

## Form 540 Problem 1 Data Sheet

Form 1040 is included for the following clients. Below is information needed to complete the state tax return.

### Client Information

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Name:	Christopher Thomas – 000-00-0000
Birth Date:	10/18/1949
	Terrie Thomas – 000-00-0000
	07/04/1954
Address:	1234 Whaler Way Huntington Beach, CA 92647
Phone #:	805.111.1111
Filing Status:	Married Filing Jointly/RDP
Dependents:	None

### Additional Information

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1. The interest shown on line 8a of Form 1040 (\$200), issued on personal savings accounts, is a joint asset.
2. Christopher and Terrie are full year residents.
3. They itemize their deductions for both federal and state. Their Federal Schedule A is attached.
4. Christopher and Terrie own a home.
5. Christopher carries over a \$2,465 capital loss from stock sold during 2015.
6. Terrie paid \$2,000 in tuition as a continuing education requirement for her teaching credential. (Golden West College ID#33-0073702, 15744 Golden West St, Huntington Beach, CA 92647) She received a 1098T from the school.
7. There is a federal married filing joint tax return to assist you.
8. Christopher and Terrie had health care coverage for the year.
9. Christopher received \$11,500 in Social Security benefits. (1040, line 20a)

## Form 540, Problem 1 W-2 Information for Terrie Thomas

Department of the Treasury—Internal Revenue Service

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

# 2016

		<b>a</b> Employee's social security number	This information is being furnished to the Internal Revenue Service. If you are required to file a tax return, a negligence penalty or other sanction may be imposed on you if this income is taxable and you fail to report it.			
<b>b</b> Employer identification number (EIN) 94-5678786		<b>1</b> Wages, tips, other compensation 42000		<b>2</b> Federal income tax withheld 2500		
<b>c</b> Employer's name, address, and ZIP code SCHOOL DISTRICT P O BOX 111 HUNTINGTON BEACH CA 92648		<b>3</b> Social security wages 47000		<b>4</b> Social security tax withheld 2914		
		<b>5</b> Medicare wages and tips 47000		<b>6</b> Medicare tax withheld 682		
		<b>7</b> Social security tips		<b>8</b> Allocated tips		
<b>d</b> Control number		<b>9</b>		<b>10</b> Dependent care benefits		
<b>e</b> Employee's first name and initial TERRIE		<b>Last name</b> THOMAS		<b>Suff.</b>		
1234 WHALER WY HUNTINGTON BEACH CA 92647		<b>11</b> Nonqualified plans		<b>12a</b> See instructions for box 12 D   5000		
		<b>13</b> Statutory employee <input type="checkbox"/> Retirement plan <input checked="" type="checkbox"/> Third-party sick pay <input type="checkbox"/>		<b>12b</b>		
		<b>14</b> Other		<b>12c</b>		
				<b>12d</b>		
<b>f</b> Employee's address and ZIP code						
<b>15</b> State CA	<b>Employer's state ID number</b> 999999	<b>16</b> State wages, tips, etc. 42000	<b>17</b> State income tax 250	<b>18</b> Local wages, tips, etc. 42000	<b>19</b> Local income tax 378	
					<b>20</b> Locality name SDI	

<b>Form 1040</b>	Department of the Treasury—Internal Revenue Service (99)	<b>2016</b>	OMB No. 1545-0074
<b>U.S. Individual Income Tax Return</b>			IRS Use Only – Do not write or staple in this space.
For the year Jan. 1–Dec. 31, 2016, or other tax year beginning		, 2016, ending	
Your first name and initial <b>CHRISTOPHER</b>		Last name <b>THOMAS</b>	
If a joint return, spouse's first name and initial <b>TERRIE</b>		Last name <b>THOMAS</b>	
Home address (number and street). If you have a P.O. box, see instructions. <b>1234 WHALER WY</b>		Apt. no.	
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). <b>HUNTINGTON BEACH, CA 92647</b>		Foreign province/state/county	
Foreign country name		Foreign postal code	
<b>Filing Status</b>		<b>See separate instructions.</b>	
1 <input type="checkbox"/> Single		Your social security number <b>001-00-4863</b>	
2 <input checked="" type="checkbox"/> Married filing jointly (even if only one had income)		Spouse's social security number <b>002-02-4863</b>	
3 <input type="checkbox"/> Married filing separately. Enter spouse's SSN above and full name here. ▶		▲ Make sure the SSN(s) above and on line 6c are correct.	
4 <input type="checkbox"/> Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶		<b>Presidential Election Campaign</b>	
5 <input type="checkbox"/> Qualifying widow(er) with dependent child		Check here if you, or your spouse if filing jointly, want \$4 to go to this fund. Checking a box below will not change your tax or refund. <input type="checkbox"/> You <input type="checkbox"/> Spouse	
<b>Exemptions</b>		Boxes checked on 6a and 6b	
6a <input checked="" type="checkbox"/> Yourself. If someone can claim you as a dependent, do not check box 6a.		No. of children on 6c who:	
b <input checked="" type="checkbox"/> Spouse		+ lived with you	
c Dependents:		+ did not live with you due to divorce or separation (see instructions)	
(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you
			(4) <input checked="" type="checkbox"/> if child under age 17 qualifying for child tax credit (see instructions)
If more than four dependents, see instructions and check here ▶ <input type="checkbox"/>		Dependents on 6c not entered above	
d Total number of exemptions claimed		Add numbers on lines above ▶ <b>2</b>	
<b>Income</b>			
7 Wages, salaries, tips, etc. Attach Form(s) W-2		7 <b>42000</b>	
8a Taxable interest. Attach Schedule B if required		8a <b>200</b>	
b Tax-exempt interest. Do not include on line 8a		8b	
9a Ordinary dividends. Attach Schedule B if required		9a	
b Qualified dividends		9b	
10 Taxable refunds, credits, or offsets of state and local income taxes		10	
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 <b>-2465</b>	
14 Other gains or (losses). Attach Form 4797		14	
15a IRA distributions		15a	
b Taxable amount		15b	
16a Pensions and annuities		16a	
b Taxable amount		16b	
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E		17	
18 Farm income or (loss). Attach Schedule F		18	
19 Unemployment compensation		19	
20a Social security benefits		20a <b>11500</b>	
b Taxable amount		20b <b>7012</b>	
21 Other income. List type and amount		21	
22 Combine the amounts in the far right column for lines 7 through 21. This is your total income ▶		22 <b>46747</b>	
<b>Adjusted Gross Income</b>			
23 Educator expenses		23	
24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ		24	
25 Health savings account deduction. Attach Form 8889		25	
26 Moving expenses. Attach Form 3903		26	
27 Deductible part of self-employment tax. Attach Schedule SE		27	
28 Self-employed SEP, SIMPLE, and qualified plans		28	
29 Self-employed health insurance deduction		29	
30 Penalty on early withdrawal of savings		30	
31a Alimony paid		31a	
b Recipient's SSN ▶			
32 IRA deduction		32	
33 Student loan interest deduction		33	
34 Tuition and fees. Attach Form 8917		34	
35 Domestic production activities deduction. Attach Form 8903		35	
36 Add lines 23 through 35		36	
37 Subtract line 36 from line 22. This is your adjusted gross income ▶		37 <b>46747</b>	

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. QNA

Form 1040 (2016)



SCHEDULE A (Form 1040)		Itemized Deductions		OMB No. 1545-0074		
Department of the Treasury Internal Revenue Service (99)		▶ Information about Schedule A and its separate instructions is at <a href="http://www.irs.gov/schedulea">www.irs.gov/schedulea</a> .		2016 Attachment Sequence No. 07		
Name(s) shown on Form 1040		▶ Attach to Form 1040.		Your social security number		
CHRISTOPHER & TERRIE THOMAS				001-00-4863		
<b>Caution:</b> Do not include expenses reimbursed or paid by others.						
<b>Medical and Dental Expenses</b>	<b>1</b> Medical and dental expenses (see instructions)	<b>1</b>				
	<b>2</b> Enter amount from Form 1040, line 38	<b>2</b>				
	<b>3</b> Multiply line 2 by 10% (0.10). But if either you or your spouse was born before January 2, 1952, multiply line 2 by 7.5% (0.075) instead	<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>	<b>5 State and local (check only one box):</b>					
	a <input checked="" type="checkbox"/> Income taxes, or	<b>5</b>	628			
	b <input type="checkbox"/> General sales taxes					
	<b>6</b> Real estate taxes (see instructions)	<b>6</b>	1550			
	<b>7</b> Personal property taxes	<b>7</b>	180			
	<b>8</b> Other taxes. List type and amount ▶	<b>8</b>				
	<b>9</b> Add lines 5 through 8	<b>9</b>			2358	
	<b>Interest You Paid</b>	<b>10</b> Home mortgage interest and points reported to you on Form 1098				
<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 instructions and show that person's name, identifying no., and address ▶						
<b>12</b> Points not reported to you on Form 1098. See instructions for special rules.						
<b>13</b> Mortgage insurance premiums (see instructions)						
<b>14</b> Investment interest. Attach Form 4952 if required. (See instructions.)						
<b>15</b> Add lines 10 through 14						
<b>16</b> Gifts by cash or check. If you made any gift of \$250 or more, see instructions.						
<b>17</b> Other than by cash or check. If any gift of \$250 or more, see instructions. You <b>must</b> attach Form 8283 if over \$500						
<b>18</b> Carryover from prior year						
<b>19</b> Add lines 16 through 18						
<b>Gifts to Charity</b>	<b>20</b> Casualty or theft loss(es). Attach Form 4684. (See instructions.)					
	<b>21</b> Unreimbursed employee expenses—job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.) ▶					
<b>Job Expenses and Certain Miscellaneous Deductions</b>	<b>22</b> Tax preparation fees					
	<b>23</b> Other expenses—investment, safe deposit box, etc. List type and amount ▶					
	<b>24</b> Add lines 21 through 23					
	<b>25</b> Enter amount from Form 1040, line 38					
	<b>26</b> Multiply line 25 by 2% (0.02)					
<b>Other Miscellaneous Deductions</b>	<b>27</b> Subtract line 26 from line 24. If line 26 is more than line 24, enter -0-					
	<b>28</b> Other—from list in instructions. List type and amount ▶					
<b>Total Itemized Deductions</b>	<b>29</b> Is Form 1040, line 38, over \$155,650?					
	<input checked="" type="checkbox"/> <b>No.</b> Your deduction is not limited. Add the amounts in the far right column for lines 4 through 28. Also, enter this amount on Form 1040, line 40.				29	14863
	<input type="checkbox"/> <b>Yes.</b> Your deduction may be limited. See the Itemized Deductions Worksheet in the instructions to figure the amount to enter.					
<b>30</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. QNA

Schedule A (Form 1040) 2016