more of cottage products to a buyer (recipient) for resale <input type="checkbox"/> \$	10 Crop insurance proceeds \$		
		11	12		
		13 Excess golden parachute payments \$	14 Gross proceeds paid to an attorney \$		
15a Section 409A deferrals \$	15b Section 409A income \$	16 State tax withheld \$	17 State/Payer's state no. \$	18 State income \$	
Form <b>1099-MISC</b>		(keep for your records)	Department of the Treasury - Internal Revenue Service		

CORRECTED (if checked)

PAYER'S name, street address, city, state, and ZIP code <b>WALTERS, MORGAN &amp; RUIZ 1102 WINDY WAY YOUR CITY, STATE ZIP</b>		1 Gross distribution \$ 4000		OMB No. 1545-0119 <b>2006</b> Form 1099-R	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
		2a Taxable amount \$ 4000			
		2b Taxable amount not determined <input type="checkbox"/>		Total distribution <input type="checkbox"/>	
PAYER'S federal identification number 13-5XXXXXX	RECIPIENT'S identification number 221-XX-XXXX	3 Capital gain (included in box 2a) \$	4 Federal income tax withheld \$ 800		
RECIPIENT'S name <b>ALBERTA L FARMER</b>		5 Employee contributions or insurance premiums/ designated Roth basis \$		6 Net unrealized appreciation in employer's securities \$	
Street address (including apt. no.) 1551 BALTIC		7 Distribution code(s) 1	IRA/SEP/SIMPLE <input type="checkbox"/>	8 Other \$ %	
City, state, and ZIP code YOUR CITY, STATE ZIP		9a Your percentage of total distribution %		9b Total employee contributions \$	
1st year of desig. Roth contrib.		10 State tax withheld \$ 250	11 State/Payer's state no. 13-5XXXXXX		12 State distribution \$ 4000
Account number (see instructions)		13 Local tax withheld \$	14 Name of locality		15 Local distribution \$

Form 1099-R

Department of the Treasury - Internal Revenue Service

CORRECTED (if checked)

PAYER'S name, street address, city, state, and ZIP code <b>SIMPSON &amp; SONS MANUFACTURING 7261 EMERALD DRIVE YOUR CITY, STATE ZIP</b>		1 Gross distribution \$ 21960		OMB No. 1545-0119 <b>2006</b> Form 1099-R	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
		2a Taxable amount \$ 21960			
		2b Taxable amount not determined <input type="checkbox"/>		Total distribution <input type="checkbox"/>	
PAYER'S federal identification number 13-6XXXXXX	RECIPIENT'S identification number 220-XX-XXXX	3 Capital gain (included in box 2a) \$	4 Federal income tax withheld \$ 2508		
RECIPIENT'S name <b>GEORGE C FARMER</b>		5 Employee contributions or insurance premiums/ designated Roth basis \$		6 Net unrealized appreciation in employer's securities \$	
Street address (including apt. no.) 1551 BALTIC		7 Distribution code(s) 7	IRA/SEP/SIMPLE <input type="checkbox"/>	8 Other \$ %	
City, state, and ZIP code YOUR CITY, STATE ZIP		9a Your percentage of total distribution %		9b Total employee contributions \$	
1st year of desig. Roth contrib.		10 State tax withheld \$ 876	11 State/Payer's state no. 13-6XXXXXX		12 State distribution \$ 21960
Account number (see instructions)		13 Local tax withheld \$	14 Name of locality		15 Local distribution \$

Form 1099-R

Department of the Treasury - Internal Revenue Service



**FORM SSA-1099 – SOCIAL SECURITY BENEFIT STATEMENT**

<b>2006</b> • PART OF YOUR SOCIAL SECURITY BENEFITS SHOWN IN BOX 5 MAY BE TAXABLE INCOME. • SEE THE REVERSE FOR MORE INFORMATION.		
Box 1. Name <b>GEORGE C FARMER</b>		Box 2. Beneficiary's Social Security Number 220-XX-XXXX
Box 3. Benefits Paid in 2006 <b>10800</b>	Box 4. Benefits Repaid to SSA in 2006	Box 5. Net Benefits for 2006 (Box 3 minus Box 4) <b>10800</b>
DESCRIPTION OF AMOUNT IN BOX 3 Benefits paid by direct deposit \$9,138 MEDICARE PREMIUMS DEDUCTED \$1,062 Voluntary Federal Income Tax Withholding \$600 TOTAL \$10,800		DESCRIPTION OF AMOUNT IN BOX 4
		Box 6. Voluntary Federal Income Tax Withholding <b>600</b>
		Box 7. Address 1551 BALTIC YOUR CITY, STATE ZIP
		Box 8. Claim Number (use this number if you need to contact SSA)

Form SSA-1099-09

DO NOT RETURN THIS FORM TO SSA OFFICES

Draft as of June 1, 2006 - Subject to Change

## Intermediate Scenario 2 Retest Questions

### Directions

Use the information provided to answer the following questions. You are a volunteer at site S22052222.

*Note: To complete social security numbers and employer identification numbers, replace Xs with 286560 or with the EFIN provided by your instructor.*

- 7.1 George's taxable interest income on line 8a of Form 1040 is \$\_\_\_\_\_.
- 7.2 The taxable portion of social security benefits on line 20b of Form 1040 is:
- a. \$0
  - b. \$5,400
  - c. \$9,190
  - d. \$10,800
- 7.3 The amount that goes on line 30 of Form 1040, penalty on early withdrawal of savings is \$\_\_\_\_\_.
- 7.4 In general, self-employed taxpayers must include income from Form 1099-MISC Box 7 as gross business receipts on line 1 of Schedule C-EZ.
- a. Yes
  - b. No
- 7.5 The amount of George's total business expenses, as reported on line 2 of Schedule C-EZ, Net Profit from Business, is \$\_\_\_\_\_.
- 7.6 Assume that the net profit George reported on line 3, part II of Schedule C-EZ is \$1,620. What is the adjustment to gross income on line 27 Form 1040?
- a. \$0
  - b. \$115
  - c. \$1,000
  - d. \$1,115
- 7.7 Assume that the taxable amount of George's pension was not shown on his Form 1099-R and that there was an entry of \$25,000 in box 5 of that form, and Alberta is the beneficiary of George's pension. What would line 3 of the Simplified Method Worksheet be? \_\_\_\_\_

- 7.8** If the Farmers received a state tax refund in 2006 for tax year 2005 for \$120, and did not itemize their deductions for 2005, what would be the taxable amount they would report on line 10 of their 2006 Form 1040?  
\$\_\_\_\_\_
- 7.9** What is the amount of the Farmers' residential energy credit entered on line 52 of Form 1040?
- a. \$0
  - b. \$70
  - c. \$100
  - d. \$700

This page intentionally left blank.

## 2006 6745 Retest – Advanced Course

### Advanced Scenario 1: Jenna E. Duboise

**Taxpayer** Jenna completed Form 13614, Intake and Interview Sheet, and wants to file her tax return. Her husband, Jason, died in 2005. Jenna has not remarried. She has one daughter, Amanda.

- 
- Taxpayer Documents**
- Social security card for Jenna E. Duboise
  - Social security card for Amanda S. Duboise
  - Form W-2 for Jenna Duboise
  - Form 1099-R from Southeast ISD
  - Form 1099-B from National Equity
  - Form 1099-B from Lincoln Investments

- 
- Interview Notes**
- In February 2006, Jenna started receiving survivors benefit payments from her husband's retirement plan (see Form 1099-R). Jason had not retired. He died while he was still working.
  - Jenna had to sell some of her stock to cover her bills. She brought the broker's statements with her. Both stocks were held as her separate property and neither stock had reinvested dividends.
  - Stock Information:
    - ABC stock
      - Purchased 300 shares on 01/07/2006
      - Cost \$2,100
      - Sold 300 shares on 05/15/2006
      - Sale price: \$1,820 (see Form 1099-B)
      - Broker's fee on sale was \$25
    - XYZ stock
      - Purchased 100 shares on 06/01/2003
      - Cost of 100 shares was \$2,500
      - Sold 60 shares XYZ stock on 10/12/2006
      - Sale price: \$8,000 net commission

---

**Interview**

- Jenna and her husband have never itemized deductions.

**Notes**

(continued)

- Amanda lived with Jenna all year.
- Jenna made four estimated tax payments in the amount of \$475 each for 2006.



**Intake and Interview Sheet**

**You (and Spouse) will need:**

- Proof of Identity
- Copies of ALL W-2 1098, 1099 forms
- Social Security (SSN) or Individual Tax Identification Number (ITIN) for all individuals to be listed on the return
- Child care providers' identification number
- Taxpayers' banking information (voided check and/or savings deposit slip) for refund deposits
- Estimated tax payments made, etc.
- Amounts of other income

**Part I: Taxpayer Information**

1. Your First Name JENNA		M.I. E	Last Name DUBOISE		2. SSN or ITIN 3 1 0 - X X - X X X X	
3. Date of Birth (mm/dd/yyyy) 12 / 11 / 1959		4. Job Title DAY CARE WORKER				
5. Spouse's First Name JASON		M.I. R	Last Name DUBOISE		6. SSN or ITIN 3 1 1 - X X - X X X X	
7. Date of Birth (mm/dd/yyyy) 03 / 17 / 1955		8. Job Title DECEASED				
9. Address 388 NASH			Apt #	City YOUR CITY	State YS	Zip Code YOUR ZIP
10. Phone Numbers: Daytime YOUR PHONE NUMBER		Evening		Cell		
11. Are you a U.S. Citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			12. Is your Spouse a U.S. Citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
13. Can your parents or someone else claim you or your spouse as a dependent on their tax return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No						
14. Did you pay more than half the cost of keeping up the home? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No						
15. Check if Legally Blind: <input type="checkbox"/> Taxpayer <input type="checkbox"/> Spouse						
16. Check if Permanently and Totally Disabled: <input type="checkbox"/> Taxpayer <input type="checkbox"/> Spouse						
17. On December 31st 2006: Were you: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Legally Married <input type="checkbox"/> Separated <input type="checkbox"/> Divorced a. If married, were you living with your spouse at anytime during the last 6 months of the year? <input type="checkbox"/> Yes <input type="checkbox"/> No						
18. Was your spouse deceased? If yes, provide the date of death. <u>11 / 23 / 2005</u> (mm/dd/yyyy)						

**Part II. Family and Dependent Information – Do not include you or your spouse.**

*Print the name of everyone who lived in your home and outside your home that you supported during the year.*

Name (a)	Date of Birth mm/dd/yyyy (b)	Social Security Number or ITIN (c)	Relationship (son, daughter, etc.) (d)	Months person lived with you in 2006 (e)	Check if resident of Canada or Mexico (f)	Is the dependent a full time student? (yes or no) (g)
AMANDA S DUBOISE	2/19/1992	312-XX-XXXX	DAUGHTER	12		YES

---

**Part III. Filing Status & Dependency Determination**

---

Volunteers: In order to conduct a thorough interview, please use the decision trees, interview tips and informational charts in Publications 4012 and/or 17 in addition to this intake sheet. This intake sheet does not constitute a complete interview.

---

**Filing Status Determination – Use Publications 4012 and/or 17 to determine filing status.**

1. Based on the interview, the filing status of the taxpayer is:  Single  MFJ  MFS\*  HH  Qualifying Widow(er)

\*Spouse Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

**Dependency Determination – Use Publications 4012 and/or 17 to determine dependency exemptions.**

- Yes  No 2. Did the taxpayer provide more than 50% of the support for the dependents claimed?  
 Yes  No 3. Is there a signed Form 8332 or a divorce decree that allows someone else to claim the dependent(s)?  
 Yes  No 4. Is the dependent permanently and totally disabled?  
5. Based on the interview, how many individuals qualify as dependents for this return? \_\_\_\_\_
- 

**COMMONLY USED INCOME AND EXPENSES**

Volunteers: Please use Publication 17, *Your Federal Income Tax for Individuals* and Publication 4012, *Volunteer Resource Guide* while discussing the questions below with the taxpayer.

---

**Part IV. Income – In 2006, did you receive:**

- Yes  No 1. Wages or Salary (Include W-2s for all jobs worked during the year)  
 Yes  No 2. Disability income  
 Yes  No 3. Interest from: checking or savings account, bonds, dividends, CD, or brokerage account  
 Yes  No 4. State tax refund (may be taxable if you itemized last year)  
 Yes  No 5. Alimony income  
 Yes  No 6. Tip income  
 Yes  No 7. Pension and/or IRA distribution  
 Yes  No 8. Unemployment  
 Yes  No 9. Social Security or Railroad Retirement  
 Yes  No 10. Self Employment  
 Yes  No 11. Other income such as gambling winnings, awards, prizes and Jury duty
- 

**Part V. Adjustment – Did you have 2006 expenses for:**

- Yes  No 1. IRA or other retirement account  
 Yes  No 2. Alimony payments paid (If yes, you must provide the name and SSN of the recipient)  
 Yes  No 3. Education related expenses
- 

**Part VI. Itemized Deductions – Did you have 2006 expenses for:**

- Yes  No 1. Un-reimbursed medical expenses  
 Yes  No 2. Home mortgage payments (interest and taxes – see Form 1098)  
 Yes  No 3. Charitable contributions
- 

**Part VII. Credits – In 2006, did you have:**

- Yes  No 1. Child/dependent care expenses that allow you (and your spouse-if MFJ) to work  
 Yes  No 2. Educational expenses for you or your dependents  
 Yes  No 3. Retirement Savings Contribution
- 

**Part VIII. Earned Income Tax Credit Determination – EITC Eligibility**

- Yes  No 1. Was EITC previously disallowed (if yes taxpayer may not be eligible for EITC)  
 Yes  No 2. Based on the interview, is the taxpayer qualified for EITC?
-



a Control number 22222		WM <input type="checkbox"/>	For Official Use Only OMB No. 1545-0046	
b Employer identification number (EIN) 20-1XXXXXX		1 Wages, tips, other compensation 21889	8 Federal income tax withheld 636	
c Employer's name, address, and ZIP code MOTHER GOOSE NURSERY 907 STAR YOUR CITY, STATE ZIP		3 Social security wages 21889	4 Social security tax withheld 1357	
		6 Medicare wages (incl. tips) 21889	8 Medicare tax withheld 317	
		7 Social security type	4 Annuity type	
d Employer's social security number 310 XX XXXX		9 Advance EIC payment	10 Dependent care benefits	
e Employer's first name and initial JENNA E		Last name DUBOISE		Subj
f Employee's name and address 388 NASH YOUR CITY, STATE ZIP		11 Nonqualified plans		12a See instructions for box 12
		10 Disability payment <input type="checkbox"/>	12b <input type="checkbox"/>	
		14 Other <input type="checkbox"/>	12c <input type="checkbox"/>	
g Employee's address and ZIP code		13a <input type="checkbox"/>		12d <input type="checkbox"/>
16 State YS	17 Employer's state ID number 20-1XXXXXX	14 State wages, tips, etc. 21889	17 State income tax 317	18 Local wages, tips, etc.
		19 Local income tax		20 Locally with

Form **W-2** Wage and Tax Statement **2006** Department of the Treasury—Internal Revenue Service  
 Copy A For Social Security Administration — Send this entire page with Form W-3 to the Social Security Administration; photocopies are not acceptable.  
 For Privacy Act and Paperwork Reduction Act Notice, see back of Copy B. Cat. No. 10134D

Do Not Cut, Fold, or Staple Forms on This Page — Do Not Cut, Fold, or Staple Forms on This Page.

CORRECTED (if checked)

PAYER'S name, street address, city, state, and ZIP code SOUTHEAST ISD 1809 QUAIL YOUR CITY, STATE ZIP		1 Gross distribution \$ 20450	OMB No. 1545-0119 <b>2006</b> Form 1099-R		Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
		2a Taxable amount \$	2b Taxable amount not determined <input checked="" type="checkbox"/> Total distribution <input type="checkbox"/>		
PAYER'S federal identification number 20-2XXXXXX	RECIPIENT'S identification number 310-XX-XXXX	3 Capital gain (included in box 2a) \$	4 Federal income tax withheld \$ 484		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.
RECIPIENT'S name JENNA E DUBOISE		5 Employee contributions or insurance premiums/ designated Roth basis \$	6 Net unrealized appreciation in employer's securities \$		
Street address (including apt. no.) 388 NASH		7 Distribution code(s) 4	8 Other \$	This information is being furnished to the Internal Revenue Service.	
City, state, and ZIP code YOUR CITY, STATE ZIP		9a Your percentage of total distribution %	9b Total employee contributions \$ 58775		
1st year of desig. Roth contrib.		10 State tax withheld \$	11 State/Payer's state no.		12 State distribution \$
Account number (see instructions)		13 Local tax withheld \$	14 Name of locality		15 Local distribution \$

Form 1099-R Department of the Treasury - Internal Revenue Service

7979		<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		Proceeds From Broker and Barter Exchange Transactions		
PAYOR'S name, street address, city, state, ZIP code, and telephone no. <b>NATIONAL EQUITY</b> <b>279 YORK</b> <b>YOUR CITY, STATE ZIP</b>		14 Date of sale or exchange <b>10/12/2006</b>	15 OUSP no.	OMB No. 1545-0046 <b>2006</b> Form 1099-B	Copy A For Internal Revenue Service Center  File with Form 1096.  For Privacy Act and Paperwork Reduction Act Notice, see the 2006 General Instructions for Forms 1099, 1098, 5498, and W-2G.	
		2 Stocks, bonds, etc. <b>\$ 8000</b>	Reported to IRS <input type="checkbox"/> Gross proceeds <input checked="" type="checkbox"/> Net proceeds less commissions and other charges			
PAYOR'S federal identification number <b>20-XXXXXX</b>	RECIPIENT'S identification number <b>310 XX XXXX</b>	3 Bartering <b>\$</b>	4 Federal income tax withheld <b>\$</b>			
RECIPIENT'S name <b>JENNA E DUBOISE</b>		5 No. of shares exchanged <b>60</b>	6 Classes of stock exchanged			
Street address (including apt. no.) <b>388 NASH</b>		7 Description <b>XYZ STOCK</b>				
City, state, and ZIP code <b>YOUR CITY, STATE ZIP</b>		8 Profit or (loss) realized in 2006 <b>\$</b>	9 Unrealized profit or (loss) on open contracts—12/31/2006 <b>\$</b>			
CORPORATION'S name		10 Unrealized profit or (loss) on open contracts—12/31/2006 <b>\$</b>	11 Aggregate profit or loss <b>\$</b>			
Account number (see instructions)		12 Check the box if recipient cannot take a loss on this sale based on the amount in box 2 <input type="checkbox"/>				
Form 1099-B Do Not Cut or Separate Forms on This Page		Cat. No. 14411V		Department of the Treasury—Internal Revenue Service Do Not Cut or Separate Forms on This Page		

7977		<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		Proceeds From Broker and Barter Exchange Transactions		
PAYOR'S name, street address, city, state, ZIP code, and telephone no. <b>LINCOLN INVESTMENTS</b> <b>725 HOUSE RD</b> <b>OUR CITY, STATE ZIP</b>		14 Date of sale or exchange <b>05/15/2006</b>	15 OUSP no.	OMB No. 1545-0046 <b>2006</b> Form 1099-B	Copy A For Internal Revenue Service Center  File with Form 1096.  For Privacy Act and Paperwork Reduction Act Notice, see the 2006 General Instructions for Forms 1099, 1098, 5498, and W-2G.	
		2 Stocks, bonds, etc. <b>\$ 1820</b>	Reported to IRS <input checked="" type="checkbox"/> Gross proceeds <input type="checkbox"/> Net proceeds less commissions and other charges			
PAYOR'S federal identification number <b>20-3XXXXXX</b>	RECIPIENT'S identification number <b>310 XX XXXX</b>	3 Bartering <b>\$</b>	4 Federal income tax withheld <b>\$</b>			
RECIPIENT'S name <b>JENNA E DUBOISE</b>		5 No. of shares exchanged <b>300</b>	6 Classes of stock exchanged			
Street address (including apt. no.) <b>388 NASH</b>		7 Description <b>ABC STOCK</b>				
City, state, and ZIP code <b>YOUR CITY, STATE ZIP</b>		8 Profit or (loss) realized in 2006 <b>\$</b>	9 Unrealized profit or (loss) on open contracts—12/31/2006 <b>\$</b>			
CORPORATION'S name		10 Unrealized profit or (loss) on open contracts—12/31/2006 <b>\$</b>	11 Aggregate profit or loss <b>\$</b>			
Account number (see instructions)		12 Check the box if recipient cannot take a loss on this sale based on the amount in box 2 <input type="checkbox"/>				
Form 1099-B Do Not Cut or Separate Forms on This Page		Cat. No. 14411V		Department of the Treasury—Internal Revenue Service Do Not Cut or Separate Forms on This Page		

---

## Advanced Scenario 1 Retest Questions

### Directions

Use the information provided to answer the following questions. You are a volunteer at S31053333.

*Note: To complete social security numbers and employer identification numbers, replace Xs with 286560 or with the EFIN provided by your instructor.*

- 8.1** Which filing status would you recommend for Jenna?
- a. Single
  - b. Married Filing Jointly
  - c. Married Filing Separately
  - d. Head of Household
  - e. Qualifying Widow(er) with dependent child
- 8.2** What is the short-term capital gain or loss from line 7 of Schedule D?  
\$\_\_\_\_\_
- 8.3** What is the long-term capital gain or loss from line 15 of Schedule D?
- a. \$5,500 gain
  - b. \$6,195 gain
  - c. \$6,475 gain
  - d. \$6,500 gain
- 8.4** Refer to the Simplified Method worksheet to determine the taxable amount of Jenna's survivor's annuity, reported on line 16b of Form 1040.
- a. \$0
  - b. \$18,654
  - c. \$18,873
  - d. \$20,450
- 8.5** Whose age(s) must be used to compute the taxable amount of the pension income?
- a. Jenna's
  - b. Jason's
  - c. Jenna's and Jason's

- 8.6** What are the total payments on line 72 of Jenna's Form 1040?
- a. \$1,320
  - b. \$2,384
  - c. \$2,736
  - d. \$3,220

## Advanced Scenario 2: Ralph Drake

**Taxpayer** Ralph Drake completed Form 13614, Intake and Interview Sheet.

---

- Taxpayer Documents**
- Social security card for Ralph E. Drake
  - Social security card for Sean K. Drake
  - Social security card for Jackson T. Drake
  - Form W-2 for Ralph Drake
  - Form 1098-T from State University
  - Form 1099-MISC from James Haskins, PA
  - Form 1099-INT from Professional Bank
- 

- Interview Notes**
- Ralph Drake is 66 years old, divorced with two sons.
  - Ralph's two sons, Sean and Jackson, lived with him all year. Neither of the boys worked during the year. The boys did not receive any taxable income.
    - Sean, 20 years old, is a sophomore at State University. He did not receive any scholarships. He is an eligible student for the Hope Credit.
    - Ralph took out a \$6,000 education loan and paid \$578 interest on the student loan.
    - Jackson, 16 years old, is in high school. Ralph has sole custody of Jackson.
  - Ralph is supposed to pay his ex-wife, Alyson Drake (323-XX-XXXX), \$350 per month in court-ordered alimony. He only paid it from January through August 2006.
  - On 7/30/2006, Ralph sold an unimproved lot that he inherited from his father.
    - Sale price of lot: \$5,000.
    - Expense of sale: Realtor fee of \$300
    - His father purchased the lot for \$500 on July 1, 1995.
    - Fair market value (FMV) of the lot at date of his father's death on 03/29/2001 was \$1,000
  - Ralph has Form W-2 from Engineering Systems where he worked part of the year.

---

**Interview  
Notes**

- In June 2006, after he quit his job, he started a small business in systems engineering.
  - His 2006 earnings from the new business were \$4,200, which includes the \$3,000 shown on Form 1099-MISC.
  - Expenses for the systems engineering business:
    - \$319 - office supplies and postage
    - \$480 - business phone charges
    - \$200 - printing expenses
    - \$1000 - legal fees
    - \$200 - professional fees
    - Car business expenses starting June 12, 2006:  
Total miles on the car are 18,500, as this is his only car. Business miles are 3,800. He has written documentation to support the business miles deduction.
- He decided to delay applying for social security and Medicare B benefits because he is working on a new career.
- Ralph has not itemized his deductions in previous years and does not have enough expenses to itemize deductions this year.



**Intake and Interview Sheet**

**You (and Spouse) will need:**

- Proof of Identity
- Copies of ALL W-2 1098, 1099 forms
- Social Security (SSN) or Individual Tax Identification Number (ITIN) for all individuals to be listed on the return
- Child care providers' identification number
- Taxpayers' banking information (voided check and/or savings deposit slip) for refund deposits
- Estimated tax payments made, etc.
- Amounts of other income

**Part I: Taxpayer Information**

1. Your First Name RALPH		M.I. E	Last Name DRAKE		2. SSN or ITIN 3 2 0 - X X - X X X X	
3. Date of Birth (mm/dd/yyyy) 05 / 16 / 1940		4. Job Title SYSTEMS ENGINEER				
5. Spouse's First Name		M.I.	Last Name		6. SSN or ITIN - -	
7. Date of Birth (mm/dd/yyyy) / /		8. Job Title				
9. Address 205 CANYON DRIVE			Apt #	City YOUR CITY	State YS	Zip Code YOUR ZIP COI
10. Phone Numbers: Daytime YOUR PHONE NUMBER		Evening		Cell		
11. Are you a U.S. Citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			12. Is your Spouse a U.S. Citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No			
13. Can your parents or someone else claim you or your spouse as a dependent on their tax return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No						
14. Did you pay more than half the cost of keeping up the home? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No						
15. Check if Legally Blind: <input type="checkbox"/> Taxpayer <input type="checkbox"/> Spouse						
16. Check if Permanently and Totally Disabled: <input type="checkbox"/> Taxpayer <input type="checkbox"/> Spouse						
17. On December 31st 2006: Were you: <input type="checkbox"/> Single <input type="checkbox"/> Legally Married <input type="checkbox"/> Separated <input checked="" type="checkbox"/> Divorced a. If married, were you living with your spouse at anytime during the last 6 months of the year? <input type="checkbox"/> Yes <input type="checkbox"/> No						
18. Was your spouse deceased? If yes, provide the date of death. ___ / ___ / ___ (mm/dd/yyyy)						

**Part II. Family and Dependent Information – Do not include you or your spouse.**

*Print the name of everyone who lived in your home and outside your home that you supported during the year.*

Name (a)	Date of Birth (b) mm/dd/yyyy	Social Security Number or ITIN (c)	Relationship (son, daughter, etc.) (d)	Months person lived with you in 2006 (e)	Check if resident of Canada or Mexico (f)	Is the dependent a full time student? (yes or no) (g)
SEAN K. DRAKE	2/12/1988	321-XX-XXXX	SON	12		YES
JACKSON T. DRAKE	9/25/1990	322-XX-XXXX	SON	12		YES

---

**Part III. Filing Status & Dependency Determination**

---

Volunteers: In order to conduct a thorough interview, please use the decision trees, interview tips and informational charts in Publications 4012 and/or 17 in addition to this intake sheet. This intake sheet does not constitute a complete interview.

---

**Filing Status Determination – Use Publications 4012 and/or 17 to determine filing status.**

1. Based on the interview, the filing status of the taxpayer is:  Single  MFJ  MFS\*  HH  Qualifying Widow(er)

\*Spouse Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

**Dependency Determination – Use Publications 4012 and/or 17 to determine dependency exemptions.**

- Yes  No 2. Did the taxpayer provide more than 50% of the support for the dependents claimed?  
 Yes  No 3. Is there a signed Form 8332 or a divorce decree that allows someone else to claim the dependent(s)?  
 Yes  No 4. Is the dependent permanently and totally disabled?  
5. Based on the interview, how many individuals qualify as dependents for this return? \_\_\_\_\_
- 

**COMMONLY USED INCOME AND EXPENSES**

Volunteers: Please use Publication 17, *Your Federal Income Tax for Individuals* and Publication 4012, *Volunteer Resource Guide* while discussing the questions below with the taxpayer.

---

**Part IV. Income – In 2006, did you receive:**

---

- Yes  No 1. Wages or Salary (Include W-2s for all jobs worked during the year)  
 Yes  No 2. Disability income  
 Yes  No 3. Interest from: checking or savings account, bonds, dividends, CD, or brokerage account  
 Yes  No 4. State tax refund (may be taxable if you itemized last year)  
 Yes  No 5. Alimony income  
 Yes  No 6. Tip income  
 Yes  No 7. Pension and/or IRA distribution  
 Yes  No 8. Unemployment  
 Yes  No 9. Social Security or Railroad Retirement  
 Yes  No 10. Self Employment  
 Yes  No 11. Other Income such as gambling winnings, awards, prizes and Jury duty
- 

**Part V. Adjustment – Did you have 2006 expenses for:**

---

- Yes  No 1. IRA or other retirement account  
 Yes  No 2. Alimony payments paid (If yes, you must provide the name and SSN of the recipient)  
 Yes  No 3. Education related expenses
- 

**Part VI. Itemized Deductions – Did you have 2006 expenses for:**

---

- Yes  No 1. Un-reimbursed medical expenses  
 Yes  No 2. Home mortgage payments (interest and taxes – see Form 1098)  
 Yes  No 3. Charitable contributions
- 

**Part VII. Credits – In 2006, did you have:**

---

- Yes  No 1. Child/dependent care expenses that allow you (and your spouse-if MFJ) to work  
 Yes  No 2. Educational expenses for you or your dependents  
 Yes  No 3. Retirement Savings Contribution
- 

**Part VIII. Earned Income Tax Credit Determination – EITC Eligibility**

---

- Yes  No 1. Was EITC previously disallowed (if yes taxpayer may not be eligible for EITC)  
 Yes  No 2. Based on the interview, is the taxpayer qualified for EITC?
-



a Control number		22222	VOID <input type="checkbox"/>	For Official Use Only OMB No. 1545-0046	
b Employer identification number (EIN) 22-1XXXXXX			1 Wages, tips, other compensation 31900	3 Federal income tax withheld 4710	
c Employee's name, address, and ZIP code ENGINEERING SYSTEMS 616 WALNUT YOUR CITY, STATE ZIP			2 Social security wages 31900	4 Social security tax withheld 1978	
			5 Medicare wages and tips 31900	6 Medicare tax withheld 453	
			7 Social security tips	8 Allocated tips	
d Employee's social security number 320 XX XXXX			9 Advance EIC payment	10 Dependent care benefits	
e Employee's first name and initial RALPHE		Last name DRAKE	11 Nonqualified plans		12a See instructions for box 12
205 CANYON YOUR CITY, STATE ZIP			10a Health insurance	10b Dental insurance	10c Life insurance
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			10d Other	10e	10f
f Employee's address and ZIP code			13a	13b	13c
15 Tax	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax
YS	22-1XXXXXX	31900	1300		

**Form W-2 Wage and Tax Statement 2006** Department of the Treasury—Internal Revenue Service  
 Copy A For Social Security Administration — Send this entire page with Form W-2 to the Social Security Administration; photocopies are not acceptable. For Privacy Act and Paperwork Reduction Act Notice, see back of Copy D. Cat. No. 10794D

Do Not Cut, Fold, or Staple Forms on This Page — Do Not Cut, Fold, or Staple Forms on This Page

8383		VOID <input type="checkbox"/>	CORRECTED <input type="checkbox"/>	OMB No. 1545-0074	
FILER'S name, street address, city, state, ZIP code, and telephone number STATE UNIVERSITY 616 WALNUT Portsmouth, NH 03801			1 Payments received for qualified tuition and related expenses \$ 3000	2006 Form 1098-T	
2 Amount billed for qualified tuition and related expenses \$ 4500			3 Check if you have changed your reporting method for 2006 <input type="checkbox"/>	Tuition Statement	
FILER'S federal identification no. 22-4XXXXXX	STUDENT'S social security number 321 XX XXXX	4 Adjustments made for a prior year \$	5 Scholarship or grants \$	Copy A For Internal Revenue Service Center File with Form 1098. For Privacy Act and Paperwork Reduction Act Notice, see the 2006 General Instructions for Forms 1098, 1098-B, and W-2D.	
STUDENT'S name SEAN K DRAKE		6 Adjustments to scholarships or grants for a prior year \$	7 Check this box if the amount in box 1 or 2 includes amounts for an Academic Period beginning January 1 - March 2007 <input type="checkbox"/>		
Street address (including apt. no.) 205 CANYON DRIVE		8 Check if a graduate student <input type="checkbox"/>	10 (Do not enter more than \$)		
City, state, and ZIP code YOUR CITY, STATE ZIP		9 Check if at least half time student <input checked="" type="checkbox"/>			

Form 1098-T Cat. No. 25871 Department of the Treasury—Internal Revenue Service  
 Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page

CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no.  <b>JAMES P HASKINS, PA</b> <b>8817 KRISTEN</b> <b>YOUR CITY, STATE ZIP</b>		1 Rents \$ 2 Royalties \$ 3 Other income \$	4 Federal income tax withheld \$	OMB No. 1545-0115  <b>2006</b>  Form <b>1099-MISC</b>	<b>Miscellaneous Income</b>	<b>Copy B For Recipient</b>  This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
PAYER'S federal identification number  <b>22-3XXXXXX</b>	RECIPIENT'S identification number  <b>320-XX-XXXX</b>	5 Fishing boat proceeds \$	6 Medical and health care payments \$			
RECIPIENT'S name  <b>RALPH E DRAKE</b>  Street address (including apt. no.)  <b>205 CANYON DRIVE</b>  City, state, and ZIP code  <b>YOUR CITY, STATE ZIP</b>		7 Nonemployee compensation  <b>\$3000.00</b>	8 Schedule payments in lieu of dividends or interest \$			
Account number (see instructions)  \$		9 Payer made direct sale of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/> 10 Crop insurance proceeds \$	11 \$	12 \$		
15a Section 409A deferrals \$	15b Section 409A income \$	13 Excess golden parachute payments \$	14 Gross proceeds paid to an attorney \$	16 State tax withheld \$	17 State/Payer's state no. \$	18 State income \$

Form **1099-MISC** (keep for your records) Department of the Treasury - Internal Revenue Service

CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no.  <b>PROFESSIONAL BANK</b> <b>2220 ROBBINS BLVD</b> <b>YOUR CITY, STATE ZIP</b>		Payer's RTN (optional) OMB No. 1545-0112  <b>2006</b>  Form <b>1099-INT</b>	<b>Interest Income</b>	<b>Copy B For Recipient</b>  This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.		
PAYER'S federal identification number  <b>22-2XXXXXX</b>	RECIPIENT'S identification number  <b>320-XX-XXXX</b>	1 Interest income not included in Box 3 \$ <b>264</b>	2 Early withdrawal penalty \$		3 Applied in U.S. Savings Bonds and Treas. obligations \$	
RECIPIENT'S name  <b>RALPH E DRAKE</b>  Street address (including apt. no.)  <b>205 CANYON DR.</b>  City, state, and ZIP code  <b>YOUR CITY, STATE ZIP</b>		4 Federal income tax withheld \$	5 Investment expenses \$			
Account number (see instructions)  \$		6 Foreign tax paid \$	7 Foreign country or U.S. possession \$			

Form **1099-INT** (keep for your records) Department of the Treasury - Internal Revenue Service

Form **1040**

Department of the Treasury—Internal Revenue Service  
**U.S. Individual Income Tax Return 2006**

OMB No. 1545-0047

**Label**

(See instructions on page 16.)  
Use the IRS label. Otherwise, please print or type.

For the year Jan. 1-Dec. 31, 2006, or other tax year beginning \_\_\_\_\_, 2006

Your first name and initial: **RALPHE** Last name: **DRAKE**

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 page 16) Apt. no.:  
**205 CANYON DRIVE**

City, town or post office, state and ZIP code. If you have a foreign address, see page 16.  
**YOUR CITY, STATE ZIP**

Your social security number:  
**320 XX XXXX**

Spouse's social security number:  
\_\_\_\_\_

**You must enter your SSN(s) above.**

**Presidential Election Campaign**

Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 16):  **You**  **Spouse**

**Filing Status**

Check only one box.

- 1  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 page 17.) If the qualifying person is a child but not your dependent, enter the child's name here.
- 5  Qualifying widow(er) with dependent child (see page 17).

**Exemptions**

If more than four dependents, see page 18.

6a  Yourself. If someone can claim you as a dependent, do not check this box.

b  Spouse

c Dependents:		(2) Dependent's social security number	(3) Dependent's relationship to you	(4) Qualifying child for credit (see page 18)
(1) First name	Last name			
SEAN K	DRAKE	321 XX XXXX	SON	<input type="checkbox"/>
JACKSON T	DRAKE	322 XX XXXX	SON	<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>

d Total number of exemptions claimed: **3**

Boxes checked on 6a and 6b. No. of children on file who:

- 1 lived with you
- 2 did not live with you due to divorce or separation (see page 20)

Dependents on 6c not entered above

Add numbers on lines above: **3**

**Income**

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

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

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

7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	31900
8a	Taxable interest. Attach Schedule B if required	8a	284
8b	Tax-exempt interest. Do not include on line 8a	8b	
9a	Ordinary dividends. Attach Schedule B if required	9a	
9b	Qualified dividends (see page 23)	9b	
10	Taxable refunds, credits, or offsets of state and local income taxes (see page 25)	10	
11	Alimony received	11	
12	Business income or (loss). Attach Schedule C or C-EZ	12	310
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	13	4000
14	Other gains or (losses). Attach Form 4797	14	
15a	IRA distributions	15a	
15b	Taxable amount (see page 25)	15b	
16a	Pensions and annuities	16a	
16b	Taxable amount (see page 25)	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	
20b	Taxable amount (see page 27)	20b	
21	Other income. List type and amount (see page 29)	21	
22	Add the amounts in the far right column for lines 7 through 21. This is your total income	22	36494

**Adjusted Gross Income**

23	Another MSA deduction. Attach Form 8853	23	
24	Certain business expenses of reservists, performing artists, and fee-based government officials. Attach Form 2106 or 2106-EZ	24	
25	Health savings account deduction. Attach Form 8889	25	
26	Moving expenses. Attach Form 8903	26	
27	One-half of self-employment tax. Attach Schedule SE	27	
28	Self-employed SEP, SIMPLE, and qualified plans	28	
29	Self-employed health insurance deduction (see page 30)	29	
30	Penalty on early withdrawal of savings	30	
31a	Anyroy paid. Recipient's SSN: <b>323 XX XXXX</b>	31a	2800
32	IRA deduction (see page 31)	32	
33	Student loan interest deduction (see page 33)	33	
34	Jury duty pay you gave to your employer	34	
35	Domestic production activities deduction. Attach Form 8802	35	
36	Add lines 23 through 31a and 32 through 35	36	2800
37	Subtract line 36 from line 22. This is your adjusted gross income	37	33694

**Tax and Credits**

**Standard Deduction for—**

- People who checked any box on line 39a or 39b or who can be claimed as a dependent, see page 36.
- All others:

Single or Married filing separately, \$5,100

Married filing jointly or Qualifying widow(er), \$10,200

Head of household, \$7,500

<b>38</b>	Amount from line 37 (adjusted gross income)	<b>38</b>	<b>33694</b>
<b>39a</b>	Check <input checked="" type="checkbox"/> <b>You were born before January 2, 1942</b> <input type="checkbox"/> <b>Blind</b> <input type="checkbox"/> <b>Total losses checked ▶ 39a</b> <input type="checkbox"/> <b>Spouse was born before January 2, 1942</b> <input type="checkbox"/> <b>Blind</b> <input type="checkbox"/> <b>39a</b> <input type="checkbox"/>		
<b>40</b>	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	<b>40</b>	<b>7500</b>
<b>41</b>	Subtract line 40 from line 38	<b>41</b>	<b>26144</b>
<b>42</b>	If line 38 is over \$112,675, or you provided housing to a person displaced by Hurricane Katrina, see page 37. Otherwise, multiply \$3,300 by the total number of exemptions claimed on line 6d	<b>42</b>	<b>9900</b>
<b>43</b>	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	<b>43</b>	<b>16244</b>
<b>44</b>	Tax (see page 37). Check if any tax is from: <input type="checkbox"/> Form(s) 9814 <input type="checkbox"/> Form 4872	<b>44</b>	<b>1496</b>
<b>45</b>	Alternative minimum tax (see page 38). Attach Form 6251	<b>45</b>	
<b>46</b>	Add lines 44 and 45	<b>46</b>	
<b>47</b>	Foreign tax credit. Attach Form 1116 if required	<b>47</b>	
<b>48</b>	Credits for child and dependent care expenses. Attach Form 2441	<b>48</b>	
<b>49</b>	Credit for the elderly or the disabled. Attach Schedule R	<b>49</b>	
<b>50</b>	Education credits. Attach Form 8863	<b>50</b>	<b>1496</b>
<b>51</b>	Retirement savings contributions credit. Attach Form 8880	<b>51</b>	
<b>52</b>	Residential energy credits. Attach Form 5695	<b>52</b>	
<b>53</b>	Child tax credit (see page 30). Attach Form 8801 if required	<b>53</b>	
<b>54</b>	Credits from: <input type="checkbox"/> Form 8296 <input type="checkbox"/> Form 8539 <input type="checkbox"/> Form 8558	<b>54</b>	
<b>55</b>	Other credits: <input type="checkbox"/> Form 3905 <input type="checkbox"/> Form 8801 <input type="checkbox"/> Form	<b>55</b>	
<b>56</b>	Add lines 47 through 55. These are your <b>total credits</b>	<b>56</b>	<b>1496</b>
<b>57</b>	Subtract line 56 from line 46. If line 56 is more than line 46, enter -0-	<b>57</b>	<b>0</b>

**Other Taxes**

<b>58</b>	Self-employment tax. Attach Schedule SE	<b>58</b>	
<b>59</b>	Social security and Medicare tax on income not reported to employer. Attach Form 4137	<b>59</b>	
<b>60</b>	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	<b>60</b>	
<b>61</b>	Advance earned income credit payments from Form(s) W-2, box 11	<b>61</b>	
<b>62</b>	Household employment taxes. Attach Schedule H	<b>62</b>	
<b>63</b>	Add lines 57 through 62. This is your <b>total tax</b>	<b>63</b>	<b>0</b>

**Payments**

If you have a QUALIFYING child, attach Schedule EIC

<b>64</b>	Federal income tax withheld from Forms W-2 and 1099	<b>64</b>	<b>4710</b>
<b>65</b>	2008 estimated tax payments and amount applied from 2005 return	<b>65</b>	
<b>66a</b>	Earned income credit (EIC)	<b>66a</b>	
<b>67</b>	Excess social security and tier 1 RRTA tax withheld (see page 58)	<b>67</b>	
<b>68</b>	Additional child tax credit. Attach Form 8812	<b>68</b>	
<b>69</b>	Amount paid with request for extension to file (see page 59)	<b>69</b>	
<b>70</b>	Payments from: <input type="checkbox"/> Form 3409 <input type="checkbox"/> Form 4126 <input type="checkbox"/> Form 6885	<b>70</b>	
<b>71</b>	Credit for federal telephone excise tax paid. Attach Form 8813 if required	<b>71</b>	
<b>72</b>	Add lines 64, 65, 66a, and 67 through 71. These are your <b>total payments</b>	<b>72</b>	<b>4710</b>

**Refund**

Direct deposit? See page 68 and fill in 74b, 74c, and 74d, or Form 8888

<b>73</b>	If line 72 is more than line 63, subtract line 63 from line 72. This is the amount you <b>overpaid</b>	<b>73</b>	<b>4710</b>
<b>74a</b>	Amount of line 73 you want <b>refunded to you</b> . If Form 8888 is attached, check here <input type="checkbox"/>	<b>74a</b>	<b>4710</b>
<b>74b</b>	Routing number	<b>74c</b>	Type <input type="checkbox"/> Checking <input type="checkbox"/> Savings
<b>74d</b>	Account number		

**Amount You Owe**

<b>75</b>	Amount of line 73 you want <b>applied to your 2007 estimated tax</b>	<b>75</b>	
<b>76</b>	Amount you owe. Subtract line 72 from line 63. For details on how to pay, see page 60	<b>76</b>	
<b>77</b>	Estimated tax penalty (see page 60)	<b>77</b>	

**Third Party Designee**

Do you want to allow another person to discuss this return with the IRS (see page 61)?  **Yes**. Complete the following.  **No**

**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 signer) is based on all information of which preparer has any knowledge.

Designee's name	Phone no.	Personal identification number (PIN)
Your signature	Date	Your occupation
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation
Daytime phone number		

**Paid Preparer's Use Only**

Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's EIN or PTIN
Firm's name (or yours if self-employed, address, and ZIP code)	EIN	Phone no.	

**SCHEDULE C-EZ**  
**(Form 1040)**

**Net Profit From Business**

(Sole Proprietorship)

► Partnerships, joint ventures, etc., must file Form 1065 or 1065-B.  
► Attach to Form 1040 or 1041. ► See instructions on back.

OMB No. 1545-0045

**2006**

Attachment Sequence No. **09A**

Department of the Treasury  
Internal Revenue Service

Name of proprietor  
RALPH E DRAKE

Social security number (SSN)  
320 XX XXXX

**Part I** General Information

You May Use  
Schedule C-EZ  
Instead of  
Schedule C  
Only If You:

- Had business expenses of \$5,000 or less.
- Use the cash method of accounting.
- Did not have an inventory at any time during the year.
- Did not have a net loss from your business.
- Had only one business as either a sole proprietor or statutory employee.

And You:

- Had no employees during the year.
- Are not required to file Form 4562, Depreciation and Amortization, for this business. See the instructions for Schedule C, line 13, on page C-4 to find out if you must file.
- Do not deduct expenses for business use of your home.
- Do not have prior year unallowed passive activity losses from this business.

**A** Principal business or profession, including product or service  
Systems Engineering

**B** Enter code from pages C-8, 9, & 10  
5 4 1 5 1 0

**C** Business name. If no separate business name, leave blank.

**D** Employer ID number (EIN), if any

**E** Business address (including suite or room no.). Address not required if same as on Form 1040, page 1.

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

**Part II** Figure Your Net Profit

<b>1</b> Gross receipts. <b>Caution.</b> If this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked, see <b>Statutory Employees</b> in the instructions for Schedule C, line 1, on page C-3 and check here . . . . .	<input type="checkbox"/>	1	4200
<b>2</b> Total expenses (see instructions). If more than \$5,000, you <b>must</b> use Schedule C. . . . .		2	3890
<b>3</b> Net profit. Subtract line 2 from line 1. If less than zero, you <b>must</b> use Schedule C. Enter on Form 1040, line 12, and also on Schedule SE, line 2. (Statutory employees <b>do not</b> report this amount on Schedule SE, line 2. Estates and trusts, enter on Form 1041, line 3.) . . . . .		3	310

**Part III** Information on Your Vehicle. Complete this part **only** if you are claiming car or truck expenses on line 2.

- 4** When did you place your vehicle in service for business purposes? (month, day, year) ► 06 / 12 / 2006
- 5** Of the total number of miles you drove your vehicle during 2006, enter the number of miles you used your vehicle for:
- a Business 3800 b Commuting (see instructions) c Other 14,700
- 6** Do you (or your spouse) have another vehicle available for personal use? . . . . .  Yes  No
- 7** Was your vehicle available for personal use during off-duty hours? . . . . .  Yes  No
- 8a** Do you have evidence to support your deduction? . . . . .  Yes  No
- b** If "Yes," is the evidence written? . . . . .  Yes  No

For Paperwork Reduction Act Notice, see page 2.

Cat. No. 14374D

Schedule C-EZ (Form 1040) 2006

**SCHEDULE D  
(Form 1040)**

Department of the Treasury  
Internal Revenue Service (99)

Name(s) shown on Form 1040  
**RALPH E DRAKE**

**Capital Gains and Losses**

▶ Attach to Form 1040. ▶ See Instructions for Schedule D (Form 1040).  
▶ Use Schedule D-1 to list additional transactions for lines 1 and 3.

OMB No. 1545-0074

**2006**

Attachment  
Sequence No. **12**

Your social security number  
**320 XX XXXX**

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

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-6 of the instructions)	(e) Cost or other basis (see page D-6 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
1					
2 Enter your short-term totals, if any, from Schedule D-1, line 2 . . . . .			2		
3 <b>Total short-term sales price amounts.</b> Add lines 1 and 2 in column (d) . . . . .			3		
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 <b>Capital Loss Carryover Worksheet</b> on page D-6 of the instructions . . . . .					6 ( )
7 <b>Net short-term capital gain or (loss).</b> Combine lines 1 through 6 in column (f) . . . . .					7

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

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-6 of the instructions)	(e) Cost or other basis (see page D-6 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
8 Lot 27 Blk G Sec 11-b	INHERITED	07/30/2006	5000	1000	4000
9 Enter your long-term totals, if any, from Schedule D-1, line 9 . . . . .			9		
10 <b>Total long-term sales price amounts.</b> Add lines 8 and 9 in column (d) . . . . .			10	5000	
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 page D-1 of the instructions . . . . .					13
14 Long-term capital loss carryover. Enter the amount, if any, from line 13 of your <b>Capital Loss Carryover Worksheet</b> on page D-6 of the instructions . . . . .					14 ( )
15 <b>Net long-term capital gain or (loss).</b> Combine lines 8 through 14 in column (f). Then go to Part III on the back.					15 4000

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Cat. No. 11338H

Schedule D (Form 1040) 2006

**Part III** Summary

16 Combine lines 7 and 15 and enter the result. If line 16 is a loss, skip lines 17 through 20, and go to line 21. If a gain, enter the gain on Form 1040, line 13, and then go to line 17 below.	16	4000
17 Are lines 15 and 16 both gains? <input checked="" type="checkbox"/> Yes. Go to line 18. <input type="checkbox"/> No. Skip lines 18 through 21, and go to line 22.		
18 Enter the amount, if any, from line 7 of the <b>28% Rate Gain Worksheet</b> on page D-7 of the instructions.	18	0
19 Enter the amount, if any, from line 18 of the <b>Unrecaptured Section 1259 Gain Worksheet</b> on page D-8 of the instructions.	19	0
20 Are lines 18 and 19 both zero or blank? <input checked="" type="checkbox"/> Yes. Complete Form 1040 through line 43, and then complete the <b>Qualified Dividends and Capital Gain Tax Worksheet</b> on page 38 of the Instructions for Form 1040. Do not complete lines 21 and 22 below. <input type="checkbox"/> No. Complete Form 1040 through line 43, and then complete the <b>Schedule D Tax Worksheet</b> on page D-9 of the instructions. Do not complete lines 21 and 22 below.		
21 If line 16 is a loss, enter here and on Form 1040, line 13, the <b>smaller</b> of:  <ul style="list-style-type: none"> <li>• The loss on line 16 or</li> <li>• (\$3,000), or if married filing separately, (\$1,500)</li> </ul> <b>Note.</b> When figuring which amount is smaller, treat both amounts as positive numbers.	21	( )
22 Do you have qualified dividends on Form 1040, line 9b? <input type="checkbox"/> Yes. Complete Form 1040 through line 43, and then complete the <b>Qualified Dividends and Capital Gain Tax Worksheet</b> on page 38 of the Instructions for Form 1040. <input type="checkbox"/> No. Complete the rest of Form 1040.		

Schedule D (Form 1040) 2006

**Education Credits**  
**(Hope and Lifetime Learning Credits)**

Department of the Treasury  
Internal Revenue Service (99)

▶ See instructions.  
▶ Attach to Form 1040 or Form 1040A.

Attachment  
Sequence No. **50**

Name(s) shown on return  
**RALPH E DRAKE**

Your social security number  
**320 XX XXXX**

**Caution:** You cannot take the Hope credit and the lifetime learning credit for the same student in the same year.

**Part I Hope Credit.** Caution: You cannot take the Hope credit for more than 2 tax years for the same student.

1	(a) Student's name (as shown on page 1 of your tax return) First name Last name	(b) Student's social security number (as shown on page 1 of your tax return)	(c) Qualified expenses (see instructions). Do not enter more than \$2,200* for each student.	(d) Enter the smaller of the amount in column (c) or \$1,100**	(e) Add column (c) and column (d)	(f) Enter one-half of the amount in column (e)
	SEAN K DRAKE	321 XX XXXX	2200	1100	3300	1650

\* For each student who attended an eligible educational institution in the Gulf Opportunity Zone, do not enter more than \$4,400.  
\*\* For each student who attended an eligible educational institution in the Gulf Opportunity Zone, enter the smaller of the amount in column (c) or \$2,200.

2 **Tentative Hope credit.** Add the amounts on line 1, column (f). If you are taking the lifetime learning credit for another student, go to Part II; otherwise, go to Part III. ▶ 2 1650

**Part II Lifetime Learning Credit**

3	(a) Student's name (as shown on page 1 of your tax return) First name Last name	(b) Student's social security number (as shown on page 1 of your tax return)	(c) Qualified expenses (see instructions)

4 Add the amounts on line 3, column (c), and enter the total. 4

5a Enter the smaller of line 4 or \$10,000. 5a

b For students who attended an eligible educational institution in the Gulf Opportunity Zone, enter the smaller of \$10,000 or their qualified expenses included on line 4 (see special rules on page 3). 5b

c Subtract line 5b from line 5a. 5c

6a Multiply line 5b by 40% (.40). 6a

b Multiply line 5c by 20% (.20). 6b

c **Tentative lifetime learning credit.** Add lines 6a and 6b and go to Part III. 6c

**Part III Allowable Education Credits**

7	Tentative education credits. Add lines 2 and 6c	7	1650
8	Enter: \$110,000 if married filing jointly; \$55,000 if single, head of household, or qualifying widow(er)	8	55000
9	Enter the amount from Form 1040, line 38*, or Form 1040A, line 22	9	32816
10	Subtract line 9 from line 8. If zero or less, stop; you cannot take any education credits	10	22184
11	Enter: \$20,000 if married filing jointly; \$10,000 if single, head of household, or qualifying widow(er)	11	10000
12	If line 10 is equal to or more than line 11, enter the amount from line 7 on line 13 and go to line 14. If line 10 is less than line 11, divide line 10 by line 11. Enter the result as a decimal (rounded to at least three places)	12	X
13	Multiply line 7 by line 12	13	1650
14	Enter the amount from Form 1040, line 46, or Form 1040A, line 28	14	1496
15	Enter the total, if any, of your credits from Form 1040, lines 47 through 49, or Form 1040A, lines 29 and 30	15	0
16	Subtract line 15 from line 14. If zero or less, stop; you cannot take any education credits	16	1496
17	<b>Education credits.</b> Enter the smaller of line 13 or line 16 here and on Form 1040, line 50, or Form 1040A, line 31	17	1496

\* If you are filing Form 2555, 2555-EZ, or 4983, or you are excluding income from Puerto Rico, see Pub. 870 for the amount to enter.



## Qualified Dividends and Capital Gain Tax Worksheet—Line 44

Keep for Your Records 

- Before you begin:**
- ✓ See the instructions for line 44 that begin on page 36 to see if you can use this worksheet to figure your tax.
  - ✓ If you do not have to file Schedule D and you received capital gain distributions, be sure you checked the box on line 13 of Form 1040.

1. Enter the amount from Form 1040, line 43	1.	16244
2. Enter the amount from Form 1040, line 9b	2.	0
3. Are you filing Schedule D?		
<input checked="" type="checkbox"/> <b>Yes.</b> Enter the smaller of line 15 or 16 of Schedule D. If either line 15 or line 16 is a loss, enter -0-	3.	4000
<input type="checkbox"/> <b>No.</b> Enter the amount from Form 1040, line 13		
4. Add lines 2 and 3	4.	4000
5. If you are claiming investment interest expense on Form 4952, enter the amount from line 4g of that form. Otherwise, enter -0-	5.	0
6. Subtract line 5 from line 4. If zero or less, enter -0-	6.	4000
7. Subtract line 6 from line 1. If zero or less, enter -0-	7.	12244
8. Enter the smaller of:		
<ul style="list-style-type: none"> <li>• The amount on line 1, or</li> <li>• \$30,650 if single or married filing separately,</li> <li>   \$61,300 if married filing jointly or qualifying widower,</li> <li>   \$41,050 if head of household.</li> </ul>	8.	15244
9. Is the amount on line 7 equal to or more than the amount on line 8?		
<input type="checkbox"/> <b>Yes.</b> Skip lines 9 through 11; go to line 12 and check the "No" box.	9.	12244
<input checked="" type="checkbox"/> <b>No.</b> Enter the amount from line 7		
10. Subtract line 9 from line 8	10.	4000
11. Multiply line 10 by 5% (.05)	11.	200
12. Are the amounts on lines 6 and 10 the same?		
<input checked="" type="checkbox"/> <b>Yes.</b> Skip lines 12 through 15; go to line 16.	12.	
<input type="checkbox"/> <b>No.</b> Enter the smaller of line 1 or line 6		
13. Enter the amount from line 10 (if line 10 is blank, enter -0-)	13.	
14. Subtract line 13 from line 12	14.	
15. Multiply line 14 by 15% (.15)	15.	
16. Figure the tax on the amount on line 7. Use the Tax Table or Tax Computation Worksheet, whichever applies.	16.	1296
17. Add lines 11, 15, and 16	17.	1496
18. Figure the tax on the amount on line 1. Use the Tax Table or Tax Computation Worksheet, whichever applies.	18.	1896
19. <b>Tax on all taxable income.</b> Enter the smaller of line 17 or line 18. Also include this amount on Form 1040, line 44	19.	1496

Need more information or forms? See page 7.

- 38 -

---

## Advanced Scenario 2 Retest Questions

### Directions

Using your resource materials and Ralph's completed tax return, verify the information and calculations on the return to answer the following questions. You are a volunteer at site S32053333.

*Note: To complete social security numbers and employer identification numbers, replace Xs with 286560 or with the EFIN provided by your instructor.*

- 9.1** Which of the following sections on Ralph's Form 1040, page 1 should be corrected?
- a. Label
  - b. Social security number
  - c. Personal exemptions
  - d. Information on dependents
- 9.2** Is the amount of total expenses shown on line 2, Part II of Schedule C-EZ correct?
- a. Yes
  - b. No
- 9.3** Which of the following is an increase to basis when figuring the adjusted basis of property?
- a. Travel costs to meet with potential buyers
  - b. Maintenance costs
  - c. Capital improvements
  - d. All of the above
- 9.4** Which of these lines on Ralph's Schedule D has an error that needs to be corrected?
- a. Line 8c – Date sold
  - b. Line 8d – Sales price
  - c. Line 8e – Cost or other basis
  - d. All the above
- 9.5** What is the correct amount for adjustments to income on Line 36 of Form 1040? \$\_\_\_\_\_

- 9.6** Does the deduction amount on line 40 of Form 1040 need to be corrected?
- a. Yes
  - b. No
- 9.7** What is the correct amount on line 1c of Form 8863? \$\_\_\_\_\_
- 9.8** What prevents Ralph from qualifying for Earned Income Tax Credit?
- a. His earned income is too low
  - b. He does not have a qualifying child
  - c. He is delinquent on his alimony payments
  - d. His investment income is too high
- 9.9** Does the Additional Child Tax Credit amount on line 68 of Form 1040 need to be corrected?
- a. Yes
  - b. No
- 9.10** If Ralph made a contribution to an IRA, is it deductible?
- a. Yes
  - b. No

This page intentionally left blank.

## 2006 6745 Retest – Military Course

### Military Scenario 1: Diana Stewart

**Taxpayer** Diana Stewart completed Form 13614, Intake and Interview Sheet

---

- Taxpayer Documents**
- Form 13614
  - Social security cards for Diana and Lily and an ITIN card for Henri
  - 3 Forms W2 for Diana Stewart
  - Form 1099INT
- 

- Interview Notes**
- Deployed: In Iraq from 7/12/06 through 2/26/07
  - Military training: Attended weekend-long military training sessions each month from 01/01/06 through 06/30/06 (the expenses were not reimbursed)
    - Mileage: 1,560 (based on Internet map data not written records)
    - Lodging: \$900 (within federal per diem rate for the area)
    - Meals: \$675 (within federal per diem rate for the area)
  - Married: Married Dr. Henri Dumont in 2006; Henri's tax information:
    - Income: no income in 2006
    - Citizenship: Swiss; has never been to the United States
    - Individual tax identification number: 940-XX-XXXX
    - Wants to file jointly; does not want to contribute to the Presidential Election Campaign Fund
  - One child: Has full custody of her daughter, Lily
    - Care: Diana's sister, Louise took care of Lily at no cost; Louise lived with Diana, but was not her dependent
    - Cost: Diana allotted some of her military pay to cover all household bills and anything Lily needed

**Interview Notes**  
(continued)

- Properties:
  - Rental property:
    - Purchased property: 04/30/03
    - Rented: 01/01/06 – 09/30/06
    - Not offered for rent: 10/01/06-10/31/06
    - Rental property became taxpayer’s primary residence: 11/01/06
    - Rental income: \$8,500
    - Annual real estate taxes: \$1,350
    - Management company fees for the time the property was rented: \$750
    - Furnace repair 02/15/06: \$290
    - Depreciation from 01/01/06 – 09/30/06 (based on a schedule provided by the taxpayer): \$2,325
  - Home sale:
    - Purchased property: 02/03/03 for \$79,800
    - Sold property (primary residence until it was sold): 10/31/06 for \$105,000
- Stock and shares:
  - A&B Stock
    - Inherited: 100 shares on 03/15/06
    - Fair market value on 3/15/06: \$3,500
    - Sold: all shares on 04/30/06
    - Selling price: \$3,700 (net of commissions)
  - Equity Index Mutual Fund
    - Bought: 06/01/05 through 04/15/06
    - Sold: 300 shares on 4/30/06
    - Share cost basis: \$1,500
    - Selling price: \$1,000 (net of commission)
- Additional information:
  - Not enough deductions to itemize
  - Diana wants to designate \$3 for the Presidential Election Campaign Fund



**Intake and Interview Sheet**

**You (and Spouse) will need:**

- Proof of Identity
- Copies of ALL W-2 1098, 1099 forms
- Social Security (SSN) or Individual Tax Identification Number (ITIN) for all individuals to be listed on the return
- Child care providers' identification number
- Taxpayers' banking information (voided check and/or savings deposit slip) for refund deposits
- Estimated tax payments made, etc.
- Amounts of other income

**Part I: Taxpayer Information**

1. Your First Name DIANA		M.I. P	Last Name STEWART		2. SSN or ITIN 4 1 0 - X X - X X X X	
3. Date of Birth (mm/dd/yyyy) 10 / 02 / 1972		4. Job Title NURSE				
5. Spouse's First Name HENRI		M.I. C	Last Name DUMONT		6. SSN or ITIN 9 4 0 - X X - X X X X	
7. Date of Birth (mm/dd/yyyy) 09 / 29 / 1974		8. Job Title PHYSICIAN				
9. Address 176 CHASE			Apt #	City YOUR CITY	State YS	Zip Code YOUR ZIP
10. Phone Numbers: Daytime YOUR PHONE NUMBER		Evening		Cell		
11. Are you a U.S. Citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			12. Is your Spouse a U.S. Citizen? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
13. Can your parents or someone else claim you or your spouse as a dependent on their tax return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No						
14. Did you pay more than half the cost of keeping up the home? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No						
15. Check if Legally Blind: <input type="checkbox"/> Taxpayer <input type="checkbox"/> Spouse						
16. Check if Permanently and Totally Disabled: <input type="checkbox"/> Taxpayer <input type="checkbox"/> Spouse						
17. On December 31st 2006: Were you: <input type="checkbox"/> Single <input checked="" type="checkbox"/> Legally Married <input type="checkbox"/> Separated <input type="checkbox"/> Divorced a. If married, were you living with your spouse at anytime during the last 6 months of the year? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No						
18. Was your spouse deceased? If yes, provide the date of death. ___ / ___ / ___ (mm/dd/yyyy)						

**Part II. Family and Dependent Information – Do not include you or your spouse.**

Print the name of everyone who lived in your home and outside your home that you supported during the year.

Name (a)	Date of Birth mm/dd/yyyy (b)	Social Security Number or ITIN (c)	Relationship (son, daughter, etc.) (d)	Months person lived with you in 2006 (e)	Check if resident of Canada or Mexico (f)	Is the dependent a full time student? (yes or no) (g)
LILY M STEWART	7/23/1998	411-XX-XXXX	DAUGHTER	12		YES

---

**Part III. Filing Status & Dependency Determination**

---

Volunteers: In order to conduct a thorough interview, please use the decision trees, interview tips and informational charts in Publications 4012 and/or 17 in addition to this intake sheet. This intake sheet does not constitute a complete interview.

---

**Filing Status Determination – Use Publications 4012 and/or 17 to determine filing status.**

1. Based on the interview, the filing status of the taxpayer is:  Single  MFJ  MFS\*  HH  Qualifying Widow(er)

\*Spouse Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

**Dependency Determination – Use Publications 4012 and/or 17 to determine dependency exemptions.**

- Yes  No 2. Did the taxpayer provide more than 50% of the support for the dependents claimed?  
 Yes  No 3. Is there a signed Form 8332 or a divorce decree that allows someone else to claim the dependent(s)?  
 Yes  No 4. Is the dependent permanently and totally disabled?  
5. Based on the interview, how many individuals qualify as dependents for this return? \_\_\_\_\_
- 

**COMMONLY USED INCOME AND EXPENSES**

Volunteers: Please use Publication 17, *Your Federal Income Tax for Individuals* and Publication 4012, *Volunteer Resource Guide* while discussing the questions below with the taxpayer.

---

**Part IV. Income – In 2006, did you receive:**

- Yes  No 1. Wages or Salary (Include W-2s for all jobs worked during the year)  
 Yes  No 2. Disability income  
 Yes  No 3. Interest from: checking or savings account, bonds, dividends, CD, or brokerage account  
 Yes  No 4. State tax refund (may be taxable if you itemized last year)  
 Yes  No 5. Alimony income  
 Yes  No 6. Tip income  
 Yes  No 7. Pension and/or IRA distribution  
 Yes  No 8. Unemployment  
 Yes  No 9. Social Security or Railroad Retirement  
 Yes  No 10. Self Employment  
 Yes  No 11. Other income such as gambling winnings, awards, prizes and Jury duty
- 

**Part V. Adjustment – Did you have 2006 expenses for:**

- Yes  No 1. IRA or other retirement account  
 Yes  No 2. Alimony payments paid (If yes, you must provide the name and SSN of the recipient)  
 Yes  No 3. Education related expenses
- 

**Part VI. Itemized Deductions – Did you have 2006 expenses for:**

- Yes  No 1. Un-reimbursed medical expenses  
 Yes  No 2. Home mortgage payments (interest and taxes – see Form 1098)  
 Yes  No 3. Charitable contributions
- 

**Part VII. Credits – In 2006, did you have:**

- Yes  No 1. Child/dependent care expenses that allow you (and your spouse-if MFJ) to work  
 Yes  No 2. Educational expenses for you or your dependents  
 Yes  No 3. Retirement Savings Contribution
- 

**Part VIII. Earned Income Tax Credit Determination – EITC Eligibility**

- Yes  No 1. Was EITC previously disallowed (if yes taxpayer may not be eligible for EITC)  
 Yes  No 2. Based on the interview, is the taxpayer qualified for EITC?
-



a Control number <b>22222</b>		Void <input type="checkbox"/>	For Official Use Only OMB No. 1545-0046		
b Employer identification number (EIN) <b>30-1XXXXXX</b>		1 Wages, tips, other compensation <b>23850</b>		2 Federal income tax withheld <b>3750</b>	
c Employer's name, address, and ZIP code <b>WOMEN'S MEDICAL CENTER 2220 ROBBINS, STE 17 YOUR CITY, STATE ZIP</b>		3 Social security wages <b>23850</b>		4 Social security tax withheld <b>1479</b>	
		5 Medicare wages and tips <b>23850</b>		6 Medicare tax withheld <b>346</b>	
		7 Social security tips		8 Allocated tips	
d Employee's social security number <b>410 XX XXXX</b>		9 Advance EIC payment		10 Dependent care benefits	
e Employee's first name and initial <b>DIANA P</b>		Last name <b>STEWART</b>		11 Nonqualified plans	
f Employee's address and ZIP code <b>176 CHASE YOUR CITY, STATE ZIP</b>		12a See instructions for box 12		12b	
		12c		12d	
		12e		12f	
13 State wages, tips, etc. <b>23850</b>		14 State income tax <b>1250</b>		15 Local wages, tips, etc.	
16 State Employer's state ID number <b>30-1XXXXXX</b>		17 State income tax <b>1250</b>		18 Local income tax	
19 City		20 Locality name		21 Locality name	

Form **W-2** Wage and Tax Statement **2006** Department of the Treasury—Internal Revenue Service  
 Copy A For Social Security Administration — Send this entire page with Form W-3 to the Social Security Administration; photocopies are not acceptable.  
 For Privacy Act and Paperwork Reduction Act Notice, see back of Copy D. Gen. Inv. 10134D

Do Not Cut, Fold, or Staple Forms on This Page — Do Not Cut, Fold, or Staple Forms on This Page

a Control number <b>22222</b>		Void <input type="checkbox"/>	For Official Use Only OMB No. 1545-0046		
b Employer identification number (EIN) <b>30-2XXXXXX</b>		1 Wages, tips, other compensation <b>3690</b>		2 Federal income tax withheld <b>136</b>	
c Employer's name, address, and ZIP code <b>DFAS PO BOX 8890 INDIANAPOLIS, IN 43249-2410</b>		3 Social security wages <b>3690</b>		4 Social security tax withheld <b>229</b>	
		5 Medicare wages and tips <b>3690</b>		6 Medicare tax withheld <b>54</b>	
		7 Social security tips		8 Allocated tips	
d Employee's social security number <b>410 XX XXXX</b>		9 Advance EIC payment		10 Dependent care benefits	
e Employee's first name and initial <b>DIANA P</b>		Last name <b>STEWART</b>		11 Nonqualified plans	
f Employee's address and ZIP code <b>176 CHASE YOUR CITY, STATE ZIP</b>		12a See instructions for box 12		12b	
		12c		12d	
		12e		12f	
13 State wages, tips, etc. <b>3690</b>		14 State income tax <b>0</b>		15 Local wages, tips, etc.	
16 State Employer's state ID number <b>30-2XXXXXX</b>		17 State income tax <b>0</b>		18 Local income tax	
19 City		20 Locality name		21 Locality name	

Form **W-2** Wage and Tax Statement **2006** Department of the Treasury—Internal Revenue Service  
 Copy A For Social Security Administration — Send this entire page with Form W-3 to the Social Security Administration; photocopies are not acceptable.  
 For Privacy Act and Paperwork Reduction Act Notice, see back of Copy D. Gen. Inv. 10134D

Do Not Cut, Fold, or Staple Forms on This Page — Do Not Cut, Fold, or Staple Forms on This Page

a Control number <b>22222</b>		Visit <input type="checkbox"/>	For Official Use Only OMB No. 1545-0048	
b Employer identification number (EIN) <b>30-2XXXXXX</b>		1 Wages, tips, other compensation		2 Federal income tax withheld
c Employee's name, address, and ZIP code <b>DFAS PO BOX 8899 INDIANAPOLIS, IN 43249-2410</b>		3 Social security wages <b>36212</b>		4 Social security tax withheld <b>2246</b>
		5 Medicare wages and tax <b>36212</b>		6 Medicare tax withheld <b>525</b>
		7 Social security tips		8 Alternative tax
d Employee's social security number <b>410 XX XXXX</b>		8 Advance EIC payment		9 Dependent care benefits
e Employee's first name and initial <b>DIANA P</b>		Last name <b>STEWART</b>	11 Nonqualified plans	
f Employee's address and ZIP code <b>176 CHASE YOUR CITY, STATE ZIP</b>		10 Retiree <input type="checkbox"/>		12a See instructions for box 12 <input type="checkbox"/> <b>36212</b>
13a Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		13b <input type="checkbox"/>		13c <input type="checkbox"/>
13c <input type="checkbox"/>		13d <input type="checkbox"/>		13e <input type="checkbox"/>
13e <input type="checkbox"/>		13f <input type="checkbox"/>		13g <input type="checkbox"/>
13g <input type="checkbox"/>		13h <input type="checkbox"/>		13i <input type="checkbox"/>
13i <input type="checkbox"/>		13j <input type="checkbox"/>		13k <input type="checkbox"/>
13k <input type="checkbox"/>		13l <input type="checkbox"/>		13m <input type="checkbox"/>
13m <input type="checkbox"/>		13n <input type="checkbox"/>		13o <input type="checkbox"/>
13o <input type="checkbox"/>		13p <input type="checkbox"/>		13q <input type="checkbox"/>
13q <input type="checkbox"/>		13r <input type="checkbox"/>		13s <input type="checkbox"/>
13s <input type="checkbox"/>		13t <input type="checkbox"/>		13u <input type="checkbox"/>
13u <input type="checkbox"/>		13v <input type="checkbox"/>		13w <input type="checkbox"/>
13w <input type="checkbox"/>		13x <input type="checkbox"/>		13y <input type="checkbox"/>
13y <input type="checkbox"/>		13z <input type="checkbox"/>		14 <input type="checkbox"/>
14 <input type="checkbox"/>		15 <input type="checkbox"/>		16 <input type="checkbox"/>
15 <input type="checkbox"/>		16 <input type="checkbox"/>		17 <input type="checkbox"/>
16 <input type="checkbox"/>		17 <input type="checkbox"/>		18 <input type="checkbox"/>
17 <input type="checkbox"/>		18 <input type="checkbox"/>		19 <input type="checkbox"/>
18 <input type="checkbox"/>		19 <input type="checkbox"/>		20 <input type="checkbox"/>
19 <input type="checkbox"/>		20 <input type="checkbox"/>		21 <input type="checkbox"/>
20 <input type="checkbox"/>		21 <input type="checkbox"/>		22 <input type="checkbox"/>
21 <input type="checkbox"/>		22 <input type="checkbox"/>		23 <input type="checkbox"/>
22 <input type="checkbox"/>		23 <input type="checkbox"/>		24 <input type="checkbox"/>
23 <input type="checkbox"/>		24 <input type="checkbox"/>		25 <input type="checkbox"/>
24 <input type="checkbox"/>		25 <input type="checkbox"/>		26 <input type="checkbox"/>
25 <input type="checkbox"/>		26 <input type="checkbox"/>		27 <input type="checkbox"/>
26 <input type="checkbox"/>		27 <input type="checkbox"/>		28 <input type="checkbox"/>
27 <input type="checkbox"/>		28 <input type="checkbox"/>		29 <input type="checkbox"/>
28 <input type="checkbox"/>		29 <input type="checkbox"/>		30 <input type="checkbox"/>
29 <input type="checkbox"/>		30 <input type="checkbox"/>		31 <input type="checkbox"/>
30 <input type="checkbox"/>		31 <input type="checkbox"/>		32 <input type="checkbox"/>
31 <input type="checkbox"/>		32 <input type="checkbox"/>		33 <input type="checkbox"/>
32 <input type="checkbox"/>		33 <input type="checkbox"/>		34 <input type="checkbox"/>
33 <input type="checkbox"/>		34 <input type="checkbox"/>		35 <input type="checkbox"/>
34 <input type="checkbox"/>		35 <input type="checkbox"/>		36 <input type="checkbox"/>
35 <input type="checkbox"/>		36 <input type="checkbox"/>		37 <input type="checkbox"/>
36 <input type="checkbox"/>		37 <input type="checkbox"/>		38 <input type="checkbox"/>
37 <input type="checkbox"/>		38 <input type="checkbox"/>		39 <input type="checkbox"/>
38 <input type="checkbox"/>		39 <input type="checkbox"/>		40 <input type="checkbox"/>
39 <input type="checkbox"/>		40 <input type="checkbox"/>		41 <input type="checkbox"/>
40 <input type="checkbox"/>		41 <input type="checkbox"/>		42 <input type="checkbox"/>
41 <input type="checkbox"/>		42 <input type="checkbox"/>		43 <input type="checkbox"/>
42 <input type="checkbox"/>		43 <input type="checkbox"/>		44 <input type="checkbox"/>
43 <input type="checkbox"/>		44 <input type="checkbox"/>		45 <input type="checkbox"/>
44 <input type="checkbox"/>		45 <input type="checkbox"/>		46 <input type="checkbox"/>
45 <input type="checkbox"/>		46 <input type="checkbox"/>		47 <input type="checkbox"/>
46 <input type="checkbox"/>		47 <input type="checkbox"/>		48 <input type="checkbox"/>
47 <input type="checkbox"/>		48 <input type="checkbox"/>		49 <input type="checkbox"/>
48 <input type="checkbox"/>		49 <input type="checkbox"/>		50 <input type="checkbox"/>
49 <input type="checkbox"/>		50 <input type="checkbox"/>		51 <input type="checkbox"/>
50 <input type="checkbox"/>		51 <input type="checkbox"/>		52 <input type="checkbox"/>
51 <input type="checkbox"/>		52 <input type="checkbox"/>		53 <input type="checkbox"/>
52 <input type="checkbox"/>		53 <input type="checkbox"/>		54 <input type="checkbox"/>
53 <input type="checkbox"/>		54 <input type="checkbox"/>		55 <input type="checkbox"/>
54 <input type="checkbox"/>		55 <input type="checkbox"/>		56 <input type="checkbox"/>
55 <input type="checkbox"/>		56 <input type="checkbox"/>		57 <input type="checkbox"/>
56 <input type="checkbox"/>		57 <input type="checkbox"/>		58 <input type="checkbox"/>
57 <input type="checkbox"/>		58 <input type="checkbox"/>		59 <input type="checkbox"/>
58 <input type="checkbox"/>		59 <input type="checkbox"/>		60 <input type="checkbox"/>
59 <input type="checkbox"/>		60 <input type="checkbox"/>		61 <input type="checkbox"/>
60 <input type="checkbox"/>		61 <input type="checkbox"/>		62 <input type="checkbox"/>
61 <input type="checkbox"/>		62 <input type="checkbox"/>		63 <input type="checkbox"/>
62 <input type="checkbox"/>		63 <input type="checkbox"/>		64 <input type="checkbox"/>
63 <input type="checkbox"/>		64 <input type="checkbox"/>		65 <input type="checkbox"/>
64 <input type="checkbox"/>		65 <input type="checkbox"/>		66 <input type="checkbox"/>
65 <input type="checkbox"/>		66 <input type="checkbox"/>		67 <input type="checkbox"/>
66 <input type="checkbox"/>		67 <input type="checkbox"/>		68 <input type="checkbox"/>
67 <input type="checkbox"/>		68 <input type="checkbox"/>		69 <input type="checkbox"/>
68 <input type="checkbox"/>		69 <input type="checkbox"/>		70 <input type="checkbox"/>
69 <input type="checkbox"/>		70 <input type="checkbox"/>		71 <input type="checkbox"/>
70 <input type="checkbox"/>		71 <input type="checkbox"/>		72 <input type="checkbox"/>
71 <input type="checkbox"/>		72 <input type="checkbox"/>		73 <input type="checkbox"/>
72 <input type="checkbox"/>		73 <input type="checkbox"/>		74 <input type="checkbox"/>
73 <input type="checkbox"/>		74 <input type="checkbox"/>		75 <input type="checkbox"/>
74 <input type="checkbox"/>		75 <input type="checkbox"/>		76 <input type="checkbox"/>
75 <input type="checkbox"/>		76 <input type="checkbox"/>		77 <input type="checkbox"/>
76 <input type="checkbox"/>		77 <input type="checkbox"/>		78 <input type="checkbox"/>
77 <input type="checkbox"/>		78 <input type="checkbox"/>		79 <input type="checkbox"/>
78 <input type="checkbox"/>		79 <input type="checkbox"/>		80 <input type="checkbox"/>
79 <input type="checkbox"/>		80 <input type="checkbox"/>		81 <input type="checkbox"/>
80 <input type="checkbox"/>		81 <input type="checkbox"/>		82 <input type="checkbox"/>
81 <input type="checkbox"/>		82 <input type="checkbox"/>		83 <input type="checkbox"/>
82 <input type="checkbox"/>		83 <input type="checkbox"/>		84 <input type="checkbox"/>
83 <input type="checkbox"/>		84 <input type="checkbox"/>		85 <input type="checkbox"/>
84 <input type="checkbox"/>		85 <input type="checkbox"/>		86 <input type="checkbox"/>
85 <input type="checkbox"/>		86 <input type="checkbox"/>		87 <input type="checkbox"/>
86 <input type="checkbox"/>		87 <input type="checkbox"/>		88 <input type="checkbox"/>
87 <input type="checkbox"/>		88 <input type="checkbox"/>		89 <input type="checkbox"/>
88 <input type="checkbox"/>		89 <input type="checkbox"/>		90 <input type="checkbox"/>
89 <input type="checkbox"/>		90 <input type="checkbox"/>		91 <input type="checkbox"/>
90 <input type="checkbox"/>		91 <input type="checkbox"/>		92 <input type="checkbox"/>
91 <input type="checkbox"/>		92 <input type="checkbox"/>		93 <input type="checkbox"/>
92 <input type="checkbox"/>		93 <input type="checkbox"/>		94 <input type="checkbox"/>
93 <input type="checkbox"/>		94 <input type="checkbox"/>		95 <input type="checkbox"/>
94 <input type="checkbox"/>		95 <input type="checkbox"/>		96 <input type="checkbox"/>
95 <input type="checkbox"/>		96 <input type="checkbox"/>		97 <input type="checkbox"/>
96 <input type="checkbox"/>		97 <input type="checkbox"/>		98 <input type="checkbox"/>
97 <input type="checkbox"/>		98 <input type="checkbox"/>		99 <input type="checkbox"/>
98 <input type="checkbox"/>		99 <input type="checkbox"/>		100 <input type="checkbox"/>
99 <input type="checkbox"/>		100 <input type="checkbox"/>		101 <input type="checkbox"/>
100 <input type="checkbox"/>		101 <input type="checkbox"/>		102 <input type="checkbox"/>
101 <input type="checkbox"/>		102 <input type="checkbox"/>		103 <input type="checkbox"/>
102 <input type="checkbox"/>		103 <input type="checkbox"/>		104 <input type="checkbox"/>
103 <input type="checkbox"/>		104 <input type="checkbox"/>		105 <input type="checkbox"/>
104 <input type="checkbox"/>		105 <input type="checkbox"/>		106 <input type="checkbox"/>
105 <input type="checkbox"/>		106 <input type="checkbox"/>		107 <input type="checkbox"/>
106 <input type="checkbox"/>		107 <input type="checkbox"/>		108 <input type="checkbox"/>
107 <input type="checkbox"/>		108 <input type="checkbox"/>		109 <input type="checkbox"/>
108 <input type="checkbox"/>		109 <input type="checkbox"/>		110 <input type="checkbox"/>
109 <input type="checkbox"/>		110 <input type="checkbox"/>		111 <input type="checkbox"/>
110 <input type="checkbox"/>		111 <input type="checkbox"/>		112 <input type="checkbox"/>
111 <input type="checkbox"/>		112 <input type="checkbox"/>		113 <input type="checkbox"/>
112 <input type="checkbox"/>		113 <input type="checkbox"/>		114 <input type="checkbox"/>
113 <input type="checkbox"/>		114 <input type="checkbox"/>		115 <input type="checkbox"/>
114 <input type="checkbox"/>		115 <input type="checkbox"/>		116 <input type="checkbox"/>
115 <input type="checkbox"/>		116 <input type="checkbox"/>		117 <input type="checkbox"/>
116 <input type="checkbox"/>		117 <input type="checkbox"/>		118 <input type="checkbox"/>
117 <input type="checkbox"/>		118 <input type="checkbox"/>		119 <input type="checkbox"/>
118 <input type="checkbox"/>		119 <input type="checkbox"/>		120 <input type="checkbox"/>
119 <input type="checkbox"/>		120 <input type="checkbox"/>		121 <input type="checkbox"/>
120 <input type="checkbox"/>		121 <input type="checkbox"/>		122 <input type="checkbox"/>
121 <input type="checkbox"/>		122 <input type="checkbox"/>		123 <input type="checkbox"/>
122 <input type="checkbox"/>		123 <input type="checkbox"/>		124 <input type="checkbox"/>
123 <input type="checkbox"/>		124 <input type="checkbox"/>		125 <input type="checkbox"/>
124 <input type="checkbox"/>		125 <input type="checkbox"/>		126 <input type="checkbox"/>
125 <input type="checkbox"/>		126 <input type="checkbox"/>		127 <input type="checkbox"/>
126 <input type="checkbox"/>		127 <input type="checkbox"/>		128 <input type="checkbox"/>
127 <input type="checkbox"/>		128 <input type="checkbox"/>		129 <input type="checkbox"/>
128 <input type="checkbox"/>		129 <input type="checkbox"/>		130 <input type="checkbox"/>
129 <input type="checkbox"/>		130 <input type="checkbox"/>		131 <input type="checkbox"/>
130 <input type="checkbox"/>		131 <input type="checkbox"/>		132 <input type="checkbox"/>
131 <input type="checkbox"/>		132 <input type="checkbox"/>		133 <input type="checkbox"/>
132 <input type="checkbox"/>		133 <input type="checkbox"/>		134 <input type="checkbox"/>
133 <input type="checkbox"/>		134 <input type="checkbox"/>		135 <input type="checkbox"/>
134 <input type="checkbox"/>		135 <input type="checkbox"/>		136 <input type="checkbox"/>
135 <input type="checkbox"/>		136 <input type="checkbox"/>		137 <input type="checkbox"/>
136 <input type="checkbox"/>		137 <input type="checkbox"/>		138 <input type="checkbox"/>
137 <input type="checkbox"/>		138 <input type="checkbox"/>		139 <input type="checkbox"/>
138 <input type="checkbox"/>		139 <input type="checkbox"/>		140 <input type="checkbox"/>
139 <input type="checkbox"/>		140 <input type="checkbox"/>		141 <input type="checkbox"/>
140 <input type="checkbox"/>		141 <input type="checkbox"/>		142 <input type="checkbox"/>
141 <input type="checkbox"/>		142 <input type="checkbox"/>		143 <input type="checkbox"/>
142 <input type="checkbox"/>		143 <input type="checkbox"/>		144 <input type="checkbox"/>
143 <input type="checkbox"/>		144 <input type="checkbox"/>		145 <input type="checkbox"/>
144 <input type="checkbox"/>		145 <input type="checkbox"/>		146 <input type="checkbox"/>
145 <input type="checkbox"/>		146 <input type="checkbox"/>		147 <input type="checkbox"/>
146 <input type="checkbox"/>		147 <input type="checkbox"/>		148 <input type="checkbox"/>
147 <input type="checkbox"/>		148 <input type="checkbox"/>		149 <input type="checkbox"/>
148 <input type="checkbox"/>		149 <input type="checkbox"/>		150 <input type="checkbox"/>
149 <input type="checkbox"/>		150 <input type="checkbox"/>		151 <input type="checkbox"/>
150 <input type="checkbox"/>		151 <input type="checkbox"/>		152 <input type="checkbox"/>
151 <input type="checkbox"/>		152 <input type="checkbox"/>		153 <input type="checkbox"/>
152 <input type="checkbox"/>		153 <input type="checkbox"/>		154 <input type="checkbox"/>
153 <input type="checkbox"/>		154 <input type="checkbox"/>		155 <input type="checkbox"/>
154 <input type="checkbox"/>		155 <input type="checkbox"/>		156 <input type="checkbox"/>
155 <input type="checkbox"/>		156 <input type="checkbox"/>		157 <input type="checkbox"/>
156 <input type="checkbox"/>		157 <input type="checkbox"/>		158 <input type="checkbox"/>
157 <input type="checkbox"/>		158 <input type="checkbox"/>		159 <input type="checkbox"/>
158 <input type="checkbox"/>		159 <input type="checkbox"/>		160 <input type="checkbox"/>
159 <input type="checkbox"/>		160 <input type="checkbox"/>		161 <input type="checkbox"/>
160 <input type="checkbox"/>		161 <input type="checkbox"/>		162 <input type="checkbox"/>
161 <input type="checkbox"/>		162 <input type="checkbox"/>		163 <input type="checkbox"/>
162 <input type="checkbox"/>		163 <input type="checkbox"/>		164 <input type="checkbox"/>
163 <input type="checkbox"/>		164 <input type="checkbox"/>		165 <input type="checkbox"/>
164 <input type="checkbox"/>		165 <input type="checkbox"/>		166 <input type="checkbox"/>
165 <input type="checkbox"/>		166 <input type="checkbox"/>		167 <input type="checkbox"/>
166 <input type="checkbox"/>		167 <input type="checkbox"/>		168 <input type="checkbox"/>
167 <input type="checkbox"/>		168 <input type="checkbox"/>		169 <input type="checkbox"/>
168 <input type="checkbox"/>		169 <input type="checkbox"/>		170 <input type="checkbox"/>
169 <input type="checkbox"/>		170 <input type="checkbox"/>		171 <input type="checkbox"/>
170 <input type="checkbox"/>		171 <input type="checkbox"/>		172 <input type="checkbox"/>
171 <input type="checkbox"/>		172 <input type="checkbox"/>		173 <input type="checkbox"/>
172 <input type="checkbox"/>		173 <input type="checkbox"/>		174 <input type="checkbox"/>
173 <input type="checkbox"/>		174 <input type="checkbox"/>		175 <input type="checkbox"/>
174 <input type="checkbox"/>		175 <input type="checkbox"/>		176 <input type="checkbox"/>
175 <input type="checkbox"/>		176 <input type="checkbox"/>		177 <input type="checkbox"/>
176 <input type="checkbox"/>		177 <input type="checkbox"/>		178 <input type="checkbox"/>
177 <input type="checkbox"/>		178 <input type="checkbox"/>		179 <input type="checkbox"/>
178 <input type="checkbox"/>		179 <input type="checkbox"/>		180 <input type="checkbox"/>
179 <input type="checkbox"/>		180 <input type="checkbox"/>		181 <input type="checkbox"/>
180 <input type="checkbox"/>		181 <input type="checkbox"/>		182 <input type="checkbox"/>
181 <input type="checkbox"/>		182 <input type="checkbox"/>		183 <input type="checkbox"/>
182 <input type="checkbox"/>		183 <input type="checkbox"/>		184 <input type="checkbox"/>
183 <input type="checkbox"/>		184 <input type="checkbox"/>		185 <input type="checkbox"/>
184 <input type="checkbox"/>		185 <input type="checkbox"/>		186 <input type="checkbox"/>
185 <input type="checkbox"/>		186 <input type="checkbox"/>		187 <input type="checkbox"/>
186 <input type="checkbox"/>		187 <input type="checkbox"/>		188 <input type="checkbox"/>
187 <input type="checkbox"/>		188 <input type="checkbox"/>		189 <input type="checkbox"/>
188 <input type="checkbox"/>		189 <input type="checkbox"/>		190 <input type="checkbox"/>
189 <input type="checkbox"/>		190 <input type="checkbox"/>		191 <input type="checkbox"/>
190 <input type="checkbox"/>		191 <input type="checkbox"/>		192 <input type="checkbox"/>
191 <input type="checkbox"/>		192 <input type="checkbox"/>		193 <input type="checkbox"/>
192 <input type="checkbox"/>		193 <input type="checkbox"/>		194 <input type="checkbox"/>
193 <input type="checkbox"/>		194 <input type="checkbox"/>		195 <input type="checkbox"/>
194 <input type="checkbox"/>		195 <input type="checkbox"/>		196 <input type="checkbox"/>
195 <input type="checkbox"/>		196 <input type="checkbox"/>		197 <input type="checkbox"/>
196 <input type="checkbox"/>		197 <input type="checkbox"/>		198 <input type="checkbox"/>
197 <input type="checkbox"/>		198 <input type="checkbox"/>		199 <input type="checkbox"/>
198 <input type="checkbox"/>		199 <input type="checkbox"/>		200 <input type="checkbox"/>
199 <input type="checkbox"/>		200 <input type="checkbox"/>		201 <input type="checkbox"/>
200 <input type="checkbox"/>		201 <input type="checkbox"/>		202 <input type="checkbox"/>
201 <input type="checkbox"/>		202 <input type="checkbox"/>		203 <input type="checkbox"/>
202 <input type="checkbox"/>		203 <input type="checkbox"/>		204 <input type="checkbox"/>
203 <input type="checkbox"/>		204 <input type="checkbox"/>		205 <input type="checkbox"/>
204 <input type="checkbox"/>		205 <input type="checkbox"/>		206 <input type="checkbox"/>
205 <input type="checkbox"/>		206 <input type="checkbox"/>		207 <input type="checkbox"/>
206 <input type="checkbox"/>		207 <input type="checkbox"/>		208 <input type="checkbox"/>
207 <input type="checkbox"/>		208 <input type="checkbox"/>		209 <input type="checkbox"/>
208 <input type="checkbox"/>		209 <input type="checkbox"/>		210 <input type="checkbox"/>
209 <input type="checkbox"/>		210 <input type="checkbox"/>		211 <input type="checkbox"/>
210 <input type="checkbox"/>		211 <input type="checkbox"/>		212 <input type="checkbox"/>
211 <input type="checkbox"/>		212 <input type="checkbox"/>		213 <input type="checkbox"/>
212 <input type="checkbox"/>		213 <input type="checkbox"/>		214 <input type="checkbox"/>
213 <input type="checkbox"/>		214 <input type="checkbox"/>		215 <input type="checkbox"/>
214 <input type="checkbox"/>		215 <input type="checkbox"/>		216 <input type="checkbox"/>
215 <input type="checkbox"/>		216 <input type="checkbox"/>		217 <input type="checkbox"/>
216 <input type="checkbox"/>		217 <input type="checkbox"/>		218 <input type="checkbox"/>
217 <input type="checkbox"/>		218 <input type="checkbox"/>		219 <input type="checkbox"/>
218 <input type="checkbox"/>		219 <input type="checkbox"/>		220 <input type="checkbox"/>
219 <input type="checkbox"/>		220 <input type="checkbox"/>		221 <input type="checkbox"/>

---

## Military Scenario 1 Retest Questions

### Directions

Using your resource materials, answer the following questions. You are a volunteer at site S41024444.

*Note: To complete social security numbers and employer identification numbers, replace Xs with 286560 or with the EFIN provided by your instructor.*

- 10.1** Which filing status would Diana qualify for that would minimize her taxes if Henri did not have an individual tax identification number or did not elect to be treated as a resident alien? (For all other questions, Henri does have an individual tax identification number.)
- a. Single
  - b. Married Filing Jointly
  - c. Married Filing Separately
  - d. Head of Household
  - e. She could file jointly, but not claim Henri's exemption
- 10.2** Their total rental real estate and royalty income or loss on line 26 of Schedule E is: \_\_\_\_\_
- 10.3** Diana's combat zone income exclusion from box 12a of Form W-2 should be reported on line 7 of Form 1040.
- a. Yes
  - b. No
  - c. Not applicable to return
- 10.4** In general, excluded combat zone income may be used to compute earned income tax credit by taxpayers who meet all the other qualifications.
- a. Yes
  - b. No
- 10.5** What are their total adjustments to gross income on line 36 Form 1040?
- a. \$0
  - b. \$694
  - c. \$1,932
  - d. \$2,288

- 10.6** Their deduction on line 40 of Form 1040 is: \_\_\_\_\_
- 10.7** What is the total tax on line 63 of Form 1040?
- a. \$3
  - b. \$126
  - c. \$1,003
  - d. \$1,126
- 10.8** The short term gain or loss on Schedule D, line 7 is: \$\_\_\_\_\_
- 10.9** Diana asks you if they qualify for Earned Income Tax Credit.  
You answer:
- a. Yes
  - b. No

## Military Scenario 2: Peter and Beth Anderson

**Taxpayer** Peter and Beth Anderson completed Form 13614, Intake and Interview Sheet.

---

**Taxpayer Documents**

- Form 13614
- Social security cards for Peter, Beth, and three children
- Form W2
- Form 1098
- Form 1098T
- Form 1099INT
- Voided check
- Form 1040
- Form 1040, Schedule E
- Form 8863

---

**Interview Notes**

- Stationed in Italy for all of tax year 2006
- Properties:
  - Sold home in US where they lived for 2½ years
    - Purchased: 10/31/97 for \$215,000
    - Sold: 11/30/06 for \$365,000
    - Improvements: \$5,600
    - Use: House had never been rented or used for business
  - Rental property: condominium
    - Rental income: \$9,000
    - Taxes: \$970
    - Maintenance fees: \$420
    - Interest: \$2,145
    - Management fees: \$720
    - Repairs: \$275
    - Depreciation: \$1,500 (taken from a worksheet Beth's accountant created)

---

**Interview****Notes**

(continued)

- Three children:
  - Raymond:
    - Full time student: Sophomore at Texas State University
    - Lives in dormitory
    - Does not work
  - 2 other children:
    - Live at home
    - No income
- Beth Anderson's job (with an Italian firm):
  - Paid: \$5,500. Paid in Euros; has appropriate exchange rate record
  - Italian income tax paid: \$500
  - The income and tax are in U.S. dollars and she has already applied the appropriate exchange rate.
- Other:
  - Contributions to church \$1,300 (money put in collections weekly)
  - Presidential Election Campaign Fund: Both Peter and Beth want to designate \$3
  - Refund: If they get a refund, they want to have it deposited to their checking account



**Intake and Interview Sheet**

**You (and Spouse) will need:**

- Proof of Identity
- Copies of ALL W-2 1098, 1099 forms
- Social Security (SSN) or Individual Tax Identification Number (ITIN) for all individuals to be listed on the return
- Child care providers' identification number
- Taxpayers' banking information (voided check and/or savings deposit slip) for refund deposits
- Estimated tax payments made, etc.
- Amounts of other income

**Part I: Taxpayer Information**

1. Your First Name PETER		M.I. D	Last Name ANDERSON		2. SSN or ITIN 4 2 0 - X X - X X X X	
3. Date of Birth (mm/dd/yyyy) 07 / 27 / 1959		4. Job Title AIR FORCE OFFICER				
5. Spouse's First Name BETH		M.I. A	Last Name ANDERSON		6. SSN or ITIN 4 2 1 - X X - X X X X	
7. Date of Birth (mm/dd/yyyy) 06 / 06 / 1961		8. Job Title HOME MAKER				
9. Address 10050 SHADOW MOUNTAIN			Apt #	City YOUR CITY	State YS	Zip Code YOUR ZIP
10. Phone Numbers: Daytime YOUR PHONE NUMBER		Evening		Cell		
11. Are you a U.S. Citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			12. Is your Spouse a U.S. Citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
13. Can your parents or someone else claim you or your spouse as a dependent on their tax return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No						
14. Did you pay more than half the cost of keeping up the home? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No						
15. Check if Legally Blind: <input type="checkbox"/> Taxpayer <input type="checkbox"/> Spouse						
16. Check if Permanently and Totally Disabled: <input type="checkbox"/> Taxpayer <input type="checkbox"/> Spouse						
17. On December 31st 2006: Were you: <input type="checkbox"/> Single <input checked="" type="checkbox"/> Legally Married <input type="checkbox"/> Separated <input type="checkbox"/> Divorced a. If married, were you living with your spouse at anytime during the last 6 months of the year? <input type="checkbox"/> Yes <input type="checkbox"/> No						
18. Was your spouse deceased? If yes, provide the date of death. ___ / ___ / ___ (mm/dd/yyyy)						

**Part II. Family and Dependent Information – Do not include you or your spouse.**

Print the name of everyone who lived in your home and outside your home that you supported during the year.

Name (a)	Date of Birth (b) mm/dd/yyyy	Social Security Number or ITIN (c)	Relationship (son, daughter, etc.) (d)	Months person lived with you in 2006 (e)	Check if resident of Canada or Mexico (f)	Is the dependent a full time student? (yes or no) (g)
RAYMOND C ANDERSON	3/17/1988	423-XX-XXXX	SON	12		YES
JOSHUA R ANDERSON	5/25/1989	424-XX-XXXX	SON	12		YES
KENNETH E ANDERSON	1/16/1992	425-XX-XXXX	SON	12		YES

**STOP Page 2 TO BE COMPLETED BY CERTIFIED VOLUNTEER**

---

**Part III. Filing Status & Dependency Determination**

---

Volunteers: In order to conduct a thorough interview, please use the decision trees, interview tips and informational charts in Publications 4012 and/or 17 in addition to this intake sheet. This intake sheet does not constitute a complete interview.

---

**Filing Status Determination – Use Publications 4012 and/or 17 to determine filing status.**

1. Based on the interview, the filing status of the taxpayer is:  Single  MFJ  MFS\*  HH  Qualifying Widow(er)

\*Spouse Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

**Dependency Determination – Use Publications 4012 and/or 17 to determine dependency exemptions.**

- Yes  No 2. Did the taxpayer provide more than 50% of the support for the dependents claimed?  
 Yes  No 3. Is there a signed Form 8332 or a divorce decree that allows someone else to claim the dependent(s)?  
 Yes  No 4. Is the dependent permanently and totally disabled?  
5. Based on the interview, how many individuals qualify as dependents for this return? \_\_\_\_\_
- 

**COMMONLY USED INCOME AND EXPENSES**

Volunteers: Please use Publication 17, *Your Federal Income Tax for Individuals* and Publication 4012, *Volunteer Resource Guide* while discussing the questions below with the taxpayer.

---

**Part IV. Income – In 2006, did you receive:**

---

- Yes  No 1. Wages or Salary (Include W-2s for all jobs worked during the year)  
 Yes  No 2. Disability income  
 Yes  No 3. Interest from: checking or savings account, bonds, dividends, CD, or brokerage account  
 Yes  No 4. State tax refund (may be taxable if you itemized last year)  
 Yes  No 5. Alimony income  
 Yes  No 6. Tip income  
 Yes  No 7. Pension and/or IRA distribution  
 Yes  No 8. Unemployment  
 Yes  No 9. Social Security or Railroad Retirement  
 Yes  No 10. Self Employment  
 Yes  No 11. Other income such as gambling winnings, awards, prizes and Jury duty
- 

**Part V. Adjustment – Did you have 2006 expenses for:**

---

- Yes  No 1. IRA or other retirement account  
 Yes  No 2. Alimony payments paid (If yes, you must provide the name and SSN of the recipient)  
 Yes  No 3. Education related expenses
- 

**Part VI. Itemized Deductions – Did you have 2006 expenses for:**

---

- Yes  No 1. Un-reimbursed medical expenses  
 Yes  No 2. Home mortgage payments (interest and taxes – see Form 1098)  
 Yes  No 3. Charitable contributions
- 

**Part VII. Credits – In 2006, did you have:**

---

- Yes  No 1. Child/dependent care expenses that allow you (and your spouse-if MFJ) to work  
 Yes  No 2. Educational expenses for you or your dependents  
 Yes  No 3. Retirement Savings Contribution
- 

**Part VIII. Earned Income Tax Credit Determination – EITC Eligibility**

---

- Yes  No 1. Was EITC previously disallowed (if yes taxpayer may not be eligible for EITC)  
 Yes  No 2. Based on the interview, is the taxpayer qualified for EITC?
- 

Catalog Number 38836A

Form **13614** (Rev. 8-2006)

Page 2



a Control number <b>22222</b>		Void <input type="checkbox"/>	For Official Use Only OMB No. 1545-0040	
b Employee identification number (EIN) <b>30-2XXXXXX</b>		1 Wages, tips, other compensation <b>83560</b>	2 Federal income tax withheld <b>4620</b>	
c Employer's name, address, and ZIP code <b>DFA5 PO BOX 8888 INDIANAPOLIS, IN 43248-2410</b>		3 Social security wages <b>83560</b>	4 Social security tax withheld <b>3943</b>	
		5 Medicare wages and tips <b>83500</b>	6 Medicare tax withheld <b>622</b>	
		7 Social security tips	8 Allocated tips	
d Employee's social security number <b>420 XX XXXX</b>		9 Advance EIC payment	10 Dependent care benefits	
e Employee's first name and initial <b>PETER D</b>		Last name <b>ANDERSON</b>		11 Nonqualified state
f Employee's address and ZIP code <b>10050 SHADOW MOUNTAIN YOUR CITY, STATE ZIP</b>		12a See instructions for box 12		12b
		13a Subsidized interest <input type="checkbox"/> 13b Unsubsidized interest <input type="checkbox"/> 13c Payments over 5% <input type="checkbox"/>		12c
		14 Other <input type="checkbox"/>		12d
15 State Employer's state ID number <b>YS 30-2XXXXXX</b>	16 State wages, tips, etc. <b>83560</b>	17 State income tax	18 Local wages, tips, etc.	19 Local income tax
		20 Local taxes		

**W-2 Wage and Tax Statement**

**2006**

Department of the Treasury—Internal Revenue Service  
For Privacy Act and Paperwork Reduction Act Notice, see back of Copy B.

Form **W-2** For Social Security Administration — Send this entire page with Form W-3 to the Social Security Administration; photocopies are not acceptable.

Cat. No. 101340

**Do Not Cut, Fold, or Staple Forms on This Page — Do Not Cut, Fold, or Staple Forms on This Page**

CORRECTED (if checked)

RECIPIENT'S/LENDER'S name, address, and telephone number <b>NATIONAL BANK AND TRUST 2710 W 15TH YOUR CITY, STATE ZIP</b>		* <b>Caution:</b> The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you actually paid by you, and not reimbursed by another person.	OMB No. 1545-0001 <b>2006</b> Form <b>1098</b>	<b>Mortgage Interest Statement</b>
RECIPIENT'S federal identification no. <b>31-3XXXXXX</b>	PAYER'S social security number <b>420-XX-XXXX</b>	1 Mortgage interest received from payer(s)/borrower(s) <b>\$ 5800</b>	<b>Copy B For Payer</b> The information in boxes 1, 2, and 3 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points or because you did not report the refund of interest on your return.	
PAYER'S/BORROWER'S name <b>PETER D ANDERSON</b>		2 Points paid on purchase of principal residence <b>\$</b>		
Street address (including apt. no.) <b>10050 SHADOW MOUNTAIN</b>		3 Refund of overpaid interest <b>\$</b>		
City, state, and ZIP code <b>YOUR CITY, STATE ZIP</b>		4 <b>REAL ESTATE TAXES \$3580</b>		
Account number (see instructions)				

Form **1098**

(keep for your records)

Department of the Treasury - Internal Revenue Service

8383       VOID       CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone number <b>TEXAS STATE UNIVERSITY ACCOUNTING OFFICE 601 UNIVERSITY DRIVE SAN MARCOS, TX 78666</b>		1 Payments received for qualified tuition and related expenses <b>\$ 2750</b>	GMI No. 1049-1074 <div style="font-size: 2em; font-weight: bold; text-align: center;">2006</div>	<b>Tuition Statement</b>
FILER'S federal identification no. <b>31-2XXXXXX</b>		STUDENT'S social security number <b>423 XX XXXX</b>		<b>Copy A</b> For Internal Revenue Service Center File with Form 1098-T For Privacy Act and Paperwork Reduction Act Notice, see the 2006 General Instructions for Forms 1099, 1098, 5498, and W-2G.
STUDENT'S name <b>RAYMOND C ANDERSON</b>		4 Adjustments made for a prior year \$	6 Subsidships or grants \$	
Street address (including apt. no.) <b>801 MOORE RM 215</b>		5 Adjustments for scholarships or grants for a prior year \$	7 Check this box if the amount in box 1 or 2 includes amounts for an academic period beginning January-March 2007 <input type="checkbox"/>	
City, state, and ZIP code <b>SAN MARCOS, TX 78666</b>		8 Check if at least full-time student <input checked="" type="checkbox"/>	10 See correct form/return \$	
Service Provider/Act. No. (see instructions)		9 Check if a graduate student <input type="checkbox"/>		

Form 1098-T      Call No. 200672      Department of the Treasury - Internal Revenue Service

**Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page**

CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no. <b>HOMELAND FEDERAL CREDIT UNION 2100 PATTON BLVD YOUR CITY, STATE ZIP</b>		Payer's RIN (optional)	GMI No. 1045-0112 <div style="font-size: 2em; font-weight: bold; text-align: center;">2006</div>	<b>Interest Income</b>
PAYER'S federal identification number <b>31-1XXXXXX</b>		RECIPIENT'S identification number <b>420-XX-XXXX</b>		<b>Copy B</b> <b>For Recipient</b> This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
RECIPIENT'S name <b>PETER D ANDERSON</b>		1 Interest income not included in box 1 <b>\$ 1339</b>	4 Interest on U.S. Savings Bonds and Treas. obligations \$	
Street address (including apt. no.) <b>10050 SHADOW MOUNTAIN</b>		2 Early withdrawal penalty \$	5 Investment expenses \$	
City, state, and ZIP code <b>YOUR CITY, STATE ZIP</b>		3 Federal income tax withheld <b>\$</b>	6 Foreign country or U.S. possession \$	
Account number (see instructions)		7 Foreign tax paid \$		

Form 1099-INT      (keep for your records)      Department of the Treasury - Internal Revenue Service

<b>Peter D. Anderson</b> 10050 Shadow Mountain Your City, State 00000	<b>1234</b> 15-0000000000
_____ 20 _____	
PAY TO THE ORDER OF _____	\$ _____
_____ DOLLARS	
<b>Bank of America</b> Anytown, State 00000 For _____	
:111993776 : 512499 1234	

Form **1040**

Department of the Treasury—Internal Revenue Service  
**U.S. Individual Income Tax Return 2006**

OMB No. 1545-0047

**Label**

(See instructions on page 16.)  
 Use the IRS label. Otherwise, please print or type.

For the year Jan. 1-Dec. 31, 2006, or other tax year beginning	2006
Your first name and initial	Last name
<b>PETER D</b>	<b>ANDERSON</b>
If a joint return, spouse's first name and initial	Last name
<b>BETH A</b>	<b>ANDERSON</b>
Home address (number and street, if you have a P.O. box, see page 18)	apt. no.
City, town or post office, state and ZIP code. If you have a foreign address, see page 18.	

Your social security number  
**420 XX XXXX**

Spouse's social security number  
**421 XX XXXX**

**▲ You must enter your SSN(s) above. ▲**

**Presidential Election Campaign**

Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 16)  **You**  **Spouse**

**Filing Status**

Check only one box.

- 1  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 page 17.) If the qualifying person is a child but not your dependent, enter the child's name here.
- 5  Qualifying widow(er) with dependent child (see page 17).

**Exemptions**

If more than four dependents, see page 18.

6a  Yourself. If someone can claim you as a dependent, do not check this box.

b  Spouse

c Dependents:

(i) First name	Last name	(ii) Dependent's social security number	(iii) Dependent's relationship to you	HW/Qualifying child for child tax credit (see page 18)
RAYMOND C	ANDERSON	423 XX XXXX	SON	<input type="checkbox"/>
JOSHUA R	ANDERSON	424 XX XXXX	SON	<input type="checkbox"/>
KENNETH E	ANDERSON	425 XX XXXX	SON	<input checked="" type="checkbox"/>

d Total number of exemptions claimed **5**

Boxes checked on 6a and 6b. No. of children on file who:

- lived with you
- did not live with you due to divorce or separation (see page 20)

Dependents on 6c not entered above

Add numbers on lines above **5**

**Income**

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

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

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

7 Wages, salaries, tips, etc. Attach Form(s) W-2	7	63500
8a Taxable interest. Attach Schedule B if required	8a	1338
8b Tax-exempt interest. Do not include on line 8a	8b	
9a Ordinary dividends. Attach Schedule B if required	9a	
9b Qualified dividends (see page 23)	9b	
10 Taxable refunds, credits, or offsets of state and local income taxes (see page 25)	10	
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 <input type="checkbox"/>	13	
14 Other gains or (losses). Attach Form 4797	14	
15a IRK distributions	15a	
15b Taxable amount (see page 25)	15b	
16a Pensions and annuities	16a	
16b Taxable amount (see page 25)	16b	
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	4470
18 Farm income or (loss). Attach Schedule F	18	
19 Unemployment compensation	19	
20a Social security benefits	20a	
20b Taxable amount (see page 27)	20b	
21 Other income. List type and amount (see page 20) <b>\$5500 (work overseas)</b>	21	5500
22 Add the amounts in the far right column for lines 7 through 21. This is your total income	22	74899

**Adjusted Gross Income**

23 Archer MSA deduction. Attach Form 8853	23	
24 Certain business expenses of reservists, performing artists, and fee-based government officials. Attach Form 2106 or 2106-EZ	24	
25 Health savings account deduction. Attach Form 8889	25	
26 Moving expenses. Attach Form 8903	26	
27 One-half of self-employment tax. Attach Schedule SE	27	
28 Self-employed SEP, SIMPLE, and qualified plans	28	
29 Self-employed health insurance deduction (see page 30)	29	
30 Penalty on early withdrawal of savings	30	
31a Amount paid	31a	
31b Recipient's SSN	31b	
32 IRA deduction (see page 31)	32	
33 Student loan interest deduction (see page 33)	33	
34 Jury duty pay you gave to your employer	34	
35 Domestic production activities deduction. Attach Form 8802	35	
36 Add lines 23 through 31a and 32 through 35	36	
37 Subtract line 36 from line 22. This is your adjusted gross income	37	74899

**Tax and Credits**

**Standard Deduction for—**

- People who checked any box on line 39a or 39b or who can be claimed as a dependent, see page 36.
- All others:

Single or Married filing separately, \$11,500

Married filing jointly or Qualifying widow(er), \$13,300

Head of household, \$7,500

<b>38</b>	Amount from line 37 (adjusted gross income)	<b>38</b>	<b>74890</b>
<b>39a</b>	Check <input type="checkbox"/> <b>You were born before January 2, 1942</b> <input type="checkbox"/> <b>Blind</b> <input type="checkbox"/> <b>Spouse was born before January 2, 1942</b> <input type="checkbox"/> <b>Blind</b> <input type="checkbox"/> <b>Total losses checked</b> <input type="checkbox"/> <b>39a</b>		
<b>40</b>	<b>Itemized deductions</b> (from Schedule A) or your <b>standard deduction</b> (see left margin)	<b>40</b>	<b>10300</b>
<b>41</b>	Subtract line 40 from line 38	<b>41</b>	<b>64590</b>
<b>42</b>	If line 38 is over \$112,675, or you provided housing to a person displaced by Hurricane Katrina, see page 37. Otherwise, multiply \$3,300 by the total number of exemptions claimed on line 6d	<b>42</b>	<b>13200</b>
<b>43</b>	<b>Taxable income.</b> Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	<b>43</b>	<b>51390</b>
<b>44</b>	<b>Tax</b> (see page 37). Check if any tax is from: <input type="checkbox"/> <b>Pumps</b> 8814 <input type="checkbox"/> <b>Form 4872</b>	<b>44</b>	<b>6951</b>
<b>45</b>	<b>Alternative minimum tax</b> (see page 38). Attach Form 6251	<b>45</b>	
<b>46</b>	Add lines 44 and 45	<b>46</b>	<b>6951</b>
<b>47</b>	Foreign tax credit. Attach Form 1116 if required	<b>47</b>	
<b>48</b>	Credit for child and dependent care expenses. Attach Form 2441	<b>48</b>	
<b>49</b>	Credit for the elderly or the disabled. Attach Schedule R	<b>49</b>	
<b>50</b>	Education credits. Attach Form 8863	<b>50</b>	<b>1650</b>
<b>51</b>	Retirement savings contributions credit. Attach Form 8880	<b>51</b>	
<b>52</b>	Residential energy credits. Attach Form 5695	<b>52</b>	
<b>53</b>	Child tax credit (see page 30). Attach Form 8801 if required	<b>53</b>	<b>1000</b>
<b>54</b>	Credits from: <input type="checkbox"/> Form 8328 <input type="checkbox"/> Form 8839 <input type="checkbox"/> Form 8858	<b>54</b>	
<b>55</b>	Other credits: <input type="checkbox"/> Form 3905 <input type="checkbox"/> Form 8801 <input type="checkbox"/> Form	<b>55</b>	
<b>56</b>	Add lines 47 through 55. These are your <b>total credits</b>	<b>56</b>	<b>2650</b>
<b>57</b>	Subtract line 56 from line 46. If line 56 is more than line 46, enter -0-	<b>57</b>	<b>4301</b>

**Other Taxes**

<b>58</b>	Self-employment tax. Attach Schedule SE	<b>58</b>	
<b>59</b>	Social security and Medicare tax on income not reported to employer. Attach Form 4137	<b>59</b>	
<b>60</b>	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	<b>60</b>	
<b>61</b>	Advance earned income credit payments from Form(s) W-2, box 11	<b>61</b>	
<b>62</b>	Household employment taxes. Attach Schedule H	<b>62</b>	
<b>63</b>	Add lines 57 through 62. This is your <b>total tax</b>	<b>63</b>	<b>4301</b>

**Payments**

If you have a QUALIFYING child, attach Schedule EIC

<b>64</b>	Federal income tax withheld from Forms W-2 and 1099	<b>64</b>	<b>5120</b>
<b>65</b>	2008 estimated tax payments and amount applied from 2005 return	<b>65</b>	
<b>66a</b>	<b>Earned income credit (EIC)</b>	<b>66a</b>	
<b>67</b>	Excess social security and tier 1 RRTA tax withheld (see page 58)	<b>67</b>	
<b>68</b>	Additional child tax credit. Attach Form 8812	<b>68</b>	
<b>69</b>	Amount paid with request for extension to file (see page 59)	<b>69</b>	
<b>70</b>	Payments from: <input type="checkbox"/> Form 3409 <input type="checkbox"/> Form 4126 <input type="checkbox"/> Form 6885	<b>70</b>	
<b>71</b>	Credit for federal telephone excise tax paid. Attach Form 8813 if required	<b>71</b>	
<b>72</b>	Add lines 64, 65, 66a, and 67 through 71. These are your <b>total payments</b>	<b>72</b>	<b>5120</b>

**Refund**

Direct deposit? See page 68 and fill in T4b, T4c, and T4d, or Form 8888

<b>73</b>	If line 72 is more than line 63, subtract line 63 from line 72. This is the amount you <b>overpaid</b>	<b>73</b>	<b>819</b>
<b>74a</b>	Amount of line 73 you want <b>refunded to you</b> , if Form 8888 is attached, check here <input type="checkbox"/>	<b>74a</b>	<b>819</b>
<b>74b</b>	Routing number: <b>1 1 1 9 9 3 7 7 6</b> <input type="checkbox"/> Type <input checked="" type="checkbox"/> <b>Checking</b> <input type="checkbox"/> <b>Debit</b>		
<b>74c</b>	Account number: <b>5 1 2 4 0 0</b>		
<b>75</b>	Amount of line 73 you want <b>applied to your 2007 estimated tax</b>	<b>75</b>	

**Amount You Owe**

<b>76</b>	<b>Amount you owe.</b> Subtract line 72 from line 63. For details on how to pay, see page 60	<b>76</b>	
<b>77</b>	Estimated tax penalty (see page 60)	<b>77</b>	

**Third Party Designee**

Do you want to allow another person to discuss this return with the IRS (see page 61)?  **Yes.** Complete the following:  **No**

**Sign Here**

Joint return? See page 17. Keep a copy for your records

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than signer) is based on all information of which preparer has any knowledge.			
Your signature	Date	Your occupation	Daytime phone number
<b>AIR FORCE OFFICER</b>			
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	
<b>WRITER</b>			

**Paid Preparer's Use Only**

Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's EIN or PTIN
<b>S4102444</b>			<b>S4102444</b>
Firm's name (or yours if self-employed, address, and ZIP code)	EIN	Phone no.	

**SCHEDULE E**  
**(Form 1040)**

**Supplemental Income and Loss**  
(From rental real estate, royalties, partnerships,  
S corporations, estates, trusts, REMICs, etc.)

OMB No. 1545-0074

**2006**

Attachment  
Sequence No. **13**

Department of the Treasury  
Internal Revenue Service (99)

▶ Attach to Form 1040, 1040NR or Form 1041. ▶ See instructions for Schedule E (Form 1040).

Name(s) shown on return

**PETER D & BETH A ANDERSON**

Your social security number

**420 XX XXXX**

**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 page E-3). Report farm rental income or loss from Form 4035 on page 2, line 40.

1	List the type and location of each rental real estate property:	2	For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of:	Yes	No
A	VURU SACRAMENTO CA		<ul style="list-style-type: none"> <li>• 14 days or</li> <li>• 10% of the total days rented at fair rental value?</li> </ul> (See page E-3.)	A	✓
B				B	
C				C	

	Properties			Totals	
	A	B	C	(Add columns A, B, and C.)	
<b>Income:</b>					
3 Rents received . . . . .	3	9000		3	9000
4 Royalties received . . . . .	4			4	
<b>Expenses:</b>					
5 Advertising . . . . .	5				
6 Auto and travel (see page E-4) . . . . .	6				
7 Cleaning and maintenance . . . . .	7				
8 Commissions . . . . .	8				
9 Insurance . . . . .	9				
10 Legal and other professional fees . . . . .	10				
11 Management fees . . . . .	11	720			
12 Mortgage interest paid to banks, etc. (see page E-4) . . . . .	12	2145		12	2145
13 Other interest . . . . .	13				
14 Repairs . . . . .	14	275			
15 Supplies . . . . .	15				
16 Taxes . . . . .	16	970			
17 Utilities . . . . .	17				
18 Other (list) ▶ MAINTENANCE FEE	18	420			
19 Add lines 5 through 18 . . . . .	19	4530		19	4530
20 Depreciation expense or depletion (see page E-4) . . . . .	20			20	
21 Total expenses. Add lines 19 and 20 . . . . .	21	4503			
22 Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see page E-5 to find out if you must file Form 6198 . . . . .	22	4470			
23 Deductible rental real estate loss. <b>Caution.</b> Your rental real estate loss on line 22 may be limited. See page E-5 to find out if you must file Form 8582. Real estate professionals must complete line 43 on page 2 . . . . .	23				
24 <b>Income.</b> Add positive amounts shown on line 22. <b>Do not</b> include any losses . . . . .	24			24	4470
25 <b>Losses.</b> Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here . . . . .	25			25	
26 <b>Total rental real estate and royalty income or (loss).</b> 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. Otherwise, include this amount in the total on line 41 on page 2 . . . . .	26			26	4470

**Education Credits**  
(Hope and Lifetime Learning Credits)

Department of the Treasury  
Internal Revenue Service (99)

▶ See instructions.  
▶ Attach to Form 1040 or Form 1040A.

Attachment  
Sequence No. **50**

Name(s) shown on return

Your social security number

PETER D AND BETH A ANDERSON

420 XX XXXX

**Caution:** You cannot take the Hope credit and the lifetime learning credit for the same student in the same year.

**Part I Hope Credit.** Caution: You cannot take the Hope credit for more than 2 tax years for the same student.

1	(a) Student's name (as shown on page 1 of your tax return) First name Last name	(b) Student's social security number (as shown on page 1 of your tax return)	(c) Qualified expenses (see instructions). Do not enter more than \$2,200* for each student.	(d) Enter the smaller of the amount in column (c) or \$1,100**	(e) Add column (c) and column (d)	(f) Enter one-half of the amount in column (e)	
	RAYMOND C ANDERSON	423 XX XXXX	2200	1100	3300	1650	
<p>* For each student who attended an eligible educational institution in the Gulf Opportunity Zone, do not enter more than \$4,400. ** For each student who attended an eligible educational institution in the Gulf Opportunity Zone, enter the smaller of the amount in column (c) or \$2,200.</p>							
2	<b>Tentative Hope credit.</b> Add the amounts on line 1, column (f). If you are taking the lifetime learning credit for another student, go to Part II; otherwise, go to Part III.					2	1650

**Part II Lifetime Learning Credit**

3	(a) Student's name (as shown on page 1 of your tax return) First name Last name	(b) Student's social security number (as shown on page 1 of your tax return)	(c) Qualified expenses (see instructions)	
4	Add the amounts on line 3, column (c), and enter the total			4
5a	Enter the smaller of line 4 or \$10,000			5a
b	For students who attended an eligible educational institution in the Gulf Opportunity Zone, enter the smaller of \$10,000 or their qualified expenses included on line 4 (see special rules on page 3)			5b
c	Subtract line 5b from line 5a			5c
6a	Multiply line 5b by 40% (.40)			6a
b	Multiply line 5c by 20% (.20)			6b
c	<b>Tentative lifetime learning credit.</b> Add lines 6a and 6b and go to Part III			6c

**Part III Allowable Education Credits**

7	Tentative education credits. Add lines 2 and 6c		7	1650
8	Enter: \$110,000 if married filing jointly; \$55,000 if single, head of household, or qualifying widow(er)	8	110000	
9	Enter the amount from Form 1040, line 38*, or Form 1040A, line 22	9	74899	
10	Subtract line 9 from line 8. If zero or less, stop; you cannot take any education credits	10	35101	
11	Enter: \$20,000 if married filing jointly; \$10,000 if single, head of household, or qualifying widow(er)	11	20000	
12	If line 10 is equal to or more than line 11, enter the amount from line 7 on line 13 and go to line 14. If line 10 is less than line 11, divide line 10 by line 11. Enter the result as a decimal (rounded to at least three places)	12	X	
13	Multiply line 7 by line 12	13	1650	
14	Enter the amount from Form 1040, line 46, or Form 1040A, line 28	14	6951	
15	Enter the total, if any, of your credits from Form 1040, lines 47 through 49, or Form 1040A, lines 29 and 30	15	0	
16	Subtract line 15 from line 14. If zero or less, stop; you cannot take any education credits	16	6951	
17	<b>Education credits.</b> Enter the smaller of line 13 or line 16 here and on Form 1040, line 50, or Form 1040A, line 31	17	1650	

\* If you are filing Form 2555, 2555-EZ, or 4563, or you are excluding income from Puerto Rico, see Pub. 870 for the amount to enter.

---

## Military Scenario 2 Retest Questions

### Directions

Using your resource materials, answer the following questions about the tax return prepared for the Anderson's. You are at site S41024444.

*Note: To complete social security numbers and employer identification numbers, replace Xs with 286560 or with the EFIN provided by your instructor.*

- 11.1** Are the wages, salaries, tips, etc. listed on line 7 of Form 1040 correct?
- a. Yes
  - b. No
- 11.2** Are all the names listed correctly?
- a. Yes
  - b. No
- 11.3** Is the deduction on line 40 of Form 1040 correct?
- a. Yes
  - b. No
- 11.4** Is the sum of expenses on line 19 of Schedule E correct?
- a. Yes
  - b. No
  - c. Not applicable for this return
- 11.5** The correct total rental real estate and royalty income or loss on line 26 of Schedule E is: \_\_\_\_\_
- 11.6** To maximize their tax refund, or minimize their tax liability, the Andersons should take the Foreign Earned Income Exclusion instead of the Foreign Tax Credit.
- a. Yes
  - b. No
- 11.7** What is the correct education credit amount on line 17 of Form 8863, Education Credits? \_\_\_\_\_
- 11.8** Is the information for site designation on Form 1040 correct?
- a. Yes
  - b. No
  - c. Not applicable for this return

This page intentionally left blank.



## 2006 6745 Retest – International Course

### International Scenario 1: Jason and Ella Barnes

**Taxpayer** Jason and Ella Barnes completed Form 13614, Intake and Interview Sheet

---

- Taxpayer Documents**
- Form 13614
  - Social security cards for Jason and Ella Barnes
  - Form W-2 for Ella Barnes
  - Form 1099INT
- 

- Interview Notes**
- Jason and Ella Barnes are both U.S. citizens who have lived and worked in France since June 23, 2003. They did not return to the U.S. at any time during 2006.
  - Income
    - Jason has a teaching position and received his wages in French currency, which total \$37,500 after converting to US dollars.
    - Jason had \$2,366 in French income tax withheld from his wages.
    - They have taken the Foreign Earned Income Exclusion for Jason's wages in 2004 and 2005, and expect to do that again this year. They have never revoked this exclusion.
    - Ella worked at the U.S. consulate and has a W-2 for her salary.
    - They have a checking and savings account at a French bank. The interest from those accounts is \$1,715; they paid \$429 in French income tax that was withheld on that interest income.
    - They also have an account in a U.S. bank (Form 1099INT).
  - Sale of Property, lake lot
    - Purchased August 8, 2000, for \$10,000
    - Sold March 25, 2006, for \$17,000
    - Paid sales commission and closing costs of \$1,620

---

**Interview**

**Notes**

(continued)

- Sale of stock
  - Ella inherited 550 shares of J & J Imports stock on January 19, 2006
  - Fair market value at the time they were inherited was \$16,500
  - Sold 250 shares on May 1, 2006, for \$9,250 (net of commissions)
- Additional Information
  - Neither of them wants to designate \$3 to the Presidential Campaign Election Fund



**Intake and Interview Sheet**

**You (and Spouse) will need:**

- Proof of Identity
- Copies of ALL W-2 1098, 1099 forms
- Social Security (SSN) or Individual Tax Identification Number (ITIN) for all individuals to be listed on the return
- Child care providers' identification number
- Taxpayers' banking information (voided check and/or savings deposit slip) for refund deposits
- Estimated tax payments made, etc.
- Amounts of other income

**Part I: Taxpayer Information**

1. Your First Name JASON		M.I. P	Last Name BARNES		2. SSN or ITIN 5 1 0 - X X - X X X X	
3. Date of Birth (mm/dd/yyyy) 10 / 3 / 1981		4. Job Title TEACHER				
5. Spouse's First Name ELLA		M.I. M	Last Name BARNES		6. SSN or ITIN 5 1 1 - X X - X X X X	
7. Date of Birth (mm/dd/yyyy) 12 / 21 / 1983		8. Job Title SECRETARY				
9. Address 720 RUE DE LA MAIN			Apt # 5	City LYON, FRANCE		State Zip Code
10. Phone Numbers: Daytime YOUR PHONE NUMBER		Evening		Cell		
11. Are you a U.S. Citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			12. Is your Spouse a U.S. Citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
13. Can your parents or someone else claim you or your spouse as a dependent on their tax return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No						
14. Did you pay more than half the cost of keeping up the home? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No						
15. Check if Legally Blind: <input type="checkbox"/> Taxpayer <input type="checkbox"/> Spouse						
16. Check if Permanently and Totally Disabled: <input type="checkbox"/> Taxpayer <input type="checkbox"/> Spouse						
17. On December 31st 2006: Were you: <input type="checkbox"/> Single <input checked="" type="checkbox"/> Legally Married <input type="checkbox"/> Separated <input type="checkbox"/> Divorced a. If married, were you living with your spouse at anytime during the last 6 months of the year? <input type="checkbox"/> Yes <input type="checkbox"/> No						
18. Was your spouse deceased? If yes, provide the date of death. ___ / ___ / ___ (mm/dd/yyyy)						

**Part II. Family and Dependent Information – Do not include you or your spouse.**

*Print the name of everyone who lived in your home and outside your home that you supported during the year.*

Name (a)	Date of Birth (b) mm/dd/yyyy	Social Security Number or ITIN (c)	Relationship (son, daughter, etc.) (d)	Months person lived with you in 2006 (e)	Check if resident of Canada or Mexico (f)	Is the dependent a full time student? (yes or no) (g)

---

**Part III. Filing Status & Dependency Determination**

---

Volunteers: In order to conduct a thorough interview, please use the decision trees, interview tips and informational charts in Publications 4012 and/or 17 in addition to this intake sheet. This intake sheet does not constitute a complete interview.

---

**Filing Status Determination – Use Publications 4012 and/or 17 to determine filing status.**

1. Based on the interview, the filing status of the taxpayer is:  Single  MFJ  MFS\*  HH  Qualifying Widow(er)

\*Spouse Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

**Dependency Determination – Use Publications 4012 and/or 17 to determine dependency exemptions.**

- Yes  No 2. Did the taxpayer provide more than 50% of the support for the dependents claimed?  
 Yes  No 3. Is there a signed Form 8332 or a divorce decree that allows someone else to claim the dependent(s)?  
 Yes  No 4. Is the dependent permanently and totally disabled?  
5. Based on the interview, how many individuals qualify as dependents for this return? 0
- 

**COMMONLY USED INCOME AND EXPENSES**

Volunteers: Please use Publication 17, *Your Federal Income Tax for Individuals* and Publication 4012, *Volunteer Resource Guide* while discussing the questions below with the taxpayer.

---

**Part IV. Income – In 2006, did you receive:**

- Yes  No 1. Wages or Salary (Include W-2s for all jobs worked during the year)  
 Yes  No 2. Disability income  
 Yes  No 3. Interest from: checking or savings account, bonds, dividends, CD, or brokerage account  
 Yes  No 4. State tax refund (may be taxable if you itemized last year)  
 Yes  No 5. Alimony income  
 Yes  No 6. Tip income  
 Yes  No 7. Pension and/or IRA distribution  
 Yes  No 8. Unemployment  
 Yes  No 9. Social Security or Railroad Retirement  
 Yes  No 10. Self Employment  
 Yes  No 11. Other income such as gambling winnings, awards, prizes and Jury duty
- 

**Part V. Adjustment – Did you have 2006 expenses for:**

- Yes  No 1. IRA or other retirement account  
 Yes  No 2. Alimony payments paid (If yes, you must provide the name and SSN of the recipient)  
 Yes  No 3. Education related expenses
- 

**Part VI. Itemized Deductions – Did you have 2006 expenses for:**

- Yes  No 1. Un-reimbursed medical expenses  
 Yes  No 2. Home mortgage payments (interest and taxes – see Form 1098)  
 Yes  No 3. Charitable contributions
- 

**Part VII. Credits – In 2006, did you have:**

- Yes  No 1. Child/dependent care expenses that allow you (and your spouse-if MFJ) to work  
 Yes  No 2. Educational expenses for you or your dependents  
 Yes  No 3. Retirement Savings Contribution
- 

**Part VIII. Earned Income Tax Credit Determination – EITC Eligibility**

- Yes  No 1. Was EITC previously disallowed (if yes taxpayer may not be eligible for EITC)  
 Yes  No 2. Based on the interview, is the taxpayer qualified for EITC?
- 

Catalog Number 38836A

Form **13614** (Rev. 8-2006)

Page 2

a. Control number <b>22222</b>		Valid <input type="checkbox"/>	For Official Use Only OMB No. 1545-0046	
b. Employer identification number (EIN) <b>40-1XXXXXX</b>		1. Single tax, other compensation <b>26600</b>	2. Federal income tax withheld <b>2124</b>	
c. Employer's name, address, and ZIP code <b>US CONSULATE 97 RUE ST JACQUES LYON, FRANCE</b>		3. Social security wages <b>27500</b>	4. Social security tax withheld <b>1705</b>	
		5. Medicare wages and tips <b>27500</b>	6. Medicare tax withheld <b>399</b>	
		7. Social security tips	8. Allocated tips	
d. Employer's social security number <b>511 XX XXXX</b>		9. Advance-ERC payment	10. Dependent care benefits	
e. Employee's first name and initial <b>ELLA M</b>		Last name <b>BARNES</b>	11. Nonqualified plans	
f. Employee's address and ZIP code <b>720 RUE DE LA MAIN LYON, FRANCE</b>		12a. See instructions for box 12 <input type="checkbox"/> 0 <input type="checkbox"/> 900		12b.
g. Employer's address and ZIP code		13. Health insurance <input type="checkbox"/> 14. Other <input type="checkbox"/>		12c.
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. Local taxes

**Form W-2 Wage and Tax Statement 2006** Department of the Treasury—Internal Revenue Service  
 Copy A For Social Security Administration — Send this entire page with Form W-3 to the Social Security Administration; photocopies are not acceptable. For Privacy Act and Paperwork Reduction Act Notice, see back of Copy B. Cal. No. 10134D

Do Not Cut, Fold, or Staple Forms on This Page — Do Not Cut, Fold, or Staple Forms on This Page

CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no. <b>TEACHERS FEDERAL CREDIT UNION 7200 APPLE TREE YOUR CITY, STATE ZIP</b>		Payer's RTN (optional)	OMB No. 1545-0112 <b>2006 Interest Income</b> Form <b>1099-INT</b>		
PAYER'S Federal identification number <b>40-2XXXXXX</b>	RECIPIENT'S identification number <b>511-XX-XXXX</b>	1. Interest income not included in box 1 <b>\$ 3360</b>	<b>Copy B For Recipient</b> This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.		
RECIPIENT'S name <b>ELLA BARNES</b>		2. Early withdrawal penalty <b>\$</b>			3. Interest on U.S. Savings Bonds and Treas. obligations <b>\$</b>
Street address (including apt. no.) <b>720 RUE DE LA MAIN</b>		4. Federal income tax withheld <b>\$</b>			5. Investment expenses <b>\$</b>
City, state, and ZIP code <b>LYON, FRANCE</b>		6. Foreign tax paid <b>\$</b>			7. Foreign country or U.S. possession
Account number (see instructions)					
Form <b>1099-INT</b>		(Keep for your records)		Department of the Treasury — Internal Revenue Service	

---

## International Scenario 1 Retest Questions

### Directions

Using your resource materials, answer the following questions. You are a volunteer at site number S5101555.

*Note: To complete social security numbers and employer identification numbers, replace Xs with 286560 or with the EFIN provided by your instructor.*

- 12.1** The wages, salaries, tips, etc. reported on line 7 of Form 1040 are:  
\$\_\_\_\_\_
- 12.2** What is the Barnes' net short-term capital gain or loss on line 7 of Schedule D?
- a. 0
  - b. 1,750
  - c. 5,380
  - d. 7,130
- 12.3** The Barnes' net long-term capital gain or loss on line 15 of Schedule D is: \$\_\_\_\_\_
- 12.4** What is the Barnes' total income on line 22 of Form 1040?
- a. 9,205
  - b. 34,090
  - c. 35,805
  - d. 73,305
- 12.5** Select the correct start and end dates for the Barnes' bona fide residence as recorded on line 1b of Form 2555EZ.
- a. Leave blank
  - b. Continues, 12/31/2006
  - c. 06/23/2003, 12/31/2006
  - d. 06/23/2003, Continues
- 12.6** The sum of the Barnes' tax and alternative minimum tax on line 46 of Form 1040 is: \$\_\_\_\_\_

- 12.7** What is the Barnes' foreign tax credit on line 47 of Form 1040?
- a. 123
  - b. 249
  - c. 429
  - d. 2,119

## International Scenario 2: Douglas and Claire Richards

**Taxpayer** Douglas and Claire Richards completed Form 13614, Intake and Interview Sheet.

---

**Taxpayer Documents**

- Form 13614
- Social security cards for Douglas, Claire and Patrick
- Form W-2
- Form 1099-R
- Form 1098-T
- Forms 1099-INT
- Voided check

---

**Interview Notes**

- Citizenship: Douglas Richards is a U.S. citizen who is married to Claire, a citizen of Singapore. Both have social security numbers.
- Residence:
  - Moved to Singapore 01/23/06
  - Visited U.S. 12/22/06 through 01/04/07
  - Currently renting home in Singapore
- Children: They have one child who is a junior in college. Douglas and Claire pay all of his expenses and he does not work.
- Employment:
  - Douglas:
    - Retired as a professor of architecture on 01/03/06
    - Receives monthly pension payments starting 02/01/06; Claire will receive beneficiary payments after his death
    - Employed part-time in Singapore for Liam and Sons Architectural Design, 52 Poet's Lane, Singapore
    - Income: \$7,200 Singapore Dollars (SGD); withholding: \$1,800 SGD for income tax; average exchange rate for the period he received the payments: 1.4549



---

**Interview  
Notes**  
(continued)

- Claire:
  - Self-employed physical therapist
  - Did not work in the U.S. in 2006
  - Income: \$5,400 United States Dollars (USD)
  - Income tax: \$500 SGD (exchange rate on the day she made the payment was 1.2661)
  - Business code: 621340
  - Supplies and equipment: \$540 USD
  - Licenses: \$250 USD
  - Professional dues: \$300 USD
  - Advertising: \$475 USD
  - Automobile use:
    - purchased car 02/18/06;
    - started using it for work 04/03/06;
    - total mileage 12,100;
    - mileage for business 1,550 (kept diary of mileage)
- Property:
  - Primary home:
    - Bought U.S. home 04/22/85 for \$125,000
    - Sold home on 01/18/06 for \$435,000 (net after commissions and closing costs)
    - Made capital improvements of \$35,000 between 1985 and date of sale
    - Lived in house until sale
  - Rental duplex:
    - Rented one side all year; used other side for storage
    - Income: \$7,200
    - Interest on entire duplex: \$3,200
    - Real estate taxes on the entire duplex: \$1,500
    - Painting inside the entire duplex: \$760
    - Insurance on entire duplex: \$900
    - Depreciation for just the rental side: \$2,200 (schedule provided by taxpayer)

---

**Interview**

**Notes**

(continued)

- Other:
  - Foreign Earned Income Exclusion:
    - Have never claimed it; want to know if it is appropriate for them
    - Potential qualifying period identified by taxpayers: 02/01/2006 through 01/31/2007
  - Interest income:
    - \$3,275 (bank provided conversion to U.S. dollars) from accounts at Kerry Home Bank; \$819 U.S. dollars withheld for income tax
    - Several open U.S. accounts shown on Forms 1099-INT
  - Itemizing: They do not think they have enough qualified expenses
  - Presidential Election Campaign Fund: Neither wants to designate \$3
  - Refund or payment: Douglas wants to have a direct deposit or direct debit using their savings account #062332 at University Bank, RTN 111900659



**Intake and Interview Sheet**

**You (and Spouse) will need:**

- Proof of Identity
- Copies of ALL W-2 1098, 1099 forms
- Social Security (SSN) or Individual Tax Identification Number (ITIN) for all individuals to be listed on the return
- Child care providers' identification number
- Taxpayers' banking information (voided check and/or savings deposit slip) for refund deposits
- Estimated tax payments made, etc.
- Amounts of other income

**Part I: Taxpayer Information**

1. Your First Name DOUGLAS		M.I. A	Last Name RICHARDS		2. SSN or ITIN 5 2 0 - X X - X X X X	
3. Date of Birth (mm/dd/yyyy) 05 / 11 / 1945		4. Job Title RETIRED ARCHITECT				
5. Spouse's First Name CLAIRE		M.I. S	Last Name RICHARDS		6. SSN or ITIN 5 2 1 - X X - X X X X	
7. Date of Birth (mm/dd/yyyy) 01 / 16 / 1952		8. Job Title PHYSICAL THERAPIST				
9. Address 27 BERRY LANE			Apt #	City SINGAPORE	State	Zip Code
10. Phone Numbers: Daytime YOUR PHONE NUMBER		Evening		Cell		
11. Are you a U.S. Citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			12. Is your Spouse a U.S. Citizen? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
13. Can your parents or someone else claim you or your spouse as a dependent on their tax return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No						
14. Did you pay more than half the cost of keeping up the home? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No						
15. Check if Legally Blind: <input type="checkbox"/> Taxpayer <input type="checkbox"/> Spouse						
16. Check if Permanently and Totally Disabled: <input type="checkbox"/> Taxpayer <input type="checkbox"/> Spouse						
17. On December 31st 2006: Were you: <input type="checkbox"/> Single <input checked="" type="checkbox"/> Legally Married <input type="checkbox"/> Separated <input type="checkbox"/> Divorced a. If married, were you living with your spouse at anytime during the last 6 months of the year? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No						
18. Was your spouse deceased? If yes, provide the date of death. ___ / ___ / ___ (mm/dd/yyyy)						

**Part II. Family and Dependent Information – Do not include you or your spouse.**

*Print the name of everyone who lived in your home and outside your home that you supported during the year.*

Name (a)	Date of Birth (b) mm/dd/yyyy	Social Security Number or ITIN (c)	Relationship (son, daughter, etc.) (d)	Months person lived with you in 2006 (e)	Check if resident of Canada or Mexico (f)	Is the dependent a full time student? (yes or no) (g)
PATRICK D RICHARDS	9/25/1985	522-XX-XXXX	SON	12		YES

---

**Part III. Filing Status & Dependency Determination**

---

Volunteers: In order to conduct a thorough interview, please use the decision trees, interview tips and informational charts in Publications 4012 and/or 17 in addition to this intake sheet. This intake sheet does not constitute a complete interview.

---

**Filing Status Determination – Use Publications 4012 and/or 17 to determine filing status.**

1. Based on the interview, the filing status of the taxpayer is:  Single  MFJ  MFS\*  HH  Qualifying Widow(er)

\*Spouse Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

**Dependency Determination – Use Publications 4012 and/or 17 to determine dependency exemptions.**

- Yes  No 2. Did the taxpayer provide more than 50% of the support for the dependents claimed?  
 Yes  No 3. Is there a signed Form 8332 or a divorce decree that allows someone else to claim the dependent(s)?  
 Yes  No 4. Is the dependent permanently and totally disabled?  
5. Based on the interview, how many individuals qualify as dependents for this return? 1
- 

**COMMONLY USED INCOME AND EXPENSES**

Volunteers: Please use Publication 17, *Your Federal Income Tax for Individuals* and Publication 4012, *Volunteer Resource Guide* while discussing the questions below with the taxpayer.

---

**Part IV. Income – In 2006, did you receive:**

- Yes  No 1. Wages or Salary (Include W-2s for all jobs worked during the year)  
 Yes  No 2. Disability income  
 Yes  No 3. Interest from: checking or savings account, bonds, dividends, CD, or brokerage account  
 Yes  No 4. State tax refund (may be taxable if you itemized last year)  
 Yes  No 5. Alimony income  
 Yes  No 6. Tip income  
 Yes  No 7. Pension and/or IRA distribution  
 Yes  No 8. Unemployment  
 Yes  No 9. Social Security or Railroad Retirement  
 Yes  No 10. Self Employment  
 Yes  No 11. Other income such as gambling winnings, awards, prizes and Jury duty
- 

**Part V. Adjustment – Did you have 2006 expenses for:**

- Yes  No 1. IRA or other retirement account  
 Yes  No 2. Alimony payments paid (If yes, you must provide the name and SSN of the recipient)  
 Yes  No 3. Education related expenses
- 

**Part VI. Itemized Deductions – Did you have 2006 expenses for:**

- Yes  No 1. Un-reimbursed medical expenses  
 Yes  No 2. Home mortgage payments (interest and taxes – see Form 1098)  
 Yes  No 3. Charitable contributions
- 

**Part VII. Credits – In 2006, did you have:**

- Yes  No 1. Child/dependent care expenses that allow you (and your spouse-if MFJ) to work  
 Yes  No 2. Educational expenses for you or your dependents  
 Yes  No 3. Retirement Savings Contribution
- 

**Part VIII. Earned Income Tax Credit Determination – EITC Eligibility**

- Yes  No 1. Was EITC previously disallowed (if yes taxpayer may not be eligible for EITC)  
 Yes  No 2. Based on the interview, is the taxpayer qualified for EITC?
-

a Control number 22222		For Official Use Only OMB No. 1545-0046	
b Employee identification number (EIN) 41-1XXXXXX		1 Wages, tips, other compensation 10000	3 Federal income tax withheld 3000
c Employer's name, address, and ZIP code CITY UNIVERSITY 1000 PROVOST DRIVE YOUR CITY, STATE ZIP		2 Social security wages 0	4 Social security tax withheld 0
		6 Medicare wages and tax 12500	8 Medicare tax withheld 181
		7 Social security tax	9 Additional tax
d Employee's social security number 500 XX XXXX		9 Address EIC payment	10 Dependent care benefits
e Employee's first name and initial DOUGLAS A		Last name RICHARDS	11 Foreign paid gross 12a See instructions for box 12 2500
27 BERRY LANE SINGAPORE		13 <input type="checkbox"/> Rollover <input checked="" type="checkbox"/> Payment <input type="checkbox"/> Withdrawal	12b
		14 Other	12c
f Employee's address and ZIP code		15 Local income tax	16 Local distribution
15 State YS	16 State ID number 41-1XXXXXX	17 State wages, tips, etc. 10000	18 State income tax 1800
		19 Local wages, tips, etc.	20 Local income tax

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

**2006**

Department of the Treasury—Internal Revenue Service

Copy A For Social Security Administration — Send this entire page with Form W-3 to the Social Security Administration; photocopies are not acceptable.

For Privacy Act and Paperwork Reduction Act Notice, see back of Copy D.

Cat No. 10332D

Do Not Cut, Fold, or Staple Forms on This Page — Do Not Cut, Fold, or Staple Forms on This Page

CORRECTED (if checked)

PAYER'S name, street address, city, state, and ZIP code TEACHER RETIREMENT SYSTEM 1513 WEST DALTON YOUR CITY, STATE, ZIP		1 Gross distribution \$ 75000	OMB No. 1545-0119 <b>2006</b> Form 1099-R		Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
PAYER'S federal identification number 41-2XXXXXX		2a Taxable amount \$	2b Taxable amount not determined <input checked="" type="checkbox"/> Total distribution <input type="checkbox"/>		
RECIPIENT'S identification number 520-XX-XXXX	3 Capital gain (included in box 2a) \$	4 Federal income tax withheld \$ 9850		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.	
RECIPIENT'S name DOUGLAS A RICHARDS		5 Employee contributions or insurance premiums/designated Roth basis \$	6 Net unrealized appreciation in employer's securities \$		
Street address (including apt. no.) 27 BERRY LANE		7 Distribution code(s) 7	8 Other \$ %		
City, state, and ZIP code SINGAPORE		9a Your percentage of total distribution %	9b Total employee contributions \$ 245800		This information is being furnished to the Internal Revenue Service.
1st year of design. Roth contrib. \$		10 State tax withheld \$	11 State/Payer's state no. \$		
Account number (see instructions)		13 Local tax withheld \$	14 Name of locality \$		15 Local distribution \$

Form 1099-R

Department of the Treasury — Internal Revenue Service

CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no. <b>UNIVERSITY BANK 1826 SCHOLASTIC BLVD YOUR CITY, STATE ZIP</b>		Payer's RTN (optional)	OMB No. 1545-0112 <b>2006</b> Interest Income Form <b>1099-INT</b>
PAYER'S Federal identification number <b>41-3XXXXXX</b>	RECIPIENT'S identification number <b>520-XX-XXXX</b>	1 Interest income not included in box 3 <b>\$ 964</b>	
RECIPIENT'S name <b>DOUGLAS A RICHARDS</b>		2 Early withdrawal penalty <b>\$</b>	3 Interest on U.S. Savings Bonds and Treas. obligations <b>\$</b>
Street address (including apt. no.) <b>27 BERRY LANE</b>		4 Federal income tax withheld <b>\$</b>	5 Investment expenses <b>\$</b>
City, state, and ZIP code <b>SINGAPORE</b>		6 Foreign tax paid <b>\$</b>	7 Foreign country or U.S. possession
Account number (see instructions)			

Form **1099-INT** (keep for your records) Department of the Treasury - Internal Revenue Service

**Copy B For Recipient**  
This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no. <b>TEACHER'S FEDERAL CREDIT UNION 222 SOUTH DELAWARE YOUR CITY, STATE ZIP</b>		Payer's RTN (optional)	OMB No. 1545-0112 <b>2006</b> Interest Income Form <b>1099-INT</b>
PAYER'S Federal identification number <b>41-4XXXXXX</b>	RECIPIENT'S identification number <b>520-XX-XXXX</b>	1 Interest income not included in box 3 <b>\$ 256</b>	
RECIPIENT'S name <b>DOUGLAS A RICHARDS</b>		2 Early withdrawal penalty <b>\$</b>	3 Interest on U.S. Savings Bonds and Treas. obligations <b>\$</b>
Street address (including apt. no.) <b>27 BERRY LANE</b>		4 Federal income tax withheld <b>\$</b>	5 Investment expenses <b>\$</b>
City, state, and ZIP code <b>SINGAPORE</b>		6 Foreign tax paid <b>\$</b>	7 Foreign country or U.S. possession
Account number (see instructions)			

Form **1099-INT** (keep for your records) Department of the Treasury - Internal Revenue Service

**Copy B For Recipient**  
This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no. <b>TEACHER'S FEDERAL CREDIT UNION 222 SOUTH DELAWARE YOUR CITY, STATE ZIP</b>		Payer's RTN (optional)	OMB No. 1545-0112 <b>2006</b> Interest Income Form <b>1099-INT</b>
PAYER'S Federal identification number <b>41-4XXXXXX</b>	RECIPIENT'S identification number <b>521-XX-XXXX</b>	1 Interest income not included in box 3 <b>\$ 593</b>	
RECIPIENT'S name <b>CLAIRE S RICHARDS</b>		2 Early withdrawal penalty <b>\$</b>	3 Interest on U.S. Savings Bonds and Treas. obligations <b>\$</b>
Street address (including apt. no.) <b>27 BERRY LANE</b>		4 Federal income tax withheld <b>\$</b>	5 Investment expenses <b>\$</b>
City, state, and ZIP code <b>SINGAPORE</b>		6 Foreign tax paid <b>\$</b>	7 Foreign country or U.S. possession
Account number (see instructions)			

Form **1099-INT** (keep for your records) Department of the Treasury - Internal Revenue Service

**Copy B For Recipient**  
This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

8383 <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		Tuition Statement	
PAYER'S name, street address, city, state, ZIP code, and telephone number <b>PRIVATE WESTERN STATE UNIVERSITY</b> <b>2100 OCEAN SIDE</b> <b>PORTLAND, OR 97206</b>		1 Payments received for qualified tuition and related expenses <b>\$ 16500</b>	2006 Form 1098-T
FILER'S federal identification no. <b>41-6XXXXXX</b>		2 Amounts billed for qualified tuition and related expenses <b>\$</b>	
STUDENT'S social security number <b>22 XX XXXX</b>	3 Check if you have changed year reporting method for 2006 <input type="checkbox"/>	4 Adjustments made for a prior year <b>\$</b>	<b>Copy A</b> For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act notice, see the 2006 General Instructions for Forms 1098, 1099, 8498, and W-2G.
STUDENT'S name <b>PATRICK D RICHARDS</b>	5 Subcontract or grant <b>\$</b>	6 Adjustments to scholarships or grants for a prior year <b>\$</b>	
Street address (including apt. no.) <b>3456 ATHENS</b>	7 Check this box if the amount in box 1 or 2 includes amounts for an academic period beginning January 1 through March 31, 2007 <input type="checkbox"/>	8 Check if a graduate student <input type="checkbox"/>	
City, state, and ZIP code <b>PORTLAND, OR 97206</b>	9 See contract terms (attach)	10 See contract terms (attach)	
Service Provider/Rec'd. by (see inst.) <input type="checkbox"/> Check if at least half-time student <input checked="" type="checkbox"/>	11 See contract terms (attach)	12 See contract terms (attach)	
Form 1098-T		Cat. No. 52007-1	
Do Not Cut or Separate Forms on This Page		Do Not Cut or Separate Forms on This Page	

<b>Douglas A. Richards</b> 27 Berry Lane Singapore		<b>1234</b> 15-0000000000
_____ DO _____		
PAY TO THE ORDER OF _____		<b>\$</b> _____
		_____ DOLLARS
<b>University Bank</b> Anytown, State 00000 For _____		
: 111900659 : 062332 1234		

Form **1040**

Department of the Treasury—Internal Revenue Service  
**U.S. Individual Income Tax Return 2006**

OMB No. 1545-0047

**Label**

(See instructions on page 16.)  
Use the IRS label. Otherwise, please print or type.

**Presidential Election Campaign**

Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 16)

**Filing Status**

Check only one box.

**Exemptions**

If more than four dependents, see page 18.

**Income**

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

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

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

**Adjusted Gross Income**

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see page 78.

For the year Jan. 1-Dec. 31, 2006, or other tax year beginning on 2006

OMB No. 1545-0047

Your first name and initial <b>DOUGLAS A</b>	Last name <b>RICHARDS</b>	Your social security number <b>520 XX XXXX</b>
If a joint return, spouse's first name and initial <b>CLAIRE S</b>	Last name <b>RICHARDS</b>	Spouse's social security number <b>521 XX XXXX</b>
Home address (number and street, if you have a P.O. box, see page 18) <b>27 BERRY LANE</b>		You must enter your SSN(s) above.
City, town or post office (state and ZIP code, if you have a foreign address, see page 18) <b>SINGAPORE</b>		

Checking a box below will not change your tax or refund.

Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 16)  You  Spouse

1  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 page 17.) If the qualifying person is a child but not your dependent, enter the child's name here.

5  Qualifying widow(er) with dependent child (see page 17).

6a  Yourself. If someone can claim you as a dependent, do not check this box.

b  Spouse

c Dependents:

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> Qualifying child for child tax credit (see page 18)
PATRICK D	RICHARDS	523 XX XXXX	SON	<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>

Boxes checked on 6a and 6b. No. of children on the return: **1**

• lived with you

• did not live with you due to divorce or separation (see page 20)

Dependents on 6c not entered above

Add numbers on lines above: **3**

d Total number of exemptions claimed	<b>3</b>
7 Wages, salaries, tips, etc. Attach Form(s) W-2	<b>14940</b>
8a Taxable interest. Attach Schedule B if required	<b>1833</b>
8b Tax-exempt interest. Do not include on line 8a	
9a Ordinary dividends. Attach Schedule B if required	
9b Qualified dividends (see page 23)	
10 Taxable refunds, credits, or offsets of state and local income taxes (see page 25)	
11 Alimony received	
12 Business income or (loss). Attach Schedule C or C-EZ	<b>3145</b>
13 Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	
14 Other gains or (losses). Attach Form 4797	
15a IRAs distributions	
15b Taxable amount (see page 25)	
16a Pensions and annuities	<b>75000</b>
16b Taxable amount (see page 25)	<b>67487</b>
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	<b>1820</b>
18 Farm income or (loss). Attach Schedule F	
19 Unemployment compensation	
20a Social security benefits	
20b Taxable amount (see page 27)	
21 Other income. List type and amount (see page 29) <b>F2555(2923)F2555E2(4949)</b>	<b>(7872)</b>
22 Add the amounts in the far right column for lines 7 through 21. This is your total income	<b>81362</b>

23 Archer MSA deduction. Attach Form 8853	
24 Certain business expenses of reservists, performing artists, and fee-based government officials. Attach Form 2106 or 2106-EZ	
25 Health savings account deduction. Attach Form 8889	
26 Moving expenses. Attach Form 8903	
27 One-half of self-employment tax. Attach Schedule SE	<b>222</b>
28 Self-employed SEP, SIMPLE, and qualified plans	
29 Self-employed health insurance deduction (see page 30)	
30 Penalty on early withdrawal of savings	
31a Airfare paid to recipient's SSN	
32 IRA deduction (see page 31)	
33 Student loan interest deduction (see page 33)	
34 Jury duty pay you gave to your employer	
35 Domestic production activities deduction. Attach Form 8802	
36 Add lines 23 through 31a and 32 through 35	<b>222</b>
37 Subtract line 36 from line 22. This is your adjusted gross income	<b>81140</b>

Cat. No. 113206 Form **1040** (2006)



**Tax and Credits**

**Standard Deduction for—**

- People who checked any box on line 39a or 39b or who can be claimed as a dependent, see page 36.
- All others:

Single or Married filing separately, \$11,500

Married filing jointly or Qualifying widow(er), \$13,300

Head of household, \$7,500

38	Amount from line 37 (adjusted gross income)	38	81140
39a	Check <input type="checkbox"/> You were born before January 2, 1942, <input type="checkbox"/> Blind, <input type="checkbox"/> Total losses checked <input type="checkbox"/> 39a		
	b <input type="checkbox"/> Spouse was born before January 2, 1942, <input type="checkbox"/> Blind, <input type="checkbox"/> checked <input type="checkbox"/> 39b		
40	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	40	10300
41	Subtract line 40 from line 38	41	70840
42	If line 38 is over \$112,675, or you provided housing to a person displaced by Hurricane Katrina, see page 37. Otherwise, multiply \$3,300 by the total number of exemptions claimed on line 6d	42	9900
43	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	60940
44	Tax (see page 37). Check if any tax is from a <input type="checkbox"/> Form 9814 b <input type="checkbox"/> Form 4872	44	8384
45	Alternative minimum tax (see page 38). Attach Form 6251	45	
46	Add lines 44 and 45	46	8384
47	Foreign tax credit. Attach Form 1116 if required	47	407
48	Credit for child and dependent care expenses. Attach Form 2441	48	
49	Credit for the elderly or the disabled. Attach Schedule R	49	
50	Education credits. Attach Form 8883	50	1771
51	Retirement savings contributions credit. Attach Form 8880	51	
52	Residential energy credits. Attach Form 5695	52	
53	Child tax credit (see page 30). Attach Form 8801 if required	53	
54	Credits from: a <input type="checkbox"/> Form 8296 b <input type="checkbox"/> Form 8531 c <input type="checkbox"/> Form 8558	54	
55	Other credits: a <input type="checkbox"/> Form 3905 b <input type="checkbox"/> Form 8801 c <input type="checkbox"/> Form	55	
56	Add lines 47 through 55. These are your total credits	56	2178
57	Subtract line 56 from line 46. If line 56 is more than line 46, enter -0-	57	6206

**Other Taxes**

58	Self-employment tax. Attach Schedule SE	58	444
59	Social security and Medicare tax on income not reported to employer. Attach Form 4137	59	
60	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	60	
61	Advance earned income credit payments from Form(s) W-2, box 11	61	
62	Household employment taxes. Attach Schedule H	62	
63	Add lines 57 through 62. This is your total tax	63	6650

**Payments**

If you have a QUALIFYING child, attach Schedule EIC

64	Federal income tax withheld from Forms W-2 and 1099	64	12850
65	2008 estimated tax payments and amount applied from 2005 return	65	
66a	Earned income credit (EIC)	66a	
	b Nonrefundable combat pay election <input type="checkbox"/> 66b		
67	Excess social security and tier 1 RRTA tax withheld (see page 58)	67	
68	Additional child tax credit. Attach Form 8812	68	
69	Amount paid with request for extension to file (see page 59)	69	
70	Payments from: a <input type="checkbox"/> Form 3409 b <input type="checkbox"/> Form 4126 c <input type="checkbox"/> Form 6895	70	
71	Credit for federal telephone excise tax paid. Attach Form 8813 if required	71	
72	Add lines 64, 65, 66a, and 67 through 71. These are your total payments	72	12850

**Refund**

Direct deposit? See page 68 and fill in 74b, 74c, and 74d, or Form 8888

73	If line 72 is more than line 63, subtract line 63 from line 72. This is the amount you overpaid	73	6200
74a	Amount of line 73 you want refunded to you. If Form 8888 is attached, check here <input type="checkbox"/>	74a	6200
	b Routing number: 1 1 1 9 0 0 6 5 9 <input type="checkbox"/> Type <input type="checkbox"/> Checking <input checked="" type="checkbox"/> Savings		
	d Account number: 0 6 2 3 3 2		
75	Amount of line 73 you want applied to your 2007 estimated tax	75	

**Amount You Owe**

76	Amount you owe. Subtract line 72 from line 63. For details on how to pay, see page 60	76	
77	Estimated tax penalty (see page 60)	77	

**Third Party Designee**

Do you want to allow another person to discuss this return with the IRS (see page 61)?  Yes. Complete the following:  No

Designee's name	Phone no.	Personal identification number (PIN)
-----------------	-----------	--------------------------------------

**Sign Here**

Joint return? See page 17. Keep a copy for your records

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

Your signature	Date	Your occupation	Daytime phone number
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	

**Paid Preparer's Use Only**

Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's EIN or PTIN
Firm's name (or yours if self-employed, address, and ZIP code)	EIN	Phone no.	



**SCHEDULE C-EZ**  
**(Form 1040)**

**Net Profit From Business**  
**(Sole Proprietorship)**

OMB No. 1545-0045

**2006**

Department of the Treasury  
Internal Revenue Service

▶ Partnerships, joint ventures, etc., must file Form 1065 or 1065-B.  
▶ Attach to Form 1040 or 1041. ▶ See instructions on back.

Attachment  
Sequence No. **09A**

Name of proprietor  
**CLAIRE S RICHARDS**

Social security number (SSN)  
**621 XX XXXX**

**Part I** General Information

You May Use  
Schedule C-EZ  
Instead of  
Schedule C  
Only If You:

- Had business expenses of \$5,000 or less.
- Use the cash method of accounting.
- Did not have an inventory at any time during the year.
- Did not have a net loss from your business.
- Had only one business as either a sole proprietor or statutory employee.

And You:

- Had no employees during the year.
- Are not required to file Form 4562, Depreciation and Amortization, for this business. See the instructions for Schedule C, line 13, on page C-4 to find out if you must file.
- Do not deduct expenses for business use of your home.
- Do not have prior year unallowed passive activity losses from this business.

**A** Principal business or profession, including product or service  
**PHYSICAL THERAPIST**

**B** Enter code from pages C-8, 9, & 10  
▶ **6 2 1 3 4 0**

**C** Business name. If no separate business name, leave blank.

**D** Employer ID number (EIN), if any

**E** Business address (including suite or room no.). Address not required if same as on Form 1040, page 1.

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

**Part II** Figure Your Net Profit

<b>1</b> Gross receipts. <b>Caution.</b> If this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked, see <b>Statutory Employees</b> in the instructions for Schedule C, line 1, on page C-3 and check here <input type="checkbox"/>	<b>1</b>	5400
<b>2</b> Total expenses (see instructions). If more than \$5,000, you <b>must</b> use Schedule C.	<b>2</b>	2255
<b>3</b> Net profit. Subtract line 2 from line 1. If less than zero, you <b>must</b> use Schedule C. Enter on Form 1040, line 12, and also on Schedule SE, line 2. (Statutory employees <b>do not</b> report this amount on Schedule SE, line 2. Estates and trusts, enter on Form 1041, line 3.)	<b>3</b>	3145

**Part III** Information on Your Vehicle. Complete this part **only** if you are claiming car or truck expenses on line 2.

- 4** When did you place your vehicle in service for business purposes? (month, day, year) ▶ **04 / 03 / 2006**
- 5** Of the total number of miles you drove your vehicle during 2006, enter the number of miles you used your vehicle for:
- a** Business **1550**      **b** Commuting (see instructions)      **c** Other **12100**
- 6** Do you (or your spouse) have another vehicle available for personal use?  Yes  No
- 7** Was your vehicle available for personal use during off-duty hours?  Yes  No
- 8a** Do you have evidence to support your deduction?  Yes  No
- b** If "Yes," is the evidence written?  Yes  No

For Paperwork Reduction Act Notice, see page 2.

Cat. No. 14374D

Schedule C-EZ (Form 1040) 2006

**Instructions**

You can use Schedule C-EZ instead of Schedule C if you operated a business or practiced a profession as a sole proprietorship or you were a statutory employee and you have met all the requirements listed in Schedule C-EZ, Part I.

**Line A**

Describe the business or professional activity that provided your principal source of income reported on line 1. Give the general field or activity and the type of product or service.

**Line B**

Enter the six-digit code that identifies your principal business or professional activity. See pages C-8 through C-10 of the instructions for Schedule C for the list of codes.

**Line D**

You need an employer identification number (EIN) only if you had a qualified retirement plan or were required to file an employment, excise, estate, trust, or alcohol, tobacco, and firearms tax return. If you need an EIN, see the instructions for Form SS-4. If you do not have an EIN, leave line D blank. Do not enter your SSN.

**Line E**

Enter your business address. Show a street address instead of a box number. Include the suite or room number, if any.

**Line 1**

Enter gross receipts from your trade or business. Include amounts you received in your trade or business that were properly shown on Forms 1099-MISC. If the total amounts that were reported in box 7 of Forms 1099-MISC are more than the total you are reporting on line 1, attach a statement explaining the difference. You must show all items of taxable income actually or constructively received during the year (in cash, property, or services). Income is constructively received when it is credited to your account or set aside for you to use. Do not offset this amount by any losses.

**Line 2**

Enter the total amount of all deductible business expenses you actually paid during the year. Examples of these expenses include advertising, car and truck expenses, commissions and fees, insurance, interest, legal and professional services, office expense, rent or lease expenses, repairs and maintenance, supplies, taxes, travel, the allowable percentage of business meals and entertainment,

and utilities (including telephone). For details, see the instructions for Schedule C, Parts II and V, on pages C-3 through C-7. If you wish, you can use the optional worksheet below to record your expenses. Enter on lines **b** through **g** the type and amount of expenses not included on line **a**.

If you claim car or truck expenses, be sure to complete Schedule C-EZ, Part III.

**Line 5b**

Generally, commuting is travel between your home and a work location. If you converted your vehicle during the year from personal to business use (or vice versa), enter your commuting miles only for the period you drove your vehicle for business. For information on certain travel that is considered a business expense rather than commuting, see the instructions for Form 2106.

**Paperwork Reduction Act Notice.** We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Internal Revenue Code section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for individual taxpayers filing this form is included in the estimates shown in the instructions for their individual income tax return. The estimated burden for all other taxpayers who file this form is approved under OMB control number 1545-1973 and is shown below.

Recordkeeping . . . . .	45 min.
Learning about the law or the form . . . . .	4 min.
Preparing the form . . . . .	35 min.
Copying, assembling, and sending the form to the IRS . . . . .	20 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.

**Optional Worksheet for Line 2 (keep a copy for your records)**

<b>a</b> Deductible business meals and entertainment (see page C-5) . . . . .	<b>a</b>	
<b>b</b> .....	<b>b</b>	
<b>c</b> .....	<b>c</b>	
<b>d</b> .....	<b>d</b>	
<b>e</b> .....	<b>e</b>	
<b>f</b> .....	<b>f</b>	
<b>g</b> .....	<b>g</b>	
<b>h</b> Total. Add lines <b>a</b> through <b>g</b> . Enter here and on line 2 . . . . .	<b>h</b>	

**Foreign Tax Credit**

(Individual, Estate, or Trust)

▶ Attach to Form 1040, 1040NR, 1041, or 990-T.

▶ See separate instructions.

Department of the Treasury  
Internal Revenue Service (999)

Name **DOUGLAS A AND CLAIRE S RICHARDS** Identifying number as shown on page 1 of your tax return **520-XX-XXXX**

Use a separate Form 1116 for each category of income listed below. See **Categories of Income** on page 3 of the instructions. Check only one box on each Form 1116. Report all amounts in U.S. dollars except where specified in Part II below.

- a  Passive income
- b  High withholding tax interest
- c  Financial services income
- d  Shipping income
- e  Dividends from a DISC or former DISC
- f  Certain distributions from a foreign sales corporation (FSC) or former FSC
- g  Lump-sum distributions
- h  Section 501(c) income
- i  Certain income re-sourced by treaty
- j  General limitation income

k Resident of (name of country) ▶

**Note:** If you paid taxes to only one foreign country or U.S. possession, use column A in Part I and line A in Part II. If you paid taxes to more than one foreign country or U.S. possession, use a separate column and line for each country or possession.

**Part I Taxable Income or Loss From Sources Outside the United States (for Category Checked Above)**

i Enter the name of the foreign country or U.S. possession ▶	Foreign Country or U.S. Possession			Total (Add cols. A, B, and C.)
	A	B	C	
<b>SINGAPORE</b>				
<b>1a</b> Gross income from sources within country shown above and of the type checked above (see page 13 of the instructions):				
	3275			<b>1a</b> 3275
<b>b</b> Check if line 1a is compensation for personal services as an employee, your total compensation from all sources is \$250,000 or more, and you used an alternative method to determine its source (see instructions) ▶ <input type="checkbox"/>				
<b>Deductions and losses (Caution: See pages 13 and 14 of the instructions):</b>				
<b>2</b> Expenses <b>definitely related</b> to the income on line 1a (attach statement):	0			
<b>3</b> Pro rata share of other deductions <b>not definitely related:</b>				
a Certain itemized deductions or standard deduction (see instructions):	10300			
b Other deductions (attach statement):				
c Add lines 3a and 3b:	10300			
d Gross foreign source income (see instructions):	3275			
e Gross income from all sources (see instructions):	92509			
f Divide line 3d by line 3e (see instructions):	.0354			
g Multiply line 3c by line 3f:	365			
<b>4</b> Pro rata share of interest expense (see instructions):				
a Home mortgage interest (use worksheet on page 13 of the instructions):	0			
b Other interest expense:	0			
<b>5</b> Losses from foreign sources:	0			
<b>6</b> Add lines 2, 3g, 4a, 4b, and 5:	365			<b>6</b> 365
<b>7</b> Subtract line 5 from line 1a. Enter the result here and on line 14, page 2 ▶				<b>7</b> 2910

**Part II Foreign Taxes Paid or Accrued (see page 14 of the instructions)**

Country	Credit is claimed for taxes (you must check one) (m) <input type="checkbox"/> Paid (n) <input type="checkbox"/> Accrued	Foreign taxes paid or accrued						(k) Total foreign taxes paid or accrued (add cols. (l) through (j))
		in foreign currency			in U.S. dollars			
		(i) Date paid or accrued	(j) Dividends	(k) Rents and royalties	(l) Interest	(m) Other foreign taxes paid or accrued	(n) Total foreign taxes paid or accrued	
<b>A</b>	12/31/2006					819	819	
<b>B</b>								
<b>C</b>								
<b>B</b>	Add lines A through C, column (k). Enter the total here and on line 9, page 2 ▶						<b>8</b>	819

For Paperwork Reduction Act Notice, see page 18 of the instructions.

**Part III Figuring the Credit**

<b>9</b>	Enter the amount from line 8. These are your total foreign taxes paid or accrued for the category of income checked above Part I . . . . .	<b>9</b>	819	
<b>10</b>	Carryback or carryover (attach detailed computation) . . . . .	<b>10</b>	0	
<b>11</b>	Add lines 9 and 10 . . . . .	<b>11</b>	819	
<b>12</b>	Reduction in foreign taxes (see page 15 of the instructions) . . . . .	<b>12</b>	0	
<b>13</b>	Subtract line 12 from line 11. This is the total amount of foreign taxes available for credit . . . . .	<b>13</b>		819
<b>14</b>	Enter the amount from line 7. This is your taxable income or loss from sources outside the United States (before adjustments) for the category of income checked above Part I (see page 15 of the instructions) . . . . .	<b>14</b>	2910	
<b>15</b>	Adjustments to line 14 (see page 16 of the instructions) . . . . .	<b>15</b>	0	
<b>16</b>	Combine the amounts on lines 14 and 15. This is your net foreign source taxable income. (If the result is zero or less, you have no foreign tax credit for the category of income you checked above Part I. Skip lines 17 through 21. However, if you are filing more than one Form 1116, you must complete line 19.) . . . . .	<b>16</b>	2910	
<b>17</b>	<b>Individuals:</b> Enter the amount from Form 1040, line 41 (minus any amount on Form 8914, line 2). If you are a nonresident alien, enter the amount from Form 1040NR, line 38 (minus any amount on Form 8914, line 2). <b>Estates and trusts:</b> Enter your taxable income without the deduction for your exemption . . . . .	<b>17</b>	74115	
	<b>Caution:</b> If you figured your tax using the lower rates on qualified dividends or capital gains, see page 17 of the instructions.			
<b>18</b>	Divide line 16 by line 17. If line 16 is more than line 17, enter "1" . . . . .	<b>18</b>		.0393
<b>19</b>	<b>Individuals:</b> Enter the amount from Form 1040, line 44. If you are a nonresident alien, enter the amount from Form 1040NR, line 41. <b>Estates and trusts:</b> Enter the amount from Form 1041, Schedule G, line 1a, or the total of Form 990-T, lines 36 and 37 . . . . .	<b>19</b>		9171
	<b>Caution:</b> If you are completing line 19 for separate category g (lump-sum distributions), see page 18 of the instructions.			
<b>20</b>	Multiply line 19 by line 18 (maximum amount of credit) . . . . .	<b>20</b>		407
<b>21</b>	Enter the <b>smaller</b> of line 13 or line 20. If this is the only Form 1116 you are filing, skip lines 22 through 30 and enter this amount on line 31. Otherwise, complete the appropriate line in Part IV (see page 18 of the instructions) . . . . .	<b>21</b>		407

**Part IV Summary of Credits From Separate Parts III (see page 18 of the instructions)**

<b>22</b>	Credit for taxes on passive income . . . . .	<b>22</b>	407	
<b>23</b>	Credit for taxes on high withholding tax interest . . . . .	<b>23</b>		
<b>24</b>	Credit for taxes on financial services income . . . . .	<b>24</b>		
<b>25</b>	Credit for taxes on shipping income . . . . .	<b>25</b>		
<b>26</b>	Credit for taxes on dividends from a DISC or former DISC and certain distributions from a FSC or former FSC . . . . .	<b>26</b>		
<b>27</b>	Credit for taxes on lump-sum distributions . . . . .	<b>27</b>		
<b>28</b>	Credit for taxes on certain income re-sourced by treaty . . . . .	<b>28</b>		
<b>29</b>	Credit for taxes on general limitation income . . . . .	<b>29</b>		
<b>30</b>	Add lines 22 through 29 . . . . .	<b>30</b>		407
<b>31</b>	Enter the <b>smaller</b> of line 19 or line 30 . . . . .	<b>31</b>		407
<b>32</b>	Reduction of credit for international boycott operations. See instructions for line 12 on page 15 . . . . .	<b>32</b>		
<b>33</b>	Subtract line 32 from line 31. This is your <b>foreign tax credit</b> . Enter here and on Form 1040, line 47; Form 1040NR, line 44; Form 1041, Schedule G, line 2a; or Form 990-T, line 43a . . . . .	<b>33</b>		407

**For Use by U.S. Citizens and Resident Aliens Only**

Name shown on Form 1040  
CLAIRE S RICHARDS

Your social security number  
621 XX XXXX

**Part I General Information**

- 1 Your foreign address (including country)  
27 BERRY LANE, SINGAPORE
- 2 Your occupation  
PHYSICAL THERAPIST
- 3 Employer's name ▶
- 4a Employer's U.S. address ▶
- b Employer's foreign address ▶
- 5 Employer is (check any that apply):  
 a A foreign entity  
 b A U.S. company  
 c  Self  
 d A foreign affiliate of a U.S. company  
 e Other (specify) ▶
- 6a If, after 1981, you filed Form 2555 or Form 2555-EZ, enter the last year you filed the form. ▶
- b If you did not file Form 2555 or 2555-EZ after 1981 to claim either of the exclusions, check here  and go to line 7.
- c Have you ever revoked either of the exclusions?  Yes  No
- d If you answered "Yes," enter the type of exclusion and the tax year for which the revocation was effective. ▶
- 7 Of what country are you a citizen/national? ▶ SINGAPORE
- 8a Did you maintain a separate foreign residence for your family because of adverse living conditions at your tax home? See **Second foreign household** on page 3 of the instructions.  Yes  No
- b If "Yes," enter city and country of the separate foreign residence. Also, enter the number of days during your tax year that you maintained a second household at that address. ▶
- 9 List your tax home(s) during your tax year and date(s) established. ▶ SINGAPORE, JANUARY 23, 2006

**Next, complete either Part II or Part III. If an item does not apply, enter "NA." If you do not give the information asked for, any exclusion or deduction you claim may be disallowed.**

**Part II Taxpayers Qualifying Under Bona Fide Residence Test** (see page 2 of the instructions)

- 10 Date bona fide residence began ▶, and ended ▶
  - 11 Kind of living quarters in foreign country ▶  
 a Purchased house  b Rented house or apartment  c Rented room  
 d Quarters furnished by employer
  - 12a Did any of your family live with you abroad during any part of the tax year?  Yes  No
  - b If "Yes," who and for what period? ▶
  - 13a Have you submitted a statement to the authorities of the foreign country where you claim bona fide residence that you are not a resident of that country? See instructions.  Yes  No
  - b Are you required to pay income tax to the country where you claim bona fide residence? See instructions  Yes  No
- If you answered "Yes" to 13a and "No" to 13b, you do not qualify as a bona fide resident. Do not complete the rest of this part.**
- 14 If you were present in the United States or its possessions during the tax year, complete columns (a)-(d) below. Do not include the income from column (d) in Part IV, but report it on Form 1040.

(a) Date arrived in U.S.	(b) Date left U.S.	(c) Number of days in U.S. on business	(d) Income earned in U.S. on business (attach computation)	(a) Date arrived in U.S.	(b) Date left U.S.	(c) Number of days in U.S. on business	(d) Income earned in U.S. on business (attach computation)

- 15a List any contractual terms or other conditions relating to the length of your employment abroad. ▶
- b Enter the type of visa under which you entered the foreign country. ▶
- c Did your visa limit the length of your stay or employment in a foreign country? If "Yes," attach explanation  Yes  No
- d Did you maintain a home in the United States while living abroad?  Yes  No
- e If "Yes," enter address of your home, whether it was rented, the names of the occupants, and their relationship to you. ▶

**Part III Taxpayers Qualifying Under Physical Presence Test** (see page 2 of the instructions)

- 16 The physical presence test is based on the 12-month period from **▶ 02/01/2006** through **▶ 01/31/2006**
- 17 Enter your principal country of employment during your tax year. **▶ SINGAPORE**
- 18 If you traveled abroad during the 12-month period entered on line 16, complete columns (a)-(f) below. Exclude travel between foreign countries that did not involve travel on or over international waters, or in, or over the United States, for 24 hours or more. If you have no travel to report during the period, enter "Physically present in a foreign country or countries for the entire 12-month period." **Do not** include the income from column (f) below in Part IV, but report it on Form 1040.

(a) Name of country (including U.S.)	(b) Date arrived	(c) Date left	(d) Full days present in country	(e) Number of days in U.S. in business	(f) Income earned in U.S. (if business attach computation)
UNITED STATES	12/22/2005	01/04/2007	14	0	0

**Part IV All Taxpayers**

**Note:** Enter on lines 19 through 23 all income, including noncash income, you earned and actually or constructively received during your 2006 tax year for services you performed in a foreign country. If any of the foreign earned income received this tax year was earned in a prior tax year, or will be earned in a later tax year (such as a bonus), see the instructions. **Do not** include income from line 14, column (d), or line 18, column (f). Report amounts in U.S. dollars, using the exchange rates in effect when you actually or constructively received the income.

If you are a cash basis taxpayer, report on Form 1040 all income you received in 2006, no matter when you performed the service.

2006 Foreign Earned Income		Amount (in U.S. dollars)
19	Total wages, salaries, bonuses, commissions, etc. . . . . Check this box if the amount on line 19 is \$250,000 or more and you are using an alternative method to determine the source of this compensation income. See instructions <input type="checkbox"/>	0
20	Allowable share of income for personal services performed. (see instructions):	3145
20a	a In a business (including farming) or profession . . . . .	
20b	b In a partnership. List partnership's name and address and type of income. ▶	
21	Noncash income (market value of property or facilities furnished by employer—attach statement showing how it was determined):	
21a	a Home (lodging). . . . .	
21b	b Meals . . . . .	
21c	c Car . . . . .	
21d	d Other property or facilities. List type and amount. ▶	
22	Allowances, reimbursements, or expenses paid on your behalf for services you performed:	
22a	a Cost of living and overseas differential . . . . .	
22b	b Family . . . . .	
22c	c Education . . . . .	
22d	d Home leave . . . . .	
22e	e Quarters . . . . .	
22f	f For any other purpose. List type and amount. ▶	
22g	g Add lines 22a through 22f . . . . .	
23	Other foreign earned income. List type and amount. ▶	
24	Add lines 19 through 21d, line 22g, and line 23 . . . . .	3145
25	Total amount of meals and lodging included on line 24 that is excludable. (see instructions) . . . . .	
26	Subtract line 25 from line 24. Enter the result here and on line 27 on page 3. This is your <b>2006 foreign earned income</b> ▶	3145

**Part V All Taxpayers**

27	Enter the amount from line 26 . . . . .	27	3145	
	Are you claiming the housing exclusion or housing deduction?			
	<input type="checkbox"/> Yes. Complete Part VI.			
	<input type="checkbox"/> No. Go to Part VII.			

**Part VI Taxpayers Claiming the Housing Exclusion and/or Deduction**

28	Qualified housing expenses for the tax year. (see instructions)	28		
29	Enter limit on housing expenses (see instructions)	29		
30	Enter the <b>smaller</b> of line 28 or line 29	30		
31	Number of days in your qualifying period that fall within your 2006 tax year. (see instructions)	31	31	days
32	Multiply \$36.12 by the number of days on line 31. If 365 is entered on line 31, enter \$13,184.00 here	32		
33	Subtract line 32 from line 30. If the result is zero or less, do not complete the rest of this part or any of Part IX	33		
34	Enter employer-provided amounts. (see instructions)	34		
35	Divide line 34 by line 27. Enter the result as a decimal (rounded to at least three places), but do not enter more than "1.000"	35		
36	<b>Housing exclusion.</b> Multiply line 33 by line 35. Enter the result but do not enter more than the amount on line 34. Also, complete Part VIII <b>Note:</b> The housing deduction is figured in Part IX. If you choose to claim the foreign earned income exclusion, complete Parts VII and VIII before Part IX.	36		

**Part VII Taxpayers Claiming the Foreign Earned Income Exclusion**

37	Maximum foreign earned income exclusion . . . . .	37	\$82,400	00
38	• If you completed Part VI, enter the number from line 31. • All others, enter the number of days in your qualifying period that fall within your 2006 tax year (see the instructions for line 31).	38	331	days
39	• If line 38 and the number of days in your 2006 tax year (usually 365) are the same, enter "1.000." • Otherwise, divide line 38 by the number of days in your 2006 tax year and enter the result as a decimal (rounded to at least three places).	39		, 807
40	Multiply line 37 by line 39 . . . . .	40	74737	
41	Subtract line 36 from line 27 . . . . .	41	3145	
42	<b>Foreign earned income exclusion.</b> Enter the <b>smaller</b> of line 40 or line 41. Also, complete Part VIII	42	3145	

**Part VIII Taxpayers Claiming the Housing Exclusion, Foreign Earned Income Exclusion, or Both**

43	Add lines 36 and 42 . . . . .	43	3145	
44	Deductions allowed in figuring your adjusted gross income (Form 1040, line 37) that are allocable to the excluded income. See instructions and attach computation	44	222	
45	Subtract line 44 from line 43. Enter the result here and in parentheses on <b>Form 1040, line 21.</b> Next to the amount enter "Form 2555." On Form 1040, subtract this amount from your income to arrive at total income on Form 1040, line 22.	45	2923	

**Part IX Taxpayers Claiming the Housing Deduction—Complete this part only if (a) line 33 is more than line 36 and (b) line 27 is more than line 43.**

46	Subtract line 36 from line 33 . . . . .	46		
47	Subtract line 43 from line 27 . . . . .	47		
48	Enter the <b>smaller</b> of line 46 or line 47 <b>Note:</b> If line 47 is <b>more than</b> line 48 and you could not deduct all of your 2005 housing deduction because of the 2005 limit, use the worksheet on page 4 of the instructions to figure the amount to enter on line 49. Otherwise, go to line 50.	48		
49	Housing deduction carryover from 2005 (from worksheet on page 4 of the instructions)	49		
50	<b>Housing deduction.</b> Add lines 48 and 49. Enter the total here and on Form 1040 to the left of line 36. Next to the amount on Form 1040, enter "Form 2555." Add it to the total adjustments reported on that line	50		



Form **2555-EZ**

# Foreign Earned Income Exclusion

OMB No. 1545-0044

**2006**

Department of the Treasury  
Internal Revenue Service 999

▶ See separate instructions. ▶ Attach to Form 1040.

Attachment  
Sequence No. **34A**

Name shown on Form 1040  
**DOUGLAS A RICHARDS**

Your social security number  
**520 XX XXXX**

### You May Use This Form If You:

- Are a U.S. citizen or a resident alien.
- Earned wages/salaries in a foreign country.
- Had total foreign earned income of \$82,400 or less.
- Are filing a calendar year return that covers a 12-month period.

### And You:

- Do not have self-employment income.
- Do not have business/moving expenses.
- Do not claim the foreign housing exclusion or deduction.

## Part I Tests To See If You Can Take the Foreign Earned Income Exclusion

### 1 Bona Fide Residence Test

- a Were you a bona fide resident of a foreign country or countries for a period that includes an entire tax year (see page 2 of the instructions)?  Yes  No
- If you answered "Yes," you meet this test. Fill in line 1b and then go to line 3.
  - If you answered "No," you **do not** meet this test. Go to line 2 to see if you meet the Physical Presence Test.
- b Enter the date your bona fide residence began ▶ \_\_\_\_\_, and ended (see instructions) ▶ \_\_\_\_\_

### 2 Physical Presence Test

- a Were you physically present in a foreign country or countries for at least 330 full days during—  
 { 2006 or any other period of 12 months in a row starting or ending in 2006? }  Yes  No
- If you answered "Yes," you meet this test. Fill in line 2b and then go to line 3.
  - If you answered "No," you **do not** meet this test. You **cannot** take the exclusion unless you meet the Bona Fide Residence Test above.
- b The physical presence test is based on the 12-month period from ▶ 02/01/2006 through ▶ 01/31/2007

- 3 **Tax Home Test.** Was your tax home in a foreign country or countries throughout your period of bona fide residence or physical presence, whichever applies?  Yes  No
- If you answered "Yes," you can take the exclusion. Complete Part II below and then go to page 2.
  - If you answered "No," you **cannot** take the exclusion. **Do not** file this form.

## Part II General Information

4 Your foreign address (including country)  
**27 BERRY LANE, SINGAPORE**

5 Your occupation  
**ARCHITECT**

6 Employer's name  
**LIAM AND SONS**

7 Employer's U.S. address (including ZIP code)

8 Employer's foreign address  
**52 POETS LANE, SINGAPORE**

- 9 Employer is (check any that apply):
- a A U.S. business
  - b A foreign business
  - c Other (specify) ▶ \_\_\_\_\_

- 10a If you filed Form 2555 or 2555-EZ after 1981, enter the last year you filed the form. ▶ \_\_\_\_\_
- b If you did not file Form 2555 or 2555-EZ after 1981, check here  and go to line 11a now.
- c Have you ever revoked the foreign earned income exclusion?  Yes  No
- d If you answered "Yes," enter the tax year for which the revocation was effective. ▶ \_\_\_\_\_

11a List your tax home(s) during 2006 and date(s) established. ▶ \_\_\_\_\_

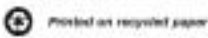
b Of what country are you a citizen/national? ▶ \_\_\_\_\_

**Part III Days Present in the United States**—Complete this part if you were in the United States or its possessions during 2006.

12 (a) Date arrived in U.S.	(b) Date left U.S.	(c) Number of days in U.S. on business	(d) Income earned in U.S. on business (attach computation)
12/22/2006	01/04/2007	0	0

**Part IV Figure Your Foreign Earned Income Exclusion**

13	Maximum foreign earned income exclusion . . . . .	13	\$82,400	00
14	Enter the number of days in your qualifying period that fall within 2006 . . . . .	14	331	days
15	Did you enter 365 on line 14? <input type="checkbox"/> Yes. Enter "1,000." <input type="checkbox"/> No. Divide line 14 by 365 and enter the result as a decimal (rounded to at least three places).	15	×	.907
16	Multiply line 13 by line 15 . . . . .	16	74737	
17	Enter, in U.S. dollars, the total foreign earned income you earned and received in 2006 (see instructions). Be sure to include this amount on Form 1040, line 7 . . . . .	17	4949	
18	<b>Foreign earned income exclusion.</b> Enter the <b>smaller</b> of line 16 or line 17 here and in parentheses on Form 1040, line 21. Next to the amount enter "2555-EZ." On Form 1040, subtract this amount from your income to arrive at total income on Form 1040, line 22 . . . . . ▶	18	4949	



**Education Credits**  
**(Hope and Lifetime Learning Credits)**  
 ▶ See instructions.  
 ▶ Attach to Form 1040 or Form 1040A.

Name(s) shown on return  
**DOUGLAS A AND CLAIRE S RICHARDS**  
 Your social security number  
**520 XX XXXX**

**Caution:** You cannot take the Hope credit and the lifetime learning credit for the same student in the same year.

**Part I Hope Credit.** Caution: You cannot take the Hope credit for more than 2 tax years for the same student.

1	(a) Student's name (as shown on page 1 of your tax return) First name Last name	(b) Student's social security number (as shown on page 1 of your tax return)	(c) Qualified expenses (see instructions). Do not enter more than \$2,200* for each student.	(d) Enter the smaller of the amount in column (c) or \$1,100**	(e) Add column (c) and column (d)	(f) Enter one-half of the amount in column (e)

\* For each student who attended an eligible educational institution in the Gulf Opportunity Zone, do not enter more than \$4,400.  
 \*\* For each student who attended an eligible educational institution in the Gulf Opportunity Zone, enter the smaller of the amount in column (c) or \$2,200.

2 Tentative Hope credit. Add the amounts on line 1, column (f). If you are taking the lifetime learning credit for another student, go to Part II; otherwise, go to Part III. **2**

**Part II Lifetime Learning Credit**

3	(a) Student's name (as shown on page 1 of your tax return) First name Last name	(b) Student's social security number (as shown on page 1 of your tax return)	(c) Qualified expenses (see instructions)
	PATRICK D RICHARDS	522 XX XXXX	16500

4	Add the amounts on line 3, column (c), and enter the total	4	16500
5a	Enter the smaller of line 4 or \$10,000	5a	10000
b	For students who attended an eligible educational institution in the Gulf Opportunity Zone, enter the smaller of \$10,000 or their qualified expenses included on line 4 (see special rules on page 3)	5b	0
c	Subtract line 5b from line 5a	5c	10000
6a	Multiply line 5b by 40% (.40)	6a	0
b	Multiply line 5c by 20% (.20)	6b	2000
c	Tentative lifetime learning credit. Add lines 6a and 6b and go to Part III	6c	2000

**Part III Allowable Education Credits**

7	Tentative education credits. Add lines 2 and 6c	7	2000
8	Enter: \$110,000 if married filing jointly; \$55,000 if single, head of household, or qualifying widow(er)	8	110000
9	Enter the amount from Form 1040, line 38*, or Form 1040A, line 22	9	82286
10	Subtract line 9 from line 8. If zero or less, stop; you cannot take any education credits	10	17714
11	Enter: \$20,000 if married filing jointly; \$10,000 if single, head of household, or qualifying widow(er)	11	20000
12	If line 10 is equal to or more than line 11, enter the amount from line 7 on line 13 and go to line 14. If line 10 is less than line 11, divide line 10 by line 11. Enter the result as a decimal (rounded to at least three places)	12	X . 8857
13	Multiply line 7 by line 12	13	1771
14	Enter the amount from Form 1040, line 46, or Form 1040A, line 28	14	8384
15	Enter the total, if any, of your credits from Form 1040, lines 47 through 49, or Form 1040A, lines 29 and 30	15	407
16	Subtract line 15 from line 14. If zero or less, stop; you cannot take any education credits	16	7977
17	Education credits. Enter the smaller of line 13 or line 16 here and on Form 1040, line 50, or Form 1040A, line 31	17	1771

\* If you are filing Form 2555, 2555-EZ, or 4563, or you are excluding income from Puerto Rico, see Pub. 870 for the amount to enter.

**SCHEDULES A&B**  
**(Form 1040)**

**Schedule A—Itemized Deductions**  
**(Schedule B is on back)**

OMB No. 1545-0074

**2006**

Department of the Treasury  
Internal Revenue Service 999

▶ **Attach to Form 1040.** ▶ **See Instructions for Schedules A&B (Form 1040).**

Attachment  
Sequence No. **07**

Name(s) shown on Form 1040

Your social security number

**DOUGLAS A AND CLAIRE S RICHARDS**

**520 XX XXXX**

<b>Medical and Dental Expenses</b>	<b>Caution.</b> Do not include expenses reimbursed or paid by others.			
	<b>1</b> Medical and dental expenses (see page A-2)	<b>1</b>		
	<b>2</b> Enter amount from Form 1040, line 38 <b>2</b>	<b>2</b>		
	<b>3</b> Multiply line 2 by 7.5% (.075)	<b>3</b>		
	<b>4</b> Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-	<b>4</b>		
<b>Taxes You Paid</b> (See page A-2.)	<b>5</b> State and local income taxes	<b>5</b>		
	<b>6</b> Real estate taxes (see page A-5)	<b>6</b>		
	<b>7</b> Personal property taxes	<b>7</b>		
	<b>8</b> Other taxes. List type and amount ▶	<b>8</b>		
	<b>9</b> Add lines 5 through 8	<b>9</b>		
<b>Interest You Paid</b> (See page A-5.)	<b>10</b> Home mortgage interest and points reported to you on Form 1098	<b>10</b>		
	<b>11</b> Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see page A-6 and show that person's name, identifying no., and address ▶	<b>11</b>		
	<b>Note.</b> Personal interest is not deductible.	<b>12</b> Points not reported to you on Form 1098. See page A-6 for special rules	<b>12</b>	
	<b>13</b> Investment interest. Attach Form 4952 if required. (See page A-6.)	<b>13</b>		
	<b>14</b> Add lines 10 through 13	<b>14</b>		
<b>Gifts to Charity</b> If you made a gift and got a benefit for it, see page A-7.	<b>15</b> Gifts by cash or check. If you made any gift of \$250 or more, see page A-7	<b>15</b>		
	<b>16</b> Other than by cash or check. If any gift of \$250 or more, see page A-7. You must attach Form 8283 if over \$500	<b>16</b>		
	<b>17</b> Carryover from prior year	<b>17</b>		
	<b>18</b> Add lines 15 through 17	<b>18</b>		
<b>Casualty and Theft Losses</b>	<b>19</b> Casualty or theft losses. Attach Form 4684. (See page A-8.)	<b>19</b>		
<b>Job Expenses and Certain Miscellaneous Deductions</b> (See page A-8.)	<b>20</b> Unreimbursed employee expenses—job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See page A-8.) ▶	<b>20</b>		
	<b>21</b> Tax preparation fees	<b>21</b>		
	<b>22</b> Other expenses—investment, safe deposit box, etc. List type and amount ▶	<b>22</b>		
	<b>23</b> Add lines 20 through 22	<b>23</b>		
	<b>24</b> Enter amount from Form 1040, line 38 <b>24</b>	<b>24</b>		
	<b>25</b> Multiply line 24 by 2% (.02)	<b>25</b>		
	<b>26</b> Subtract line 25 from line 23. If line 25 is more than line 23, enter -0-	<b>26</b>		
<b>Other Miscellaneous Deductions</b>	<b>27</b> Other—from list on page A-9. List type and amount ▶	<b>27</b>		
<b>Total Itemized Deductions</b>	<b>28</b> Is Form 1040, line 38, over \$150,500 (over \$75,250 if married filing separately)? <input type="checkbox"/> <b>No.</b> Your deduction is not limited. Add the amounts in the far right column for lines 4 through 27. Also, enter this amount on Form 1040, line 40. <input type="checkbox"/> <b>Yes.</b> Your deduction may be limited. See page A-9 for the amount to enter.	<b>28</b>		
	<b>29</b> If you elect to itemize deductions even though they are less than your standard deduction, check here <input type="checkbox"/>			

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Cat. No. 11330X

Schedule A (Form 1040) 2006

Name(s) shown on Form 1040. Do not enter name and social security number if shown on other side.

Your social security number

**DOUGLAS A AND CLAIRE S RICHARDS**

**520 XX XXXX**

**Schedule B—Interest and Ordinary Dividends**

Attachment Sequence No. **08**

**Part I  
Interest**

(See page B-1 and the instructions for Form 1040, line 8a.)

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

- 1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see page B-1 and list this interest first. Also, show that buyer's social security number and address ▶  
UNIVERSITY BANK  
TEACHER'S FCU  
TEACHER'S FCE

	Amount
1	\$64
	255
	\$93
2	1833
3	
4	1833

**Part II  
Ordinary Dividends**

(See page B-1 and the instructions for Form 1040, line 9a.)

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

- 5 List name of payer ▶

	Amount
5	
6	

- 6 Add the amounts on line 5. Enter the total here and on Form 1040, line 9a. ▶
- Note.** If line 6 is over \$1,500, you must complete Part III.

**Part III  
Foreign Accounts and Trusts**

(See page B-2.)

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

- 7a At any time during 2006, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See page B-2 for exceptions and filing requirements for Form TD F 90-22.1.  Yes  No
- b If "Yes," enter the name of the foreign country ▶ SINGAPORE
- 8 During 2006, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See page B-2.  Yes  No

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule B (Form 1040) 2006



**SCHEDULE E**  
**(Form 1040)**

**Supplemental Income and Loss**  
(From rental real estate, royalties, partnerships,  
S corporations, estates, trusts, REMICs, etc.)

OMB No. 1545-0074

**2006**

Department of the Treasury  
Internal Revenue Service (99)

▶ Attach to Form 1040, 1040NR or Form 1041. ▶ See instructions for Schedule E (Form 1040).

Attachment  
Sequence No. 13

Name(s) shown on return

**DOUGLAS A AND CLAIRE B RICHARDS**

Your social security number

**520 XX XXXX**

**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 page E-3). Report farm rental income or loss from Form 4000 on page 2, line 40.

1	List the type and location of each rental real estate property:	2	For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of:	Yes	No
A	DUPLA, 1100 CAMPUS DRIVE		<ul style="list-style-type: none"> <li>• 14 days or</li> <li>• 10% of the total days rented at fair rental value?</li> </ul> (See page E-3.)		✓
B					
C					

	Properties			Totals	
	A	B	C	(Add columns A, B, and C.)	
<b>Income:</b>					
3 Rents received . . . . .	3	7200		3	7200
4 Royalties received . . . . .	4			4	
<b>Expenses:</b>					
5 Advertising . . . . .	5				
6 Auto and travel (see page E-4) . . . . .	6				
7 Cleaning and maintenance . . . . .	7				
8 Commissions . . . . .	8				
9 Insurance . . . . .	9	450			
10 Legal and other professional fees . . . . .	10				
11 Management fees . . . . .	11				
12 Mortgage interest paid to banks, etc. (see page E-4) . . . . .	12	1600		12	1600
13 Other interest . . . . .	13				
14 Repairs . . . . .	14				
15 Supplies . . . . .	15				
16 Taxes . . . . .	16	750			
17 Utilities . . . . .	17				
18 Other (list) ▶ PAINTING . . . . .	18	380			
19 Add lines 5 through 18 . . . . .	19	3180		19	3180
20 Depreciation expense or depletion (see page E-4) . . . . .	20	2200		20	2200
21 Total expenses. Add lines 19 and 20 . . . . .	21	5380			
22 Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see page E-5 to find out if you must file Form 6198 . . . . .	22	1820			
23 Deductible rental real estate loss. <b>Caution.</b> Your rental real estate loss on line 22 may be limited. See page E-5 to find out if you must file Form 8582. Real estate professionals must complete line 43 on page 2 . . . . .	23				
24 <b>Income.</b> Add positive amounts shown on line 22. Do not include any losses . . . . .	24			24	1820
25 <b>Losses.</b> Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here . . . . .	25			25	
26 <b>Total rental real estate and royalty income or (loss).</b> 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. Otherwise, include this amount in the total on line 41 on page 2 . . . . .	26			26	1820

**SCHEDULE SE**  
**(Form 1040)**

**Self-Employment Tax**

OMB No. 1545-0074

**2006**

Attachment  
Sequence No. 17

Department of the Treasury  
Internal Revenue Service (999)

▶ Attach to Form 1040. ▶ See instructions for Schedule SE (Form 1040).

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

CLAIRE S RICHARDS

Social security number of person  
with self-employment income ▶

521 XX XXXX

**Who Must File Schedule SE**

You must file Schedule SE if:

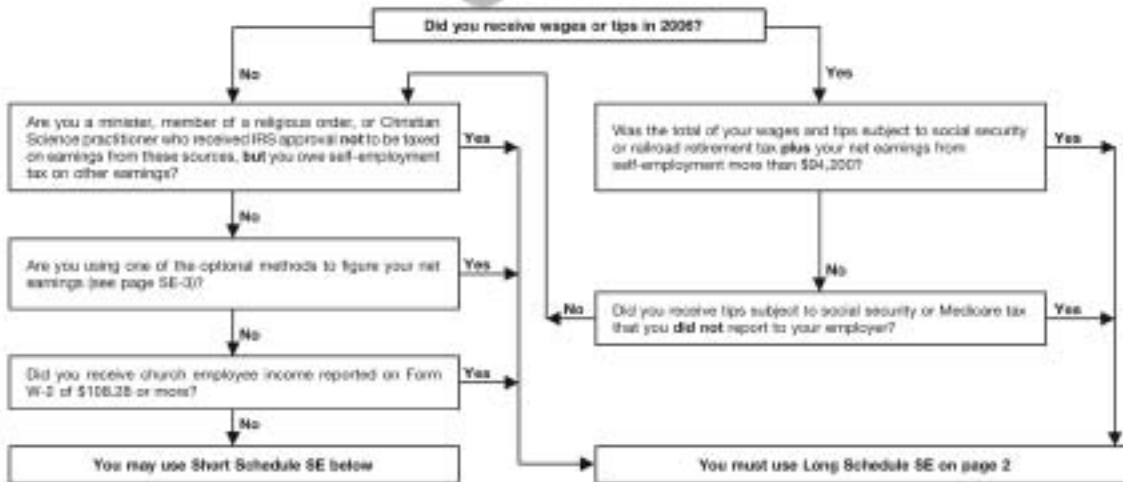
- You had net earnings from self-employment from **other than** church employee income (line 4 of Short Schedule SE or line 4c of Long Schedule SE) of \$400 or more, **or**
- You had church employee income of \$108.28 or more, income from services you performed as a minister or a member of a religious order **is not** church employee income (see page SE-1).

**Note.** Even if you had a loss or a small amount of income from self-employment, it may be to your benefit to file Schedule SE and use either "optional method" in Part II of Long Schedule SE (see page SE-3).

**Exception.** If your only self-employment income was from earnings as a minister, member of a religious order, or Christian Science practitioner and you filed Form 4361 and received IRS approval not to be taxed on those earnings, **do not** file Schedule SE. Instead, write "Exempt-Form 4361" on Form 1040, line 58.

**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, above.



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


1	Net farm profit or (loss) from Schedule F, line 36, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A . . . . .	1	
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 K1. Ministers and members of religious orders, see page SE-1 for amounts to report on this line. See page SE-2 for other income to report . . . . .	2	3145
3	Combine lines 1 and 2 . . . . .	3	3145
4	<b>Net earnings from self-employment.</b> Multiply line 3 by 92.35% (.9235). If less than \$400, <b>do not</b> file this schedule; you do not owe self-employment tax . . . . . ▶	4	2904
5	<b>Self-employment tax.</b> If the amount on line 4 is: <ul style="list-style-type: none"> <li>• \$94,200 or less, multiply line 4 by 15.3% (.153). Enter the result here and on <b>Form 1040, line 58.</b></li> <li>• More than \$94,200, multiply line 4 by 2.9% (.029). Then, add \$11,680.80 to the result. Enter the total here and on <b>Form 1040, line 58.</b></li> </ul>	5	444
6	<b>Deduction for one-half of self-employment tax.</b> Multiply line 5 by 50% (.5). Enter the result here and on <b>Form 1040, line 27</b> . . . . .	6	222

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Cat. No. 11058Z

Schedule SE (Form 1040) 2006

**Simplified Method Worksheet—Lines 16a and 16b**

Keep for Your Records 

**Before you begin:** If you are the beneficiary of a deceased employee or former employee who died before August 11, 1996, include any death benefit exclusion that you are entitled to (up to \$5,000) in the amount entered on line 2 below.  
**Note:** If you had more than one partially taxable pension or annuity, figure the taxable part of each separately. Enter the total of the taxable parts on Form 1040, line 16a. Enter the total pension or annuity payments received in 2006 on Form 1040, line 16c.

1. Enter the total pension or annuity payments received in 2006. Also, enter this amount on Form 1040, line 16a	1.	<b>75000</b>
2. Enter your cost in the plan at the annuity starting date. <b>Note:</b> If you completed this worksheet last year, skip line 2 and enter the amount from line 4 of last year's worksheet on line 4 below (even if the amount of your pension or annuity has changed). Otherwise, go to line 3.	2.	<b>245800</b>
3. Enter the appropriate number from Table 1 below. <b>But</b> if your annuity starting date was after 1997 and the payments are for your life and that of your beneficiary, enter the appropriate number from Table 2 below	3.	<b>360</b>
4. Divide line 2 by the number on line 3	4.	<b>683</b>
5. Multiply line 4 by the number of months for which this year's payments were made. If your annuity starting date was before 1987, skip lines 5 and 7 and enter this amount on line 8. Otherwise, go to line 6	5.	<b>7513</b>
6. Enter the amount, if any, recovered tax free in years after 1998	6.	<b>0</b>
7. Subtract line 6 from line 5	7.	<b>245800</b>
8. Enter the smaller of line 5 or line 7	8.	<b>7513</b>
9. <b>Taxable amount.</b> Subtract line 8 from line 1. Enter the result, but not less than zero. Also, enter this amount on Form 1040, line 16b. If your Form 1099-R shows a larger amount, use the amount on this line instead of the amount from Form 1099-R	9.	<b>67487</b>
10. Was your annuity starting date before 1987?		
<input type="checkbox"/> Yes. <b>2006</b> Leave line 10 blank.		
<input type="checkbox"/> No. Add lines 8 and 9. This is the amount you have recovered tax free through 2006. You will need this number when you fill out this worksheet next year.		

**Table 1 for Line 3 Above**

If the age at annuity starting date (see page 26) was . . .	AND your annuity starting date was—	
	before November 18, 1996, enter on line 3 . . .	after November 18, 1996, enter on line 3 . . .
55 or older	300	360
56–60	260	310
61–65	240	280
66–70	170	210
71 or older	120	160

**Table 2 for Line 3 Above**

If the combined ages at annuity starting date (see page 26) were . . .	THEN enter on line 3 . . .
110 or older	470
111–120	360
121–130	310
131–140	260
141 or older	210



---

## International Scenario 2 Retest Questions

### Directions

You are reviewing a return prepared by a volunteer at site S5201555. Based on that return, answer the following questions. You are a volunteer at site S52015555.

*Note: To complete social security numbers and employer identification numbers, replace Xs with 286560 or with the EFIN provided by your instructor.*

- 13.1** The correct amount of wages, salaries, tips, etc. on line 7 of Form 1040 is \$\_\_\_\_\_.
- 13.2** Is the taxable interest on line 8a of Form 1040 filled in correctly?
- a. Yes
  - b. No
  - c. Not applicable
- 13.3** The correct business income or loss on line 12 of Form 1040 is \$\_\_\_\_\_.
- 13.4** What is the correct taxable amount of the Richards' pensions and annuities on line 16b of Form 1040?
- a. \$0
  - b. \$64,605
  - c. \$67,487
  - d. \$75,000
- 13.5** The correct amount on other income on line 21 of Form 1040 is \$\_\_\_\_\_.
- 13.6** What is the correct total rental real estate and royalty income or loss on line 26 of Schedule E?
- a. (\$960)
  - b. \$1,820
  - c. \$2,920
  - d. \$4,020
- 13.7** Is the tax on line 46 of Form 1040 filled in correctly?
- a. Yes
  - b. No
  - c. Not applicable

- 13.8** The correct foreign tax credit on line 47 of Form 1040 is \$\_\_\_\_\_.
- 13.9** Is the Site Identification information filled in correctly in the paid preparer's use only section on Form 1040?
- a. Yes
  - b. No
  - c. Not applicable

### Blank Forms

The following blank forms can be used to complete the problems for your chosen training course. If additional forms are needed the forms can be photocopied.

The Tax Tables and EIC Tables are available in Publication 678-W, the Comprehensive Problems and Exercises Workbook.

Please record your answers to the test questions on the Retest Answer Sheet in the front of this Retest booklet.

Form 1040, U.S. Individual Income Tax Return, pages 1 & 2 . . . . .	3
Schedule A&B, Itemized Deductions/Interest and Ordinary Dividends . . . . .	7
Form 2441, Child and Dependent Care Expenses, pages 1 & 2 . . . . .	11
Schedule EIC, Earned Income Credit, pages 1 & 2 . . . . .	15
Schedule EIC Worksheet, worksheets A & B . . . . .	19
Child Tax Credit Worksheet . . . . .	22
Schedule C-EZ, Net Profit From Business, pages 1 & 2 . . . . .	26
Schedule D, Capital Gains and Losses, pages 1 & 2 . . . . .	28
Schedule E, Supplemental Income and Loss, pages 1 & 2 . . . . .	30
Schedule SE, Self-Employment Tax, pages 1 & 2 . . . . .	32
Qualified Dividends and Capital Gain Tax Worksheet . . . . .	34
Simplified Method Worksheet . . . . .	35
Social Security Benefits Worksheet . . . . .	36
Form 1116, Foreign Tax Credit, pages 1 & 2 . . . . .	37
Form 2555, Foreign Earned Income, pages 1, 2 & 3 . . . . .	39
Form 2555-EZ, Foreign Earned Income Exclusion, pages 1 & 2 . . . . .	42
Foreign Earned Income Tax Worksheet . . . . .	44
Form 5695, Residential Energy Credits, pages 1 & 2 . . . . .	45
Form 8812, Additional Child Tax Credit, pages 1 & 2 . . . . .	47
Form 8863, Education Credits . . . . .	49
MAGI for the Hope Credit . . . . .	50
Form 8880, Credit for Qualified Retirement Savings Contributions . . . . .	51
Form 2106, Employee Business Expenses, pages 1 & 2 . . . . .	52
Form 8888, Direct Deposit of Refund . . . . .	54
Form 1040-V, Payment Voucher . . . . .	55

This page intentionally left blank.

Form **1040**

Department of the Treasury—Internal Revenue Service  
**U.S. Individual Income Tax Return 2006**

OMB No. 1545-0047

**Label**

(See instructions on page 16.)

Use the IRS label. Otherwise, please print or type.

**Presidential Election Campaign**

Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 16)  You  Spouse

**Filing Status**

Check only one box.

- 1  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 page 17.) If the qualifying person is a child but not your dependent, enter the child's name here.
- 5  Qualifying widow(er) with dependent child (see page 17).

**Exemptions**

If more than four dependents, see page 18.

6a <input type="checkbox"/> Yourself. If someone can claim you as a dependent, do not check this box.				7 Boxes checked on 6a and 6b. No. of children on file who: • lived with you • did not live with you due to divorce or separation (see page 20) Dependents on 6c not entered above
6b <input type="checkbox"/> Spouse				
6c Dependents:				Add numbers on lines above
(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	
			Minor? <input type="checkbox"/> (See instructions on page 18.)	
6d Total number of exemptions claimed				

**Income**

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

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

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

7	Wages, salaries, tips, etc. Attach Form(s) W-2	7
8a	Taxable interest. Attach Schedule B if required	8a
8b	Tax-exempt interest. Do not include on line 8a	8b
9a	Ordinary dividends. Attach Schedule B if required	9a
9b	Qualified dividends (see page 23)	9b
10	Taxable refunds, credits, or offsets of state and local income taxes (see page 25)	10
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 <input type="checkbox"/>	13
14	Other gains or (losses). Attach Form 4797	14
15a	IRA distributions	15a
15b	Taxable amount (see page 25)	15b
16a	Pensions and annuities	16a
16b	Taxable amount (see page 25)	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
20b	Taxable amount (see page 27)	20b
21	Other income. List type and amount (see page 29)	21
22	Add the amounts in the far right column for lines 7 through 21. This is your total income	22

**Adjusted Gross Income**

23	Another MSA deduction. Attach Form 8853	23
24	Certain business expenses of reservists, performing artists, and fee-based government officials. Attach Form 2106 or 2106-EZ	24
25	Health savings account deduction. Attach Form 8889	25
26	Moving expenses. Attach Form 8903	26
27	One-half of self-employment tax. Attach Schedule SE	27
28	Self-employed SEP, SIMPLE, and qualified plans	28
29	Self-employed health insurance deduction (see page 30)	29
30	Penalty on early withdrawal of savings	30
31a	Anyroy paid. Recipient's SSN	31a
32	IRA deduction (see page 31)	32
33	Student loan interest deduction (see page 33)	33
34	Jury duty pay you gave to your employer	34
35	Domestic production activities deduction. Attach Form 8802	35
36	Add lines 23 through 31a and 32 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 checked any box on line 39a or 39b or who can be claimed as a dependent, see page 36.
- All others:
  - Single or Married filing separately, \$5,100
  - Married filing jointly or Qualifying widow(er), \$10,200
  - Head of household, \$7,500

38	Amount from line 37 (adjusted gross income)	38	
39a	Check <input type="checkbox"/> <b>You were born before January 2, 1942</b> <input type="checkbox"/> <b>Blind</b> <input type="checkbox"/> <b>Total losses checked</b> <input type="checkbox"/> <b>39a</b> <input type="checkbox"/> <b>Spouse was born before January 2, 1942</b> <input type="checkbox"/> <b>Blind</b>		
b If your spouse lives on a separate return or you were dual status last year, see page 35 and check box <b>39b</b> <input type="checkbox"/>			
40	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	40	
41	Subtract line 40 from line 38	41	
42	If line 38 is over \$112,675, or you provided housing to a person displaced by Hurricane Katrina, see page 37. Otherwise, multiply \$3,300 by the total number of exemptions claimed on line 6d	42	
43	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	
44	Tax (see page 37). Check if any tax is from a <input type="checkbox"/> <b>Pumpkin 8814</b> b <input type="checkbox"/> <b>Form 4872</b>	44	
45	Alternative minimum tax (see page 38). Attach Form 8881	45	
46	Add lines 44 and 45	46	
47	Foreign tax credit. Attach Form 1116 if required	47	
48	Credit for child and dependent care expenses. Attach Form 2441	48	
49	Credit for the elderly or the disabled. Attach Schedule R	49	
50	Education credits. Attach Form 8863	50	
51	Retirement savings contributions credit. Attach Form 8880	51	
52	Residential energy credits. Attach Form 8885	52	
53	Child tax credit (see page 30). Attach Form 8801 if required	53	
54	Credits from: a <input type="checkbox"/> <b>Form 8326</b> b <input type="checkbox"/> <b>Form 8520</b> c <input type="checkbox"/> <b>Form 8525</b>	54	
55	Other credits: a <input type="checkbox"/> <b>Form 3905</b> b <input type="checkbox"/> <b>Form 8801</b> c <input type="checkbox"/> <b>Form</b>	55	
56	Add lines 47 through 55. These are your <b>total credits</b>	56	
57	Subtract line 56 from line 46. If line 56 is more than line 46, enter -0-	57	

**Other Taxes**

58	Self-employment tax. Attach Schedule SE	58	
59	Social security and Medicare tax on income not reported to employer. Attach Form 4137	59	
60	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	60	
61	Advance earned income credit payments from Form(s) W-2, box 11	61	
62	Household employment taxes. Attach Schedule H	62	
63	Add lines 57 through 62. This is your <b>total tax</b>	63	

**Payments**

If you have a QUALIFYING child, attach Schedule EIC

64	Federal income tax withheld from Forms W-2 and 1099	64	
65	2008 estimated tax payments and amount applied from 2005 return	65	
66a	Earned income credit (EIC)	66a	
b Nonrefundable combat pay election <b>66b</b>			
67	Excess social security and tier 1 RRTA tax withheld (see page 58)	67	
68	Additional child tax credit. Attach Form 8812	68	
69	Amount paid with request for extension to file (see page 59)	69	
70	Payments from: a <input type="checkbox"/> <b>Form 3409</b> b <input type="checkbox"/> <b>Form 4126</b> c <input type="checkbox"/> <b>Form 6885</b>	70	
71	Credit for federal telephone excise tax paid. Attach Form 8813 if required	71	
72	Add lines 64, 65, 66a, and 67 through 71. These are your <b>total payments</b>	72	

**Refund**

Direct deposit? See page 68 and fill in 74b, 74c, and 74d, or Form 8888

73	If line 72 is more than line 63, subtract line 63 from line 72. This is the amount you <b>overpaid</b>	73	
74a	Amount of line 73 you want <b>refunded to you</b> . If Form 8888 is attached, check here <input type="checkbox"/>	74a	
b Routing number <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>			
c Type <input type="checkbox"/> <b>Checking</b> <input type="checkbox"/> <b> Savings</b>			
d Account number <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>			
75	Amount of line 73 you want <b>applied to your 2007 estimated tax</b>	75	

**Amount You Owe**

76	Amount you owe. Subtract line 72 from line 63. For details on how to pay, see page 60	76	
77	Estimated tax penalty (see page 60)	77	

**Third Party Designee**

Do you want to allow another person to discuss this return with the IRS (see page 61)?  **Yes**. Complete the following.  **No**

Designee's name <input type="text"/>	Phone no. <input type="text"/>	Personal identification number (PIN) <input type="text"/>
--------------------------------------	--------------------------------	-----------------------------------------------------------

**Sign Here**

Joint return? See page 17. Keep a copy for your records

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

Your signature <input type="text"/>	Date <input type="text"/>	Your occupation <input type="text"/>	Daytime phone number <input type="text"/>
Spouse's signature, if a joint return, both must sign <input type="text"/>	Date <input type="text"/>	Spouse's occupation <input type="text"/>	

**Paid Preparer's Use Only**

Preparer's signature <input type="text"/>	Date <input type="text"/>	Check if self-employed <input type="checkbox"/>	Preparer's EIN or PTIN <input type="text"/>
Firm's name (or yours if self-employed, address, and ZIP code) <input type="text"/>	EIN <input type="text"/>	Phone no. <input type="text"/>	



Form **1040**

Department of the Treasury—Internal Revenue Service  
**U.S. Individual Income Tax Return 2006**

OMB No. 1545-0047

**Label**

(See instructions on page 16.)

Use the IRS label. Otherwise, please print or type.

**Presidential Election Campaign**

Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 16)  You  Spouse

**Filing Status**

Check only one box.

- 1  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 page 17.) If the qualifying person is a child but not your dependent, enter the child's name here.
- 5  Qualifying widow(er) with dependent child (see page 17).

**Exemptions**

If more than four dependents, see page 18.

6a <input type="checkbox"/> Yourself. If someone can claim you as a dependent, do not check this box.				7 Boxes checked on 6a and 6b. No. of children on file who:
b <input type="checkbox"/> Spouse				
c Dependents:				• did not live with you due to divorce or separation (see page 20)
(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	Dependents on 6c not entered above
			4 <input type="checkbox"/> N/A (qualifying child for joint filers (see page 18))	Add numbers on lines above
d Total number of exemptions claimed				<input type="text"/>

**Income**

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

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

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

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 (see page 23)	9b	
10 Taxable refunds, credits, or offsets of state and local income taxes (see page 25)	10	
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 <input type="checkbox"/>	13	
14 Other gains or (losses). Attach Form 4797	14	
15a IRA distributions	15a	
b Taxable amount (see page 25)	15b	
16a Pensions and annuities	16a	
b Taxable amount (see page 25)	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 (see page 27)	20b	
21 Other income. List type and amount (see page 29)	21	
22 Add the amounts in the far right column for lines 7 through 21. This is your total income	22	

**Adjusted Gross Income**

23 Another MSA deduction. Attach Form 8853	23	
24 Certain business expenses of reservists, performing artists, and fee-based government officials. Attach Form 2106 or 2106-EZ	24	
25 Health savings account deduction. Attach Form 8889	25	
26 Moving expenses. Attach Form 8903	26	
27 One-half of self-employment tax. Attach Schedule SE	27	
28 Self-employed SEP, SIMPLE, and qualified plans	28	
29 Self-employed health insurance deduction (see page 30)	29	
30 Penalty on early withdrawal of savings	30	
31a Amount paid to recipient's SSN	31a	
32 IRA deduction (see page 31)	32	
33 Student loan interest deduction (see page 33)	33	
34 Jury duty pay you gave to your employer	34	
35 Domestic production activities deduction. Attach Form 8802	35	
36 Add lines 23 through 31a and 32 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 checked any box on line 39a or 39b or who can be claimed as a dependent, see page 36.
- All others:

Single or Married filing separately, \$5,500

Married filing jointly or Qualifying widow(er), \$10,000

Head of household, \$7,500

<b>38</b>	Amount from line 37 (adjusted gross income)	<b>38</b>	
<b>39a</b>	Check <input type="checkbox"/> <b>You were born before January 2, 1942</b> <input type="checkbox"/> <b>Blind</b> <input type="checkbox"/> <b>Total losses checked ▶ 39a</b>		
	<input type="checkbox"/> <b>Spouse was born before January 2, 1942</b> <input type="checkbox"/> <b>Blind</b>		
	<b>b</b> If your spouse lives on a separate return or you were dual status last year, see page 36 and check box ▶ <b>39b</b> <input type="checkbox"/>		
<b>40</b>	<b>Itemized deductions</b> (from Schedule A) or your <b>standard deduction</b> (see left margin)	<b>40</b>	
<b>41</b>	Subtract line 40 from line 38	<b>41</b>	
<b>42</b>	If line 38 is over \$112,670, or you provided housing to a person displaced by Hurricane Katrina, see page 37. Otherwise, multiply \$3,300 by the total number of exemptions claimed on line 6d	<b>42</b>	
<b>43</b>	<b>Taxable income.</b> Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	<b>43</b>	
<b>44</b>	<b>Tax</b> (see page 37). Check if any tax is from: <b>a</b> <input type="checkbox"/> <b>Pumps</b> 8814 <b>b</b> <input type="checkbox"/> <b>Form 4872</b>	<b>44</b>	
<b>45</b>	<b>Alternative minimum tax</b> (see page 38). Attach Form 8863	<b>45</b>	
<b>46</b>	Add lines 44 and 45	<b>46</b>	
<b>47</b>	Foreign tax credit. Attach Form 1116 if required	<b>47</b>	
<b>48</b>	Credit for child and dependent care expenses. Attach Form 2441	<b>48</b>	
<b>49</b>	Credit for the elderly or the disabled. Attach Schedule R	<b>49</b>	
<b>50</b>	Education credits. Attach Form 8863	<b>50</b>	
<b>51</b>	Retirement savings contributions credit. Attach Form 8880	<b>51</b>	
<b>52</b>	Residential energy credits. Attach Form 8885	<b>52</b>	
<b>53</b>	Child tax credit (see page 30). Attach Form 8801 if required	<b>53</b>	
<b>54</b>	Credits from: <b>a</b> <input type="checkbox"/> <b>Form 8326</b> <b>b</b> <input type="checkbox"/> <b>Form 8520</b> <b>c</b> <input type="checkbox"/> <b>Form 8525</b>	<b>54</b>	
<b>55</b>	Other credits: <b>a</b> <input type="checkbox"/> <b>Form 3905</b> <b>b</b> <input type="checkbox"/> <b>Form 8801</b> <b>c</b> <input type="checkbox"/> <b>Form</b>	<b>55</b>	
<b>56</b>	Add lines 47 through 55. These are your <b>total credits</b>	<b>56</b>	
<b>57</b>	Subtract line 56 from line 46. If line 56 is more than line 46, enter -0-	<b>57</b>	

**Other Taxes**

<b>58</b>	Self-employment tax. Attach Schedule SE	<b>58</b>	
<b>59</b>	Social security and Medicare tax on income not reported to employer. Attach Form 4137	<b>59</b>	
<b>60</b>	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	<b>60</b>	
<b>61</b>	Advance earned income credit payments from Form(s) W-2, box 11	<b>61</b>	
<b>62</b>	Household employment taxes. Attach Schedule H	<b>62</b>	
<b>63</b>	Add lines 57 through 62. This is your <b>total tax</b>	<b>63</b>	

**Payments**

If you have a QUALIFYING child, attach Schedule EIC

<b>64</b>	Federal income tax withheld from Forms W-2 and 1099	<b>64</b>	
<b>65</b>	2008 estimated tax payments and amount applied from 2005 return	<b>65</b>	
<b>66a</b>	<b>Earned income credit (EIC)</b>	<b>66a</b>	
	<b>b</b> Nonrefundable combat pay election ▶ <b>66b</b>		
<b>67</b>	Excess social security and tier 1 RRTA tax withheld (see page 58)	<b>67</b>	
<b>68</b>	Additional child tax credit. Attach Form 8812	<b>68</b>	
<b>69</b>	Amount paid with request for extension to file (see page 59)	<b>69</b>	
<b>70</b>	Payments from: <b>a</b> <input type="checkbox"/> <b>Form 3409</b> <b>b</b> <input type="checkbox"/> <b>Form 4126</b> <b>c</b> <input type="checkbox"/> <b>Form 6895</b>	<b>70</b>	
<b>71</b>	Credit for federal telephone excise tax paid. Attach Form 8813 if required	<b>71</b>	
<b>72</b>	Add lines 64, 65, 66a, and 67 through 71. These are your <b>total payments</b>	<b>72</b>	

**Refund**

Direct deposit? See page 68 and fill in 74b, 74c, and 74d, or Form 8888

<b>73</b>	If line 72 is more than line 63, subtract line 63 from line 72. This is the amount you <b>overpaid</b>	<b>73</b>	
<b>74a</b>	Amount of line 73 you want <b>refunded to you</b> . If Form 8888 is attached, check here ▶ <input type="checkbox"/>	<b>74a</b>	
	▶ <b>b</b> Routing number: [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] ▶ <b>c</b> Type <input type="checkbox"/> <b>Checking</b> <input type="checkbox"/> <b> Savings</b>		
	▶ <b>d</b> Account number: [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]		
<b>75</b>	Amount of line 73 you want <b>applied to your 2007 estimated tax</b> ▶	<b>75</b>	

**Amount You Owe**

<b>76</b>	<b>Amount you owe.</b> Subtract line 72 from line 63. For details on how to pay, see page 60 ▶	<b>76</b>	
<b>77</b>	Estimated tax penalty (see page 60)	<b>77</b>	

**Third Party Designee**

Do you want to allow another person to discuss this return with the IRS (see page 61)?  **Yes.** Complete the following:  **No**

Designee's name ▶	Phone no. ▶	Personal identification number (PIN) ▶
-------------------	-------------	----------------------------------------

**Sign Here**

Joint return? See page 17. Keep a copy for your records

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

Your signature	Date	Your occupation	Daytime phone number
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	

**Paid Preparer's Use Only**

Preparer's signature ▶	Date	Check if self-employed <input type="checkbox"/>	Preparer's EIN or PTIN
Firm's name (or yours if self-employed, address, and ZIP code) ▶	EIN	Phone no.	



**SCHEDULES A&B**  
**(Form 1040)**

**Schedule A—Itemized Deductions**

(Schedule B is on back)

OMB No. 1545-0074

**2006**

Attachment  
Sequence No. **07**

Department of the Treasury  
Internal Revenue Service 999

▶ **Attach to Form 1040.** ▶ **See Instructions for Schedules A&B (Form 1040).**

Name(s) shown on Form 1040

Your social security number

<b>Medical and Dental Expenses</b>	<b>Caution.</b> Do not include expenses reimbursed or paid by others.			
	<b>1</b> Medical and dental expenses (see page A-2)	<b>1</b>		
	<b>2</b> Enter amount from Form 1040, line 38	<b>2</b>		
	<b>3</b> Multiply line 2 by 7.5% (.075)	<b>3</b>		
	<b>4</b> Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-			<b>4</b>
<b>Taxes You Paid</b> (See page A-2.)	<b>5</b> State and local income taxes	<b>5</b>		
	<b>6</b> Real estate taxes (see page A-5)	<b>6</b>		
	<b>7</b> Personal property taxes	<b>7</b>		
	<b>8</b> Other taxes. List type and amount ▶	<b>8</b>		
	<b>9</b> Add lines 5 through 8			<b>9</b>
<b>Interest You Paid</b> (See page A-5.)	<b>10</b> Home mortgage interest and points reported to you on Form 1098	<b>10</b>		
	<b>11</b> Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see page A-6 and show that person's name, identifying no., and address ▶			
<b>Note.</b> Personal interest is not deductible.	<b>12</b> Points not reported to you on Form 1098. See page A-6 for special rules	<b>12</b>		
	<b>13</b> Investment interest. Attach Form 4952 if required. (See page A-6.)	<b>13</b>		
	<b>14</b> Add lines 10 through 13			<b>14</b>
	<b>15</b> Gifts by cash or check. If you made any gift of \$250 or more, see page A-7	<b>15</b>		
<b>Gifts to Charity</b> If you made a gift and got a benefit for it, see page A-7.	<b>16</b> Other than by cash or check. If any gift of \$250 or more, see page A-7. You must attach Form 8283 if over \$500	<b>16</b>		
	<b>17</b> Carryover from prior year	<b>17</b>		
	<b>18</b> Add lines 15 through 17			<b>18</b>
<b>Casualty and Theft Losses</b>	<b>19</b> Casualty or theft losses. Attach Form 4684. (See page A-8.)			<b>19</b>
<b>Job Expenses and Certain Miscellaneous Deductions</b> (See page A-8.)	<b>20</b> Unreimbursed employee expenses—job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See page A-8.) ▶	<b>20</b>		
	<b>21</b> Tax preparation fees	<b>21</b>		
	<b>22</b> Other expenses—investment, safe deposit box, etc. List type and amount ▶	<b>22</b>		
	<b>23</b> Add lines 20 through 22	<b>23</b>		
	<b>24</b> Enter amount from Form 1040, line 38	<b>24</b>		
	<b>25</b> Multiply line 24 by 2% (.02)	<b>25</b>		
	<b>26</b> Subtract line 25 from line 23. If line 25 is more than line 23, enter -0-			<b>26</b>
<b>Other Miscellaneous Deductions</b>	<b>27</b> Other—from list on page A-9. List type and amount ▶			<b>27</b>
<b>Total Itemized Deductions</b>	<b>28</b> Is Form 1040, line 38, over \$150,500 (over \$75,250 if married filing separately)? <input type="checkbox"/> <b>No.</b> Your deduction is not limited. Add the amounts in the far right column for lines 4 through 27. Also, enter this amount on Form 1040, line 40. <input type="checkbox"/> <b>Yes.</b> Your deduction may be limited. See page A-9 for the amount to enter.			<b>28</b>
	<b>29</b> If you elect to itemize deductions even though they are less than your standard deduction, check here <input type="checkbox"/>			

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Cat. No. 11330X

Schedule A (Form 1040) 2006

Name(s) shown on Form 1040. Do not enter name and social security number if shown on other side.

Your social security number

**Schedule B—Interest and Ordinary Dividends**

Attachment Sequence No. **08**

**Part I  
Interest**

(See page B-1 and the instructions for Form 1040, line 8a.)

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

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

.....  
 .....  
 .....  
 .....  
 .....  
 .....  
 .....  
 .....  
 .....  
 .....

**2** Add the amounts on line 1

**3** Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815.

**4** Subtract line 3 from line 2. Enter the result here and on Form 1040, line 8a. ▶

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

**Part II  
Ordinary Dividends**

(See page B-1 and the instructions for Form 1040, line 9a.)

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

**5** List name of payer ▶

.....  
 .....  
 .....  
 .....  
 .....  
 .....  
 .....  
 .....  
 .....  
 .....

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

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

**Part III  
Foreign Accounts and Trusts**

(See page B-3.)

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

**7a** At any time during 2006, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See page B-2 for exceptions and filing requirements for Form TD F 90-22.1.

**b** If "Yes," enter the name of the foreign country ▶

**8** During 2006, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See page B-2.

	Yes	No
7a	<input type="checkbox"/>	<input type="checkbox"/>
b	<input type="checkbox"/>	<input type="checkbox"/>
8	<input type="checkbox"/>	<input type="checkbox"/>

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule B (Form 1040) 2006



**SCHEDULES A&B**  
**(Form 1040)**

**Schedule A—Itemized Deductions**

OMB No. 1545-0074

**2006**

Department of the Treasury  
Internal Revenue Service 999

▶ **Attach to Form 1040.** ▶ **See Instructions for Schedules A&B (Form 1040).**

Attachment  
Sequence No. **07**

Name(s) shown on Form 1040

Your social security number

<b>Medical and Dental Expenses</b>	<b>Caution.</b> Do not include expenses reimbursed or paid by others.			
	<b>1</b> Medical and dental expenses (see page A-2)	<b>1</b>		
	<b>2</b> Enter amount from Form 1040, line 38	<b>2</b>		
	<b>3</b> Multiply line 2 by 7.5% (.075)	<b>3</b>		
	<b>4</b> Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-		<b>4</b>	
<b>Taxes You Paid</b> (See page A-2.)	<b>5</b> State and local income taxes	<b>5</b>		
	<b>6</b> Real estate taxes (see page A-5)	<b>6</b>		
	<b>7</b> Personal property taxes	<b>7</b>		
	<b>8</b> Other taxes. List type and amount ▶	<b>8</b>		
	<b>9</b> Add lines 5 through 8		<b>9</b>	
<b>Interest You Paid</b> (See page A-5.)	<b>10</b> Home mortgage interest and points reported to you on Form 1098	<b>10</b>		
	<b>11</b> Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see page A-6 and show that person's name, identifying no., and address ▶			
<b>Note.</b> Personal interest is not deductible.	<b>12</b> Points not reported to you on Form 1098. See page A-6 for special rules	<b>12</b>		
	<b>13</b> Investment interest. Attach Form 4952 if required. (See page A-6.)	<b>13</b>		
	<b>14</b> Add lines 10 through 13		<b>14</b>	
	<b>15</b> Gifts by cash or check. If you made any gift of \$250 or more, see page A-7	<b>15</b>		
<b>Gifts to Charity</b> If you made a gift and got a benefit for it, see page A-7.	<b>16</b> Other than by cash or check. If any gift of \$250 or more, see page A-7. You must attach Form 8283 if over \$500	<b>16</b>		
	<b>17</b> Carryover from prior year	<b>17</b>		
	<b>18</b> Add lines 15 through 17		<b>18</b>	
<b>Casualty and Theft Losses</b>	<b>19</b> Casualty or theft losses. Attach Form 4684. (See page A-8.)		<b>19</b>	
<b>Job Expenses and Certain Miscellaneous Deductions</b> (See page A-8.)	<b>20</b> Unreimbursed employee expenses—job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See page A-8.) ▶	<b>20</b>		
	<b>21</b> Tax preparation fees	<b>21</b>		
	<b>22</b> Other expenses—investment, safe deposit box, etc. List type and amount ▶	<b>22</b>		
	<b>23</b> Add lines 20 through 22	<b>23</b>		
	<b>24</b> Enter amount from Form 1040, line 38	<b>24</b>		
	<b>25</b> Multiply line 24 by 2% (.02)	<b>25</b>		
	<b>26</b> Subtract line 25 from line 23. If line 25 is more than line 23, enter -0-		<b>26</b>	
<b>Other Miscellaneous Deductions</b>	<b>27</b> Other—from list on page A-9. List type and amount ▶		<b>27</b>	
<b>Total Itemized Deductions</b>	<b>28</b> Is Form 1040, line 38, over \$150,500 (over \$75,250 if married filing separately)? <input type="checkbox"/> <b>No.</b> Your deduction is not limited. Add the amounts in the far right column for lines 4 through 27. Also, enter this amount on Form 1040, line 40. <input type="checkbox"/> <b>Yes.</b> Your deduction may be limited. See page A-9 for the amount to enter.		<b>28</b>	
	<b>29</b> If you elect to itemize deductions even though they are less than your standard deduction, check here <input type="checkbox"/>			

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Cat. No. 11330X

Schedule A (Form 1040) 2006

Name(s) shown on Form 1040. Do not enter name and social security number if shown on other side.

Your social security number

Schedule B—Interest and Ordinary Dividends

Attachment Sequence No. 08

Part I Interest

(See page B-1 and the instructions for Form 1040, line 8a.)

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

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

Form with multiple rows for listing interest payers, including fields for name, address, and social security number.

2 Add the amounts on line 1.
3 Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815.
4 Subtract line 3 from line 2. Enter the result here and on Form 1040, line 8a. Note. If line 4 is over \$1,500, you must complete Part III.

Table with columns for Amount and rows for lines 1, 2, 3, and 4.

Part II Ordinary Dividends

(See page B-1 and the instructions for Form 1040, line 9a.)

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

5 List name of payer.

Form with multiple rows for listing ordinary dividend payers, including fields for name, address, and social security number.

6 Add the amounts on line 5. Enter the total here and on Form 1040, line 9a. Note. If line 6 is over \$1,500, you must complete Part III.

Table with columns for Amount and rows for lines 5 and 6.

Part III Foreign Accounts and Trusts

(See page B-2.)

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

7a At any time during 2006, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See page B-2 for exceptions and filing requirements for Form TD F 90-22.1.
b If "Yes," enter the name of the foreign country.
8 During 2006, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See page B-2.

Table with columns for Yes and No, and rows for questions 7a, b, and 8.

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule B (Form 1040) 2006



**Child and Dependent Care Expenses**

Department of the Treasury  
Internal Revenue Service (IRS)

▶ Attach to Form 1040 or Form 1040NR.

▶ See separate instructions.

Attachment  
Sequence No. **21**

Name(s) shown on Form 1040

Your social security number

**Before you begin:** You need to understand the following terms. See **Definitions** on page 1 of the instructions.

- **Dependent Care Benefits**
- **Qualifying Person(s)**
- **Qualified Expenses**

**Part I** **Persons or Organizations Who Provided the Care—You must complete this part.**  
(If you need more space, use the bottom of page 2.)

1	(a) Care provider's name	(b) Address (number, street, apt. no., city, state, and ZIP code)	(c) Identifying number (SSN or EIN)	(d) Amount paid (see instructions)

Did you receive dependent care benefits?	No	→ Complete only Part II below.
Yes	→ Complete Part III on the back next.	

**Caution.** If the care was provided in your home, you may owe employment taxes. See the instructions for Form 1040, line 62, or Form 1040NR, line 57.

**Part II** **Credit for Child and Dependent Care Expenses**

**2** Information about your **qualifying person(s)**. If you have more than two qualifying persons, see the instructions.

(a) Qualifying person's name		(b) Qualifying person's social security number	(c) Qualified expenses you incurred and paid in 2006 for the person listed in column (a)
First	Last		

<b>3</b> Add the amounts in column (c) of line 2. <b>Do not</b> enter more than \$3,000 for one qualifying person or \$6,000 for two or more persons. If you completed Part III, enter the amount from line 33	<b>3</b>																																																													
<b>4</b> Enter your <b>earned income</b> . See instructions	<b>4</b>																																																													
<b>5</b> If married filing jointly, enter your spouse's earned income (if your spouse was a student or was disabled, see the instructions); <b>all others</b> , enter the amount from line 4	<b>5</b>																																																													
<b>6</b> Enter the <b>smallest</b> of line 3, 4, or 5	<b>6</b>																																																													
<b>7</b> Enter the amount from Form 1040, line 38, or Form 1040NR, line 36	<b>7</b>																																																													
<b>8</b> Enter on line 8 the decimal amount shown below that applies to the amount on line 7																																																														
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: left; border-bottom: 1px solid black;">If line 7 is:</th> <th colspan="3" style="text-align: left; border-bottom: 1px solid black;">If line 7 is:</th> </tr> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Over</th> <th style="text-align: left; border-bottom: 1px solid black;">But not over</th> <th style="text-align: left; border-bottom: 1px solid black;">Decimal amount is</th> <th style="text-align: left; border-bottom: 1px solid black;">Over</th> <th style="text-align: left; border-bottom: 1px solid black;">But not over</th> <th style="text-align: left; border-bottom: 1px solid black;">Decimal amount is</th> </tr> </thead> <tbody> <tr> <td>\$0—15,000</td> <td></td> <td>.35</td> <td>\$29,000—31,000</td> <td></td> <td>.27</td> </tr> <tr> <td>15,000—17,000</td> <td></td> <td>.34</td> <td>31,000—33,000</td> <td></td> <td>.26</td> </tr> <tr> <td>17,000—19,000</td> <td></td> <td>.33</td> <td>33,000—35,000</td> <td></td> <td>.25</td> </tr> <tr> <td>19,000—21,000</td> <td></td> <td>.32</td> <td>35,000—37,000</td> <td></td> <td>.24</td> </tr> <tr> <td>21,000—23,000</td> <td></td> <td>.31</td> <td>37,000—39,000</td> <td></td> <td>.23</td> </tr> <tr> <td>23,000—25,000</td> <td></td> <td>.30</td> <td>39,000—41,000</td> <td></td> <td>.22</td> </tr> <tr> <td>25,000—27,000</td> <td></td> <td>.29</td> <td>41,000—43,000</td> <td></td> <td>.21</td> </tr> <tr> <td>27,000—29,000</td> <td></td> <td>.28</td> <td>43,000—No limit</td> <td></td> <td>.20</td> </tr> </tbody> </table>	If line 7 is:			If line 7 is:			Over	But not over	Decimal amount is	Over	But not over	Decimal amount is	\$0—15,000		.35	\$29,000—31,000		.27	15,000—17,000		.34	31,000—33,000		.26	17,000—19,000		.33	33,000—35,000		.25	19,000—21,000		.32	35,000—37,000		.24	21,000—23,000		.31	37,000—39,000		.23	23,000—25,000		.30	39,000—41,000		.22	25,000—27,000		.29	41,000—43,000		.21	27,000—29,000		.28	43,000—No limit		.20	<b>8</b>	X .
If line 7 is:			If line 7 is:																																																											
Over	But not over	Decimal amount is	Over	But not over	Decimal amount is																																																									
\$0—15,000		.35	\$29,000—31,000		.27																																																									
15,000—17,000		.34	31,000—33,000		.26																																																									
17,000—19,000		.33	33,000—35,000		.25																																																									
19,000—21,000		.32	35,000—37,000		.24																																																									
21,000—23,000		.31	37,000—39,000		.23																																																									
23,000—25,000		.30	39,000—41,000		.22																																																									
25,000—27,000		.29	41,000—43,000		.21																																																									
27,000—29,000		.28	43,000—No limit		.20																																																									
<b>9</b> Multiply line 6 by the decimal amount on line 8. If you paid 2005 expenses in 2006, see the instructions	<b>9</b>																																																													
<b>10</b> Enter the amount from Form 1040, line 46, minus any amount on Form 1040, line 47, or Form 1040NR, line 43, minus any amount on Form 1040NR, line 44	<b>10</b>																																																													
<b>11</b> <b>Credit for child and dependent care expenses.</b> Enter the <b>smaller</b> of line 9 or line 10 here and on Form 1040, line 48, or Form 1040NR, line 45	<b>11</b>																																																													

For Paperwork Reduction Act Notice, see page 4 of the instructions.

**Part III Dependent Care Benefits**

12	Enter the total amount of <b>dependent care benefits</b> you received in 2006. Amounts you received as an employee should be shown in box 10 of your Form(s) W-2. <b>Do not</b> include amounts reported as wages in box 1 of Form(s) W-2. If you were self-employed or a partner, include amounts you received under a dependent care assistance program from your sole proprietorship or partnership . . . . .	12	
13	Enter the amount, if any, you carried over from 2005 and used in 2006 during the grace period. See instructions . . . . .	13	
14	Enter the amount, if any, you forfeited or carried forward to 2007. See instructions . . . . .	14	
15	Combine lines 12 through 14. See instructions . . . . .	15	
16	Enter the total amount of <b>qualified expenses</b> incurred in 2006 for the care of the <b>qualifying person(s)</b> . . . . .	16	
17	Enter the <b>smaller</b> of line 15 or 16 . . . . .	17	
18	Enter your <b>earned income</b> . See instructions . . . . .	18	
19	Enter the amount shown below that applies to you. <ul style="list-style-type: none"> <li>• If married filing jointly, enter your spouse's earned income (if your spouse was a student or was disabled, see the instructions for line 5).</li> <li>• If married filing separately, see the instructions for the amount to enter.</li> <li>• All others, enter the amount from line 18.</li> </ul>	19	
20	Enter the <b>smallest</b> of line 17, 18, or 19 . . . . .	20	
21	Enter the amount from line 12 that you received from your sole proprietorship or partnership. If you did not receive any such amounts, enter -0- . . . . .	21	
22	Subtract line 21 from line 15 . . . . .	22	
23	Enter \$5,000 (\$2,500 if married filing separately <b>and</b> you were required to enter your spouse's earned income on line 18) . . . . .	23	
24	<b>Deductible benefits.</b> Enter the <b>smallest</b> of line 20, 21, or 23. Also, include this amount on the appropriate line(s) of your return. See instructions . . . . .	24	
25	Enter the <b>smaller</b> of line 20 or 23 . . . . .	25	
26	Enter the amount from line 24 . . . . .	26	
27	<b>Excluded benefits.</b> Subtract line 26 from line 25. If zero or less, enter -0- . . . . .	27	
28	<b>Taxable benefits.</b> Subtract line 27 from line 22. If zero or less, enter -0-. Also, include this amount on Form 1040, line 7, or Form 1040NR, line 8. On the dotted line next to Form 1040, line 7, or Form 1040NR, line 8, enter "DCB". . . . .	28	

To claim the child and dependent care credit, complete lines 29-33 below.

29	Enter \$3,000 (\$6,000 if two or more qualifying persons) . . . . .	29	
30	Add lines 24 and 27 . . . . .	30	
31	Subtract line 30 from line 29. If zero or less, <b>stop</b> . You cannot take the credit. <b>Exception.</b> If you paid 2005 expenses in 2006, see the instructions for line 9 . . . . .	31	
32	Complete line 2 on the front of this form. <b>Do not</b> include in column (c) any benefits shown on line 30 above. Then, add the amounts in column (c) and enter the total here . . . . .	32	
33	Enter the <b>smaller</b> of line 31 or 32. Also, enter this amount on line 3 on the front of this form and complete lines 4-11 . . . . .	33	

**Child and Dependent Care Expenses**

Department of the Treasury  
Internal Revenue Service (IRS)

▶ Attach to Form 1040 or Form 1040NR.

▶ See separate instructions.

Attachment  
Sequence No. **21**

Name(s) shown on Form 1040

Your social security number

**Before you begin:** You need to understand the following terms. See **Definitions** on page 1 of the instructions.

• **Dependent Care Benefits**

• **Qualifying Person(s)**

• **Qualified Expenses**

**Part I** **Persons or Organizations Who Provided the Care—You must complete this part.**  
(If you need more space, use the bottom of page 2.)

1	(a) Care provider's name	(b) Address (number, street, apt. no., city, state, and ZIP code)	(c) Identifying number (SSN or EIN)	(d) Amount paid (see instructions)

Did you receive dependent care benefits?  
 No → Complete only Part II below.  
 Yes → Complete Part III on the back next.

**Caution.** If the care was provided in your home, you may owe employment taxes. See the instructions for Form 1040, line 62, or Form 1040NR, line 57.

**Part II** **Credit for Child and Dependent Care Expenses**

**2** Information about your **qualifying person(s)**. If you have more than two qualifying persons, see the instructions.

(a) Qualifying person's name		(b) Qualifying person's social security number	(c) Qualified expenses you incurred and paid in 2006 for the person listed in column (a)
First	Last		

<b>3</b> Add the amounts in column (c) of line 2. <b>Do not</b> enter more than \$3,000 for one qualifying person or \$6,000 for two or more persons. If you completed Part III, enter the amount from line 33	<b>3</b>																																																													
<b>4</b> Enter your <b>earned income</b> . See instructions	<b>4</b>																																																													
<b>5</b> If married filing jointly, enter your spouse's earned income (if your spouse was a student or was disabled, see the instructions); <b>all others</b> , enter the amount from line 4	<b>5</b>																																																													
<b>6</b> Enter the <b>smallest</b> of line 3, 4, or 5	<b>6</b>																																																													
<b>7</b> Enter the amount from Form 1040, line 38, or Form 1040NR, line 36	<b>7</b>																																																													
<b>8</b> Enter on line 8 the decimal amount shown below that applies to the amount on line 7	<b>8</b>																																																													
<table border="0"> <tr> <td colspan="3"><b>If line 7 is:</b></td> <td colspan="3"><b>If line 7 is:</b></td> </tr> <tr> <td><b>Over</b></td> <td><b>But not over</b></td> <td><b>Decimal amount is</b></td> <td><b>Over</b></td> <td><b>But not over</b></td> <td><b>Decimal amount is</b></td> </tr> <tr> <td>\$0—15,000</td> <td></td> <td>.35</td> <td>\$29,000—31,000</td> <td></td> <td>.27</td> </tr> <tr> <td>15,000—17,000</td> <td></td> <td>.34</td> <td>31,000—33,000</td> <td></td> <td>.26</td> </tr> <tr> <td>17,000—19,000</td> <td></td> <td>.33</td> <td>33,000—35,000</td> <td></td> <td>.25</td> </tr> <tr> <td>19,000—21,000</td> <td></td> <td>.32</td> <td>35,000—37,000</td> <td></td> <td>.24</td> </tr> <tr> <td>21,000—23,000</td> <td></td> <td>.31</td> <td>37,000—39,000</td> <td></td> <td>.23</td> </tr> <tr> <td>23,000—25,000</td> <td></td> <td>.30</td> <td>39,000—41,000</td> <td></td> <td>.22</td> </tr> <tr> <td>25,000—27,000</td> <td></td> <td>.29</td> <td>41,000—43,000</td> <td></td> <td>.21</td> </tr> <tr> <td>27,000—29,000</td> <td></td> <td>.28</td> <td>43,000—No limit</td> <td></td> <td>.20</td> </tr> </table>	<b>If line 7 is:</b>			<b>If line 7 is:</b>			<b>Over</b>	<b>But not over</b>	<b>Decimal amount is</b>	<b>Over</b>	<b>But not over</b>	<b>Decimal amount is</b>	\$0—15,000		.35	\$29,000—31,000		.27	15,000—17,000		.34	31,000—33,000		.26	17,000—19,000		.33	33,000—35,000		.25	19,000—21,000		.32	35,000—37,000		.24	21,000—23,000		.31	37,000—39,000		.23	23,000—25,000		.30	39,000—41,000		.22	25,000—27,000		.29	41,000—43,000		.21	27,000—29,000		.28	43,000—No limit		.20	<b>8</b>	
<b>If line 7 is:</b>			<b>If line 7 is:</b>																																																											
<b>Over</b>	<b>But not over</b>	<b>Decimal amount is</b>	<b>Over</b>	<b>But not over</b>	<b>Decimal amount is</b>																																																									
\$0—15,000		.35	\$29,000—31,000		.27																																																									
15,000—17,000		.34	31,000—33,000		.26																																																									
17,000—19,000		.33	33,000—35,000		.25																																																									
19,000—21,000		.32	35,000—37,000		.24																																																									
21,000—23,000		.31	37,000—39,000		.23																																																									
23,000—25,000		.30	39,000—41,000		.22																																																									
25,000—27,000		.29	41,000—43,000		.21																																																									
27,000—29,000		.28	43,000—No limit		.20																																																									
<b>9</b> Multiply line 6 by the decimal amount on line 8. If you paid 2005 expenses in 2006, see the instructions	<b>9</b>																																																													
<b>10</b> Enter the amount from Form 1040, line 46, minus any amount on Form 1040, line 47, or Form 1040NR, line 43, minus any amount on Form 1040NR, line 44	<b>10</b>																																																													
<b>11</b> <b>Credit for child and dependent care expenses.</b> Enter the <b>smaller</b> of line 9 or line 10 here and on Form 1040, line 48, or Form 1040NR, line 45	<b>11</b>																																																													

For Paperwork Reduction Act Notice, see page 4 of the instructions.

**Part III Dependent Care Benefits**

12	Enter the total amount of <b>dependent care benefits</b> you received in 2006. Amounts you received as an employee should be shown in box 10 of your Form(s) W-2. <b>Do not</b> include amounts reported as wages in box 1 of Form(s) W-2. If you were self-employed or a partner, include amounts you received under a dependent care assistance program from your sole proprietorship or partnership . . . . .	12	
13	Enter the amount, if any, you carried over from 2005 and used in 2006 during the grace period. See instructions . . . . .	13	
14	Enter the amount, if any, you forfeited or carried forward to 2007. See instructions . . . . .	14	
15	Combine lines 12 through 14. See instructions . . . . .	15	
16	Enter the total amount of <b>qualified expenses</b> incurred in 2006 for the care of the <b>qualifying person(s)</b> . . . . .	16	
17	Enter the <b>smaller</b> of line 15 or 16 . . . . .	17	
18	Enter your <b>earned income</b> . See instructions . . . . .	18	
19	Enter the amount shown below that applies to you. <ul style="list-style-type: none"> <li>• If married filing jointly, enter your spouse's earned income (if your spouse was a student or was disabled, see the instructions for line 5).</li> <li>• If married filing separately, see the instructions for the amount to enter.</li> <li>• All others, enter the amount from line 18.</li> </ul>	19	
20	Enter the <b>smallest</b> of line 17, 18, or 19 . . . . .	20	
21	Enter the amount from line 12 that you received from your sole proprietorship or partnership. If you did not receive any such amounts, enter -0- . . . . .	21	
22	Subtract line 21 from line 15 . . . . .	22	
23	Enter \$5,000 (\$2,500 if married filing separately <b>and</b> you were required to enter your spouse's earned income on line 18) . . . . .	23	
24	<b>Deductible benefits.</b> Enter the <b>smallest</b> of line 20, 21, or 23. Also, include this amount on the appropriate line(s) of your return. See instructions . . . . .	24	
25	Enter the <b>smaller</b> of line 20 or 23 . . . . .	25	
26	Enter the amount from line 24 . . . . .	26	
27	<b>Excluded benefits.</b> Subtract line 26 from line 25. If zero or less, enter -0- . . . . .	27	
28	<b>Taxable benefits.</b> Subtract line 27 from line 22. If zero or less, enter -0-. Also, include this amount on Form 1040, line 7, or Form 1040NR, line 8. On the dotted line next to Form 1040, line 7, or Form 1040NR, line 8, enter "DCB". . . . .	28	

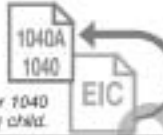
To claim the child and dependent care credit, complete lines 29–33 below.

29	Enter \$3,000 (\$6,000 if two or more qualifying persons) . . . . .	29	
30	Add lines 24 and 27 . . . . .	30	
31	Subtract line 30 from line 29. If zero or less, <b>stop</b> . You cannot take the credit. <b>Exception.</b> If you paid 2005 expenses in 2006, see the instructions for line 9 . . . . .	31	
32	Complete line 2 on the front of this form. <b>Do not</b> include in column (c) any benefits shown on line 30 above. Then, add the amounts in column (c) and enter the total here . . . . .	32	
33	Enter the <b>smaller</b> of line 31 or 32. Also, enter this amount on line 3 on the front of this form and complete lines 4–11 . . . . .	33	



**SCHEDULE EIC**  
(Form 1040A or 1040)

**Earned Income Credit**  
Qualifying Child Information



OMB No. 1545-0074

**2006**

Attachment  
Sequence No. **43**

Department of the Treasury  
Internal Revenue Service 508  
Married (shown on return)

Complete and attach to Form 1040A or 1040  
only if you have a qualifying child.

Your social security number

**Before you begin:** See the instructions for Form 1040A, lines 41a and 41b, or Form 1040, lines 66a and 66b, to make sure that (a) you can take the EIC, and (b) you have a qualifying child.



- If you take the EIC even though you are not eligible, you may not be allowed to take the credit for up to 10 years. See back of schedule for details.
- It will take us longer to process your return and issue your refund if you do not fill in all lines that apply for each qualifying child.
- Be sure the child's name on line 1 and social security number (SSN) on line 2 agree with the child's social security card. Otherwise, at the time we process your return, we may reduce or disallow your EIC. If the name or SSN on the child's social security card is not correct, call the Social Security Administration at 1-800-772-1213.

**Qualifying Child Information**

**Child 1**

**Child 2**

	Child 1	Child 2
<b>1 Child's name</b> <i>If you have more than two qualifying children, you only have to list two to get the maximum credit.</i>	First name _____ Last name _____	First name _____ Last name _____
<b>2 Child's SSN</b> <i>The child must have an SSN as defined on page 44 of the Form 1040A instructions or page 48 of the Form 1040 instructions unless the child was born and died in 2006. If your child was born and died in 2006 and did not have an SSN, enter "Died" on this line and attach a copy of the child's birth certificate.</i>	____-____-____	____-____-____
<b>3 Child's year of birth</b>	Year ____-____-____ <i>If born after 1987, skip lines 4a and 4b; go to line 5.</i>	Year ____-____-____ <i>If born after 1987, skip lines 4a and 4b; go to line 5.</i>
<b>4 If the child was born before 1988—</b>		
<b>a</b> Was the child under age 24 at the end of 2006 and a student?	<input type="checkbox"/> Yes. <input type="checkbox"/> No. <i>Go to line 5. Continue.</i>	<input type="checkbox"/> Yes. <input type="checkbox"/> No. <i>Go to line 5. Continue.</i>
<b>b</b> Was the child permanently and totally disabled during any part of 2006?	<input type="checkbox"/> Yes. <input type="checkbox"/> No. <i>Continue. The child is not a qualifying child.</i>	<input type="checkbox"/> Yes. <input type="checkbox"/> No. <i>Continue. The child is not a qualifying child.</i>
<b>5 Child's relationship to you</b> <i>(for example, son, daughter, grandchild, niece, nephew, foster child, etc.)</i>		
<b>6 Number of months child lived with you in the United States during 2006</b>	_____ months <i>Do not enter more than 12 months.</i>	_____ months <i>Do not enter more than 12 months.</i>



You may also be able to take the additional child tax credit if your child (a) was under age 17 at the end of 2006, and (b) is a U.S. citizen or resident alien. For more details, see the instructions for line 42 of Form 1040A or line 68 of Form 1040.

For Paperwork Reduction Act Notice, see Form 1040A or 1040 instructions.

Cat. No. 13339M

Schedule EIC (Form 1040A or 1040) 2006

## Purpose of Schedule

After you have figured your earned income credit (EIC), use Schedule EIC to give the IRS information about your qualifying child(ren).

To figure the amount of your credit or to have the IRS figure it for you, see the instructions for Form 1040A, lines 41a and 41b, or Form 1040, lines 66a and 66b.

**Taking the EIC when not eligible.** If you take the EIC even though you are not eligible and it is determined that your error is due to reckless or intentional disregard of the EIC rules, you will not be allowed to take the credit for 2 years even if you are otherwise eligible to do so. If you fraudulently take the EIC, you will not be allowed to take the credit for 10 years. You may also have to pay penalties.

## Qualifying Child

**A qualifying child for the EIC is a child who is your . . .**

Son, daughter, stepchild, foster child, brother, sister, stepbrother, stepsister, or a descendant of any of them (for example, your grandchild, niece, or nephew)

**AND**

**was . . .**

Under age 19 at the end of 2006

or

Under age 24 at the end of 2006 and a student

or

Any age and permanently and totally disabled

**AND**

**who . . .**

Lived with you in the United States for more than half of 2006. If the child did not live with you for the required time, see *Exception to time lived with you* on page 43 of the Form 1040A instructions or page 48 of the Form 1040 instructions.



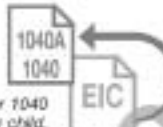
*If the child was married or meets the conditions to be a qualifying child of another person (other than your spouse if filing a joint return), special rules apply. For details, see page 44 of the Form 1040A instructions or page 48 of the Form 1040 instructions.*



Do you want part of the EIC added to your take-home pay in 2007? To see if you qualify, get Form W-5 from your employer, call the IRS at 1-800-TAX-FORM (1-800-829-3676), or go to [www.irs.gov](http://www.irs.gov).

**SCHEDULE EIC**  
(Form 1040A or 1040)

**Earned Income Credit**  
Qualifying Child Information



OMB No. 1545-0074

**2006**

Attachment Sequence No. **43**

Department of the Treasury  
Internal Revenue Service 508  
Married (shown on return)

Complete and attach to Form 1040A or 1040  
only if you have a qualifying child.

Your social security number

**Before you begin:** See the instructions for Form 1040A, lines 41a and 41b, or Form 1040, lines 66a and 66b, to make sure that (a) you can take the EIC, and (b) you have a qualifying child.



- If you take the EIC even though you are not eligible, you may not be allowed to take the credit for up to 10 years. See back of schedule for details.
- It will take us longer to process your return and issue your refund if you do not fill in all lines that apply for each qualifying child.
- Be sure the child's name on line 1 and social security number (SSN) on line 2 agree with the child's social security card. Otherwise, at the time we process your return, we may reduce or disallow your EIC. If the name or SSN on the child's social security card is not correct, call the Social Security Administration at 1-800-772-1213.

**Qualifying Child Information**

**Child 1**

**Child 2**

	First name	Last name	First name	Last name
<b>1 Child's name</b> <i>If you have more than two qualifying children, you only have to list two to get the maximum credit.</i>				
<b>2 Child's SSN</b> <i>The child must have an SSN as defined on page 44 of the Form 1040A instructions or page 48 of the Form 1040 instructions unless the child was born and died in 2006. If your child was born and died in 2006 and did not have an SSN, enter "Died" on this line and attach a copy of the child's birth certificate.</i>				
<b>3 Child's year of birth</b>	Year ____ - ____ - ____ <i>If born after 1987, skip lines 4a and 4b; go to line 3.</i>		Year ____ - ____ - ____ <i>If born after 1987, skip lines 4a and 4b; go to line 3.</i>	
<b>4 If the child was born before 1988—</b>				
<b>a</b> Was the child under age 24 at the end of 2006 and a student?	<input type="checkbox"/> Yes. <i>Go to line 3.</i>	<input type="checkbox"/> No. <i>Continue.</i>	<input type="checkbox"/> Yes. <i>Go to line 3.</i>	<input type="checkbox"/> No. <i>Continue.</i>
<b>b</b> Was the child permanently and totally disabled during any part of 2006?	<input type="checkbox"/> Yes. <i>Continue.</i>	<input type="checkbox"/> No. <i>The child is not a qualifying child.</i>	<input type="checkbox"/> Yes. <i>Continue.</i>	<input type="checkbox"/> No. <i>The child is not a qualifying child.</i>
<b>5 Child's relationship to you</b> <i>(for example, son, daughter, grandchild, niece, nephew, foster child, etc.)</i>				
<b>6 Number of months child lived with you in the United States during 2006</b>				
<ul style="list-style-type: none"> <li>• If the child lived with you for more than half of 2006 but less than 7 months, enter "7."</li> <li>• If the child was born or died in 2006 and your home was the child's home for the entire time he or she was alive during 2006, enter "12."</li> </ul>	_____ months <i>Do not enter more than 12 months.</i>		_____ months <i>Do not enter more than 12 months.</i>	



You may also be able to take the additional child tax credit if your child (a) was under age 17 at the end of 2006, and (b) is a U.S. citizen or resident alien. For more details, see the instructions for line 42 of Form 1040A or line 68 of Form 1040.

For Paperwork Reduction Act Notice, see Form 1040A or 1040 instructions.

Cat. No. 13339M

Schedule EIC (Form 1040A or 1040) 2006

## Purpose of Schedule

After you have figured your earned income credit (EIC), use Schedule EIC to give the IRS information about your qualifying child(ren).

To figure the amount of your credit or to have the IRS figure it for you, see the instructions for Form 1040A, lines 41a and 41b, or Form 1040, lines 66a and 66b.

**Taking the EIC when not eligible.** If you take the EIC even though you are not eligible and it is determined that your error is due to reckless or intentional disregard of the EIC rules, you will not be allowed to take the credit for 2 years even if you are otherwise eligible to do so. If you fraudulently take the EIC, you will not be allowed to take the credit for 10 years. You may also have to pay penalties.

## Qualifying Child

**A qualifying child for the EIC is a child who is your . . .**

Son, daughter, stepchild, foster child, brother, sister, stepbrother, stepsister, or a descendant of any of them (for example, your grandchild, niece, or nephew)

**AND**

**was . . .**

Under age 19 at the end of 2006

or

Under age 24 at the end of 2006 and a student

or

Any age and permanently and totally disabled

**AND**

**who . . .**


Lived with you in the United States for more than half of 2006. If the child did not live with you for the required time, see *Exception to time lived with you* on page 43 of the Form 1040A instructions or page 48 of the Form 1040 instructions.



*If the child was married or meets the conditions to be a qualifying child of another person (other than your spouse if filing a joint return), special rules apply. For details, see page 44 of the Form 1040A instructions or page 48 of the Form 1040 instructions.*



Do you want part of the EIC added to your take-home pay in 2007? To see if you qualify, get Form W-5 from your employer, call the IRS at 1-800-TAX-FORM (1-800-829-3676), or go to [www.irs.gov](http://www.irs.gov).

**Worksheet A—Earned Income Credit (EIC)—Lines 66a and 66b** *Keep for Your Records* 

**Before you begin:** ✓ Be sure you are using the correct worksheet. Use this worksheet only if you answered "No" to Step 5, question 3, on page 47. Otherwise, use Worksheet B that begins on page 50.

**Part 1**

**All Filers Using Worksheet A**

1. Enter your earned income from Step 5 on page 47. 1

2. Look up the amount on line 1 above in the EIC Table on pages 52–58 to find the credit. Be sure you use the correct column for your filing status and the number of children you have. Enter the credit here. 2

If line 2 is zero,  You cannot take the credit. Put "No" on the dotted line next to line 66a.

3. Enter the amount from Form 1040, line 38. 3

4. Are the amounts on lines 3 and 1 the same?  
 **Yes.** Skip line 5; enter the amount from line 2 on line 6.  
 **No.** Go to line 5.

**Part 2**

**Filers Who Answered "No" on Line 4**

5. If you have:  
 • No qualifying children, is the amount on line 3 less than \$6,750 (\$8,750 if married filing jointly)?  
 • 1 or more qualifying children, is the amount on line 3 less than \$14,850 (\$16,850 if married filing jointly)?  
 **Yes.** Leave line 5 blank; enter the amount from line 2 on line 6.  
 **No.** Look up the amount on line 3 in the EIC Table on pages 52–58 to find the credit. Be sure you use the correct column for your filing status and the number of children you have. Enter the credit here. 5   
 Look at the amounts on lines 5 and 2. Then, enter the smaller amount on line 6.

**Part 3**

**Your Earned Income Credit**

6. This is your earned income credit. 6


Enter this amount on Form 1040, line 66a.

**Reminder—**

✓ If you have a qualifying child, complete and attach Schedule EIC.



If your EIC for a year after 1995 was reduced or disallowed, see page 48 to find out if you must file Form 8862 to take the credit for 2006.

**Worksheet B—Earned Income Credit (EIC)—Lines 66a and 66b** *Keep for Your Records* 

Use this worksheet if you answered "Yes" to Step 5, question 3, on page 47.

- ✓ Complete the parts below (Parts 1 through 3) that apply to you. Then, continue to Part 4.
- ✓ If you are married filing a joint return, include your spouse's amounts, if any, with yours to figure the amounts to enter in Parts 1 through 3.

<b>Part 1</b>	1a. Enter the amount from Schedule SE, Section A, line 3, or Section B, line 3, whichever applies.	1a
<b>Self-Employed, Members of the Clergy, and People With Church Employee Income Filing Schedule SE</b>	1b. Enter any amount from Schedule SE, Section B, line 4b, and line 5a.	+ 1b
	1c. Combine lines 1a and 1b.	- 1c
	1d. Enter the amount from Schedule SE, Section A, line 6, or Section B, line 13, whichever applies.	- 1d
	1e. Subtract line 1d from 1c.	- 1e

<b>Part 2</b>	2. Do not include on these lines any statutory employee income, any net profit from services performed as a notary public, or any amount exempt from self-employment tax as the result of the filing and approval of Form 4029 or Form 4361.	
<b>Self-Employed NOT Required To File Schedule SE</b> <small>For example, your net earnings from self-employment were less than \$400.</small>	a. Enter any net farm profit or (loss) from Schedule F, line 36, and from farm partnerships, Schedule K-1 (Form 1065), box 14, code A*.	2a
	b. Enter any 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 K1*.	+ 2b
	c. Combine lines 2a and 2b.	- 2c

\*Reduce any Schedule K-1 amounts by any partnership section 179 expense deduction claimed, unreimbursed partnership expenses claimed, and depletion claimed on oil and gas properties. If you have any Schedule K-1 amounts, complete the appropriate line(s) of Schedule SE, Section A. Put your name and social security number on Schedule SE and attach it to your return.

<b>Part 3</b>	3. Enter the amount from Schedule C, line 1, or Schedule C-EZ, line 1, that you are filing as a statutory employee.	3
---------------	---------------------------------------------------------------------------------------------------------------------	---


<b>Part 4</b>	4a. Enter your earned income from Step 5 on page 47.	4a
<b>All Filers Using Worksheet B</b>	4b. Combine lines 1c, 2c, 3, and 4a. <b>This is your total earned income.</b>	4b

Note. If line 4b includes income on which you should have paid self-employment tax but did not, we may reduce your credit by the amount of self-employment tax not paid.


5. If you have:

- 2 or more qualifying children, is line 4b less than \$36,348 (\$38,348 if married filing jointly)?
- 1 qualifying child, is line 4b less than \$32,001 (\$34,001 if married filing jointly)?
- No qualifying children, is line 4b less than \$12,120 (\$14,120 if married filing jointly)?

**Yes.** If you want the IRS to figure your credit, see page 48. If you want to figure the credit yourself, enter the amount from line 4b on line 6 (page 51).

**No.**  You cannot take the credit. Put "No" on the dotted line next to line 66a.

**Worksheet B**—Continued from page 50

Keep for Your Records 

**Part 5**

**All Filers Using Worksheet B**

6. Enter your total earned income from Part 4, line 4b, on page 50. 6

7. Look up the amount on line 6 above in the EIC Table on pages 52–58 to find the credit. Be sure you use the correct column for your filing status and the number of children you have. Enter the credit here. 7

If line 7 is zero,  You cannot take the credit. Put "No" on the dotted line next to line 6b.

8. Enter the amount from Form 1040, line 38. 8

9. Are the amounts on lines 8 and 6 the same?  
 **Yes.** Skip line 10; enter the amount from line 7 on line 11.  
 **No.** Go to line 10.

**Part 6**

**Filers Who Answered "No" on Line 9**

10. If you have:

- No qualifying children, is the amount on line 8 less than \$6,750 (\$8,750 if married filing jointly)?
- 1 or more qualifying children, is the amount on line 8 less than \$14,850 (\$16,850 if married filing jointly)?

**Yes.** Leave line 10 blank; enter the amount from line 7 on line 11.

**No.** Look up the amount on line 8 in the EIC Table on pages 52–58 to find the credit. Be sure you use the correct column for your filing status and the number of children you have. Enter the credit here. 10   
 Look at the amounts on lines 10 and 7. Then, enter the smaller amount on line 11.

**Part 7**

**Your Earned Income Credit**

11. This is your earned income credit. 11

**Reminder—**

✓ If you have a qualifying child, complete and attach Schedule EIC.



If your EIC for a year after 1996 was reduced or disallowed, see page 48 to find out if you must file Form 8862 to take the credit for 2006.

## Line 53—Child Tax Credit

### Three Steps To Take the Child Tax Credit!

- Step 1.** Make sure you have a qualifying child for the child tax credit (see the instructions for line 6c).
- Step 2.** Make sure that for each qualifying child you either checked the box on Form 1040, line 6c, column (4), or completed Form 8901 (if the child is not your dependent).
- Step 3.** Answer the questions on this page to see if you can use the worksheet on page 43 to figure your credit or if you must use Pub. 972. If you need Pub. 972, see page 7.

#### Questions

#### Who Must Use Pub. 972



1. Is the amount on Form 1040, line 38, more than the amount shown below for your filing status?
- Married filing jointly – \$110,000
  - Single, head of household, or qualifying widow(er) – \$75,000
  - Married filing separately – \$55,000
- Yes.**  **No.** Go to question 2.  
You must use Pub. 972 to figure your credit.

2. Are you claiming any of the following credits?
- Residential energy efficient property credit, Form 5695, Part II.
  - Adoption credit, Form 8839.
  - Mortgage interest credit, Form 8396.
  - District of Columbia first-time homebuyer credit, Form 8859.


**Yes.**  **No.** Continue

You must use Pub. 972 to figure your child tax credit. You will also need the form(s) listed above for any credit(s) you are claiming.

3. Are you excluding income from Puerto Rico or are you filing any of the following forms?
- Form 2555 or 2555-EZ (relating to foreign earned income).
  - Form 4563 (exclusion of income for residents of American Samoa).
- Yes.**  **No.** Use the worksheet on page 43 to figure your credit.  
You must use Pub. 972 to figure your credit.



**Child Tax Credit Worksheet—Line 53**

Keep for Your Records 



- To be a qualifying child for the child tax credit, the child must be **under age 17** at the end of 2006 and meet the other requirements listed on page 19.
- **Do not** use this worksheet if you answered “Yes” to question 1, 2, or 3 on page 41. Instead, use Pub. 972.

1. Number of qualifying children: \_\_\_\_\_ × \$1,000. Enter the result. 1

2. Enter the amount from Form 1040, line 46. 2

3. Add the amounts from Form 1040:

Line 47 \_\_\_\_\_

Line 48 + \_\_\_\_\_

Line 49 + \_\_\_\_\_

Line 50 + \_\_\_\_\_

Line 51 + \_\_\_\_\_

Line 52 + \_\_\_\_\_ Enter the total. 3

4. Are the amounts on lines 2 and 3 the same?

- Yes.** STOP  
 You cannot take this credit because there is no tax to reduce. However, you may be able to take the **additional child tax credit**. See the TIP below.
- No.** Subtract line 3 from line 2. 4

5. Is the amount on line 1 more than the amount on line 4?

- Yes.** Enter the amount from line 4. Also, you may be able to take the **additional child tax credit**. See the TIP below. 5
- No.** Enter the amount from line 1. 5

**This is your child tax credit.**

Enter this amount on Form 1040, line 53.



You may be able to take the **additional child tax credit** on Form 1040, line 68, if you answered “Yes” on line 4 or line 5 above.

- First, complete your Form 1040 through line 67.
- Then, use Form 8812 to figure any additional child tax credit.



## Line 53—Child Tax Credit

### Three Steps To Take the Child Tax Credit!

- Step 1.** Make sure you have a qualifying child for the child tax credit (see the instructions for line 6c).
- Step 2.** Make sure that for each qualifying child you either checked the box on Form 1040, line 6c, column (4), or completed Form 8901 (if the child is not your dependent).
- Step 3.** Answer the questions on this page to see if you can use the worksheet on page 43 to figure your credit or if you must use Pub. 972. If you need Pub. 972, see page 7.

#### Questions

#### Who Must Use Pub. 972



1. Is the amount on Form 1040, line 38, more than the amount shown below for your filing status?
- Married filing jointly – \$110,000
  - Single, head of household, or qualifying widow(er) – \$75,000
  - Married filing separately – \$55,000
- Yes.**  **No.** Go to question 2.  
You must use Pub. 972 to figure your credit.


2. Are you claiming any of the following credits?
- Residential energy efficient property credit, Form 5695, Part II.
  - Adoption credit, Form 8839.
  - Mortgage interest credit, Form 8396.
  - District of Columbia first-time homebuyer credit, Form 8859.

**Yes.**  **No.** Continue

You must use Pub. 972 to figure your child tax credit. You will also need the form(s) listed above for any credit(s) you are claiming.

3. Are you excluding income from Puerto Rico or are you filing any of the following forms?
- Form 2555 or 2555-EZ (relating to foreign earned income).
  - Form 4563 (exclusion of income for residents of American Samoa).
- Yes.**  **No.** Use the worksheet on page 43 to figure your credit.  
You must use Pub. 972 to figure your credit.

**Child Tax Credit Worksheet—Line 53**

Keep for Your Records 



- To be a qualifying child for the child tax credit, the child must be **under age 17** at the end of 2006 and meet the other requirements listed on page 19.
- **Do not** use this worksheet if you answered “Yes” to question 1, 2, or 3 on page 41. Instead, use Pub. 972.

1. Number of qualifying children: \_\_\_\_\_ × \$1,000. Enter the result. 1

2. Enter the amount from Form 1040, line 46. 2

3. Add the amounts from Form 1040:

Line 47 \_\_\_\_\_

Line 48 + \_\_\_\_\_

Line 49 + \_\_\_\_\_

Line 50 + \_\_\_\_\_

Line 51 + \_\_\_\_\_

Line 52 + \_\_\_\_\_ Enter the total. 3

4. Are the amounts on lines 2 and 3 the same?

**Yes.** STOP

You cannot take this credit because there is no tax to reduce. However, you may be able to take the **additional child tax credit**. See the TIP below.

**No.** Subtract line 3 from line 2. 4

5. Is the amount on line 1 more than the amount on line 4?

**Yes.** Enter the amount from line 4. Also, you may be able to take the **additional child tax credit**. See the TIP below.

**This is your child tax credit.**

**No.** Enter the amount from line 1. 5

Enter this amount on Form 1040, line 53.



You may be able to take the **additional child tax credit** on Form 1040, line 68, if you answered “Yes” on line 4 or line 5 above.

- First, complete your Form 1040 through line 67.
- Then, use Form 8812 to figure any additional child tax credit.



**SCHEDULE C-EZ  
(Form 1040)**

**Net Profit From Business**  
(Sole Proprietorship)

OMB No. 1545-0045

**2006**

Department of the Treasury  
Internal Revenue Service

▶ Partnerships, joint ventures, etc., must file Form 1065 or 1065-B.  
▶ Attach to Form 1040 or 1041. ▶ See instructions on back.

Attachment  
Sequence No. **09A**

Name of proprietor

Social security number (SSN)

**Part I** General Information

You May Use  
Schedule C-EZ  
Instead of  
Schedule C  
Only If You:

- Had business expenses of \$5,000 or less.
- Use the cash method of accounting.
- Did not have an inventory at any time during the year.
- Did not have a net loss from your business.
- Had only one business as either a sole proprietor or statutory employee.

And You:

- Had no employees during the year.
- Are not required to file Form 4562, Depreciation and Amortization, for this business. See the instructions for Schedule C, line 13, on page C-4 to find out if you must file.
- Do not deduct expenses for business use of your home.
- Do not have prior year unallowed passive activity losses from this business.

**A** Principal business or profession, including product or service

**B** Enter code from pages C-8, 9, & 10

**C** Business name. If no separate business name, leave blank.

**D** Employer ID number (EIN), if any

**E** Business address (including suite or room no.). Address not required if same as on Form 1040, page 1.

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

**Part II** Figure Your Net Profit

<b>1</b> Gross receipts. <b>Caution.</b> If this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked, see <b>Statutory Employees</b> in the instructions for Schedule C, line 1, on page C-3 and check here <input type="checkbox"/>	1		
<b>2</b> Total expenses (see instructions). If more than \$5,000, you <b>must</b> use Schedule C.	2		
<b>3</b> Net profit. Subtract line 2 from line 1. If less than zero, you <b>must</b> use Schedule C. Enter on Form 1040, line 12, and also on Schedule SE, line 2. (Statutory employees do not report this amount on Schedule SE, line 2. Estates and trusts, enter on Form 1041, line 3.)	3		

**Part III** Information on Your Vehicle. Complete this part **only** if you are claiming car or truck expenses on line 2.

- 4** When did you place your vehicle in service for business purposes? (month, day, year) ▶ ...../...../.....
- 5** Of the total number of miles you drove your vehicle during 2006, enter the number of miles you used your vehicle for:
- a** Business ..... **b** Commuting (see instructions) ..... **c** Other .....
- 6** Do you (or your spouse) have another vehicle available for personal use?  Yes  No
- 7** Was your vehicle available for personal use during off-duty hours?  Yes  No
- 8a** Do you have evidence to support your deduction?  Yes  No
- b** If "Yes," is the evidence written?  Yes  No

For Paperwork Reduction Act Notice, see page 2.

Cat. No. 14374D

Schedule C-EZ (Form 1040) 2006

**Instructions**

You can use Schedule C-EZ instead of Schedule C if you operated a business or practiced a profession as a sole proprietorship or you were a statutory employee and you have met all the requirements listed in Schedule C-EZ, Part I.

**Line A**

Describe the business or professional activity that provided your principal source of income reported on line 1. Give the general field or activity and the type of product or service.

**Line B**

Enter the six-digit code that identifies your principal business or professional activity. See pages C-8 through C-10 of the instructions for Schedule C for the list of codes.

**Line D**

You need an employer identification number (EIN) only if you had a qualified retirement plan or were required to file an employment, excise, estate, trust, or alcohol, tobacco, and firearms tax return. If you need an EIN, see the instructions for Form SS-4. If you do not have an EIN, leave line D blank. Do not enter your SSN.

**Line E**

Enter your business address. Show a street address instead of a box number. Include the suite or room number, if any.

**Line 1**

Enter gross receipts from your trade or business. Include amounts you received in your trade or business that were properly shown on Forms 1099-MISC. If the total amounts that were reported in box 7 of Forms 1099-MISC are more than the total you are reporting on line 1, attach a statement explaining the difference. You must show all items of taxable income actually or constructively received during the year (in cash, property, or services). Income is constructively received when it is credited to your account or set aside for you to use. Do not offset this amount by any losses.

**Line 2**

Enter the total amount of all deductible business expenses you actually paid during the year. Examples of these expenses include advertising, car and truck expenses, commissions and fees, insurance, interest, legal and professional services, office expense, rent or lease expenses, repairs and maintenance, supplies, taxes, travel, the allowable percentage of business meals and entertainment,

and utilities (including telephone). For details, see the instructions for Schedule C, Parts II and V, on pages C-3 through C-7. If you wish, you can use the optional worksheet below to record your expenses. Enter on lines **b** through **g** the type and amount of expenses not included on line **a**.

If you claim car or truck expenses, be sure to complete Schedule C-EZ, Part III.

**Line 5b**

Generally, commuting is travel between your home and a work location. If you converted your vehicle during the year from personal to business use (or vice versa), enter your commuting miles only for the period you drove your vehicle for business. For information on certain travel that is considered a business expense rather than commuting, see the instructions for Form 2106.

**Paperwork Reduction Act Notice.** We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Internal Revenue Code section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for individual taxpayers filing this form is included in the estimates shown in the instructions for their individual income tax return. The estimated burden for all other taxpayers who file this form is approved under OMB control number 1545-1973 and is shown below.

- Recordkeeping . . . . . 45 min.
- Learning about the law or the form . . . . . 4 min.
- Preparing the form . . . . . 35 min.
- Copying, assembling, and sending the form to the IRS . . . . . 20 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.

**Optional Worksheet for Line 2 (keep a copy for your records)**

<b>a</b> Deductible business meals and entertainment (see page C-5) . . . . .	<b>a</b>	
<b>b</b> .....	<b>b</b>	
<b>c</b> .....	<b>c</b>	
<b>d</b> .....	<b>d</b>	
<b>e</b> .....	<b>e</b>	
<b>f</b> .....	<b>f</b>	
<b>g</b> .....	<b>g</b>	
<b>h</b> Total. Add lines <b>a</b> through <b>g</b> . Enter here and on line 2 . . . . .	<b>h</b>	

**SCHEDULE D  
(Form 1040)**

Department of the Treasury  
Internal Revenue Service (99)

**Capital Gains and Losses**

▶ Attach to Form 1040. ▶ See Instructions for Schedule D (Form 1040).  
▶ Use Schedule D-1 to list additional transactions for lines 1 and 8.

OMB No. 1545-0074

**2006**

Attachment  
Sequence No. **12**

Name(s) shown on Form 1040

Your social security number

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

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-6 of the instructions)	(e) Cost or other basis (see page D-6 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
1					
2 Enter your short-term totals, if any, from Schedule D-1, line 2 . . . . .			2		
3 <b>Total short-term sales price amounts.</b> Add lines 1 and 2 in column (d) . . . . .			3		
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 <b>Capital Loss Carryover Worksheet</b> on page D-6 of the instructions . . . . .					6 ( )
7 <b>Net short-term capital gain or (loss).</b> Combine lines 1 through 6 in column (f) . . . . .					7

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

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-6 of the instructions)	(e) Cost or other basis (see page D-6 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
8					
9 Enter your long-term totals, if any, from Schedule D-1, line 9 . . . . .			9		
10 <b>Total long-term sales price amounts.</b> Add lines 8 and 9 in column (d) . . . . .			10		
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 page D-1 of the instructions . . . . .					13
14 Long-term capital loss carryover. Enter the amount, if any, from line 13 of your <b>Capital Loss Carryover Worksheet</b> on page D-6 of the instructions . . . . .					14 ( )
15 <b>Net long-term capital gain or (loss).</b> Combine lines 8 through 14 in column (f). Then go to Part III on the back . . . . .					15

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Cat. No. 11338H

Schedule D (Form 1040) 2006

**Part III Summary**

**16** Combine lines 7 and 15 and enter the result. If line 16 is a loss, skip lines 17 through 20, and go to line 21. If a gain, enter the gain on Form 1040, line 13, and then go to line 17 below.

16

**17** Are lines 15 and 16 both gains?  
 **Yes.** Go to line 18.  
 **No.** Skip lines 18 through 21, and go to line 22.

**18** Enter the amount, if any, from line 7 of the **28% Rate Gain Worksheet** on page D-7 of the instructions.

18

**19** Enter the amount, if any, from line 18 of the **Unrecaptured Section 1259 Gain Worksheet** on page D-8 of the instructions.

19

**20** Are lines 18 and 19 both zero or blank?  
 **Yes.** Complete Form 1040 through line 43, and then complete the **Qualified Dividends and Capital Gain Tax Worksheet** on page 38 of the Instructions for Form 1040. Do not complete lines 21 and 22 below.  
 **No.** Complete Form 1040 through line 43, and then complete the **Schedule D Tax Worksheet** on page D-9 of the instructions. Do not complete lines 21 and 22 below.

**21** If line 16 is a loss, enter here and on Form 1040, line 13, the **smaller** of:

- The loss on line 16 or
- (\$3,000), or if married filing separately, (\$1,500)

21 ( )

**Note.** When figuring which amount is smaller, treat both amounts as positive numbers.

**22** Do you have qualified dividends on Form 1040, line 9b?  
 **Yes.** Complete Form 1040 through line 43, and then complete the **Qualified Dividends and Capital Gain Tax Worksheet** on page 38 of the Instructions for Form 1040.  
 **No.** Complete the rest of Form 1040.

**SCHEDULE E**  
**(Form 1040)**

**Supplemental Income and Loss**  
**(From rental real estate, royalties, partnerships,**  
**S corporations, estates, trusts, REMICs, etc.)**

OMB No. 1545-0074

**2006**

Department of the Treasury  
Internal Revenue Service (99)

▶ Attach to Form 1040, 1040NR or Form 1041. ▶ See instructions for Schedule E (Form 1040).

Attachment  
Sequence No. **13**

Name(s) shown on return

Your social security number

**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 page E-3). Report farm rental income or loss from **Form 4035** on page 2, line 40.

1	List the type and location of each rental real estate property:	2	For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of:	Yes	No
A	.....	<ul style="list-style-type: none"> <li>• 14 days or</li> <li>• 10% of the total days rented at fair rental value?</li> </ul> (See page E-3.)	A		
B	.....		B		
C	.....		C		

	Properties			Totals
	A	B	C	(Add columns A, B, and C.)
<b>3</b> Rents received . . . . .	<b>3</b>			<b>3</b>
<b>4</b> Royalties received . . . . .	<b>4</b>			<b>4</b>
<b>Expenses:</b>				
<b>5</b> Advertising . . . . .	<b>5</b>			
<b>6</b> Auto and travel (see page E-4) . . . . .	<b>6</b>			
<b>7</b> Cleaning and maintenance . . . . .	<b>7</b>			
<b>8</b> Commissions . . . . .	<b>8</b>			
<b>9</b> Insurance . . . . .	<b>9</b>			
<b>10</b> Legal and other professional fees . . . . .	<b>10</b>			
<b>11</b> Management fees . . . . .	<b>11</b>			
<b>12</b> Mortgage interest paid to banks, etc. (see page E-4) . . . . .	<b>12</b>			<b>12</b>
<b>13</b> Other interest . . . . .	<b>13</b>			
<b>14</b> Repairs . . . . .	<b>14</b>			
<b>15</b> Supplies . . . . .	<b>15</b>			
<b>16</b> Taxes . . . . .	<b>16</b>			
<b>17</b> Utilities . . . . .	<b>17</b>			
<b>18</b> Other (list) ▶ . . . . .	<b>18</b>			
<b>19</b> Add lines 5 through 18 . . . . .	<b>19</b>			<b>19</b>
<b>20</b> Depreciation expense or depletion (see page E-4) . . . . .	<b>20</b>			<b>20</b>
<b>21</b> Total expenses. Add lines 19 and 20 . . . . .	<b>21</b>			
<b>22</b> Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see page E-5 to find out if you must file <b>Form 6198</b> . . . . .	<b>22</b>			
<b>23</b> Deductible rental real estate loss. <b>Caution.</b> Your rental real estate loss on line 22 may be limited. See page E-5 to find out if you must file <b>Form 8582</b> . Real estate professionals must complete line 43 on page 2 . . . . .	<b>23</b>			
<b>24</b> <b>Income.</b> Add positive amounts shown on line 22. <b>Do not</b> include any losses . . . . .	<b>24</b>			
<b>25</b> <b>Losses.</b> Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here . . . . .	<b>25</b>			
<b>26</b> <b>Total rental real estate and royalty income or (loss).</b> 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. Otherwise, include this amount in the total on line 41 on page 2 . . . . .	<b>26</b>			



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

Your social security number

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 page E-1.

27 Are you reporting any loss not allowed in a prior year due to the at-risk 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? 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.

Table with 5 columns: (f) Passive loss allowed (attach Form 8582 if required), (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.

Table with 4 columns: (c) Passive deduction or loss allowed (attach Form 8582 if required), (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 (see page E-6), (d) Taxable income (net loss) from Schedules Q, line 1b, (e) Income from Schedules Q, line 3b. Row 38, 39.

Part V Summary

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

**SCHEDULE SE**  
**(Form 1040)**

**Self-Employment Tax**

OMB No. 1545-0074

**2006**

Department of the Treasury  
Internal Revenue Service (999)

▶ Attach to Form 1040. ▶ See instructions for Schedule SE (Form 1040).

Attachment  
Sequence No. 17

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

Social security number of person  
with self-employment income ▶

**Who Must File Schedule SE**

You must file Schedule SE if:

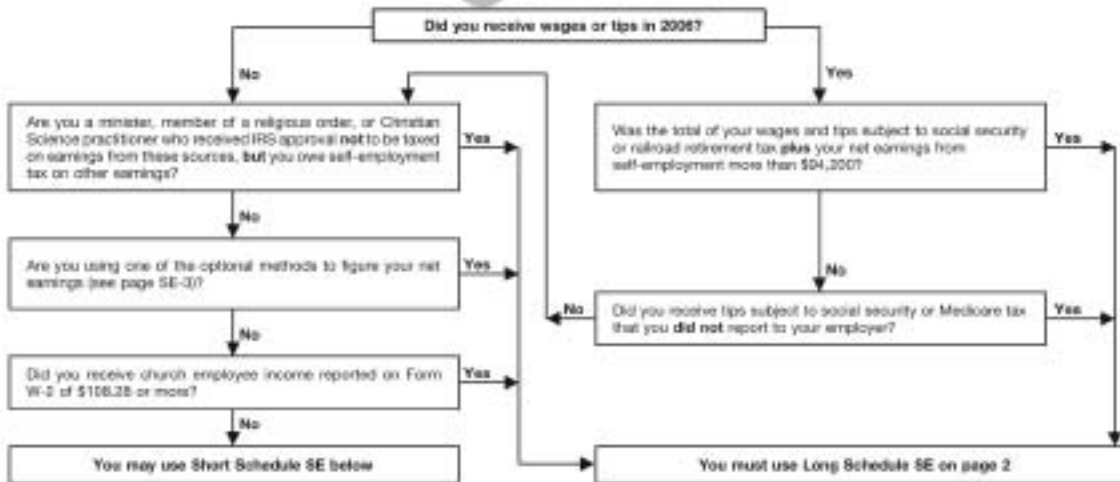
- You had net earnings from self-employment from **other than** church employee income (line 4 of Short Schedule SE or line 4c of Long Schedule SE) of \$400 or more, **or**
- You had church employee income of \$108.28 or more, income from services you performed as a minister or a member of a religious order **is not** church employee income (see page SE-1).

**Note.** Even if you had a loss or a small amount of income from self-employment, it may be to your benefit to file Schedule SE and use either "optional method" in Part II of Long Schedule SE (see page SE-3).

**Exception.** If your only self-employment income was from earnings as a minister, member of a religious order, or Christian Science practitioner and you filed Form 4361 and received IRS approval not to be taxed on those earnings, **do not** file Schedule SE. Instead, write "Exempt-Form 4361" on Form 1040, line 58.

**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, above.



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

1	Net farm profit or (loss) from Schedule F, line 36, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A . . . . .	1	
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 K1. Ministers and members of religious orders, see page SE-1 for amounts to report on this line. See page SE-2 for other income to report . . . . .	2	
3	Combine lines 1 and 2 . . . . .	3	
4	<b>Net earnings from self-employment.</b> Multiply line 3 by 92.35% (.9235). If less than \$400, <b>do not</b> file this schedule; you do not owe self-employment tax . . . . . ▶	4	
5	<b>Self-employment tax.</b> If the amount on line 4 is: • \$94,200 or less, multiply line 4 by 15.3% (.153). Enter the result here and on <b>Form 1040, line 58.</b> • More than \$94,200, multiply line 4 by 2.9% (.029). Then, add \$11,680.80 to the result. Enter the total here and on <b>Form 1040, line 58.</b>	5	
6	<b>Deduction for one-half of self-employment tax.</b> Multiply line 5 by 50% (.5). Enter the result here and on <b>Form 1040, line 27</b> . . . . .	6	

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Cat. No. 11058Z

Schedule SE (Form 1040) 2006

Name of person with self-employment income (as shown on Form 1040)	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, skip lines 1 through 4b. Enter -0- on line 4c and go to line 5a. Income from services you performed as a minister or a member of a religious order is not church employee income. See page SE-1.

<b>A</b> 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. . . . . <input type="checkbox"/>			
<b>1</b> Net farm profit or (loss) from Schedule F, line 36, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A. <b>Note.</b> Skip this line if you use the farm optional method (see page SE-4)	1		
<b>2</b> 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 K1. Ministers and members of religious orders, see page SE-1 for amounts to report on this line. See page SE-2 for other income to report. <b>Note.</b> Skip this line if you use the nonfarm optional method (see page SE-4)	2		
<b>3</b> Combine lines 1 and 2 . . . . .	3		
<b>4a</b> If line 3 is more than zero, multiply line 3 by 92.35% (.9235). Otherwise, enter amount from line 3	4a		
<b>b</b> If you elect one or both of the optional methods, enter the total of lines 15 and 17 here . . . . .	4b		
<b>c</b> Combine lines 4a and 4b. If less than \$400, stop; you do not owe self-employment tax. <b>Exception.</b> If less than \$400 and you had church employee income, enter -0- and continue. . . . . ▶	4c		
<b>5a</b> Enter your church employee income from Form W-2. See page SE-1 for definition of church employee income . . . . .	5a		
<b>b</b> Multiply line 5a by 92.35% (.9235). If less than \$100, enter -0- . . . . .	5b		
<b>6</b> Net earnings from self-employment. Add lines 4c and 5b . . . . .	6		
<b>7</b> 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 2006 . . . . .	7	94,200	00
<b>8a</b> Total social security wages and tips (total of boxes 3 and 7 on Form(s) W-2) and railroad retirement (tier 1) compensation. If \$94,200 or more, skip lines 8b through 10, and go to line 11 . . . . .	8a		
<b>b</b> Unreported tips subject to social security tax (from Form 4137, line 9)	8b		
<b>c</b> Add lines 8a and 8b . . . . .	8c		
<b>9</b> Subtract line 8c from line 7. If zero or less, enter -0- here and on line 10 and go to line 11 . . . ▶	9		
<b>10</b> Multiply the smaller of line 6 or line 9 by 12.4% (.124) . . . . .	10		
<b>11</b> Multiply line 6 by 2.9% (.029) . . . . .	11		
<b>12</b> Self-employment tax. Add lines 10 and 11. Enter here and on Form 1040, line 58 . . . . .	12		
<b>13</b> Deduction for one-half of self-employment tax. Multiply line 12 by 50% (.5). Enter the result here and on Form 1040, line 27 . . . . .	13		

**Part II Optional Methods To Figure Net Earnings (see page SE-3)**

<b>Farm Optional Method.</b> You may use this method only if (a) your gross farm income <sup>1</sup> was not more than \$2,400, or (b) your net farm profits <sup>2</sup> were less than \$1,733.			
<b>14</b> Maximum income for optional methods . . . . .	14	1,800	00
<b>15</b> Enter the smaller of: two-thirds (⅔) of gross farm income <sup>1</sup> (not less than zero) or \$1,600. Also include this amount on line 4b above . . . . .	15		
<b>Nonfarm Optional Method.</b> You may use this method only if (a) your net nonfarm profits <sup>3</sup> were less than \$1,733 and also less than 72.189% of your gross nonfarm income, <sup>4</sup> and (b) you had net earnings from self-employment of at least \$400 in 2 of the prior 3 years.			
<b>Caution.</b> You may use this method no more than five times.			
<b>16</b> Subtract line 15 from line 14 . . . . .	16		
<b>17</b> Enter the smaller of: two-thirds (⅔) of gross nonfarm income <sup>4</sup> (not less than zero) or the amount on line 16. Also include this amount on line 4b above . . . . .	17		

<sup>1</sup>From Sch. F, line 11, and Sch. K-1 (Form 1065), box 14, code B.

<sup>2</sup>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 K1.

<sup>3</sup>From Sch. F, line 36, and Sch. K-1 (Form 1065), box 14, code A.

<sup>4</sup>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 K2.

**Qualified Dividends and Capital Gain Tax Worksheet—Line 44**

Keep for Your Records 

**Before you begin:** ✓ See the instructions for line 44 that begin on page 36 to see if you can use this worksheet to figure your tax.  
 ✓ If you do not have to file Schedule D and you received capital gain distributions, be sure you checked the box on line 13 of Form 1040.

1. Enter the amount from Form 1040, line 43	1.	<input type="text"/>
2. Enter the amount from Form 1040, line 9b	2.	<input type="text"/>
3. Are you filing Schedule D?	3.	<input type="text"/>
<input type="checkbox"/> <b>Yes.</b> Enter the <b>smaller</b> of line 15 or 16 of Schedule D. If either line 15 or line 16 is a loss, enter -0- <input type="checkbox"/> <b>No.</b> Enter the amount from Form 1040, line 13	4.	<input type="text"/>
4. Add lines 2 and 3	4.	<input type="text"/>
5. If you are claiming investment interest expense on Form 4952, enter the amount from line 4g of that form. Otherwise, enter -0-	5.	<input type="text"/>
6. Subtract line 5 from line 4. If zero or less, enter -0-	6.	<input type="text"/>
7. Subtract line 6 from line 1. If zero or less, enter -0-	7.	<input type="text"/>
8. Enter the <b>smaller</b> of: • The amount on line 1, or • \$30,650 if single or married filing separately, \$61,300 if married filing jointly or qualifying widow(er), \$41,050 if head of household	8.	<input type="text"/>
9. Is the amount on line 7 equal to or more than the amount on line 8?	9.	<input type="text"/>
<input type="checkbox"/> <b>Yes.</b> Skip lines 9 through 11; go to line 12 and check the "No" box. <input type="checkbox"/> <b>No.</b> Enter the amount from line 7	10.	<input type="text"/>
10. Subtract line 9 from line 8	10.	<input type="text"/>
11. Multiply line 10 by 5% (.05)	11.	<input type="text"/>
12. Are the amounts on lines 6 and 10 the same?	12.	<input type="text"/>
<input type="checkbox"/> <b>Yes.</b> Skip lines 12 through 15; go to line 16. <input type="checkbox"/> <b>No.</b> Enter the <b>smaller</b> of line 1 or line 6	13.	<input type="text"/>
13. Enter the amount from line 10 (if line 10 is blank, enter -0-)	13.	<input type="text"/>
14. Subtract line 13 from line 12	14.	<input type="text"/>
15. Multiply line 14 by 15% (.15)	15.	<input type="text"/>
16. Figure the tax on the amount on line 7. Use the Tax Table or Tax Computation Worksheet, whichever applies	16.	<input type="text"/>
17. Add lines 11, 15, and 16	17.	<input type="text"/>
18. Figure the tax on the amount on line 1. Use the Tax Table or Tax Computation Worksheet, whichever applies	18.	<input type="text"/>
19. <b>Tax on all taxable income.</b> Enter the <b>smaller</b> of line 17 or line 18. Also include this amount on Form 1040, line 44	19.	<input type="text"/>

Need more information or forms? See page 7.

**Simplified Method Worksheet—Lines 16a and 16b**

Keep for Your Records 

**Before you begin:** If you are the beneficiary of a deceased employee or former employee who died before August 21, 1996, include any death benefit exclusion that you are entitled to (up to \$5,000) in the amount entered on line 2 below.  
**Note:** If you had more than one partially taxable pension or annuity, figure the taxable part of each separately. Enter the total of the taxable parts on Form 1040, line 15b. Enter the total pension or annuity payments received in 2006 on Form 1040, line 15a.

1. Enter the total pension or annuity payments received in 2006. Also, enter the amount on Form 1040, line 15a ..... 1.

2. Enter your cost at the plan at the annuity starting date ..... 2.

**Note:** If you completed this worksheet last year, skip line 2 and enter the amount from line 4 of last year's worksheet on line 4 below (even if the amount of your pension or annuity has changed). Otherwise, go to line 3.

3. Enter the appropriate number from Table 1 below. But if your annuity starting date was after 1997 and the payments are for your life and that of your beneficiary, enter the appropriate number from Table 2 below ..... 3.

4. Divide line 2 by the number on line 3 ..... 4.

5. Multiply line 4 by the number of months for which this year's payments were made. If your annuity starting date was before 1997, skip lines 6 and 7 and enter this amount on line 8. Otherwise, go to line 6 ..... 5.

6. Enter the amount, if any, recovered tax free in years after 1980 ..... 6.

7. Subtract line 6 from line 5 ..... 7.

8. Enter the smaller of line 5 or line 7 ..... 8.

9. Taxable amount. Subtract line 8 from line 1. Enter the result, but not less than zero. Also, enter this amount on Form 1040, line 15b. If your Form 1099-R shows a larger amount, use the amount on this line instead of the amount from Form 1099-R ..... 9.

10. Was your annuity starting date before 1987?  
 Yes. Leave line 10 blank.  
 No. Add lines 6 and 8. This is the amount you have recovered tax free through 2006. You will read this number when you fill out this worksheet next year. .... 10.


**Table 1 for Line 3 Above**

If the age at annuity starting date (see page 26) was . . .	AND your annuity starting date was—	
	before November 19, 1996, enter on line 3 . . .	after November 18, 1996, enter on line 3 . . .
55 or under	100	100
56–59	200	110
60–65	240	200
66–70	170	210
71 or older	120	200

**Table 2 for Line 3 Above**



If the combined ages at annuity starting date (see page 26) were . . .	THEN enter on line 3 . . .
110 or under	410
111–120	260
121–130	140
131–140	260
141 or older	210

**Social Security Benefits Worksheet—Lines 20a and 20b**

Keep for Your Records 

**Before you begin:**

- ✓ Complete Form 1040, lines 21, 23 through 32, and 34 if they apply to you.
- ✓ Figure any write-in adjustments to be entered on the dotted line next to line 36 (see the instructions for line 36 on page 34).
- ✓ If you are married filing separately and you lived apart from your spouse for all of 2006, enter "D" to the right of the word "benefits" on line 20a.
- ✓ Be sure you have read the **Exception** on page 27 to see if you can use this worksheet instead of a publication to find out if any of your benefits are taxable.

<p>1. Enter the total amount from <b>box 5</b> of all your Forms SSA-1099 and Forms RRB-1099. Also, enter this amount on Form 1040, line 20a ..... 1. <input style="width: 100px;" type="text"/></p> <p>2. Enter one-half of line 1 ..... 2. <input style="width: 100px;" type="text"/></p> <p>3. Enter the total of the amounts from Form 1040, lines 7, 8a, 9a, 10 through 14, 15b, 16b, 17 through 19, and 21 ..... 3. <input style="width: 100px;" type="text"/></p> <p>4. Enter the amount, if any, from Form 1040, line 8b ..... 4. <input style="width: 100px;" type="text"/></p> <p>5. Add lines 2, 3, and 4 ..... 5. <input style="width: 100px;" type="text"/></p> <p>6. Enter the total of the amounts from Form 1040, lines 23 through 32, line 34, and any write-in adjustments you entered on the dotted line next to line 36 ..... 6. <input style="width: 100px;" type="text"/></p> <p>7. Is the amount on line 6 less than the amount on line 5?  <input type="checkbox"/> <b>No.</b>  None of your social security benefits are taxable. Enter -0- on Form 1040, line 20b.  <input type="checkbox"/> <b>Yes.</b> Subtract line 6 from line 5 ..... 7. <input style="width: 100px;" type="text"/></p> <p>8. If you are:  <ul style="list-style-type: none"> <li>• Married filing jointly, enter \$32,000</li> <li>• Single, head of household, qualifying widow(er), or married filing separately and you <b>lived apart</b> from your spouse for all of 2006, enter \$25,000</li> <li>• Married filing separately and you lived with your spouse at any time in 2006, skip lines 8 through 15; multiply line 7 by 85% (.85) and enter the result on line 16. Then go to line 17</li> </ul> } ..... 8. <input style="width: 100px;" type="text"/></p> <p>9. Is the amount on line 8 less than the amount on line 7?  <input type="checkbox"/> <b>No.</b>  None of your social security benefits are taxable. Enter -0- Form 1040, line 20b. If you are married filing separately and you <b>lived apart</b> from your spouse for all of 2006, be sure you entered "D" to the right of the word "benefits" on line 20a.  <input type="checkbox"/> <b>Yes.</b> Subtract line 8 from line 7 ..... 9. <input style="width: 100px;" type="text"/></p> <p>10. Enter \$12,000 if married filing jointly; \$9,000 if single, head of household, qualifying widow(er), or married filing separately and you <b>lived apart</b> from your spouse for all of 2006 ... 10. <input style="width: 100px;" type="text"/></p> <p>11. Subtract line 10 from line 9. If zero or less, enter -0- ..... 11. <input style="width: 100px;" type="text"/></p> <p>12. Enter the <b>smaller</b> of line 9 or line 10 ..... 12. <input style="width: 100px;" type="text"/></p> <p>13. Enter one-half of line 12 ..... 13. <input style="width: 100px;" type="text"/></p> <p>14. Enter the <b>smaller</b> of line 2 or line 13 ..... 14. <input style="width: 100px;" type="text"/></p> <p>15. Multiply line 11 by 85% (.85). If line 11 is zero, enter -0- ..... 15. <input style="width: 100px;" type="text"/></p> <p>16. Add lines 14 and 15 ..... 16. <input style="width: 100px;" type="text"/></p> <p>17. Multiply line 1 by 85% (.85) ..... 17. <input style="width: 100px;" type="text"/></p> <p>18. <b>Taxable social security benefits.</b> Enter the <b>smaller</b> of line 16 or line 17. Also enter this amount on Form 1040, line 20b ..... 18. <input style="width: 100px;" type="text"/></p>	
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--

**TIP** If any of your benefits are taxable for 2006 and they include a lump-sum benefit payment that was for an earlier year, you may be able to reduce the taxable amount. See Pub. 915 for details.

Name \_\_\_\_\_ Identifying number as shown on page 1 of your tax return \_\_\_\_\_

Use a separate Form 1116 for each category of income listed below. See **Categories of Income** on page 3 of the instructions. Check only one box on each Form 1116. Report all amounts in U.S. dollars except where specified in Part II below.

- a  Passive income
- b  High withholding tax interest
- c  Financial services income
- d  Shipping income
- e  Dividends from a DISC or former DISC
- f  Certain distributions from a foreign sales corporation (FSC) or former FSC
- g  Lump-sum distributions
- h  Section 501(c) income
- i  Certain income re-sourced by treaty
- j  General limitation income

k Resident of (name of country) ▶ \_\_\_\_\_

**Note:** If you paid taxes to only one foreign country or U.S. possession, use column A in Part I and line A in Part II. If you paid taxes to more than one foreign country or U.S. possession, use a separate column and line for each country or possession.

**Part I Taxable Income or Loss From Sources Outside the United States (for Category Checked Above)**

	Foreign Country or U.S. Possession			Total (Add cols. A, B, and C.)
	A	B	C	
<b>1</b> Enter the name of the foreign country or U.S. possession _____ ▶				
<b>1a</b> Gross income from sources within country shown above and of the type checked above (see page 13 of the instructions): _____				<b>1a</b>
<b>b</b> Check if line 1a is compensation for personal services as an employee, your total compensation from all sources is \$250,000 or more, and you used an alternative method to determine its source (see instructions) ▶ <input type="checkbox"/>				
<b>Deductions and losses (Caution: See pages 13 and 14 of the instructions):</b>				
<b>2</b> Expenses <b>definitely related</b> to the income on line 1a (attach statement) _____				
<b>3</b> Pro rata share of other deductions <b>not definitely related:</b>				
<b>a</b> Certain itemized deductions or standard deduction (see instructions) _____				
<b>b</b> Other deductions (attach statement) _____				
<b>c</b> Add lines 3a and 3b _____				
<b>d</b> Gross foreign source income (see instructions) _____				
<b>e</b> Gross income from all sources (see instructions) _____				
<b>f</b> Divide line 3d by line 3e (see instructions) _____				
<b>g</b> Multiply line 3c by line 3f _____				
<b>4</b> Pro rata share of interest expense (see instructions):				
<b>a</b> Home mortgage interest (use worksheet on page 13 of the instructions) _____				
<b>b</b> Other interest expense _____				
<b>5</b> Losses from foreign sources _____				
<b>6</b> Add lines 2, 3g, 4a, 4b, and 5 _____				<b>6</b>
<b>7</b> Subtract line 6 from line 1a. Enter the result here and on line 14, page 2 _____ ▶				<b>7</b>

**Part II Foreign Taxes Paid or Accrued (see page 14 of the instructions)**

Country	Credit is claimed for taxes (you must check one) (m) <input type="checkbox"/> Paid (n) <input type="checkbox"/> Accrued	Foreign taxes paid or accrued						(k) Total foreign taxes paid or accrued (add cols. (l) through (j))
		In foreign currency			In U.S. dollars			
		(i) Date paid or accrued	(j) Dividends	(k) Rents and royalties	(l) Interest	(m) Other foreign taxes paid or accrued	(n) Total foreign taxes paid or accrued	
A								
B								
C								
<b>B</b> Add lines A through C, column (k). Enter the total here and on line 9, page 2 _____ ▶								<b>8</b>

For Paperwork Reduction Act Notice, see page 18 of the instructions.

**Part III Figuring the Credit**

9	Enter the amount from line 8. These are your total foreign taxes paid or accrued for the category of income checked above Part I . . . . .	9	
10	Carryback or carryover (attach detailed computation) . . . . .	10	
11	Add lines 9 and 10 . . . . .	11	
12	Reduction in foreign taxes (see page 15 of the instructions) . . . . .	12	
13	Subtract line 12 from line 11. This is the total amount of foreign taxes available for credit . . . . .	13	
14	Enter the amount from line 7. This is your taxable income or loss from sources outside the United States (before adjustments) for the category of income checked above Part I (see page 15 of the instructions) . . . . .	14	
15	Adjustments to line 14 (see page 16 of the instructions) . . . . .	15	
16	Combine the amounts on lines 14 and 15. This is your net foreign source taxable income. (If the result is zero or less, you have no foreign tax credit for the category of income you checked above Part I. Skip lines 17 through 21. However, if you are filing more than one Form 1116, you must complete line 19.) . . . . .	16	
17	<b>Individuals:</b> Enter the amount from Form 1040, line 41 (minus any amount on Form 8914, line 2). If you are a nonresident alien, enter the amount from Form 1040NR, line 38 (minus any amount on Form 8914, line 2). <b>Estates and trusts:</b> Enter your taxable income without the deduction for your exemption . . . . . <i>Caution: If you figured your tax using the lower rates on qualified dividends or capital gains, see page 17 of the instructions.</i>	17	
18	Divide line 16 by line 17, if line 16 is more than line 17, enter "1" . . . . .	18	
19	<b>Individuals:</b> Enter the amount from Form 1040, line 44. If you are a nonresident alien, enter the amount from Form 1040NR, line 41. <b>Estates and trusts:</b> Enter the amount from Form 1041, Schedule G, line 1a, or the total of Form 990-T, lines 36 and 37 . . . . . <i>Caution: If you are completing line 19 for separate category g (lump-sum distributions), see page 18 of the instructions.</i>	19	
20	Multiply line 19 by line 18 (maximum amount of credit) . . . . .	20	
21	Enter the <b>smaller</b> of line 13 or line 20. If this is the only Form 1116 you are filing, skip lines 22 through 30 and enter this amount on line 31. Otherwise, complete the appropriate line in Part IV (see page 18 of the instructions) . . . . .	21	

**Part IV Summary of Credits From Separate Parts III (see page 18 of the instructions)**

22	Credit for taxes on passive income . . . . .	22	
23	Credit for taxes on high withholding tax interest . . . . .	23	
24	Credit for taxes on financial services income . . . . .	24	
25	Credit for taxes on shipping income . . . . .	25	
26	Credit for taxes on dividends from a DISC or former DISC and certain distributions from a FSC or former FSC . . . . .	26	
27	Credit for taxes on lump-sum distributions . . . . .	27	
28	Credit for taxes on certain income re-sourced by treaty . . . . .	28	
29	Credit for taxes on general limitation income . . . . .	29	
30	Add lines 22 through 29 . . . . .	30	
31	Enter the <b>smaller</b> of line 19 or line 30 . . . . .	31	
32	Reduction of credit for international boycott operations. See instructions for line 12 on page 15 . . . . .	32	
33	Subtract line 32 from line 31. This is your <b>foreign tax credit</b> . Enter here and on Form 1040, line 47; Form 1040NR, line 44; Form 1041, Schedule G, line 2a; or Form 990-T, line 43a . . . . .	33	





**For Use by U.S. Citizens and Resident Aliens Only**

Name shown on Form 1040

Your social security number

**Part I General Information**

- 1 Your foreign address (including country) \_\_\_\_\_ 2 Your occupation \_\_\_\_\_
- 3 Employer's name ▶ \_\_\_\_\_
- 4a Employer's U.S. address ▶ \_\_\_\_\_
- b Employer's foreign address ▶ \_\_\_\_\_
- 5 Employer is (check all that apply):
  - a  A foreign entity
  - b  A U.S. company
  - c  Self
  - d  A foreign affiliate of a U.S. company
  - e  Other (specify) ▶ \_\_\_\_\_
- 6a If, after 1981, you filed Form 2555 or Form 2555-EZ, enter the last year you filed the form. ▶ \_\_\_\_\_
- b If you did not file Form 2555 or 2555-EZ after 1981 to claim either of the exclusions, check here ▶  and go to line 7.
- c Have you ever revoked either of the exclusions? \_\_\_\_\_  Yes  No
- d If you answered "Yes," enter the type of exclusion and the tax year for which the revocation was effective. ▶ \_\_\_\_\_
- 7 Of what country are you a citizen/national? ▶ \_\_\_\_\_
- 8a Did you maintain a separate foreign residence for your family because of adverse living conditions at your tax home? See **Second foreign household** on page 3 of the instructions. \_\_\_\_\_  Yes  No
- b If "Yes," enter city and country of the separate foreign residence. Also, enter the number of days during your tax year that you maintained a second household at that address. ▶ \_\_\_\_\_
- 9 List your tax home(s) during your tax year and date(s) established. ▶ \_\_\_\_\_

**Next, complete either Part II or Part III. If an item does not apply, enter "NA." If you do not give the information asked for, any exclusion or deduction you claim may be disallowed.**

**Part II Taxpayers Qualifying Under Bona Fide Residence Test** (see page 2 of the instructions)

- 10 Date bona fide residence began ▶ \_\_\_\_\_, and ended ▶ \_\_\_\_\_
- 11 Kind of living quarters in foreign country ▶ a  Purchased house b  Rented house or apartment c  Rented room  
d  Quarters furnished by employer
- 12a Did any of your family live with you abroad during any part of the tax year? \_\_\_\_\_  Yes  No
- b If "Yes," who and for what period? ▶ \_\_\_\_\_
- 13a Have you submitted a statement to the authorities of the foreign country where you claim bona fide residence that you are not a resident of that country? see instructions \_\_\_\_\_  Yes  No
- b Are you required to pay income tax to the country where you claim bona fide residence? see instructions  Yes  No  
**If you answered "Yes" to 13a and "No" to 13b, you do not qualify as a bona fide resident. Do not complete the rest of this part.**
- 14 If you were present in the United States or its possessions during the tax year, complete columns (a)-(d) below. Do not include the income from column (d) in Part IV, but report it on Form 1040.

(a) Date arrived in U.S.	(b) Date left U.S.	(c) Number of days in U.S. on business	(d) Income earned in U.S. on business (attach computation)	(a) Date arrived in U.S.	(b) Date left U.S.	(c) Number of days in U.S. on business	(d) Income earned in U.S. on business (attach computation)

- 15a List any contractual terms or other conditions relating to the length of your employment abroad. ▶ \_\_\_\_\_
- b Enter the type of visa under which you entered the foreign country. ▶ \_\_\_\_\_
- c Did your visa limit the length of your stay or employment in a foreign country? If "Yes," attach explanation  Yes  No
- d Did you maintain a home in the United States while living abroad? \_\_\_\_\_  Yes  No
- e If "Yes," enter address of your home, whether it was rented, the names of the occupants, and their relationship to you. ▶ \_\_\_\_\_

**Part III Taxpayers Qualifying Under Physical Presence Test** (see page 2 of the instructions)

- 16 The physical presence test is based on the 12-month period from  through
- 17 Enter your principal country of employment during your tax year:
- 18 If you traveled abroad during the 12-month period entered on line 16, complete columns (a)-(f) below. Exclude travel between foreign countries that did not involve travel on or over international waters, or in or over the United States, for 24 hours or more. If you have no travel to report during the period, enter "Physically present in a foreign country or countries for the entire 12-month period." **Do not** include the income from column (f) below in Part IV, but report it on Form 1040.

(a) Name of country (including U.S.)	(b) Date arrived	(c) Date left	(d) Full days present in country	(e) Number of days in U.S. (ignore)	(f) Income earned in U.S. (or business attach computation)

**Part IV All Taxpayers**

**Note:** Enter on lines 19 through 23 all income, including noncash income, you earned and actually or constructively received during your 2006 tax year for services you performed in a foreign country, if any of the foreign earned income received this tax year was earned in a prior tax year, or will be earned in a later tax year (such as a bonus). See the instructions. **Do not** include income from line 14, column (d), or line 18, column (f). Report amounts in U.S. dollars, using the exchange rates in effect when you actually or constructively received the income.

If you are a cash basis taxpayer, report on Form 1040 all income you received in 2006, no matter when you performed the service.

2006 Foreign Earned Income		Amount (in U.S. dollars)
19 Total wages, salaries, bonuses, commissions, etc. . . . .	19	
Check this box if the amount on line 19 is \$250,000 or more and you are using an alternative method to determine the source of this compensation income. See instructions <input type="checkbox"/>		
20 Allowable share of income for personal services performed. See instructions:	20a	
a In a business (including farming) or profession . . . . .	20b	
b In a partnership. List partnership's name and address and type of income. ▶		
21 Noncash income (market value of property or facilities furnished by employer—attach statement showing how it was determined):	21a	
a Home (lodging) . . . . .	21b	
b Meals . . . . .	21c	
c Car . . . . .	21d	
d Other property or facilities. List type and amount. ▶		
22 Allowances, reimbursements, or expenses paid on your behalf for services you performed:	22a	
a Cost of living and overseas differential . . . . .	22b	
b Family . . . . .	22c	
c Education . . . . .	22d	
d Home leave . . . . .	22e	
e Quarters . . . . .	22f	
f For any other purpose. List type and amount. ▶		
g Add lines 22a through 22f . . . . .	22g	
23 Other foreign earned income. List type and amount. ▶	23	
24 Add lines 19 through 21d, line 22g, and line 23 . . . . .	24	
25 Total amount of meals and lodging included on line 24 that is excludable. See instructions . . . . .	25	
26 Subtract line 25 from line 24. Enter the result here and on line 27 on page 3. This is your 2006 foreign earned income ▶	26	

**Part V All Taxpayers**

27	Enter the amount from line 26 . . . . .	27		
	Are you claiming the housing exclusion or housing deduction?			
	<input type="checkbox"/> Yes. Complete Part VI.			
	<input type="checkbox"/> No. Go to Part VII.			

**Part VI Taxpayers Claiming the Housing Exclusion and/or Deduction**

28	Qualified housing expenses for the tax year, see instructions . . . . .	28		
29	Number of days in your qualifying period that fall within your 2006 tax year, see instructions . . . . .	29	days	
30	Multiply \$33.40 by the number of days on line 29. If 365 is entered on line 29, enter \$12,191.00 here . . . . .	30		
31	Subtract line 30 from line 28. If the result is zero or less, do not complete the rest of this part or any of Part IX . . . . .	31		
32	Enter employer-provided amounts, see instructions . . . . .	32		
33	Divide line 32 by line 27. Enter the result as a decimal (rounded to at least three places), but do not enter more than "1.000" . . . . .	33	x .	
34	<b>Housing exclusion.</b> Multiply line 31 by line 33. Enter the result but do not enter more than the amount on line 32. Also, complete Part VIII . . . . .	34		

**Note:** The housing deduction is figured in Part IX. If you choose to claim the foreign earned income exclusion, complete Parts VI and VII before Part IX.

**Part VII Taxpayers Claiming the Foreign Earned Income Exclusion**

35	Maximum foreign earned income exclusion . . . . .	35	\$60,000	00
36	<ul style="list-style-type: none"> <li>If you completed Part VI, enter the number from line 29.</li> <li>All others, enter the number of days in your qualifying period that fall within your 2006 tax year (see the instructions for line 29).</li> </ul>	36	days	
37	<ul style="list-style-type: none"> <li>If line 36 and the number of days in your 2006 tax year (usually 365) are the same, enter "1.000."</li> <li>Otherwise, divide line 36 by the number of days in your 2006 tax year and enter the result as a decimal (rounded to at least three places).</li> </ul>	37	x .	
38	Multiply line 35 by line 37 . . . . .	38		
39	Subtract line 34 from line 27 . . . . .	39		
40	<b>Foreign earned income exclusion.</b> Enter the smaller of line 38 or line 39. Also, complete Part VIII . . . . .	40		

**Part VIII Taxpayers Claiming the Housing Exclusion, Foreign Earned Income Exclusion, or Both**

41	Add lines 34 and 40 . . . . .	41		
42	Deductions allowed in figuring your adjusted gross income (Form 1040, line 37) that are allocable to the excluded income. See instructions and attach computation . . . . .	42		
43	Subtract line 42 from line 41. Enter the result here and in parentheses on <b>Form 1040, line 21.</b> Next to the amount enter "Form 2555." On Form 1040, subtract this amount from your income to arrive at total income on Form 1040, line 22 . . . . .	43		

**Part IX Taxpayers Claiming the Housing Deduction—Complete this part only if (a) line 31 is more than line 34 and (b) line 27 is more than line 41.**

44	Subtract line 34 from line 31 . . . . .	44		
45	Subtract line 41 from line 27 . . . . .	45		
46	Enter the <b>smaller</b> of line 44 or line 45 . . . . .	46		
	<b>Note:</b> If line 45 is more than line 46 and you could not deduct all of your 2005 housing deduction because of the 2005 limit, use the worksheet on page 4 of the instructions to figure the amount to enter on line 47. Otherwise, go to line 48.			
47	Housing deduction carryover from 2005 (from worksheet on page 4 of the instructions) . . . . .	47		
48	<b>Housing deduction.</b> Add lines 46 and 47. Enter the total here and on Form 1040 to the left of line 36. Next to the amount on Form 1040, enter "Form 2555." Add it to the total adjustments reported on that line . . . . .	48		

**You May Use  
This Form  
If You:**

- Are a U.S. citizen or a resident alien,
- Earned wages/salaries in a foreign country,
- Had total foreign earned income of \$80,000 or less,
- Are filing a calendar year return that covers a 12-month period.

**And You:**

- Do not have self-employment income.
- Do not have business/moving expenses.
- Do not claim the foreign housing exclusion or deduction.

**Part I Tests To See If You Can Take the Foreign Earned Income Exclusion**

**1 Bona Fide Residence Test**

- a Were you a bona fide resident of a foreign country or countries for a period that includes an entire tax year (see page 2 of the instructions)?  Yes  No
- If you answered "Yes," you meet this test. Fill in line 1b and then go to line 3.
  - If you answered "No," you **do not** meet this test. Go to line 2 to see if you meet the Physical Presence Test.
- b Enter the date your bona fide residence began ▶ \_\_\_\_\_, and ended (see instructions) ▶ \_\_\_\_\_

**2 Physical Presence Test**

- a Were you physically present in a foreign country or countries for at least 330 full days during—  
 { 2006 or  
 any other period of 12 months in a row starting or ending in 2006? }  Yes  No
- If you answered "Yes," you meet this test. Fill in line 2b and then go to line 3.
  - If you answered "No," you **do not** meet this test. You **cannot** take the exclusion unless you meet the Bona Fide Residence Test above.
- b The physical presence test is based on the 12-month period from ▶ \_\_\_\_\_ through ▶ \_\_\_\_\_

**3 Tax Home Test.** Was your tax home in a foreign country or countries throughout your period of bona fide residence or physical presence, whichever applies?  Yes  No

- If you answered "Yes," you can take the exclusion. Complete Part II below and then go to page 2.
- If you answered "No," you **cannot** take the exclusion. **Do not** file this form.

**Part II General Information**

**4** Your foreign address (including country)

**5** Your occupation

**6** Employer's name

**7** Employer's U.S. address (including ZIP code)

**8** Employer's foreign address

**9** Employer is (check any that apply):

- a A U.S. business
- b A foreign business
- c Other (specify) ▶ \_\_\_\_\_

**10a** If you filed Form 2555 or 2555-EZ after 1981, enter the last year you filed the form. ▶ \_\_\_\_\_

**b** If you did not file Form 2555 or 2555-EZ after 1981, check here  and go to line 11a now.

**c** Have you ever revoked the foreign earned income exclusion?  Yes  No

**d** If you answered "Yes," enter the tax year for which the revocation was effective. ▶ \_\_\_\_\_

**11a** List your tax home(s) during 2006 and date(s) established. ▶ \_\_\_\_\_

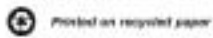
**b** Of what country are you a citizen/national? ▶ \_\_\_\_\_

**Part III Days Present in the United States**—Complete this part if you were in the United States or its possessions during 2006.

12	(a) Date arrived in U.S.	(b) Date left U.S.	(c) Number of days in U.S. on business	(d) Income earned in U.S. on business (attach computation)

**Part IV Figure Your Foreign Earned Income Exclusion**

13	Maximum foreign earned income exclusion . . . . .	13	\$50,000	00
14	Enter the number of days in your qualifying period that fall within 2006 . . . . .	14	days	
15	Did you enter 365 on line 14? <input type="checkbox"/> Yes. Enter "1,000." <input type="checkbox"/> No. Divide line 14 by 365 and enter the result as a decimal (rounded to at least three places). } . . . . .	15	x	
16	Multiply line 13 by line 15 . . . . .	16		
17	Enter, in U.S. dollars, the total foreign earned income you earned and received in 2006 (see instructions). Be sure to include this amount on Form 1040, line 7 . . . . .	17		
18	<b>Foreign earned income exclusion.</b> Enter the <b>smaller</b> of line 16 or line 17 here and in parentheses on Form 1040, line 21. Next to the amount enter "2555-EZ." On Form 1040, subtract this amount from your income to arrive at total income on Form 1040, line 22 . . . . . ▶	18		



19, is more than zero, use the Schedule D Tax Worksheet on page D-9 of the Instructions for Schedule D to figure your tax.

**Qualified Dividends and Capital Gain Tax Worksheet.** If you do not have to use the Schedule D Tax Worksheet (see above), use the worksheet on page 58 to figure your tax if any of the following applies.

- You reported qualified dividends on Form 1040, line 9b.

- You do not have to file Schedule D and you reported capital gain distributions on Form 1040, line 13.

- You are filing Schedule D and Schedule D, lines 15 and 16, are both more than zero.

**Schedule J.** If you had income from farming or fishing, your tax may be less if you

choose to figure it using income averaging on Schedule J.

**Foreign Earned Income Tax Worksheet.** If you claimed the foreign earned income exclusion or the housing exclusion on Form 2555 or Form 2555-EZ, you must figure your tax using the worksheet below.

**Foreign Earned Income Tax Worksheet—Line 44**

Keep for Your Records 

**Before you begin:**  See the instructions above to see if you must use this worksheet to figure your tax.  
 See the instructions for line 44 that begin on page 36 to see if any of the other tax computation methods apply to you.

1. Enter the amount from Form 1040, line 41 .....	1.	<input type="text"/>	
2. Enter the amount from Form 1040, line 42 .....	2.	<input type="text"/>	
3. Subtract line 2 from line 1. If less than zero, enter the amount in parenthesis .....	3.	<input type="text"/>	
4. Enter the amount from your (and your spouse's, if filing jointly) Form 2555, line 45, or Form 2555-EZ, line 18 .....	4.	<input type="text"/>	
5. Enter the total amount of any itemized deductions you could not claim because they are related to excluded income .....	5.	<input type="text"/>	
6. Subtract line 5 from line 4. If zero or less, enter -0- .....	6.	<input type="text"/>	
7. Combine lines 3 and 6 .....	7.	<input type="text"/>	
8. Tax an amount on line 7. Use the Tax Table, Tax Computation Worksheet, Schedule D Tax Worksheet*, Qualified Dividends and Capital Gain Tax Worksheet*, or Form 8815**, whichever applies .....	8.	<input type="text"/>	<input type="text"/>
9. Tax an amount on line 6. Use the Tax Table or Tax Computation Worksheet, whichever applies .....	9.	<input type="text"/>	<input type="text"/>
10. Subtract line 9 from line 8. Enter the result. If zero or less, enter -0-. Also include this amount on Form 1040, line 44 .....	10.	<input type="text"/>	<input type="text"/>

\*Enter the amount from line 7 of this worksheet on line 3 of the Qualified Dividends and Capital Gain Tax Worksheet or Schedule D Tax Worksheet if you use either of those worksheets to figure the tax on line 8 of this worksheet. Complete the rest of either of those worksheets according to the worksheet's instructions. Then complete the rest of this worksheet.

\*\*If you use Form 8815 to figure the tax on line 8 of this worksheet, enter the amount from line 7 of this worksheet on line 4 of Form 8815. If the child's parent files Form 2555 or 2555-EZ, enter the amount from line 7 of the parent's Foreign Earned Income Tax Worksheet on line 5 of Form 8815. Complete the rest of Form 8815 according to its instructions. Then complete the rest of this worksheet.

**Residential Energy Credits**

Department of the Treasury  
Internal Revenue Service

▶ See instructions.  
▶ Attach to Form 1040 or Form 1040NR.

**2006**

Attachment  
Sequence No. **158**

Name(s) shown on return

Your social security number

**Part I Nonbusiness Energy Property Credit** (See instructions before completing this part.)

1 Were the energy efficiency improvements or energy property costs made to your main home located in the United States? (see instructions)		1	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Caution:</b> If you checked the "No" box, you cannot claim the nonbusiness energy property credit. Do not complete Part I.			
2 Energy efficiency improvements (see instructions).			
a Insulation material or system primarily designed to reduce heat loss or gain in your home	2a		
b Exterior windows (including skylights). Do not enter more than \$2,000	2b		
c Exterior doors	2c		
d Metal roof with appropriate pigmented coatings that meet the Energy Star program requirements primarily designed to reduce heat gain in your home	2d		
3 Add lines 2a through 2d		3	
4 Multiply line 3 by 10% (.10)		4	
5 Residential energy property costs (see instructions).			
a Energy-efficient building property. Do not enter more than \$300	5a		
b Qualified natural gas, propane, or oil furnace or hot water boiler. Do not enter more than \$150	5b		
c Advanced main circulating fan used in a natural gas, propane, or oil furnace. Do not enter more than \$50	5c		
6 Add lines 5a through 5c		6	
7 Add lines 4 and 6		7	
8 Enter the smaller of line 7 or \$500		8	
9 Enter the amount from Form 1040, line 48, or Form 1040NR, line 43	9		
10 Enter the total, if any, of your credits from Form 1040, lines 47 through 51, or Form 1040NR, lines 44 through 46	10		
11 Subtract line 10 from line 9. If zero or less, stop. You cannot take a nonbusiness energy property credit		11	
12 <b>Nonbusiness energy credit.</b> Enter the smaller of line 8 or line 11		12	

For Paperwork Reduction Act Notice, see instructions.

Cat. No. 13540P

Form **5695** (2006)

**Before you begin:** Figure the amount of any of the following credits that you are claiming.

- Child tax credit
- Mortgage interest credit
- Adoption credit
- District of Columbia first-time homebuyer credit

**Part II Residential Energy Efficient Property Credit** (See instructions before completing this part.)

13	Qualified photovoltaic property costs	13	
14	Multiply line 13 by 30% (.30)	14	
15	Maximum credit amount	15	2,000
16	Enter the smaller of line 14 or line 15	16	
17	Qualified solar water heating property costs	17	
18	Multiply line 17 by 30% (.30)	18	
19	Maximum credit amount	19	2,000
20	Enter the smaller of line 18 or line 19	20	
21	Qualified fuel cell property costs	21	
22	Multiply line 21 by 30% (.30)	22	
23	Kilowatt capacity of property on line 21 above X \$1,000	23	
24	Enter the smaller of line 22 or line 23	24	
25	Add lines 16, 20, and 24	25	
26	Enter the amount from Form 1040, line 46, or Form 1040NR, line 43	26	
27	<b>1040 filers:</b> Enter the total, if any, of your credits from Form 1040, lines 47 through 51, 53, and 54, plus the amount, if any, from line 12 of this form. <b>1040NR filers:</b> Enter the total, if any, of your credits from Form 1040NR, lines 44 through 46, 48, and 49, plus the amount, if any, from line 12 of this form.	27	
28	Subtract line 27 from line 26. If zero or less, enter -0- here and on line 29	28	
29	<b>Residential energy efficient property credit.</b> Enter the smaller of line 25 or line 28	29	
30	Credit carryforward to 2007. If line 29 is less than line 25, subtract line 29 from line 25	30	

**Part III Current Year Residential Energy Credits**

31	Add lines 12 and 29. Enter here and on Form 1040, line 52, or Form 1040NR, line 47	31	
----	------------------------------------------------------------------------------------	----	--



# Additional Child Tax Credit



Department of the Treasury  
Internal Revenue Service (99)

Complete and attach to Form 1040, Form 1040A, or Form 1040NR.

Name(s) shown on return

Your social security number

**Part I All Filers**

1	Enter the amount from line 1 of your Child Tax Credit Worksheet on page 42 of the Form 1040 instructions, page 39 of the Form 1040A instructions, or page 20 of the Form 1040NR instructions. If you used Pub. 972, enter the amount from line 8 of the worksheet on page 4 of the publication.	1	
2	Enter the amount from Form 1040, line 53; Form 1040A, line 33; or Form 1040NR, line 48.	2	
3	Subtract line 2 from line 1. If zero, stop; you cannot take this credit.	3	
4a	Enter your total earned income (see instructions on back) . . . . .	4a	
b	Nontaxable combat pay (see instructions on back) . . . . .	4b	
5	Is the amount on line 4a more than \$11,300? <input type="checkbox"/> No. Leave line 5 blank and enter -0- on line 6. <input type="checkbox"/> Yes. Subtract \$11,300 from the amount on line 4a. Enter the result.	5	
6	Multiply the amount on line 5 by 15% (.15) and enter the result . . . . . Next, do you have three or more qualifying children? <input type="checkbox"/> No. If line 6 is zero, stop; you cannot take this credit. Otherwise, skip Part II and enter the smaller of line 3 or line 6 on line 13. <input type="checkbox"/> Yes. If line 6 is equal to or more than line 3, skip Part II and enter the amount from line 3 on line 13. Otherwise, go to line 7.	6	

**Part II Certain Filers Who Have Three or More Qualifying Children**

7	Withheld social security and Medicare taxes from Form(s) W-2, boxes 4 and 6. If married filing jointly, include your spouse's amounts with yours. If you worked for a railroad, see instructions on back. . . . .	7	
8	<b>1040 filers:</b> Enter the total of the amounts from Form 1040, lines 27 and 59, plus any uncollected social security and Medicare or tier 1 RRTA taxes included on line 63. <b>1040A filers:</b> Enter -0-. <b>1040NR filers:</b> Enter the total of the amounts from Form 1040NR, line 54, plus any uncollected social security and Medicare or tier 1 RRTA taxes included on line 58.	8	
9	Add lines 7 and 8 . . . . .	9	
10	<b>1040 filers:</b> Enter the total of the amounts from Form 1040, lines 66a and 67. <b>1040A filers:</b> Enter the total of the amount from Form 1040A, line 40a, plus any excess social security and tier 1 RRTA taxes withheld that you entered to the left of line 42 (see instructions on back). <b>1040NR filers:</b> Enter the amount from Form 1040NR, line 61.	10	
11	Subtract line 10 from line 9. If zero or less, enter -0- . . . . .	11	
12	Enter the larger of line 6 or line 11 . . . . . Next, enter the smaller of line 3 or line 12 on line 13.	12	

**Part III Additional Child Tax Credit**

13	This is your additional child tax credit . . . . .	13	
----	----------------------------------------------------	----	--



Enter this amount on:  
 Form 1040, line 68,  
 Form 1040A, line 41, or  
 Form 1040NR, line 62.

## Instructions

### Purpose of Form

Use Form 8812 to figure your additional child tax credit. The additional child tax credit may give you a refund even if you do not owe any tax.

### Who Should Use Form 8812

First, complete the Child Tax Credit Worksheet that applies to you. See the instructions for Form 1040, line 53; Form 1040A, line 33; or Form 1040NR, line 47. If you meet the condition given in the 7th step at the end of your Child Tax Credit Worksheet, use Form 8812 to see if you can take the additional child tax credit.

### Effect of Credit on Welfare Benefits

Any refund you receive as a result of taking the additional child tax credit will not be used to determine if you are eligible for the following programs, or how much you can receive from them. But if the refund you receive because of the additional child tax credit is not spent within a certain period of time, it may count as an asset for repayment and affect your eligibility.

- Temporary Assistance for Needy Families (TANF).

- Medical and supplemental security income (SSI).
- Food stamps and low-income housing.

### Nontaxable Combat Pay

Enter on line 4b the total amount of nontaxable combat pay that you, and your spouse if filing jointly, received in 2008. This amount should be shown on Form W-2, line 12, with codes 1.

### Railroad Employees

If you worked for a railroad, include the following items in the total on Form 8812, line 7.

- Tier 1 railroad job (over your pay). This tax should be shown on line 14 of your Form(s) W-2 and identified as "Tier 1 tax."
- If you were an employee representative, 30% of the total for Tier 1 tax and tier 1 Medicare tax you paid for 2008.

### 1040A Filers

If you, or your spouse, a filing jointly, had more than one source of pay for 2008 and total wages of over \$94,200, figuratively cross out social security and the Unemployment Retirement Tax (URTT) taxes withheld. See Pub. 505, include any amounts on Form 8812, line 10.

**Paperwork Reduction Act Notice.** We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records retaining this form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Internal Revenue Code section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For the estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.

### Earned Income Chart—Line 4a

IF you...	AND you...	THEN enter on line 4a...
have net earnings from self-employment	use either optional method to figure your net earnings	The amount figured using Pub. 927.
are taking the EIC on Form 1040, line 66a, or Form 1040A, line 49a	completed Worksheet B on page 30 of your Form 1040 instructions	your earned income from Worksheet B, line 4b, plus all of your nontaxable combat pay if you did not elect to include it in earned income for the EIC. If you were a member of the clergy, subtract (a) the rental value of a home or the nontaxable portion of an allowance for a home furnished to you (including payments for utilities), and (b) the value of meals and lodging provided to you, your spouse, and your dependents for your employer's convenience.
	did not complete Worksheet B or that Form 1040A	your earned income from Step 7 on page 47 of your 1040 instructions or page 43 of your 1040A instructions, plus all of your nontaxable combat pay if you did not elect to include it in earned income for the EIC.
are not taking the EIC	were self-employed, or you are filing Schedule M because you were a member of the clergy, or you had church employee income, or you are filing Schedule C or C-EZ as a company employee	The amount figured using Pub. 927.
	are not self-employed or filing Schedule M, C, or C-EZ for the above reasons	your earned income figured as follows: Line 7 of Form 1040 or Form 1040A, subtract, if included on line 7, any: <ul style="list-style-type: none"> <li>• Taxable scholarship or fellowship grant not reported on a Form W-2.</li> <li>• Amount received for work performed while an inmate in a penal institution (not "PRC" and the amount subtracted in the space next to line 7 of Form 1040 or 1040A).</li> <li>• Amount received as a pension or annuity from a nonqualified deferred compensation plan or a non-governmental union 457 plan (not "ERC," and the amount subtracted in the space next to line 7 of Form 1040 or Form 1040A). This amount may be shown in box 11 of your Form 9-2. If you included such an amount on line 11 in block, contact your employer for the amount received as a pension or annuity.</li> <li>• Amount from Form 2855, line 41, or Form 2125-EZ, line 18.</li> </ul> Add all your nontaxable combat pay from Form(s) W-2, line 12, with code 1.
		<b>Earned income =</b> <input type="text"/>

**Education Credits**  
**(Hope and Lifetime Learning Credits)**

▶ See instructions.  
▶ Attach to Form 1040 or Form 1040A.

Name(s) shown on return

Your social security number

**Caution:** You cannot take the Hope credit and the lifetime learning credit for the same student in the same year.

**Part I Hope Credit.** Caution: You cannot take the Hope credit for more than 2 tax years for the same student.

1	(a) Student's name (as shown on page 1 of your tax return) First name Last name	(b) Student's social security number (as shown on page 1 of your tax return)	(c) Qualified expenses (see instructions). Do not enter more than \$2,200* for each student.	(d) Enter the smaller of the amount in column (c) or \$1,100**	(e) Add column (c) and column (d)	(f) Enter one-half of the amount in column (e)

\* For each student who attended an eligible educational institution in the Gulf Opportunity Zone, do not enter more than \$4,400.  
\*\* For each student who attended an eligible educational institution in the Gulf Opportunity Zone, enter the smaller of the amount in column (c) or \$2,200.

2 **Tentative Hope credit.** Add the amounts on line 1, column (f). If you are taking the lifetime learning credit for another student, go to Part II; otherwise, go to Part III. ▶

2

**Part II Lifetime Learning Credit**

3	(a) Student's name (as shown on page 1 of your tax return) First name Last name	(b) Student's social security number (as shown on page 1 of your tax return)	(c) Qualified expenses (see instructions)

4	Add the amounts on line 3, column (c), and enter the total	4	
5a	Enter the smaller of line 4 or \$10,000	5a	
b	For students who attended an eligible educational institution in the Gulf Opportunity Zone, enter the smaller of \$10,000 or their qualified expenses included on line 4 (see special rules on page 3)	5b	
c	Subtract line 5b from line 5a	5c	
6a	Multiply line 5b by 40% (.40)	6a	
b	Multiply line 5c by 20% (.20)	6b	
c	<b>Tentative lifetime learning credit.</b> Add lines 6a and 6b and go to Part III	6c	

**Part III Allowable Education Credits**

7	Tentative education credits. Add lines 2 and 6c	7	
8	Enter: \$110,000 if married filing jointly; \$55,000 if single, head of household, or qualifying widow(er)	8	
9	Enter the amount from Form 1040, line 38*, or Form 1040A, line 22	9	
10	Subtract line 9 from line 8. If zero or less, stop; you cannot take any education credits	10	
11	Enter: \$20,000 if married filing jointly; \$10,000 if single, head of household, or qualifying widow(er)	11	
12	If line 10 is equal to or more than line 11, enter the amount from line 7 on line 13 and go to line 14. If line 10 is less than line 11, divide line 10 by line 11. Enter the result as a decimal (rounded to at least three places)	12	
13	Multiply line 7 by line 12 ▶	13	
14	Enter the amount from Form 1040, line 46, or Form 1040A, line 28	14	
15	Enter the total, if any, of your credits from Form 1040, lines 47 through 49, or Form 1040A, lines 29 and 30	15	
16	Subtract line 15 from line 14. If zero or less, stop; you cannot take any education credits	16	
17	<b>Education credits.</b> Enter the smaller of line 13 or line 16 here and on Form 1040, line 50, or Form 1040A, line 31	17	

\* If you are filing Form 2555, 2555-EZ, or 4983, or you are excluding income from Puerto Rico, see Pub. 870 for the amount to enter.

Worksheet 2-1. **MAGI for the Hope Credit**

1. Enter your adjusted gross income (Form 1040, line 38) . . . . .	1. _____
2. Enter your foreign earned income exclusion and/or housing exclusion (Form 2555, line 43, or Form 2555-EZ, line 18) . . . . .	2. _____
3. Enter the amount of income from Puerto Rico that you are excluding . . . . .	3. _____
4. Enter the amount of income from American Samoa that you are excluding (Form 4563, line 15) . . . . .	4. _____
5. Add the amounts on lines 2, 3, and 4 . . . . .	5. _____
6. Add the amounts on lines 1 and 5. This is your <b>modified adjusted gross income</b> . Enter this amount on Form 8863, line 9 . . . . .	6. _____

## When Must the Credit Be Repaid (Recaptured)

If, after you file your 2005 tax return, you or someone else receives tax-free educational assistance for, or a refund of, an expense you used to figure a Hope credit on that return, you may have to repay all or part of the credit. You must refigure your Hope credit for 2005 as if the assistance or refund was received in 2005. Subtract the amount of the refigured credit from the amount of the credit you claimed. The result is the amount you must repay. You add the repayment (recapture) to your tax liability for the year in which you receive the assistance or refund (see the instructions for your tax return for that year). Your original 2005 tax return does not change.

## Illustrated Example

Jim Grant, a single taxpayer, enrolled full-time at a local college to earn a degree in computer science. This is the first year of his postsecondary education. During 2005, he paid \$2,600 for his qualified 2005 tuition. He received Form 1098-T (shown later) from the college. He and the college meet all of the requirements for the Hope credit. Jim's MAGI is \$34,000. His income tax liability, before credits, is \$3,404. He figures his credit of \$1,500 as shown on the Form 8863 on page 17.

**Note.** In Appendix A at the end of this publication there is an example illustrating the use of Form 8863 when both the Hope credit and the lifetime learning credit are claimed on the same tax return.

## Claiming the Credit

You claim the Hope credit by completing Parts I and III of Form 8863 and submitting it with your Form 1040 or 1040A. Enter the credit on Form 1040, line 50, or on Form 1040A, line 31. A filed-in Form 8863 is shown at the end of this chapter.

8383 <input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED				OMB No. 1545-1574	
FILER'S name, street address, city, state, ZIP code, and telephone number State University Metropolis, OH 77777		1 Payments received for qualified tuition and related expenses \$ 2,600	<b>2005</b>		Tuition Statement  Form 1098-T
		2 Amounts billed for qualified tuition and related expenses \$ 2,600			
FILER'S Federal identification no. 99-1234567	STUDENT'S social security number 000-00-434	3 Adjustments made for a prior year \$	4 Scholarships or grants \$	<b>Copy A</b> For Internal Revenue Service Center File with Form 1000. For Privacy Act and Paperwork Reduction Act Notice, see the 2005 General Instructions for Forms 1099, 1098, 5498, and W-2G.	
STUDENT'S name Jim Grant		5 Adjustments to scholarships or grants for a prior year \$			
Street address (including apt. no.) 1010 Anywhere St.		6 Check this box if the amount in box 1 or 2 includes amounts for an academic period beginning January-March 2005 <input type="checkbox"/>	7 Reimbursements or refunds of qualified tuition and related expenses from an insurance contract \$		
City, state, and ZIP code HomeTown, OH 77777		8 Check if at least half-time student <input checked="" type="checkbox"/>	9 Check if a graduate student <input type="checkbox"/>		
Service Provider/Acct. No. (see instructions)					
Form 1098-T		Cat. No. 25087J		Department of the Treasury - Internal Revenue Service	

**Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page**

**Credit for Qualified Retirement Savings Contributions**

Department of the Treasury  
Internal Revenue Service

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

▶ See instructions on back.

Name(s) shown on return

Your social security number



You **cannot** take this credit if **either** of the following applies.

- The amount on Form 1040, line 38, Form 1040A, line 22, or Form 1040NR, line 38 is more than \$25,000 (\$37,500 if head of household; \$50,000 if married filing jointly).
- The person(s) who made the qualified contribution or elective deferral (a) was born after January 1, 1989, (b) is claimed as a dependent on someone else's 2006 tax return, or (c) was a **student** (see instructions).

	(a) You	(b) Your spouse
1 Traditional and Roth IRA contributions for 2006. <b>Do not</b> include rollover contributions	1	
2 Elective deferrals to a 401(k) or other qualified employer plan, voluntary employee contributions, and 501(c)(18)(D) plan contributions for 2006 (see instructions)	2	
3 Add lines 1 and 2	3	
4 Certain distributions received <b>after</b> 2003 and <b>before</b> the due date (including extensions) of your 2006 tax return (see instructions). If married filing jointly, include <b>both</b> spouses' amounts in <b>both</b> columns. See instructions for an exception	4	
5 Subtract line 4 from line 3. If zero or less, enter -0-	5	
6 In each column, enter the <b>smaller</b> of line 5 or \$2,000	6	
7 Add the amounts on line 6. If zero, <b>stop</b> ; you cannot take this credit	7	
8 Enter the amount from Form 1040, line 38*, Form 1040A, line 22, or Form 1040NR, line 36	8	
9 Enter the applicable decimal amount shown below:	9	
10 Multiply line 7 by line 9	10	
11 Enter the amount from Form 1040, line 46, Form 1040A, line 28, or Form 1040NR, line 43	11	
12 <b>1040 filers:</b> Enter the total of your credits from lines 47 through 52, plus the credit amount, if any, from Form 8396 and Form 8859. <b>1040A filers:</b> Enter the total of your credits from lines 29 through 32. <b>1040NR filers:</b> Enter the total of your credits from lines 44 through 47, plus the credit amount, if any, from Form 8396 and Form 8859.	12	
13 Subtract line 12 from line 11. If zero, <b>stop</b> ; you cannot take this credit	13	
14 <b>Credit for qualified retirement savings contributions.</b> Enter the <b>smaller</b> of line 10 or line 13 here and on Form 1040, line 53, Form 1040A, line 33, or Form 1040NR, line 48	14	

If line 8 is—		And your filing status is—		
Over—	But not over—	Married filing jointly	Head of household	Single, Married filing separately, or Qualifying widow(er)
Enter on line 9—				
---	\$15,000	.5	.5	.5
\$15,000	\$16,250	.5	.5	.2
\$16,250	\$22,500	.5	.5	.1
\$22,500	\$24,375	.5	.2	.1
\$24,375	\$25,000	.5	.1	.1
\$25,000	\$30,000	.5	.1	.0
\$30,000	\$32,500	.2	.1	.0
\$32,500	\$37,500	.1	.1	.0
\$37,500	\$50,000	.1	.0	.0
\$50,000	---	.0	.0	.0

**Note:** If line 9 is zero, **stop**; you cannot take this credit.

\*See Pub. 590 for the amount to enter if you are filing Form 2555, 2555-EZ, or 4583 or you are excluding income from Puerto Rico.

Form **2106**

**Employee Business Expenses**

OMB No. 1545-0074

Department of the Treasury  
Internal Revenue Service (IRS)

▶ See separate instructions.

**2006**

▶ Attach to Form 1040.

Attachment  
Sequence No. **54**

Your name

Occupation in which you incurred expenses

Social security number

**Part 1 Employee Business Expenses and Reimbursements**

**Step 1 Enter Your Expenses**

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

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

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

7 Enter reimbursements received from your employer that were <b>not</b> reported to you in box 1 of Form W-2. Include any reimbursements reported under code "L" in box 12 of your Form W-2 (see instructions).	7	
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---	--

**Step 3 Figure Expenses To Deduct on Schedule A (Form 1040)**

8 Subtract line 7 from line 6. If zero or less, enter -0-. However, if line 7 is greater than line 6 in Column A, report the excess as income on Form 1040, line 7.	8	
<b>Note:</b> If <b>both columns</b> of line 8 are zero, you cannot deduct employee business expenses. Stop here and attach Form 2106 to your return.		
9 In Column A, enter the amount from line 8. In Column B, multiply line 8 by 50% (.50). (Employees subject to Department of Transportation (DOT) hours of service limits: Multiply meal expenses incurred while away from home on business by 75% (.75) instead of 50%. For details, see instructions.)	9	
10 Add the amounts on line 9 of both columns and enter the total here. <b>Also, enter the total on Schedule A (Form 1040), line 20.</b> (Reservists, qualified performing artists, fee-basis state or local government officials, and individuals with disabilities: See the instructions for special rules on where to enter the total.)	10	

For Paperwork Reduction Act Notice, see instructions.

Cat. No. 11700N

Form **2106** (2005)

**Part II Vehicle Expenses**

<b>Section A—General Information</b> (You must complete this section if you are claiming vehicle expenses.)		(a) Vehicle 1	(b) Vehicle 2
11	Enter the date the vehicle was placed in service . . . . .	11	/ /
12	Total miles the vehicle was driven during 2008 . . . . .	12	miles
13	Business miles included on line 12 . . . . .	13	miles
14	Percent of business use. Divide line 13 by line 12 . . . . .	14	%
15	Average daily roundtrip commuting distance . . . . .	15	miles
16	Commuting miles included on line 12 . . . . .	16	miles
17	Other miles. Add lines 13 and 16 and subtract the total from line 12 . . . . .	17	miles
18	Do you (or your spouse) have another vehicle available for personal use? . . . . .		<input type="checkbox"/> Yes <input type="checkbox"/> No
19	Was your vehicle available for personal use during off-duty hours? . . . . .		<input type="checkbox"/> Yes <input type="checkbox"/> No
20	Do you have evidence to support your deduction? . . . . .		<input type="checkbox"/> Yes <input type="checkbox"/> No
21	If "Yes," is the evidence written? . . . . .		<input type="checkbox"/> Yes <input type="checkbox"/> No

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

22	Multiply line 13 by 44.5¢ (.445) . . . . .	22	
----	--------------------------------------------	----	--

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

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

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

**Direct Deposit of Refund**

Department of the Treasury  
Internal Revenue Service

▶ See instructions below and on back.  
▶ Attach to Form 1040, Form 1040A, Form 1040EZ, Form 1040NR, Form 1040NR-EZ,  
Form 1040-SS, or Form 1040-PR.

**2006**  
Attachment  
Sequence No. **56**

Name(s) shown on return

Your social security number

<b>1a</b> Amount to be deposited in first account	<b>1a</b>
<b>b</b> Routing number <input type="text"/>	
<b>c</b> <input type="checkbox"/> Checking <input type="checkbox"/> Savings	
<b>d</b> Account number <input type="text"/>	
<b>2a</b> Amount to be deposited in second account	<b>2a</b>
<b>b</b> Routing number <input type="text"/>	
<b>c</b> <input type="checkbox"/> Checking <input type="checkbox"/> Savings	
<b>d</b> Account number <input type="text"/>	
<b>3a</b> Amount to be deposited in third account	<b>3a</b>
<b>b</b> Routing number <input type="text"/>	
<b>c</b> <input type="checkbox"/> Checking <input type="checkbox"/> Savings	
<b>d</b> Account number <input type="text"/>	
<b>4</b> Total amount to be directly deposited. Add lines 1a, 2a, and 3a. The total must equal the amount shown on Form 1040, line 74a; Form 1040A, line 45a; Form 1040EZ, line 12a; Form 1040NR, line 72a; Form 1040NR-EZ, line 24a; Form 1040-SS, line 12a; or Form 1040-PR, line 12a.	<b>4</b>

**General Instructions**

**Purpose of Form**

Use Form 8888 if you want us to directly deposit your tax refund into either two or three of your accounts at a bank or other financial institution (such as a mutual fund, brokerage firm, or credit union) instead of sending you a check. An account can be a checking, savings, or other account such as an individual retirement arrangement (IRA) (see page 2 for more information on IRAs), health savings account (HSA), Archer MSA, or Coverdell education savings account (ESA). You cannot have your refund deposited into more than one account if you file Form 8379.

**Note.** If you want your refund deposited into only one account, do not complete this form. Instead, you can request a direct deposit of your refund on the tax return you are filing.

**Why Use Direct Deposit?**

- You get your refund faster by direct deposit than you do by check.
- Payment is more secure. There is no check that can get lost or stolen.
- It is more convenient. You do not have to make a trip to the bank to deposit your check.
- It saves tax dollars. It costs the government less to refund by direct deposit.

**TIP** The IRS is not responsible for a lost refund if you enter the wrong account information. You can check with your financial institution to get the correct routing and account numbers and make sure your deposit will be accepted.



Some financial institutions will not allow a joint refund to be deposited into an individual account. If the direct deposit is rejected, a check will be sent instead. The IRS is not responsible if a financial institution rejects a direct deposit.

**Lines 1a, 2a, and 3a**

Enter the portion of your refund you want directly deposited into each account. Each deposit must be at least \$1. The amount of your refund can be found on Form 1040, line 74a; Form 1040A, line 45a; Form 1040EZ, line 12a; Form 1040NR, line 72a; Form 1040NR-EZ, line 24a; Form 1040-SS, line 12a; or Form 1040-PR, line 12a. The total of lines 1a, 2a, and 3a must equal the total amount of your refund.

**Specific Instructions**

If you file a joint return and you complete and attach Form 8888, you are appointing your spouse as an agent to receive the refund. This appointment cannot be changed later.

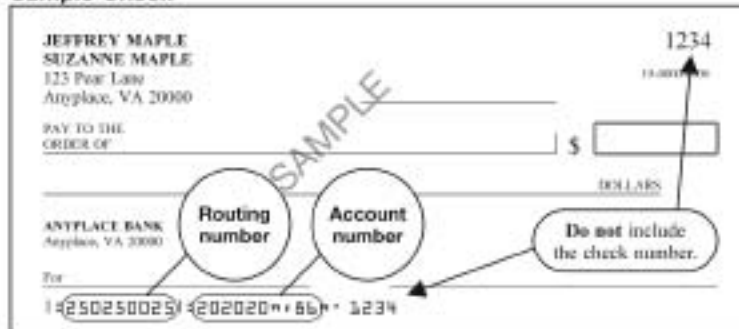
**Lines 1b, 2b, and 3b**

The routing number must be nine digits. The first two digits must be 01 through 12 or 21 through 32. Otherwise, the direct deposit will be rejected and a check sent instead. On the sample check, the routing number is 250250025.



Your check may state that it is payable through a financial institution different from the one at which you have your account. If so, do not use the routing number on that check. Instead, contact your financial institution for the correct routing number to enter.

**Sample Check**



**Note.** The routing and account numbers may be in different places on your check.



# 2006 Form 1040-V



Department of the Treasury  
Internal Revenue Service

## What Is Form 1040-V and Do You Have To Use It?

It is a statement you send with your check or money order for any balance due on the "Amount you owe" line of your 2006 Form 1040. Using Form 1040-V allows us to process your payment more accurately and efficiently. We strongly encourage you to use Form 1040-V, but there is no penalty if you do not.

## How To Fill In Form 1040-V


**Line 1.** Enter your social security number (SSN). If you are filing a joint return, enter the SSN shown first on your return.

**Line 2.** If you are filing a joint return, enter the SSN shown second on your return.

**Line 3.** Enter the amount you are paying by check or money order.

**Line 4.** Enter your name(s) and address exactly as shown on your return. Please print clearly.

## How To Prepare Your Payment

- Make your check or money order payable to the "United States Treasury." Do not send cash.
- Make sure your name and address appear on your check or money order.
- Enter "2006 Form 1040," your daytime phone number, and your SSN on your check or money order. If you are filing a joint return, enter the SSN shown first on your return.
- To help process your payment, enter the amount on the right side of your check like this: \$ XXX.XX. Do not use dashes or lines (for example, do not enter "\$ XXX—" or "\$ XXX ").

## How To Send In Your 2006 Tax Return, Payment, and Form 1040-V

- Detach Form 1040-V along the dotted line.
- Do not staple or otherwise attach your payment or Form 1040-V to your return or to each other. Instead, just put them loose in the envelope.
- Mail your 2006 tax return, payment, and Form 1040-V in the envelope that came with your 2006 Form 1040 instruction booklet.

**Note.** If you do not have that envelope or you moved or used a paid preparer, mail your return, payment, and Form 1040-V to the Internal Revenue Service at the address shown on the back that applies to you.

**Paperwork Reduction Act Notice.** We ask for the information on Form 1040-V to help us carry out the Internal Revenue laws of the United States. If you use Form 1040-V, you must provide the requested information. Your cooperation will help us ensure that we are collecting the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Internal Revenue Code section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For the estimated averages, see the instructions for your income tax return. If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.

Cat. No. 200750

Form **1040-V** (2006)

▼ Detach Here and Mail With Your Payment and Return ▼

Form <b>1040-V</b> Department of the Treasury Internal Revenue Service (99)		Payment Voucher		OMB No. 1545-0074 <b>2006</b>	
1 Your social security number (SSN)		2 If a joint return, SSN shown second on your return		3 Amount you are paying by check or money order	
4 Your first name and initial		Last name		Dollars	Cents
If a joint return, spouse's first name and initial		Last name			
Home address (number and street)					Apt. no.
City, town or post office, state, and ZIP code					

Cat. No. 200750

This page intentionally left blank.

# ***Understanding Taxes:*** **Just a Point and Click Away!**

**Students can  
learn about  
taxes online @**

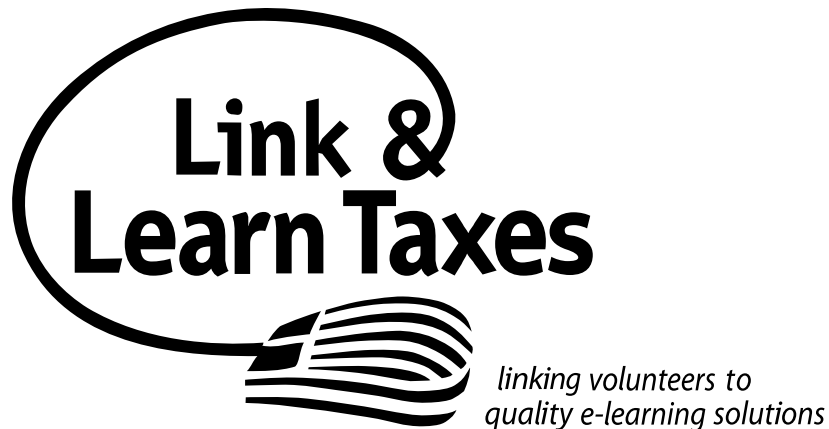


- [www.irs.gov](http://www.irs.gov) (Keyword: Understanding Taxes)

Learn about.....

- The History of Taxes
- How to prepare the basic tax return

Instructions on how to prepare a tax return  
are also available in Spanish



## **This course is available on-line**

**[www.irs.gov](http://www.irs.gov)**

Enter keyword: "volunteer training" or "link and learn"

The benefits.....

- Work at your own pace
- Access it anytime, anywhere-24/7...it's on the Internet
- Complete your volunteer certification online

Share your opinion.....

Check-out the course and send your comments to  
[partner@irs.gov](mailto:partner@irs.gov)