



STATE OF CALIFORNIA
Franchise Tax Board

2017 VITA
Volunteer Income Tax Assistance



Military Training Manual
California Income Tax

Prepared by
State of California
Franchise Tax Board

VITA Site Information for Your Base

Client ID Number: _____
Electronic Filing Identification Number (EFIN): _____
Tax Center Coordinator: Name _____
Phone _____

Volunteer Hotline (Volunteers only – not for the taxpayer)

California Franchise Tax Board (FTB) 800.522.5665
Federal Internal Revenue Service (IRS) 800.829.8482

Public Assistance (Taxpayers can call here)

FTB from within the United States 800.852.5711
FTB from outside the United States 916.845.6500
FTB automated assistance 800.338.0505
For federal (IRS) tax questions 800.829.1040
From TTY / TDD (persons with disabilities) 800.822.6268

Website

California Franchise Tax Board (FTB) ftb.ca.gov

In the search field enter the underlined word or number:

- [VITA](#), Volunteer Income Tax Assistance
- [Live Chat](#) for online assistance
- [5135](#), VITA Military Reference Guide
- [5137](#), VITA Military Training Manual
- [2335](#), VITA Military Worksheet

Internal Revenue Service (IRS) irs.gov
TaxSlayer Training System <https://vita.taxslayerpro.com/IRSTraining>
Link and Learn Certification <https://www.linklearncertification.com/d/>

Correspondence

If you write to us, be sure your letter includes your/Clients social security number and your daytime and evening telephone numbers. Mail your letter to:

FRANCHISE TAX BOARD
PO BOX 942840
SACRAMENTO CA 94240-0040

For more information concerning training materials, send an e-mail to Shawntae.Tyler@ftb.ca.gov or call 800.522.5665.

Volunteer Information

We keep accurate records for managing the program. Complete the information on the other side of this page and return to the California state trainer from the Franchise Tax Board (FTB). This information helps us to determine the number of volunteers we train at each base and to give recognition for your volunteer work.

Student Notes

Table of Contents

Volunteer Income Tax Assistance Information.....	11
Scope of the VITA Military Program	11
Link and Learn Taxes	11
VITA Courses	11
Volunteer Responsibilities	12
Privacy and Disclosure of Information.....	12
No Acceptance of Payment.....	12
Client Documents	13
Volunteer References	15
Introduction to California Tax Law.....	16
General Information.....	16
California Earned Income Tax Credit (EITC)	16
Filing Date	17
Federal vs. State.....	17
Residency and Domicile	17
Who Are Residents and Nonresidents	17
Military Law	17
Servicemember Civil Relief Act (SCRA).....	17
Military Spouses Residency Relief Act (MSRRA).....	18
Temporary or Transitory Purposes.....	18
Coming into California.....	18
Income Taxable by California	20
Wages and Salaries.....	20
Interest and Dividends	21
Business Income (or Loss).....	21
Pensions and Keoghs	21
Lump-Sum Distributions	22
Sale of Real Estate.....	22
Sale of Stocks and Bonds	23
Civilians Working for the Military.....	23
Career Appointees in the U.S. Foreign Service.....	23
Interstate Rail and Motor Carrier Employees	23

Merchant Seamen	23
Domicile and Division of Income	25
Changing Domicile and Residency	26
Military Spouses Residency Relief Act (MSRRA)	27
Separate property.....	29
Separate Income	30
Community and Separate Property State.....	30
Deductions	31
Filing Requirements.....	34
Choice of Filing Status.....	36
Filing Married/RDP Jointly or Married/RDP Separately	37
California Income Adjustments.....	39
Active Duty Military	39
Exclusion of Gain on Sale of a Principal Residence	40
Military Income Subject to California Tax.....	47
Cancellation of Debt (COD)	54
Standard Deduction	56
Itemized Deductions	56
FTB Form 3506, Child and Dependent Care Credit - Nonrefundable.....	63
Refunds and Balances Due	64
MyFTB Account	65
Hero Act	70
Heroes Act	70
Personal Exemption Credit	71
Prorated Tax Computation	71
Registered Domestic Partners (RDP).....	71
Resident.....	71
Separate Income	71
Separate Property.....	72
Service-members' Civil Relief Act	72
TaxSlayer (TS)	72
Total Taxable Income	72
US Armed Forces	72

VITA or VRPP.....	72
540.....	73
540CA or CA or Schedule CA (540) or Schedule CA.....	73
540 2EZ.....	73
540NR (Short).....	73
540NR.....	73
540NR CA or NR CA or Schedule CA NR or Schedule CA (540NR).....	73
540X or Amended Tax Return.....	73
Quiz - California Tax Law.....	75
TaxSlayer Login.....	83
Grasp Step by Step Exercise.....	84
Getting Started.....	84
Interview Notes – Grasp.....	86
Affordable Care Act.....	136
FTB 2335, VITA Military Worksheet.....	150
Intake- Problem 1 – Ron B Tanker.....	185
Intake- Problem 2 – Ralph C and Jen L Fields.....	185
Intake- Problem 3 – Ted J and Brandy G Chanse.....	186
Intake- Problem 4 – Jane K and Jack J Kelly.....	187
Exercise 1 – Kelly Fletcher.....	188
Exercise 2 – Richard Gold.....	191
Exercise 3 – Melissa Cook.....	196
Exercise 4 – Carl Short.....	200
Exercise 5 – David and Estelle Jones.....	205
Exercise 6 – Stan and Beth Lowery.....	210
Exercise 7 – Jack and Norma Rankin.....	218
Rental Property.....	221
Part A - True or False.....	229
Part B - Multiple Choices.....	230
Final Exam 1 – Ryan and Teresa Williams.....	231
Final Exam 2 – Bruce and Laura Smith.....	242

Objective

Volunteers

1. Define the scope of the VITA Military Program.
2. Understand your volunteer responsibilities.
3. Understand the privacy and disclosure policy.
4. Identify and locate the reference materials available.

California Tax Law

The volunteer will determine or understand:

1. The key terms related to California tax law of residents, nonresidents, part-year residents, domicile, community property, and separate property.
2. Income taxable by California.
3. When to apply the Military Pay Adjustment.
4. When to apply the Military Spouse Relief Act.
5. The modified adjusted gross income.
6. The taxpayers filing requirements.
7. The proper filing status.
8. The filing due dates.

Class Schedule – CA VITA Military Training

Day 1

0730 – 0800 Introduction; Instructor’s Bio
0800 – 0830 Volunteer Information
0830 – 0845 Break
0845 – 1200 California Tax Law
1200 – 1300 Lunch
1300 – 1400 California Tax Law
1400 – 1415 Break
1415 – 1600 Grasp Step by Step Exercise

Day 2

0730 – 0800 Review prior day
0800 – 0900 Review California web site – tax forms
0900 – 0915 Break
0915 – 0930 Log on to TaxSlayer
0930 – 1030 Exercise 1 and Review
1030 – 1200 Exercise 2 and Review
1200 – 1300 Lunch
1300 – 1400 Exercise 3
1400 – 1415 Break
1415 – 1500 Exercise 3 and Review
1500 – 1600 Exercise 4

Day 3

0730 – 0800 Review prior day
0800 – 0900 Exercise 4 and Review
0900 – 0915 Break
0915 – 1200 Exercise 5
1200 – 1300 Lunch
1300 – 1400 Exercise 5 and Review
1400 – 1415 Break
1415 – 1600 Exercise 6 and Review

Day 4

0730 – 0800 Review prior day
0800 – 0900 Final exam T/F and multiple choice
0900 – 0915 Break
0915 – 1130 Final exam problems
1130 – 1230 Lunch
1230 – 1530 Finish and review exam problems
1530 – 1600 Complete training evaluation form

[Table of Contents](#)

Volunteer Income Tax Assistance Information

Scope of the VITA Military Program

The purpose of the Volunteer Income Tax Assistance (VITA) Military program is to help active duty, retired military personnel, and their families prepare their California and federal income tax returns.

As a volunteer, you should prepare tax returns at your comfort level of complexity. The California tax return follows the federal tax return, and starts with the federal adjusted gross income. California treats many tax issues the same, but there are some differences which we emphasize in training. Direct clients with complex tax issues to the base legal office, to the Taxpayer Services Center, or to professional tax services. We do not train you on complex tax issues.

Link and Learn Taxes

Link & Learn Taxes (<https://www.linklearncertification.com/d/>) is the IRS web-based program providing certification courses for volunteers and a refresher course for returning volunteers. The training prepares Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) partners and volunteers to provide quality tax return preparation services in their local communities.

This fun, interactive course teaches you to accurately prepare income tax returns for individuals and users can obtain volunteer certification along the way at their own pace! Some tax professionals can even earn continuing education credits when certifying at the designated level and meeting other specific requirements.

VITA Courses

The VITA military training covers two certifications, *Advanced* and *Military*. Each level is summarized below:

- **Advanced** covers the full scope; wages, pension, investment, social security, child dependent care credit, sale of stock, and other filing topics.
- **Military** requires certification in the Advanced level and covers members of the Armed Forces, Reserves, and National Guard, Service Member Civil Relief Act (SCRA), Military Pay Adjustment (MPA), Military Spouse Resident Relief Act (MSRRA), Modified adjusted gross income limitations, and domestic military topics.

All volunteers and quality reviewers must complete and certify in the Advanced and Military courses. Volunteers can only prepare tax returns for the level for which they have been certified.

[Table of Contents](#)

Volunteer Responsibilities

Volunteers make the program work by fulfilling these responsibilities:

- Complete the federal training and certify on Link and Learn.
- Attend and complete the state tax training.
- Be available January through April 18 to provide assistance.
- Use the IRS and FTB manuals and the reference guides to help you provide accurate information to your client.
- Call the IRS or FTB volunteer hotlines or contact your Judge Advocate General's (JAG) office for answers to federal and state tax questions.
- Inform your base coordinator of changes in your assistance times or location.

You do not have legal responsibility for the tax returns you prepare. Let your clients know that the tax return legal responsibility is theirs. The Volunteer Protection Act of 1997, PL 105-19 exempts a volunteer of a nonprofit organization or governmental entity from liability for harm caused by an act of omission by the volunteer on behalf of such organization or entity.

Privacy and Disclosure of Information

Your clients provide confidential information with their tax returns and financial information. You are not to disclose this information under any circumstances with anyone other than the client. You must take actions to erase confidential information on the computer's hard drive. Volunteers are subject to the criminal penalty provisions of 18 U.S.C. Section 1905 for any improper disclosures of customer information.

It is critical to the VITA Military Program's success to ensure volunteers safeguard customer information and understand their responsibility to protect confidential information under a need to know basis. Arrange your assistance area to enhance the privacy of your clients. Prevent others from overhearing or seeing the information.

You must sign IRS Form 13615, *Volunteer Standards of Conduct Agreement*. This agreement and its provisions apply to the state returns you prepare.

All customer information you receive from your customers in your volunteer capacity is strictly confidential and should not be disclosed to unauthorized individuals.

No Acceptance of Payment

The VITA Military Program provides free assistance. You may not accept payment of any form under any circumstances, either for your services or on behalf of the IRS or FTB.

[Table of Contents](#)

Client Documents

It is essential for the site appointment maker to tell, e-mail, and/or printout the needed documents list of all tax related items the client needs to bring to their appointment. All necessary records are needed to complete an accurate tax return.

To complete an accurate tax return the client needs to bring:

1. A completed IRS Intake/Interview quality review sheet
 - IRS Form 13614-C, Intake/Interview and Quality Review Sheet.
 - Answer the questions about the client and their family.
 - Birthdates for the taxpayer, spouse, and dependents.
 - Health insurance coverage for all members, IRS Forms 1095-A, 1095-B and 1095-C
2. Last year's federal and state tax returns. The prior year tax returns:
 - Gives you some idea of the tax return's complexity.
 - Shows the forms used the prior year.
 - Allows you to cross check the client's information:
 - Social security number(s).
 - Dependent(s) information.
3. Wage and earning statements like Forms W-2, W-2G, 1099R and other 1099's.
4. Any other relevant information about income and expenses.
5. Checkbook for bank routing and account numbers for direct deposit.
6. Day care receipt with the total amount paid and the day care provider's:
 - Name, address, phone number, and
 - Tax identification or social security number.
7. The following itemized items, for clients who itemize:
 - Mortgage Interest Statement (normally on December or January bill or 1098).
 - Real estate tax document.
 - Vehicle registration from DMV.
 - Charity contributions, with receipts or documentation to substantiate.
 - For other itemized deduction information go to:
 - The IRS Tax Topics at <http://www.irs.gov/taxtopics/tc500.html>
8. California renters who rent and do not live in Government housing need:
 - Landlords name, address, and phone number.
 - Client's address and rental dates.
9. Yearend Brokerage Statement.
10. Rental property income and expenses, for more information go to:
 - IRS Publication [527](#), *Residential Rental Property*.

Generally, you should fully complete the taxpayer's tax return at the time of service. **Do not** retain taxpayer documents for a follow-up visit. If more data is required, give everything back to the client. The client should provide the entire package with the missing information when they return.

[Table of Contents](#)

Questions or Assistance outside the Scope of the Program

On matters beyond your training, refer the client to your JAG office or the toll-free public assistance telephone numbers: IRS 800.829.1040 or FTB 800.852.5711. It may be necessary to suggest the client hire a tax service or enrolled agent to file their complicated tax returns.

Volunteer References

In order to produce the best possible product, locate and use the following reference materials:

- At ftb.ca.gov enter the form number or word into the search field
- FTB [5135](#), VITA Military Training Manual – California Income Tax
- FTB [5137](#), VITA Military Quick Reference Guide – California Income Tax
- FTB [2335](#), VITA Military Worksheet
- [Military](#) and review the frequently asked questions
- Publication [1032](#), Tax Information for Military Personnel
- Publication [1031](#), Guidelines for Determining Resident Status

JAG office

- At irs.gov enter the form number or word into the search field
- Military
- Form [13614-C](#), IRS Intake/Interview quality review sheet
- Publication 3, Armed Forces Tax Guide <http://www.irs.gov/pub/irs-pdf/p3.pdf>

TaxSlayer computer program

- <https://vita.taxslayerpro.com>
- You will need to obtain the Security Code from your site coordinator to sign into the live environment.
- TaxSlayer Help Center

Introduction to California Tax Law

Objectives

1. Understand the key terms related to California tax law of residents, nonresidents, part-year residents, domicile, community property, and separate property.
2. Determine income taxable by California.
3. Determine when to apply Military Pay-Adjustment.
4. Determine when to apply the Military Spousal Residency Relief Act.
5. Understand the Modified adjusted gross income calculation.
6. Determine the taxpayer's filing requirements.
7. Determine the proper filing status.
8. Determine the correct tax forms to file.
9. Explain the automatic extension rules.
10. Define the key tax terms in the Glossary of Tax Terms.

General Information

We include information that is most useful to the greatest number of students in the limited space available. It is not possible to include all requirements of the California Revenue and Taxation Code (R&TC) in the tax booklets. Taxpayers should not consider the tax booklets as authoritative law.

It is important to determine the servicemember's domicile for California income tax purposes. The servicemember's domicile determines if the servicemember is treated as a California resident or nonresident.

California Earned Income Tax Credit (EITC)

An earned income tax credit (EITC) was available beginning in tax year 2015. For 2016 taxpayers with adjusted gross income (or, if greater, earned income) of less than \$14,162 may qualify for a credit up to \$2,653, depending on the number of qualifying children.

For purposes of the state EITC, the definition of "earned income" includes W-2 wages, salaries, tips, and other employee compensation, but only if such amounts are subject to California withholding. For California, self-employment income is not considered earned income.

For California the 2016 standard deduction for single or married filing separate taxpayers is \$4,129. For joint, surviving spouse, or head of household taxpayers, the standard deduction is \$8,258.

Head of Household Schedule 3532 is required to be filed with the tax return when filing Head of Household.

The 2016 personal exemption credit amount for single, married filing separate, and head of household filers is \$111 and for joint filers or surviving spouses is \$222. The dependent exemption credit for tax year 2016 is \$344.

Renter's Credit is available for single filers with adjusted gross income of \$39,062 or less and joint filers with adjusted gross income of \$78,125 or less.

[Table of Contents](#)

In addition, FTB provides minimum filing requirement thresholds to ensure that most people who will not owe taxes are not required to file a tax return. FTB adjusts these tables each year to include the added senior exemption and the dependent exemption credits. For example, most single people under 65 years old with no dependents would not need to file a state return until they have California adjusted gross income of \$13,278 or more. Other tax credits affected by indexing include the Joint Custody Head of Household Credit, Dependent Parent Credit, and Qualified Senior Head of Household Credit.

Filing Date

The due date for the 2016 tax returns, April 15, 2017 is a Saturday and Emancipation Day (observed), a legal holiday in the District of Columbia, is on April 17, 2017. Therefore, the 2016 tax returns and payments made by April 18, 2017, are considered timely and are not subject to penalties and interest.

Federal vs. State

In general, California law often conforms to the Internal Revenue Code (IRC). However, California may not adopt all of the federal tax laws made. For more information, go to irs.gov, ftb.ca.gov, and [FTB Publication 1001](#), *Supplemental Guidelines to California Adjustments*.

Residency and Domicile

Who Are Residents and Nonresidents

California Revenue and Taxation Code Section 17014 defines a resident as any individual who meets any of the following:

- Present in California for other than a temporary or transitory purpose.
- Domiciled in California, but outside California for a temporary or transitory purpose.

A **nonresident** is any individual who is not a resident.

A **part-year resident** is any individual who is a California resident for part of the year and a nonresident for part of the year.

Military Law

Servicemember Civil Relief Act (SCRA)

For income tax purposes, the Servicemember Civil Relief Act (SCRA) provides that active duty military servicemembers stationed in California are not considered residents of California unless they are domiciled in California. Under California law, a servicemember domiciled in California but stationed outside the state on permanent orders is not considered a resident for income tax purposes.

Military Spouses Residency Relief Act (MSRRA)

The Military Spouses Residency Relief Act (PL 111-97) provides that the nonmilitary spouse of a servicemember will neither lose nor acquire residence or domicile in a state if the spouse is present in the state solely to be with the servicemember serving in compliance with military PCS orders and the servicemember and spouse have the same domicile other than California.

Significance of Residence

California taxes residents on income from all sources.

California taxes nonresidents on income with a California source.

Residency is significant because it determines what income is taxed by California.

An individual becomes a resident of California when they make California their home versus when they come here for a visit. We presume residency if an individual spends nine months or more of the calendar year in California. An individual presumed to be a resident can overcome the presumption by providing satisfactory evidence the person is here for temporary or transitory purposes or by demonstrating they are an active duty military servicemember domiciled in the state other than California or an active duty military servicemember and spouse domiciled in the same state outside of California and not subject to state tax under the SCRA and MSRRA.

Temporary or Transitory Purposes

Generally, your state of residence is where you have your closest connections. If you leave your state of residence, it is important to determine if your presence in a different location is for a temporary or transitory purpose. You should consider the purpose and length of your stay when determining your residency.

Coming into California

When you are present in California for temporary or transitory purposes, you are a nonresident of California. For instance, if you come to California for a vacation, TDY, complete a transaction, or are simply passing through, your purpose is temporary or transitory. As a nonresident, you are taxed only on your income from California sources.

When you are in California for other than a temporary or transitory purpose, you are a California resident. For instance, if your employer assigns you to an office in California for a long or indefinite period, if you retire and come to California with no specific plans to leave, or if you are ill and are in California for an indefinite recuperation period, your stay is other than temporary or transitory.

As a resident, your income from all sources is taxable by California.

Example 1: You are a business executive and reside in New York with your family. Several times a year you travel to other states including California for business purposes. Your average stay is one or two weeks and the entire time spent in California for any taxable year is six weeks or less. Your family usually remains in New York when you travel for business purposes.

[Table of Contents](#)

Determination: Under these circumstances, you are not a California resident because your stay in California is temporary or transitory in nature. As a nonresident, you are taxed only on your income from California sources, including your income for services performed in California.

Example 2: In December 2015, you came to California on an indefinite job assignment. You rented an apartment upon entering California and continued to live in the apartment. You retained your home and bank account in Illinois until April 2016, at which time you sold your home and transferred your bank account to California.

Determination: Your assignment in California was for an indefinite period; therefore, your stay in California was not of a temporary or transitory nature. Although you kept ties in Illinois until April 2016, you became a California resident upon entering the state in December 2015. **As a resident, you are taxed on your income from all sources.**

Leaving California

Any individual who is a resident of California continues to be a resident when absent from the state for a temporary or transitory purpose. Individuals absent from California under an employment-related contract for a period of at least 546 consecutive days may be considered an absence for other than a temporary or transitory purpose, if all the following are met:

- Under an employment related contract of at least 546 consecutive days
- Does not return to California for more than 45 days in a current year
- Does not receive more than \$200,000 of intangible income
- Did not leave to avoid taxes

Example 1: Until September 2016, you were a resident of California. At that time, you declared yourself to be a resident of Nevada, where you have a summer home. You continue to spend six or seven months each year at your home in California, which you have retained. You spend only three to four months in Nevada and the rest of the time you travel in other states or countries. You transferred your bank accounts to Nevada. However, you continue to maintain your social activities and business connections in California.

Determination: Your declaration of residency in another state does not establish residency in that state. Your closest connections are to California and your absence from California is for temporary or transitory purposes. You are, therefore, a resident of California and are taxed on your income from all sources.

Example 2: You and your spouse/RDP are California residents. You accept a DOD contract to work in Korea for 16 months. You lease an apartment near the job site. Your contract states that your employer will arrange your return back to California when your contract expires. Your spouse/RDP and your children will remain in California residing in the home you own.

Determination: You maintain strong ties with California because your spouse/RDP and children remain in your California home during your absence. Your intent is to return to California, and your absence is temporary and transitory. You remain a California resident during your absence. You are taxed on income from all sources, including income earned in Korea.

[Table of Contents](#)

Example 3: You receive and accept a permanent job offer in New Hampshire. You and your spouse/RDP sell your home in California, pack all of your possessions and move to New Hampshire on May 5, 2016, with your children. You lease an apartment and enroll your children in school. You obtain a New Hampshire driver's license and make numerous social connections in your new home. You have no intention of returning to California.

Determination: You are a part-year resident. Through May 4, 2016, you were a California resident. On May 5, 2016, you became a nonresident. All your income while you were a resident is taxable by California. While you are a nonresident, only income from California sources is taxable by California.

Income Taxable by California

Residents of California are taxed on all income, including income from sources outside California.

Nonresidents of California are taxed only on income from California sources. Nonresidents of California are not taxed on pensions received after December 31, 1995. Review FTB Publication 1005, *Pension and Annuity Guidelines*, for more information.

Part-year residents of California are taxed on all income received while a resident and only on income from California sources while a nonresident.

Income Earned Abroad

Unlike the federal exclusion, California taxes all income earned by a California resident during a temporary or transitory period outside the United States. For federal and state difference, California makes an adjustment to add this income in the addition column (Column C) on Schedule CA of the Form 540 or Form 540NR returns.

California Income

Treat specific types of income as explained below.

California does not tax the following:

- Interest income from U.S. Savings Bonds (Make an adjustment on the interest statement).
- State income tax refunds
- Unemployment Compensation
- Social Security Benefits or Tier 1 and 2 railroad retirement benefits
- California lottery winnings (Make an adjustment on Sch CA, line 21a, column B)

Wages and Salaries

Wages and salaries have a source where the services are performed. The location of the employer where the payment is issued, nor your location when you receive payment does not affect the source of this income. Residents include all wages and salaries earned, regardless of where the services were performed. Nonresidents include the income for services performed in California.

[Table of Contents](#)

Example 1: You are a resident of New York working temporarily in California for a New York corporation.

Determination: Your income earned for services performed in California has a California source. As a nonresident, include this California source income on Schedule CA (540NR), column E.

Example 2: You are a California resident. As a representative for your employer, you spent two weeks in Georgia to give training. You were paid by a Georgia corporation while you were in Georgia.

Determination: Because you are a California resident, you are taxed on all income, regardless of source. The income is taxable by California even though it has a source in Georgia.

Interest and Dividends

Interest and dividends generally have a source where you are a resident.

Example 1: You are a resident of Wisconsin and have interest from a California bank account.

Determination: Because you are a resident of Wisconsin, the interest is taxable in Wisconsin. The interest is not taxable by California.

Example 2: You are a resident of California and have interest from a savings account in Oregon.

Determination: Because you are a California resident, you are taxed on all income, regardless of source. The interest is taxable by California.

Example 3: You are a resident of Montana and have dividends from a California corporation.

Determination: Because you are a Montana resident, the dividends are taxed in Montana. The dividends are not taxable by California.

Business Income (or Loss)

A nonresident's income from California sources includes income from a business, trade, or profession carried on in California, including rental property located in California. If the nonresident's business, trade, or profession is carried on both within and outside California and the part outside California is separate and distinct from the part within California, only income from the part conducted within California is California source income. Go to California Code Regulations, Title 18, Section 17951-4 and Schedule R, Apportionment and Allocation of Income, for more information.

Pensions and Keoghs

Residents: Distributions from employer-sponsored and self-employment (Keogh or SEP) pension, profit sharing, stock bonus plans, or other retirement arrangements are taxable by California regardless of where the services were performed.

Nonresidents: Distributions are not taxable by California. Go to FTB Publication 1005 for more information.

[Table of Contents](#)

Example 1: You were a resident of California when you contributed to your pension. You retired during 2016 and moved permanently to New Mexico. After becoming a resident of New Mexico, you begin drawing your pension.

Determination: Since you are a nonresident, the distribution is not taxable by California.

Example 2: You lived and worked in Ohio. You retired in Ohio and received your first pension check on January 1, 2016. You moved permanently to California on July 1, 2016.

Determination: You became a California resident on July 1, 2016. Your pension income received beginning July 1, 2016, is taxable by California because California residents are taxed on all income, regardless of source.

Lump-Sum Distributions

Residents: Lump-sum distributions are taxable by California. Residents of California are taxed on all income, regardless of source. Therefore, the distribution is taxable even if it is attributable to services performed outside of California and accrued prior to your becoming a California resident.

Nonresidents: Lump-sum distributions from a qualified plan or annuity after December 31, 1995, are not taxable by California. However, lump-sum distributions, derived from a California source, received from most nonqualified plans after December 31, 1995, continue to be taxable by California. Go to FTB Publication 1005 for more information.

Example 1: You lived and worked in New York. You retired and moved to California and became a resident. Prior to relocating, you elected to receive a lump-sum distribution from your qualified pension plan. You received the distribution after you became a California resident.

Determination: The distribution is taxable by California because California residents are taxed on all income, regardless of source (Appeal of Ralph G. and Martha E. McQuoid, California State Board of Equalization, May 11, 1989).

Example 2: You were a California resident and worked for a corporation in California. You moved to Ohio during 2016 and elected to take a lump-sum distribution from your qualified pension plan. You received the distribution after you became a resident of Ohio.

Determination: Since you are a nonresident, the distribution is **not** taxable by California because you received it after December 31, 1995.

Sale of Real Estate

The gain or loss from the sale of real estate has a source where the property is located. If you sell your California real estate and move out of state, the gain is taxable by California regardless of where you live at the time of sale.

Example 1: You are a resident of Idaho. You sold undeveloped land located in California at a gain.

Determination: Because the property is in California, the gain is California source income. As a nonresident, include this California source income on Schedule CA (540NR), column E.

[Table of Contents](#)

Example 2: You are a resident of California. You sold real estate located in Japan at a gain.

Determination: Because you are a California resident, you are taxed on all income, regardless of source. The Japanese sourced gain is taxable by California as a resident.

Sale of Stocks and Bonds

The gain or loss from the sale of stocks or bonds has a source where you are a resident at the time of the sale.

Example 1: You are a resident of Oregon and sell stock of a California corporation at a gain.

Determination: Because you are an Oregon resident, the gain has an Oregon source. The gain is not sourced to California.

Example 2: You are a resident of California and sell stock of a Kansas corporation at a gain.

Determination: Because you are a California resident, you are taxed on all income, regardless of source. The gain is taxable by California.

Specific Professions

Civilians Working for the Military

The rules for military personnel do not apply to civilians working for the military. Determine your residency status and the California taxability of your income based on the guidelines previously explained.

Career Appointees in the U.S. Foreign Service

The rules for military personnel do not apply to career appointees in the U.S. Foreign Service. Determine your residency status and the taxability of your income based on the guidelines previously explained.

Interstate Rail and Motor Carrier Employees

The wages of nonresident railroad employees or truck drivers whose regularly assigned duties are performed in two or more states may only be taxed by the individual's state of residence. Railroad employees or truck drivers who are California residents are taxed on all wages received regardless of where the duties are performed.

Merchant Seamen

A merchant seaman who is in California only because this state is a port-of-call and who maintains no other contact or connections with this state, is a nonresident. However, a seaman who maintains close connections with California remains a California resident while at sea. Under such circumstances, the seaman's absence is for a temporary or transitory purpose.

[Table of Contents](#)

Example 1: You are a merchant seaman and spend six to ten months a year aboard a ship outside California. You spend your off-duty time in California. You own a home in California where your spouse/RDP resides. You vote and bank in California. You have a California driver's license and your automobile is registered in California.

Determination: You are a resident of California. Your time at sea is temporary and transitory. As a resident, all your income is taxable by California; including your income earned while at sea (Appeal of James H. and Leila P .Pike, California State Board of Equalization, February 1, 1983).

Nonresident and Part-Year Resident Income	
Income Received, Earned, or Deferred/Suspended	California Source
Wages, tips, and commissions (Except active duty military pay and military spouse's income for services not taxable under the SCRA)	Work performed in California regardless of: The location of the employer. The location of payment issue. Individual's residence when the payment is received.
Military active duty pay (Not domicile in California, not taxable, see MPA on page 26)	California domiciliary military member permanently stationed in California, otherwise, not taxable. (Except Native Americans domiciled on a federal reservation.)
Military retirement	California resident only. (You apportion retirement income for part-year residents.)
Nonmilitary retirement, Keoghs and IRAs*	California resident only, owner-recipient. (You apportion this income for part-year residents.)
Prizes or awards	Awarded for performance in California.
As of January 1, 2002, new California residents recalculate their pension and IRA basis as if they had been California residents for all prior years using California tax law.	
Income from Tangible Property	
Business, profession, trade	Activity carried on in California or benefits received by California for services and intangibles. (You apportion this income for part-year residents.)
Sale of real estate	Capital gains/losses for California located property.
Rental income	Rents received for California located property.
Income from Intangible Property**	
Interest and dividends	Generally, California resident only, owner-recipient.
Gain on sale of stocks or bonds	California resident only, owner-recipient.
For nonresidents, if the property acquired a business site in California or earned as part of a business, then treat as "business, profession, and trade" income.	
Miscellaneous Income	
State and local income tax refund	Exclude from California taxable income.
Social security benefits	Exclude from California taxable income.
Alimony	California resident only, owner-recipient.
Unemployment compensation	Exclude from California taxable income.
Prizes, awards, gambling, lottery, and other income	Any prize or award from activities in California. (Exception: You exclude the California lottery from California taxable income.)

[Table of Contents](#)

Domicile and Division of Income

California is a community property state. The domicile of the spouse/RDP earning the income determines the division of income between spouses/RDPs when separate returns are filed. Each spouse/RDP must follow the laws in his or her state of domicile to determine whether income is separate or community. When separate returns are filed, you and your spouse/RDP must each report half of the community income plus all of your separate income on your return. Go to IRS Publication 555, Community Property.

Meaning of Domicile

The term domicile has a special legal definition that is not the same as residence. While many states consider domicile and residence to be the same, California makes a distinction and views them as two separate concepts even though they may often overlap. For instance, you may be domiciled in California but not be a California resident or you may be domiciled in another state but be a California resident for income tax purposes.

Domicile is defined, for tax purposes, as the place where you voluntarily establish yourself and family, not merely for a special or limited purpose, but with a present intention of making it your true, fixed, permanent home and principal establishment. It is the place where, whenever you are absent, you intend to return. Domicile requires actual physical presence within a state. The intent to make a location one's domicile is reflected in acts and not statements alone. For military personnel, domicile is generally the place of entry for military service.

You can have only one domicile at a time. Once you acquire a domicile, you retain that domicile until you acquire another.

A change of domicile requires all of the following:

- Abandonment of your prior domicile.
- Physically moving to and residing in the new locality.
- Intent to remain in the new locality permanently or indefinitely as demonstrated by your actions.

Let's review domicile.

Example:

Paul entered active military service in Iowa. Single and from his Iowa family farm, he intends to return to Iowa when he gets out of the service. Paul meets both the physical presence and intent factors for his Iowa domicile.

After a short time at boot camp and technical school, Paul changes to his permanent station in New Mexico. Did his domicile change to New Mexico?

No, because he intends to return to Iowa when he gets out of the service.

[Table of Contents](#)

In New Mexico, Paul meets and marries Becky. Becky always lived in New Mexico. Physically present there she intends to move to Iowa if they leave the military. Can Becky claim Iowa as her domicile?

No, because she does not meet the guidelines to change her domicile.

Paul and Becky and daughter Brianna transfer to California several years later. Where is Paul's domicile? Where is Becky's domicile? Where is daughter Brianna's domicile?

Paul's domicile is Iowa, Becky's and daughter Brianna's domicile is New Mexico.

Changing Domicile and Residency

We determine the individual's change of domicile for tax purposes by observing their physical presence and intent with the available facts. The individual must abandon their prior domicile, physically moving to and residing in the new state, intent to remain in the new state permanently or indefinitely. We determine the individual's state of residence for tax purposes by observing their closest connections during the taxable year.

We consider these factors for a change of domicile or a change of residence:

- Amount of time you spent in California versus amount of time you spent outside California.
- Your spouse/RDP and children located in California.
- You pay school fees as a resident of California.
- Your principal residence is located in California.
- Your driver's license issued in California.
- Your vehicle is registered in California and you pay resident or claim nonresident license fee exclusion.
- Where you maintain your professional licenses.
- Where you registered to vote.
- Where you maintain your bank accounts.
- Where you originate your financial transactions.
- Your doctors, dentists, accountants, and attorneys are located in California.
- You maintain membership at a California church, temple, or mosque.
- You maintain membership in professional associations, or social and country clubs in California.
- Your real property and investments are located in California.
- You keep your personal property, household goods, cars, boats, etc. located in California.
- You claim the homeowner's property tax exemption in California.
- Your employment services are performed in California.
- You conduct business in California.
- Your social ties are located in California.
- You file California income tax as a resident.
- You fail to file or pay income taxes and you declared other taxing state.

[Table of Contents](#)

If your military clients want to become a resident of California (i.e., changes their domicile to California) he/she must do the following:

- Have Permanent Change of Station (PCS) orders to California.
- Change to start income tax withholding to California.
- File California resident state income tax returns.
- Register to vote in California.
- Pay the personal property tax on cars registered in California.
- Get a California driver's license or California DMV identification card.

The military servicemember and spouse have the burden to prove that a particular state is indeed their domicile.

Military Spouses Residency Relief Act (MSRRA) Use Caution and Read Carefully

The MSRRA states:

"A spouse of a Servicemember shall neither lose nor acquire a residence or domicile for purposes of taxation with respect to the person, personal property, or income of the spouse by reason of being absent or present in any tax jurisdiction of the United States solely to be with the servicemember in compliance with the servicemember's military orders if the residence or domicile, as the case may be, is the same for the servicemember and the spouse."

This language mirrors the SCRA protection for Servicemember except it adds the provision that the section applies when the spouse and the Servicemember share the same domicile other than California. As used in the SCRA, the terms, "residence" and "domicile" are interchangeable. These terms denote the place where a Servicemember has his/her permanent home and to which, whenever they are absent, they have the intention to return. The SCRA protects the Servicemember's military pay from income taxes of the State the Servicemember resides in unless that state is also the Servicemember's residence/domicile.

This law does not simply permit a Servicemember's spouse to pick or choose a legal domicile in any state; say for example one that doesn't have income tax. Domicile is established, not chosen, even though it is no secret that many Servicemember have a propensity for establishing domicile in such income tax-free States as Texas, Florida, Washington, Nevada, Alaska, South Dakota, and Wyoming, not to mention other tax –favored States such as New Hampshire and Tennessee.

Servicemember complete a DD Form 2058 State of Legal Residence Certificate and file it with their personnel office to declare their residence/domicile. This form is what Defense Finance Accounting Services (DFAS) uses to determine whether state income tax is withheld from the Servicemember's military pay. This form does **NOT**, by itself, legally change the Servicemember's domicile.

The DD Form 2058 explains the difference between home of record and legal residence/domicile. This form is instructive as it explains that residence/domicile is a matter of "physical presence in the State with the simultaneous intent of making it your permanent home and abandonment of the old State of legal residence/domicile.

[Table of Contents](#)

You must actually reside in the State at the time you form the intent to make it your permanent home. Such intent must be clearly indicated.

The MSRRA state that if a Servicemember is entitled to SCRA residence/domicile tax protection, their spouse is entitled to the same protection if the spouse established and maintains the **same** residence/domicile other than California as the Servicemember. This is not the same as saying spouses may now simply pick their domicile to be the same as the Servicemember.

A spouse must meet the requirement of physical presence in the State and also show an obvious act and intent to make that State their permanent home.

Let's examine some scenarios and the implications of the MSRRA:

- a. Servicemember is a resident/domiciliary of Texas. The spouse takes the required steps to establish and maintain residency/domicile in Texas as well. Servicemember is assigned to California and spouse moves to California to live with the Servicemember and gets a job in California. The spouse can assert MSRRA and California cannot tax the spouse's income earned in California.
- b. Servicemember is a resident/domiciliary of Texas. He is assigned to California, while in California he meets and marries his nonmilitary spouse who is working in California. The MSRRA does not permit the spouse to simply claim Texas residency/domiciliary. California can tax the spouse's income
- c. Servicemember is a resident/domiciliary of Pennsylvania. Her nonmilitary spouse takes the required steps to establish and maintain residency/domicile in Pennsylvania. Servicemember is assigned to California and spouse moves to California to live with the Servicemember and gets a job in California. The spouse can assert MSRRA and California cannot tax the spouse's income earned in California; however, Pennsylvania can tax the income. It is the spouse's responsibility to send Pennsylvania estimated taxes on the income and file a Pennsylvania return.
- d. The nonmilitary spouse of a servicemember has met the conditions to qualify for the exemption. However, the servicemember is transferred to another state in compliance with military orders and the spouse does not move to the other state. The wages of the spouse are no longer exempt from withholding. The nonmilitary spouse must complete a new Form DE-4 because the nonmilitary spouse no longer meets the conditions to qualify for exemption from withholding. Income now earned by the nonmilitary spouse for services performed in California is subject to California income tax.

The initial burden will be on the servicemember and spouse to substantiate their residence/domicile. Assuming the servicemember demonstrates sufficient evidence of residence/domicile, California and other States may also seek evidence of the spouse's claim that their domicile is the same as the servicemember.

Community or Separate Property and Income

If you file a federal tax return separately from your spouse, you must report half of all community income and all of your separate income. Likewise, a spouse must report half of all community income and all of his or her separate income on his or her federal tax return. Generally, the laws of the state in which you are domiciled govern whether you have community property and community income or separate property and separate income for federal tax purposes. The following is a summary of the general rules.

Community property

Generally, community property is property:

- That you, your spouse, or both acquire during your marriage (or registered domestic partnership in California) while you and your spouse (RDP) are domiciled in a community property state.
- That you and your spouse (or RDP) agreed to convert from separate to community property.
- That cannot be identified as separate property.

Community income

Generally, community income is income from:

- Community property.
- Salaries, wages, and other pay received for the services performed by you, your spouse (or RDP), or both during your marriage (or RDP).
- Active military pay earned while married and domiciled in a community property state is also community income. This income is considered to be received half by the servicemember and half by the spouse.
- Military retirement pay. State's community property laws apply to military retirement pay. Generally, the pay is either separate or community income based on the marital status and domicile of the couple while the servicemember was on active military. For example, military retirement pay for services performed during marriage and domicile in a community property state is community income.
- Real estate that is treated as community property under the laws of the state where the property is located.

Separate property

Generally, separate property is:

- Property that you or your spouse (or RDP) owned separately before your marriage (or RDP).
- Money earned or received while domiciled in a separate property state.
- Property that you or your spouse (or RDP) received separately as a gift or inheritance during your marriage (or RDP) and not co-mingled.
- Property that you or your spouse (or RDP) bought with separate funds, or acquired in exchange for separate property, during your marriage (or RDP).

[Table of Contents](#)

- Property that you and your spouse (or RDP) converted from community property to separate property through an agreement valid under state law.
- The part of property bought with separate funds, if part was bought with community funds and part with separate funds.

Separate Income

Generally, income from separate property is income of the spouse/RDP who owns the property. When filing, you and your spouse/RDP report your income separately on your separate returns.

You do not apply community property rules to some types of income, such as lump-sum distributions for the 5-year or 10-year tax options, and Individual Retirement Account (IRA). You calculate self-employment tax on the full amount for the spouse carrying on the trade or business, unless they make a joint venture election. For partnership income, calculate only half of community income of the actual partner for the self-employment tax. Treat no part as net earnings from self-employment by the spouse, unless they are both partners in the partnership. Go to IRS Publication 555, *Community Property, for a more detailed explanation*.

Uncommonly, a community property state domiciliary owns separate property. Separate property sources are property acquired before marriage (and not converted to community property), an inheritance, or money from a lawsuit where the compensation was for injury rather than the loss of income. You report income from separate property on the return of the person owning the separate property. In Idaho, Louisiana, Texas, and Wisconsin, they divide and report separate property income of a spouse as community income for each spouse. In the other states, they report this income as separate income of the owner spouse.

Go to IRS Publication 555 for more information. Follow each state's instruction for splitting the separate income for community property tax returns. You apply these rules to both federal and state tax returns.

Community and Separate Property State

All states and U.S. territories that are not on the community property list are separate property states. A separate property state domiciliary individual earns separate property income, unless joint property.

The following are community property states (and U.S. territories):

Arizona	New Mexico
California	Wisconsin
Idaho	Texas
Louisiana	Washington
Nevada	Puerto Rico
Guam	Northern Mariana Islands

[Table of Contents](#)

Guam and the Commonwealth of Northern Mariana Islands (CNMI) follow community property rules. Virgin Islands and American Samoa clients follow separate property rules. The Virgin Islands and American Samoa tax these clients. The U.S. taxes them on U.S. government income only.

Example: Ann is a community state domiciliary. Ann's husband Joe, a separate property state domiciliary, earns military pay of \$18,000. In addition to 50% of Ann's \$12,000 community wages, Joe reports on his nonresident return his full \$18,000 of military wages.

Joint Federal Return = Wages \$30,000

Separate California Returns

<u>Joe</u>		<u>Ann</u>
Military + ½ Community Property		½ Nonmilitary Community Property
	\$18,000	
<u>6,000</u>		<u>6,000</u>
Wages \$24,000		Wages \$6,000
	MPA <u>(\$18,000)</u>	
	Wages \$6,000	

Ann, as a separate state domiciliary, earns \$12,000. Joe reports \$0. Ann reports \$12,000.
Ann, as community state domiciliary, earns \$12,000. Each reports \$6,000.

Refer questions regarding returns for clients of foreign countries to the JAG Office or the public assistance number in the front of these books. Complex returns need research depending on the facts.

Deductions

Expenses incurred to earn or produce **community business** or investment income are generally divided equally between you and your spouse/RDP. Each spouse/RDP is entitled to deduct half of the expenses of the business or investment expenses on his or her separate return.

Expenses incurred to earn or produce **separate business** or investment income are deductible by the spouse/RDP who owns the investment generating the income, provided that spouse/RDP pays the expenses from his or her separate funds.

Expenses that are not attributable to any specific income, such as medical expenses, are deductible by the spouse/RDP that pays them. If these expenses are paid from community funds, the deduction is divided equally between you and your spouse/RDP.

If one spouse/RDP itemizes deductions, both spouses/RDPs itemize deductions, even if the itemized deductions of one spouse/RDP are less than the standard deduction.

Exemption Credits

When you file separate returns, you and your spouse/RDP must each claim your own personal exemption credit. When you have more than one dependent supported by community funds, you and your spouse/RDP may divide the number of dependents between you in any manner you choose. However, you may not split the credit for any one dependent. Now that you know the rules, let us go through some examples.

Example:

Joe and Ann have three children. Joe claims two dependent credits (at the full \$344 each, or \$688) and Ann one dependent credit of \$344. California does not allow Joe and Ann to each claim \$516 or 50% of the \$1,032 total dependent credits.

Example:

Joe entered the service in Florida and is currently in California on PCS orders. Joe, who is single, possesses no significant ties to Florida before he came to California. He established no significant ties to California since being here. Where is Joe's domicile? Is he a California resident or nonresident?

Larry married his wife in their home state of Texas. They own a home in Texas that they rent out. They register their cars in Texas. Larry and his wife purchased a home in California while here on PCS orders. Larry's spouse earns income in California. Where is Larry's domicile? Where is his spouse's domicile? Is Larry a California resident or nonresident? Is Larry's spouse a resident or nonresident?

Karen entered the active duty service in Ohio. She married civilian Glen from Nevada, while in Nevada. Now PCS in California neither owns any real property. Glen earns income in California. They plan to leave California. Where is Karen's domicile? Where is Glen's domicile? Is Karen a California resident or nonresident? Is Glen a resident or nonresident?

Bob is PCS in California. Bob and Beth sold a home in Idaho and purchased a home in California. They broke all ties with Idaho and established ties in California by changing their personnel records. They plan to stay in California and return to California if ever absent. Where is Bob's domicile? Where is Beth's domicile? Is Bob a California resident or nonresident? Is Beth a California resident or nonresident?

You take into consideration the factors on page 25 to determine residency and domicile. You need to educate your clients on the Military Spouses Residency Relief Act (MSRRA) so they make the right determination.

Your clients decide their domicile and residency. You help them understand the laws and facts so they make a rational decision and file correctly.

New California residents need to consider their loss carryovers, deferred deductions, and deferred income. They apply the California tax laws to those amounts as if they had been California residents when the amounts were generated. California nonresidents look at the source of the deferred amounts as if they had been nonresidents when they were generated. They apply the deferred amounts to their California nonresident return.

[Table of Contents](#)

You must ask the taxpayers questions. When did you become a resident of California? And, when did you receive this income? If the client becomes a resident on March 31, and received their pay on April 1, California considers it received as a California resident and taxes it even though the prior state taxes the pay too. In these circumstances, you consider the Other State Tax Credit. You use the following nonresident rules to determine income with a California source.

In the Form 540 and Form 540NR section we show you the way nonresidents and part-year residents calculate tax.

Division of Income, Residents of California – Examples

Example 1 – You and your spouse/RDP are residents of California. You earned \$15,000 in wages. Your spouse/RDP earned \$30,000. In addition to wages, you have stock that you inherited. The stock is in your name only, and you keep the stock and the dividend income separate from community funds. You received \$5,000 in dividends. You have decided to file separate returns.

Determination: You and your spouse/RDP each have \$22,500 in community income: (\$15,000 plus \$30,000 equals 45,000 divide by 2). In addition to your \$22,500 of community income to be reported, include the \$5,000 of separate income from dividends, making your total income \$27,500.

Example 2– You and your spouse/RDP are residents of California. For the first six months of the year, you earned wages of \$30,000. Your spouse/RDP did not earn any income. On June 30, you and your spouse/RDP physically separated with no intention of reconciliation. During the last six months, you earned wages of \$30,000 and your spouse/RDP earned wages of \$10,000. You have decided to file separate returns.

Determination: For the first six months of the year, your earnings were community income. You and your spouse/RDP must each report on your individual returns one half of the income earned during this period. When you and your spouse/RDP physically separated with no intention of reconciliation, your community income status ended. Therefore, from July 1 through December 31, the income earned by you and your spouse/RDP was separate income.

		You	Spouse/RDP
Community Income	Jan.–June	\$15,000	\$15,000
Separate Income	July–Dec.	<u>\$30,000</u>	<u>\$10,000</u>
Total Income		<u>\$45,000</u>	<u>\$25,000</u>

Filing Requirements

Your client should file a California income tax return if they:

- Have a California filing requirement based on the filing requirement chart.
- Had California income tax withheld from their pay.
- Made estimated tax payments.

File a return when in doubt to avoid penalties for failure to file. The statute of limitations remains open to assess tax and penalties for failure to file the required tax return.

Important: Consult the chart in the Military Quick Reference Guide for filing requirements, for a client with dependents, age 65 or older, birthday January 1, 1950 or earlier, or a dependent on another person's return.

Residents file a tax return

- Taxpayer files single or unmarried without dependents. The taxpayer gross income is more than \$16,597 or adjusted gross income (adjusted gross income) more than \$13,278.
- Taxpayers file married/RDP filing jointly or married/RDP filing separately without dependents. The taxpayers' gross income is more than \$33,197 or adjusted gross income of more than \$26,558.
- Taxpayer files qualifying widow(er) or head of household with one dependent with gross income of more than \$28,064 or adjusted gross income of more than \$24,745.

Nonresidents file a tax return on income from California sources.

- Taxpayer files single or unmarried without dependents and the taxpayer's gross income is more than \$16,597 or adjusted gross income is more than \$13,278.
- Taxpayer files married/RDP filing jointly or married/RDP filing separately without dependents, and all their income sources are more than \$33,197 or adjusted gross income is more than \$26,558.
- Taxpayer files qualifying widow(er) or head of household with one dependent with gross income more than \$28,064 or adjusted gross income more than \$24,745.

California Modified adjusted gross income

Subtract the military pay of the military person not domiciled in California from the federal adjusted gross income to get the California adjusted gross income. Use the result to determine the California filing requirement.

You must file a California return if you want CA withholding refunded to you even if you do not have a CA filing requirement. Servicemembers should notify the Defense Finance Accounting Service (DFAS) to have state withholding stopped if no longer have a California filing requirement.

If you are not sure about the tax return requirement, you should file a return. You avoid penalties for failure to file, and you begin the time for the statute of limitations to start.

[Table of Contents](#)

Requirements for Children

For tax years beginning on or after January 1, 2010, California conforms to federal law that increased the age of children to under 19 and the age of a full-time student to under 24 at the end of the tax year for elections made by parents reporting their child's interest and dividend income.

The parent includes the child's investment income of less than \$10,500 on the parent's return and attaches form FTB Form 3803, *Parent's Election to Report Child's Interest and Dividends*.

Your client may choose to file one of two ways:

- The child files FTB Form 540 (if a resident) or FTB Form 540NR (if a nonresident or part-year resident) and attaches form FTB Form 3800, *Tax Computation for Children with Investment Income*,
- The parent includes the child's investment income of less than \$10,500 on the parent's return and attaches form FTB Form 3803, *Parent's Election to Report Child's Interest and Dividends*.

With these forms, you refer to the VITA hotline for assistance. Kiddie tax on investment income consists of interest, dividends, capital gains or losses for the sale of property held for investment, taxable annuity or pension, rents, and beneficiary income.

Deceased Individuals

A final tax return must be filed for a person who died in 2016 if a return normally would be required. The administrator or executor, if one is appointed, or the beneficiary (generally the surviving spouse, parent, or relative) files the return. They indicate *deceased final return* and the date of death next to the individual's name at the top of the return.

If the surviving spouse/RDP did not remarry during the tax year, and chooses to file married/RDP filing jointly with their deceased spouse/RDP, write *surviving spouse/RDP* next to the surviving spouse's signature. An administrator or executor may also file a joint return for the deceased and surviving spouses, acting on behalf of the deceased client.

To claim a refund on the return, your client signs the return to certify under penalty of perjury that he or she is:

- The legal representative of the estate and attach certified copies of the letters of administration or letters testamentary, **and**
- They are entitled to the refund as the deceased's administrator, surviving relative or sole beneficiary under the provisions of the California Probate Code.
- Attach a copy of IRS Form 1310, *Statement of Person Claiming Refund Due a Deceased Taxpayer*, or a certified copy of the death certificate.

[Table of Contents](#)

California provides some tax relief for survivors of armed servicemembers who die while serving in a combat zone or where the armed servicemember qualified for special pay due to hostile or imminent danger or direct support of a combat zone operation. California forgives the servicemember's entire tax liability for the year of death and for any earlier tax year beginning with the year of service in a combat zone or in a place of imminent danger or direct support of a combat zone operation.

For deaths on or after September 11, 2001, federal and California tax laws allow for the exclusion of the entire amount of the federal death gratuity income of the survivor of the servicemember in the taxable year.

California forgives tax liability for a military servicemember or a civilian US employee who dies from wounds or injuries in a terrorist or military action outside the US. The forgiveness applies to the tax year of death, and for any earlier tax year beginning with the year before the wounds or injury. California forgives only the decedent's portion of the joint income tax liability. California extends the deadline to file a return or claim for refund under the California combat zone extension rules.

Choice of Filing Status

As a rule, your clients must use the same filing status for their California return as on their federal return.

Same-sex married couples (SSMC) have a legally recognized marital union and must follow the married status filing requirements. Married couples must file their income tax returns using one of the following filing statuses, married filing jointly, married filing separately, or head of household.

However, if clients file a joint return for federal purposes, they may file separately for California if either spouse was one of the following:

- An active member of the United States Armed Forces or any auxiliary military branch during the taxable year,
- A nonresident for the entire year with no income from California sources during the taxable year.

Caution: The second exception does not apply if the nonresident spouse was domiciled in a community property state and had California source income, unless the income was separate income.

Exception Choice of Filing Status (RDP see FTB Publication 737)	
If your clients filed their federal return:	They can file their California return:
Married Filing Jointly	Married Filing Jointly or Married Filing Separately
Married Filing Separately	Married Filing Separately only

Note: As a general rule, once a married client files their California joint tax return, they cannot amend their return to file separately after the April 18 due date of the taxable year. Exceptions, if either taxpayer meets one of the following:

- Either spouse is an active member of the United States Armed Forces or any auxiliary military branch during the taxable year,
- Either spouse is a nonresident for the entire year and with no income from California sources during the taxable year.

With these exceptions, they get to change the filing status from married/RDP filing jointly to married/RDP filing separately after the due date for filing a return. However, the return must still be filled within the four-year statute of limitations.

California changed the RDP law for taxable years beginning on or after January 1, 2007. RDP file their California income tax returns using either married/RDP filing jointly or married/RDP filing separately filing status. California defines a RDP as two persons who file a Declaration of Domestic Partnership with the California Secretary of State. RDP enjoy the same legal benefits, protections, and responsibilities as married couples unless otherwise stated in the law.

The RDP topic is interesting, but probably a very small concern for VITA Military volunteers and their client base. Go to FTB Publication 737, *Tax Information for Registered Domestic Partners*, for more information.

Filing Married/RDP Jointly or Married/RDP Separately

When a married couple files married filing jointly for federal, and married/RDP filing separately for California, the exemptions, income, deductions, and adjustments to income, credits and payments we divide or split between the spouses. FTB 2335, *VITA Military Interview Worksheet* helps you divide the federal income from the joint return. This way, you get the two married filing separately federal adjusted gross income figures without two additional federal returns.

As a general rule, California conforms to federal tax law with regard to filing status. File the same filing status for their state return as they use on their federal return. However, California provides exceptions to this rule for active duty military individuals and their spouses, some nonresidents and RDP.

If You File Married Filing Separately Versus Married Filing Jointly			
	Married Filing Separately affects the following:	Federal	California
1	You cannot exclude interest income from US savings bonds for higher education.	X	
2	You may need to include more of social security and railroad retirement in taxable income.	X	
3	You cannot deduct student loan interest or Tuition & Fees Deduction.	X	X
4	Generally, you cannot claim personal, blind, or senior deductions or exemptions for your spouse.	X	X
5	You and your spouse must either both itemize or both take the standard deduction, even if one gets less than the standard deduction.	X	X
6	In most cases, the child and dependent care expenses credit is eliminated.	X	X
7	You cannot claim the credit for the elderly or the disabled unless you and your spouse live apart all year.	X	
8	You cannot claim the Education credits (American Opportunity and Lifetime Learning credits) or the Tuition & Fees Deduction.	X	
9	Your child tax credit may be reduced.	X	
10	Your adoption exclusion or credit may be eliminated.	X	
11	You are not entitled to claim the earned income credit.	X	X

Caution: Married filing separately status generates many consequences for federal. It generates some consequences for California. Also go to FTB Publication 1051A, *Guidelines for Married/RDP Filing Separate Returns*

File separate returns in your clients' best interest. To file separate returns, you split the exemptions, income, deductions, adjustments, credits, and payments.

Itemized vs. Standard Deduction – Schedule A

Taxpayers are not required to claim itemized deductions for California even if they did for federal.

If one spouse itemize then both spouses must itemize. If a married/RDP couple elects to itemize, they must itemize their deductions even though one spouse's or RDP's amount might be less than the standard deduction.

You must split itemized deductions based on the community property rules or separate property rules. Normally deductions follow the income funds used to pay the expense. You must attach to the California returns a federal Schedule A (Form 1040) or statement on a sheet of paper showing the division of the deductions. Itemized deductions are reported on federal Schedule A, *Itemized Deductions*.

California Income Adjustments

In some instances, we define taxable income differently for federal than for California. For instance, California excludes social security income, unemployment compensation, or prior year state income tax refunds. California allows adjustments to federal adjusted gross income for these items. Married couples and RDPs filing separate returns divide their CA adjustments.

Example: On Joe and Ann's joint federal return; you report their 2016 joint California tax refund of \$500 as income. You include 50 percent, or \$250, of the refund in their federal adjusted gross income on each of their separate state returns.

Active Duty Military

Like everything in life, we make an exception to this rule. Unlike domicile, where one rule applies for everyone, residency determination differs for active duty military members from everyone else. Generally, for tax purposes, you are considered a resident of the state in which you were domiciled.

The federal Servicemembers Civil Relief Act (SCRA) provides that for servicemembers:

- A person shall not be deemed to have lost a residence or domicile in any state solely by reason of being absent in compliance with military orders.
- A person shall not be deemed to have acquired a residence or domicile in any other state solely by reason of being there in compliance with military orders.
- Compensation for military service is not considered to be from sources within the state where a member is stationed if that state is not the member's domicile.

We consider active duty military members as nonresidents of California unless they are domiciled in California.

California domiciliary active duty military members are residents while stationed in California, and we treat them as nonresidents whenever absent for other than a temporary or transitory purpose. We consider active duty military members nonresidents if they are absent for other than a temporary or transitory purpose outside of California on military PCS orders. However, they remain residents when outside of California for temporary duty assignments (TDY).

All military, and especially, National Guard and Reservists called to active duty, are protected from other state's tax law under the federal SCRA with regard to domicile and residency, but they must overcome the temporary and transitory rules to become a nonresident while stationed outside of California on PCS orders. Go to the Board of Equalization opinion in the Cecil L. and Bonai G. Sanders decision and Legal Ruling 300 for PCS and permanent military orders.

The client determines domicile with their intent and physical presence. A client claims a domicile other than California while living in California, only if the client established a domicile elsewhere before coming to California.

[Table of Contents](#)

California has conformed to the Military Family Tax Relief Act to allow the following:

Deduction for Overnight Travel Expenses of National Guard and Reserve Members

National Guardsmen and Armed Forces reservists who stay overnight more than 100 miles away from home while in service (e.g., for a drill or meeting) are allowed to take an above-the-line deduction (rather than the itemized deduction subject to the 2 percent limitation) for unreimbursed travel expenses transportation, meals, and lodging.

Exclusion of Gain on Sale of a Principal Residence

A taxpayer on qualified official extended duty in the U.S. Armed, Uniformed, or Foreign Services may suspend, for up to ten years of such duty time, the running of the five year ownership and use period before the sale of a residence. This applies when the duty station is at least 50 miles from the residence while the person is residing under orders in government housing for a period of more than 90 days or for an indefinite period.

Exclusion from Gross Income of Certain Federal Death Gratuity Payments

A federal death gratuity payment to a survivor of a member of the Armed Forces is excludable from gross income.

Combat Zone Extensions Expanded to Contingency Operations

The various extensions granted to combat zone participants to file returns or pay taxes apply to those serving in Contingency Operations, as designated by the Secretary of Defense.

Combat Zone Pay

Generally, California treats military members involved in combat the same as federal. California allows the same exclusions of all or part of a military member's pay while serving in a combat zone or contingency operations. Since the California return starts with federal adjusted gross income there is no combat pay adjustment on the California return. The combat pay exclusion is adjusted with a "Q" in Box 12 on the Form W-2. Any combat pay discrepancies, go to the military member to the Defense Finance and Accounting Service (DFAS) about their combat pay reported on their Form W-2s. California, like federal, does not assess an estimated tax penalty for a military member with insufficient withholding or estimated payments during the year due to service in a combat zone or contingency operations.

Exclusion of Amounts Received Under the Department of Defense Homeowners Assistance Program (HAP)

Payments made by the Department of Defense Homeowners Assistance Program to certain employees and members of the Armed Forces to offset the reduction in housing values due to military base realignment or closure are not taxable, with one limitation. The excludable amount cannot be more than the difference between:

- 95 percent of the fair market value of the property for which the payments were made, as determined by the Secretary of Defense before public announcement of intent to close all or part of the military base or installation, minus
- The fair market value of the property as determined by the Secretary of Defense at the time of sale.

California conforms to payments made after November 11, 2003, to the extent they are made pursuant to the original HAP as it existed before its February 17, 2009 expansion. California does not conform for the expanded HAP payments made after February 17, 2009. Any part of the payment that is more than this limit is included in income. This provision is effective for payments made after November 11, 2003 and before January 1, 2010. Visit www.hap.usace.army.mil for more information.

California conforms to the Federal HEART Act of 2008

That permits the rollover of a federal military death gratuity payment or Servicemembers' Group Life Insurance proceeds into a Roth IRA or Coverdell Education Savings Account (ESA), without regard to otherwise applicable contribution limits.

Individual Retirement Plan Contributions

California conforms to the federal Heroes Earned Retirement Opportunities Act that allows members of the Armed Forces serving in a combat zone to make contributions to their individual retirement plans even if the compensation on which such contribution is based is excluded from gross income.

Minimum Franchise Tax or LLC Annual Tax Exemption

A corporation or limited liability company solely owned by a deployed military member is not subject to the minimum franchise tax or LLC annual tax, respectively, for any taxable year the owner is deployed if the corporation or LLC is a small business that operated at a loss or ceased operation during the tax year. The tax exemption is effective for tax years beginning on or after January 1, 2010, but will no longer apply for tax years beginning on or after January 1, 2018.

Amended Returns

If you are domiciled outside of California and included your military pay in income from all sources on a previously filed California tax return, you may file an amended return to claim a refund for taxable years not closed by the general statute of limitations.

Generally, the statute of limitations is the later of:

- Four years from the original due date of the return.
- Four years from the date a timely return is filed.
- One year from the date of overpayment.

However, the general statute of limitations may be extended by service in a combat zone, a disaster loss, or assignment outside the United States. If the statute is extended because of military service in a combat zone or outside of the United States, you should attach copies of any documents that show when you served in a combat zone or overseas.

General Information for Military Personnel

An individual domiciled in California when entering the military is considered to be a:

- Resident while stationed in California.
- Resident while stationed in California on PCS orders and temporary duty (TDY) assignments outside California, regardless of the duration.
- Nonresident while stationed outside California on PCS orders.

Servicemembers domiciled outside of California is considered a non-resident and exclude the servicemember's military compensation from gross income when computing the tax rate on nonmilitary income.

Use the following chart to determine whether to use the resident or nonresident rule for your active duty military client.

Rules for Active Duty Military	
Your Client	Use
A California domiciliary and stationed in California considered a resident for tax purposes.	California's resident rule - "Residents taxed on all income regardless of source."
A California domiciliary and stationed outside California on PCS orders considered a nonresident for tax purposes.	California's nonresident rule - "Nonresidents taxed only on income with a California source."
A domiciliary outside California and stationed in or outside of California considered a nonresident for tax purposes.	California's nonresident rule - "Nonresidents taxed only on income with a California source." You exclude their military pay and use California source income.
Note: The ship's home port state becomes the state of assignment of its assigned military member's, regardless of the ship's location at sea or other ports.	

Requirements for military servicemembers domiciled in California remain unchanged.

Military servicemembers domiciled in California must include their military pay in total income. In addition, they must include their military pay in California source income when stationed in California. However, military pay is not California source income when a servicemember is permanently stationed (PCS) outside of California.

Servicemembers domiciled outside of California, and their spouses, exclude the servicemember's military compensation from gross income when computing the tax rate on nonmilitary income.

For more information, go to [FTB Publication 1031](#), *Guidelines for Determining Resident Status*.

Retired Military

For purposes of determining residency, retired military servicemembers are not covered by the federal SCRA. For tax purposes, their residency is determined under state laws. R&TC Section 17014 defines a resident as:

1. Every individual who is in this state for other than a temporary or transitory purpose.
2. Every individual domiciled in this state who is outside the state for a temporary or transitory purpose.

You determine the taxable retirement income of retired military members on the period of California resident status.

Retirement Military Income Taxable to California	
Resident Status	Portion of Income Taxed
Full-Year California resident	All retirement pay taxable to California.
Part-Year California resident	All retirement pay received as a resident taxable to California. Retirement pay received as a nonresident not taxable to California.
Nonresident of California	Retirement pay received not taxable to California.

Military retirement pay is taxable if it is received by a California resident. This applies to all military pensions received while the retiree is a California resident regardless of where the retiree was stationed while on active duty.

Let's work through a few examples.

- As a nonresident of California, John was stationed outside California during his active duty career. He retires and becomes a resident of California. Is John's military pension taxable by California? Why?
- As a California domiciliary, Elaine was stationed in California for her military career. When Elaine retired, she moved to Arizona. Is Elaine's military retirement income taxable to California? Why?
- Bill was domiciled in California but stationed PCS outside of California during his military career. He retired in Oregon and stayed there to live permanently. Is Bill's military retirement income taxable to California? Why?
- Paul was never stationed in California at any time during his 20 years of service. After he retired, he moved to California and became a resident (CA domicile). Does California tax Paul's military retirement income? After two years, he moved to Texas and became a Texas resident with a Texas domicile. Is Paul's military pension taxable to California? Why?

[Table of Contents](#)

Nonresidents of California are not taxed on military retirement pay or other qualified retirement income. For more information, go to [FTB Publication 1005](#), *Pension and Annuity Guidelines*.

Military Personnel with a California Domicile Stationed in California

Military servicemembers whose domicile is California are residents of California and are subject to tax on all income, regardless of source, while stationed in California on permanent military orders.

Stationed Outside California

California military servicemembers who leave California under PCS orders become nonresidents of California for income tax purposes. All income received or earned prior to departure is subject to tax by California. After departure, only income from California sources is subject to tax by California.

Nonresidents are generally not taxed by California on income from intangibles, such as dividends from stocks or interest from bonds or bank accounts.

California military servicemembers who leave California under a TDY (temporary) assignment continue to be California residents even though absent from the state.

California military servicemembers on a ship whose home port is in California remain California residents while on sea duty, regardless of the ship's location.

Nonmilitary Spouse

If the spouse of the CA domiciled military servicemember remains in California, the nonmilitary spouse is considered a California resident. As a California resident, the spouse is subject to tax on all of his or her separate income, regardless of where it is earned. If the military servicemember retains a California domicile, the spouse is also subject to tax on his or her one-half community property share of all income, including the military servicemember's military pay.

The nonmilitary spouse of a military servicemember who is domiciled in California, but leaves the state with the military spouse on PCS orders outside California, becomes a nonresident upon leaving California. All income received or earned while a California resident is subject to tax. While a nonresident, only income from California sources is subject to tax.

Military Personnel Domiciled Outside of California

Military servicemembers who are domiciled outside of California remain nonresidents, even though stationed in California, unless they establish a California domicile.

Military Couples

Each servicemember follows the above rules applicable to each of them as individual military servicemembers.

[Table of Contents](#)

Nonmilitary Spouse

If the spouse of the military servicemember does not have the same domicile as the military servicemember, the spouse is considered a California resident. As a California resident, the spouse is subject to tax on all of his or her separate income, regardless of where it is earned.

If the spouse of a military servicemember has the same domicile as the military servicemember, other than California, and the spouse and member live in California solely due to military orders, the spouse will be considered a nonresident. Income for services performed by such a spouse in California will not be income from a California source and will not be subject to California tax. Go to Military Spouses Residence Relief Act (MSRRA), for more information.

The income earned for services performed in California by the spouse of a servicemember is exempt from California income tax if **all the requirements are met:**

- The servicemember is present in California in compliance with military orders
- The spouse is in California solely to be with the servicemember
- The spouse and servicemember have the same out-of-state domicile

However, all other income of a nonresident spouse from California sources is subject to California tax

California source income includes income from all of the following:

- Real or tangible personal property located in California.
- A trade or business located in California except to the extent it receives income for services performed by the MSRRA qualifying servicemember's spouse.

MSRRA Computation for Part-Year Residents or Nonresidents

To determine the amounts of California taxable income and total taxable income, the income for services performed in California by a military servicemember's nonmilitary *qualified* spouse is not included in California taxable income. Therefore, the service income from a qualified spouse is included in total income on the Schedule CA (540NR), column D, and excluded from California taxable income column E, to arrive at the applicable California tax rate.

MSRRA Example 1

Filing Status - Married/RDP Filing Jointly

Military - Domiciled in a community property state (other than California). PCS in California all year. Spouse (or RDP) domiciled in the same state as the active duty servicemember. Accompanied the military member to California.

- Servicemember is a nonresident of California for tax purposes.
- Servicemember is domiciled in a community property state other than California.
- Spouse/ RDP is a nonresident of California.
- Spouse RDP is domiciled in the same community property state as the servicemember.
- [MPA](#) applies because the military member is not domiciled in California.
- The spouse's service income is not taxable by California even if the work was performed in California.

Income

\$25,300	Military wages
15,000	Spouse /RDP wages
1,200	Joint interest income
30,000	Capital gain on sale of non-California property (jointly owned)
6,000	Rental income from California property, separate property of spouse /RDP

California Adjustments - Nonresidents or Part-Year Residents, [Schedule CA \(540NR\)](#)

PART SECTION INCOME	II A FEDERAL AMOUNT	B SUBTRACTION	C ADDITION	D TOTAL USING CA LAW	E CA AMOUNT
Wages: Military Spouse/RDP	25,300 15,000	MPA 25,300		15,000	
Interest Income	1,200			1,200	
Capital Gain	30,000			30,000	
Rental Income	6,000			6,000	6,000
Total	\$77,500	\$25,300		\$52,200	\$6,000

MSRRA Example 2

Filing Status - Married/RDP Filing Separately.

Military - Domiciled in a community property state (other than California). PCS in California all year.

Spouse/RDP - Domiciled in the same state as the active duty military member. Accompanied the military member to California.

- Military member is a nonresident of California for tax purposes.
- Military member is domiciled in a community property state other than California.
- Spouse/RDP is a nonresident of California.
- Spouse/RDP is domiciled in the same community property state as the servicemember.
- MPA applies because the military member is not domiciled in California.
- The spouse's service income is not taxable by California even if the work was performed in California.

Income

\$25,300	Military wages
15,000	Spouse (or RDP) wages
1,200	Joint interest income
30,000	Capital gain on sale of non-California property (jointly owned)
6,000	Rental income from California property [separate property of spouse/RDP]

California Adjustments – Nonresidents or Part-Year Residents, [Schedule CA \(540NR\)](#) – Spouse or (RDP) would file [Form 540 NR](#), California Nonresident or Part-Year Residents Income Tax Return. Servicemember would not have a filing requirement.

PART II SECTION A INCOME	A FEDERAL AMOUNT	B SUBTRACTION	C ADDITION	D TOTAL USING CA LAW	E CA AMOUNT
Wages: Military Spouse/ RDP	12,650 7,500	MPA 12,650		7,500	
Interest Income	600			600	
Capital Gain	15,000			15,000	
Rental Income	6,000			6,000	6,000
Total	\$41,750	\$12,650		\$29,100	\$6,000

Military Income Subject to California Tax

In general, California taxes all of the income you received while you were a resident of California and all of the income you received from California sources while you were a nonresident.

Under the federal SCRA, military servicemembers who are not domiciled in California are not taxed by California on pay received for military services performed in California even though they were stationed in California for the entire year. However, all other income of nonresident military servicemembers from California sources is subject to California tax.

California Source Income

California source income includes income from all of the following:

- Nonmilitary services performed in California such as salaries or wages from a second job.
- A trade or business located in California.
- Real or tangible personal property located in California.

Intangible Income

Income from intangible property (such as dividends from stocks or interest from bonds or bank accounts), regardless of the location of the payer, is sourced in the state of residence of the recipient. Therefore, intangible income is not taxable by California if received by a nonresident.

Military pay

Military pay is not included in California source income unless the military servicemember is domiciled in California and stationed in California. However, American Indian tribal servicemembers treated as living on an Indian reservation are not taxed on their military pay.

The **California tax rate** is figured as follows:

Step 1: Nonresidents or part-year residents determine their total taxable income as if they were California residents for the entire year and taxable on all their income. Military servicemembers domiciled outside of California, whether residing inside or outside of California, exclude their military compensation from this total taxable income amount. Nonresident servicemembers must refigure any federal adjusted gross income limitations by first subtracting military compensation from federal adjusted gross income.

Step 2: Compute the tax on the total taxable income from Step 1.

Step 3: Divide the tax from Step 2 by the total taxable income from Step 1. This is the California tax rate. Multiply California taxable income by the California tax rate to determine your part-year or nonresident California tax.

§17140.5 Military Pay Adjustment (MPA)

California allows under California Revenue and Taxation Code Section 17140.5 the military pay adjustment (MPA). This modified income affects all limitation computations.

Caution: California does not allow the exclusion of military pay of the California domiciled servicemember and their spouse under community property laws, whether a resident or nonresident of California. The California domiciled servicemember and spouse include the military pay in the total income under all circumstances. Military pay is not included in California taxable income only when the servicemember is PCS out of California and a nonresident for tax purposes. Go to the MPA chart in the FTB 5137 VITA Military Quick Reference Guide.

Example: Active duty servicemember, Texas domiciled, and his California resident spouse make an adjustment equal to each community half (50%) of his military pay on the California Schedule CA (Form 540NR). They make this adjustment regardless of whether they file separately or jointly. They adjust the total income and the taxable income.

Nonresident Military Personnel Domiciled Outside California, Military Pay Adjustment (MPA)

Military pay of a servicemember domiciled outside of California cannot be used to determine the amount of California tax of the servicemember or their spouse/ RDP. Since the California return starts with federal adjusted gross income, which includes your military pay, they must make an adjustment on your California return.

The adjustment is made on one of the following California forms or schedules:

- Schedule CA (540NR), *California Adjustments - Nonresidents or Part-Year Residents*

[Table of Contents](#)

When the military pay is adjusted from the federal adjusted gross income on the California tax return, it is called modified federal adjusted gross income. What is the Modified Federal adjusted gross income?

Modified Federal adjusted gross income

Military pay of a servicemember domiciled outside of California cannot be used to reduce the amount of these deductions and credits. You must modify your federal adjusted gross income used to compute these limitations by subtracting your military pay from federal adjusted gross income.

Modified Federal adjusted gross income is the federal adjusted gross income minus the active duty military pay.

Example: Eric is a servicemember not domiciled in California. His military pay is \$30,000. He also earned \$18,000 in wages from a part-time job in California. His federal adjusted gross income is \$48,000 (\$30,000 plus \$18,000). For California his modified federal adjusted gross income is \$18,000 [\$48,000 minus \$30,000 (military pay)], for purposes of computing the limitations.

Example: Jordan and Tracy are married. Jordan is a nonresident military member domiciled in New Mexico (community property state). Jordan received military wages of \$50,000. Tracy is a resident and domiciled in California. Tracy has nonmilitary California wage income of \$35,000.

Jordan and Tracy - Married/RDP Filing Jointly - Schedule CA (540NR) California Adjustments - Nonresidents or Part-Year Residents

PART II - SECTION A INCOME	A FEDERAL AMOUNT	B SUBTRACTION	C ADDITION	D TOTAL USING CA LAW	E CA AMOUNT
Military Wages	\$50,000	\$50,000		0	
Spouse Wages	\$35,000			\$35,000	\$35,000

Limitations Based on Federal adjusted gross income

The military pay adjustment also applies to deductions with federal adjusted gross income limitations, which are:

- Personal exemption credits
- Dependent exemption credits
- Child and dependent care expenses credit
- Medical and dental
- Charitable contributions
- Casualty and theft loss
- Miscellaneous itemized deductions subject of 2 percent
- IRA deductions
- Student loan interest deduction
- Passive activity loss

Where to apply the Military Pay Adjustment (MPA)

MILITARY PAY ADJUSTMENT (R&TC SECTION 17140.5) CHART		
FORM	LINE	CIRCUMSTANCES
540NR Schedule CA	7 Column B	Military Member is domicile other than California
540NR Schedule CA	32 IRA	Use the modified federal adjusted gross income when calculating the deduction limitation
540NR Schedule CA	33 Student loan interest	Use the modified federal adjusted gross income when calculating the deduction limitation
540NR Schedule CA	41 Other adjustments to itemized deductions	Multiple the modified federal adjusted gross income by 7.5 percent for medical and 2.5 percent for miscellaneous expenses
540NR Schedule CA	43 Itemized deduction worksheet limitations	Use the modified federal adjusted gross income when calculating the itemized deduction limit
3506 (Child and Dependent Care Expense Credit)	9 CA percent	Use the modified federal adjusted gross income to determine the proper percentage. Note – TS will not allow a change to the percentages in the program. TaxSlayer is aware of this and is working on correcting the issue.
Generally where federal adjusted gross income is a limitation	See Note below.	Use the modified federal adjusted gross income to calculate any adjusted gross income limitations

Example: Lt. Pope is a nonresident domiciled outside of California. They should enter Lt. Pope's military pay on Schedule CA (540NR), Part II, line 7, column B Note: The military pay is not included in Schedule CA (540NR) in column D or E.

MPA - Child and Dependent Care Expenses Credit

California allows a Non-refundable credit for child and dependent care expenses. Taxpayers may be eligible to claim this credit if they paid someone to care for their child or other qualifying person so they (and your spouse/ RDP, if married) could work or look for work. If taxpayers are a nonresident of California, their earned income must be from California sources and the care provided must be in California.

For the purposes of this credit, active duty pay is considered earned income from California sources, regardless of whether the servicemember is domiciled in California. Generally, if taxpayers are married, they must file a joint return. To qualify for the credit, both spouses/RDP must have California earned income. A full-time student or disabled person is deemed to have earned income. Your federal adjusted gross income must be \$100,000 or less. For more information, go to FTB Form 3506, *Child and Dependent Care Expenses Credit*.

[Table of Contents](#)

Modified federal adjusted gross income and the Child and Dependent Care Credit

Use the modified federal adjusted gross income to determine:

- If their federal adjusted gross income \$100,000 or less.
- The decimal amount to use on form FTB Form 3506, line 7 and line 9.

If using modified federal adjusted gross income to compute the Child and Dependent Care Expenses Credit, write "MPA" to the left of the credit amount on FTB Form 3506, line 12.

Note: If the adjusted gross income is greater than \$100,000 and the MPA reduces the adjusted gross income below \$100,000. The California return cannot be e-filed and must be mailed.

Military Personnel Domiciled in California.

Example: Sgt. Miller is domiciled in California, but stationed all year in Virginia. Sgt. Miller's only source of earned income is his military pay. His wife, Ann, and their child remained in California. Ann worked in California and they incurred childcare expenses for care provided in California. Because Sgt. Miller's military pay while serving in Virginia is considered California earned income for purposes of computing the CA child and dependent care credit. They qualify for the credit, if they meet all other qualifications.

Military Personnel Domiciled Outside of California.

Under California law, your military pay for service in California is considered California earned income for purposes of computing the CA child and dependent care credit. They qualify for the credit, if they meet all other qualifications.

Division of Income

For tax purposes, income is allocated between spouses/RDP based upon whether the person receiving the income is domiciled in a community property or separate property state.

Community property states are: Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin. Puerto Rico, Guam, and Northern Mariana Islands are community property territories. All other states and U.S. territories are separate property states or territories.

The domicile of the spouse earning the income determines the division of income between the spouses/RDP when separate returns are filed. Each spouse/RDP must follow the laws of his or her state of domicile to determine if the income is separate or community property. If the state of domicile is a community property state, when filing separate returns, each spouse must report half of the community property plus all separate income on each return. Income from joint accounts is assumed to belong equally to each party. Therefore, if you and your spouse file separate returns, each must report one-half of any taxable income from a joint account. Go to FTB Publication 1051A, *Guidelines for Married/RDP Filing Separate Returns*, for more information regarding the division of income.

[Table of Contents](#)

Example: Lt. Tucker is domiciled in New York, a separate property state, and Mrs. Tucker is domiciled in California, a community property state. Wages earned by Lt. Tucker are his separate income for tax purposes. Wages earned by Mrs. Tucker are community property for tax purposes and each spouse must report his or her community half if they are filing separate returns.

Credits

California relates credits generally to income reported on the state return. In some cases, we divide between the spouses/RDP the expense based on the income reported on their separate returns, and we compute the credits separately for each person. However, some credits have special rules with regard to residency. We use the form for the credit and its specific instructions for each credit.

California Withholding

What Are State Payroll Taxes?

California state payroll taxes are administered by the Employment Development Department (EDD). State Disability Insurance (SDI) and Personal Income Tax (PIT) that are withheld from employees' wages.

We divide withholding of income tax between the spouses/RDP to follow the income on their returns.

Example: Domiciled in California, a community property state, Ann earned wages of \$12,000 and tax withholding of \$600. In addition to his own income and withholding, Joe includes 50 percent \$6,000, of Ann's California wages on his separate return and 50 percent, or \$300, of her withholding. Attach a copy of Ann's Form W-2 to his return.

Estimated Tax Payments

Taxpayers make estimated tax payments normally on a quarterly basis to make up for insufficient withholding from their income.

Generally, servicemembers and their spouses/RDP do not have to make estimated tax payments if their California withholding in each payment period totals 90 percent of their required annual payments. Also, they do not have to make estimated tax payments if they will pay enough through withholding to keep the amount you owe with their return under \$500 (\$250 if married filing separate). However, if the servicemember and their spouse/RDP do not pay enough tax either through withholding or by estimated tax payments, they may have an underpayment penalty. Go to FTB 540-ES for more information.

Taxpayers claim withholding and tax estimates when filing their tax returns. Either spouse/RDP claims the entire amount paid or each claims a portion of the withholding and estimated tax. Provide a signed statement on each return explaining the division. Show both social security numbers on the returns and on the statement.

Which CA Return to File?

The California individual tax forms for **residents** are the:

- **FTB 540 2EZ**, *California Resident Income Tax Return 2016*.
- **FTB 540**, *California Resident Income Tax Return 2016*.

The California individual tax forms for **nonresidents or part-year residents** are the:

- **FTB 540NR (Long Form)**, *California Nonresident or Part-Year Resident Income Tax Return 2016*

Note: In the VITA program you will always use the FTB 540 and the FTB 540NR (Long Form).

Let us discuss these California personal income tax return forms.

FTB 540 corresponds to the Federal Form 1040 and covers all the California resident taxpayer situations.

FTB 540NR (Long Form) accommodates nonresidents and part-year residents, or a resident filing with a nonresident or part-year resident spouse. It allows all the nonresident and part-year resident taxpayer situations. Taxpayers include a Schedule CA (540NR) and a copy of the federal return.

The dollar limitations increase for clients over 64 years of age or with dependents. Then, you consult the chart "California Filing Requirements for Most People" in the Military Quick Reference Guide or California tax booklets.

Note: A non-California domiciliary active duty servicemember and their spouse exclude the member's military pay from the federal adjusted gross income to get California adjusted gross income from all sources in these charts. Also, dependent clients follow certain other income thresholds.

Normally, an individual uses the easiest return for which he or she qualifies.

FTB 540 allows for all the possible resident situations and the FTB 540NR (Long Form) for nonresident or part-year resident situations. Use the Federal Form 1040 as an interview tool or checklist.

TS: As you complete the Federal Form 1040, the computer tax program completes the appropriate FTB 540 or FTB 540NR (Long Form) California return. You must indicate CA as resident or nonresident in the state section of TaxSlayer.

Automatic Extension of Time

For the Armed Forces serving outside of the United States, in designated combat zones, qualified hazardous duty areas (QHDA), or in contingency operations, California allows individuals the same postponements or extensions to file returns, pay taxes, file protests, claim refunds and/or file appeals as under federal law. California allows these extensions without request. For members of the Armed Forces or Merchant Marines serving at posts of duty outside the United States, not in

a combat zone or QHDA and not in contingency operations, California also automatically grants an extension of 180 days for payment of the tax, free from interest and penalties, from the date of their return to the United States.

Important: You must annotate on the top of the first page of the tax return, "Military overseas or combat zone extension or QHDA or contingency operations," or "Special Handling Required." Include the dates and taxpayer's daytime phone number. When filing amended returns to correct for the military pay adjustments, we annotate "Military – HR 100." Go to FTB Publication 1032, Tax Information for Military Personnel, for more information.

An outside the United States active duty member's spouse/RDP files a joint tax return for California by attaching a statement to the return explaining the circumstances and signing the return on behalf of their spouse/RDP, (Mary Smith for John Smith). California's Paperless Extension allows any taxpayer filing a California return an automatic extension until October 15, 2016, to file a personal income tax return, regardless of whether he or she is serving in the military. The client writes nothing for the paperless extension except for the payment due situation.

Note: The paperless extension is not an extension of time to pay tax for military personnel or nonmilitary spouses not serving outside the United States. To avoid penalties, you direct unqualified clients to pay their tax no later than April 18, 2017. They file FTB Form 3519, Payment Voucher for Automatic Extension for Individuals with their payment for their best estimate of the tax they owe for tax year 2016.

National Guard or Reserve Members on active state service for the Governor, or active federal service for the President of the United States are entitled to a stay of other actions and proceedings of up to six months after termination from active duty. Have the servicemember consult with his or her JAG office for more information.

Note: For active duty servicemembers, California allows a 180 day extension to file their returns if they are stationed or TDY overseas but not in a combat zone, qualified hazardous duty area, or contingency operation. The extension also applies to the spouse/RDP, regardless of whether filing joint or separate returns.

Clients are not required to send a written notice to FTB for the paperless extension. However, the client should pay estimated taxes to avoid penalties.

The Mortgage Forgiveness Debt Relief Act expired in 2014.

Cancellation of Debt (COD)

If you owe a debt to someone else and they cancel or forgive that debt, the canceled amount often is taxable. These amounts are generally reported on a 1099-C and are provided to both the taxpayer and the government. Debt forgiveness on other types of debt, such as a second home or business property, does not qualify for exclusion under the new law. However, taxpayers may meet the requirements to exclude COD income up to the amount of insolvency. Your client should contact their JAG office for more information. Also, go to the IRS Publication 4681, Canceled Debts, Foreclosures, Repossessions, and Abandonments, for more information.

Types of Cancelled Debt

The following are types of cancelled debts that may apply to you and depend on the type of debt canceled, the tax attributes you have, and whether or not you continue to own the property that

was subject to the debt. These examples do not cover every canceled debt situation, but are intended to provide general guidance for the most common situations.

Non-business credit card debt cancellation

If you had a non-business credit card debt canceled, you may be able to exclude the canceled debt from income if the cancellation occurred in a bankruptcy, if you were insolvent immediately before the cancellation, or if you were affected by the Midwestern disasters.

Personal vehicle repossession

If you had a personal vehicle repossessed during the year, you will need to determine your gain or nondeductible loss on the repossession. If the lender also canceled all or part of the remaining amount of the loan, you may be able to exclude the canceled debt from income if the cancellation occurred in a bankruptcy, if you were insolvent immediately before the cancellation, or if you were affected by the Midwestern disasters.

Main home foreclosure or abandonment If a lender foreclosed on your main home during the year, you will need to determine your gain or nondeductible loss on the foreclosure. If the lender also canceled all or part of the remaining amount on the mortgage loan and you were personally liable for the debt.

Main home loan modification (workout agreement) If a lender agrees to a mortgage loan modification (a "workout") that includes a reduction in the principal balance of the loan you may exclude part or all of the canceled debt from income.

What to do if you are presented a 1099-C statement?

If you are presented with a 1099-C statement, refer the client to the Legal or Tax Officer or to a COD certified volunteer. These returns are handled by advance and experience VITA preparers. If you can exclude part or all of the canceled debt from income, you should also review and use Federal Form 982 (*Reduction of Tax Attributes Due to Discharge of Indebtedness*).

IMPORTANT TS: In the TaxSlayer software, you would enter the COD income in the Federal section under income and select other income. Once you have selected other income you will then click on Cancellation of Debt (1099-C, Form 982) and enter your 1099-C information.

For California COD non-conformity, you must make a CA addition on Schedule CA 540/CA 540NR, line 21, column C.

When preparing federal and California returns, the amount of debt cancelled shown on the 1099-C statement will be added to the Federal and Schedule D (540/540NR). If the cancelled debt is qualified to be excluded and done correctly, these amounts should equal zero indicating no gain or loss on the Schedule D (540/540NR).

VITA Volunteers review Federal Publication 4491, *Student Training Guide*, for guidance and instructions.

Standard vs. Itemized Deductions

Taxpayers are not required to claim the standard deduction for California even when they do for federal.

Standard Deduction

The standard deduction is a dollar amount that reduces the amount of income on which clients are taxed. In general, the standard deduction is adjusted each year for inflation and varies according to the client's filing status.

For standard deduction amounts, go to FTB [Publication 1032](#), Tax Information for Military Personnel.

Itemized Deductions

The client should itemize their deductions if the total itemized deductions are more than the standard deduction amount.

For more itemized deduction information go to irs.gov and search for itemized deductions or read the itemized deduction section of the Federal [Publication 17](#), Your Federal Income Tax.

We emphasize six credits within the scope of the VITA program.

They are:

- Credit for Joint Custody Head of Household.
- Credit for Dependent Parent.
- Nonrefundable Renter's credit.
- Other State Tax credit.
- Nonrefundable Credit for Child and Dependent Care Expenses.
- CA Earned Income Tax Credit.

Let's look at how to calculate each of these credits.

Credit for Joint Custody Head of Household – Code 170

Clients' claim this credit if they meet all the following criteria:

- Your clients were not married at the end of 2016 (or if they lived apart from each other for all of 2016 and used the married/RDP filing separately filing status).
- Your clients furnished more than one-half the household expenses for their home, which also served as the home of their child, stepchild, or grandchild for at least 146 days but not more than 219 days.
- If the child is married, the child must be their dependent. In addition, the custody arrangement for the child must be part of the decree of dissolution or legal separation, or it must be part of a written agreement between the parents that covers the period between the filing of the petition and issuance of the decree.
- Taxpayers can claim **either** the Joint Custody Head of Household Credit **or** the Dependent Parent Credit, but not both.

- Clients cannot claim this credit if they claimed head of household, married/RDP filing jointly or the qualifying widow(er) filing status. Use the JCHH credit worksheet to compute the credit.

Example: Divorced Taxpayers Entitled to Credit

Individual A and Individual B have a son. They were married and are now divorced. Their written custody agreement gives each taxpayer joint legal and physical custody of their son.

The son lives with Individual A for 150 days during the year. Individual A pays all the costs of maintaining the home provided for the son. Individual A has **not** remarried and files using the single filing status. Based on these facts, Individual A is entitled to the joint custody head of household credit.

Using information from the example above, if Individual A and Individual B had never married, individual A would not be entitled to the credit.

Individual B may file head of household **only** if all the requirements are met for that filing status. Go to, the *Head of Household filing requirements*.

Nonresidents:

There is no provision in the law stating that the taxpayer **or** the qualifying child must reside in California. A nonresident taxpayer is eligible to claim this credit if all of the other legal requirements described above are met.

Credit for Dependent Parent – Code 173

Your client claims this credit only if:

- The clients were married at the end of 2016 and are filing married/RDP filing separately (cannot use single, head of household, qualifying widow(er) or married/RDP filing jointly).
- The clients furnished over one-half the household expenses for their dependent mother's/father's home (whether or not it was the client's home).
- The spouse was not a member of the household during the last six months of the year. The client does not qualify as a head of household or qualifying widow(er).

Use the same worksheet for the JCHH credit. You claim only one credit.

Note: Dependent must live in the United States, Mexico, or Canada. **Joint Custody Head of Household Credit Worksheet or Credit for Dependent Parent**

1.	Subtract line 11 from line 31, of FTB 540 or 540NR (Long Form) and enter the result here.	_____
2.	Enter the FTB Schedule G-1 and FTB Form 5870A tax, if any, included on FTB 540, line 34 or FTB 540NR (Long form), line 41.	_____
3.	Add line 1 and line 2.	_____
4.	Credit percentage -- 30%.	<u>X .30</u>
5.	Multiply line 3 by line 4 and enter the result or \$440, whichever is less, on FTB 540, line 43 or 44, or 540NR (Long form), line 51 with "JT CSTDY HOH" and code no "170" OR line 52 "DEP PARENT" code no. "173" .	_____

Schedule S – Other State Tax Credit – Code 187

In some instances, a taxpayer will be taxed by both California and another state on the same income. To prevent the income from being taxed twice, either California or the other state will generally allow an "Other State Tax Credit" to offset the taxes paid to the other state. The chart lists all the states that qualify for the other state tax credit. To qualify for this credit, they must meet the following requirements:

- A resident.
- Liable for tax on income sourced in the other state.
- Paid a net income tax to both the other state and California on the same income.
- Effective after January 1, 2003, California allows the OSTC for taxes paid in the other state for different tax years for taxes due to the same transaction.

Resident clients claim a credit for taxes paid to one of the states or U.S. Possession listed and all of these apply:

- The client paid a net income tax to a state or U.S. possession on income also taxed by California.
- The source income comes from the other jurisdiction.
- FTB Schedule S, *Other State Tax Credit*, you complete and attach to the return to claim the credit.

You attach a copy of the other state's tax return to the California return, unless if it is e-filed. Then the client retains a copy.

Note: You need to complete the other state's tax return, before you complete FTB Schedule S.

Residents (or nonresident clients filing a joint return with a resident spouse/RDP)

Your client claims a credit for taxes paid to one of the states or U.S. possessions we list in the resident chart. If the client paid a net income tax to that state or U.S. possession on income also taxed by California and the income is from sourced in the other jurisdiction, you complete the FTB Schedule S to claim the credit.

The credit is **not** allowed for taxes paid to:

- Any city, county, or other local government.
- The federal government.
- A foreign government.

California Residents -Schedule S - Qualifying States and U.S. Possessions		
Alabama	Louisiana	North Carolina
American Samoa	Maine	North Dakota
Arkansas	Maryland	Ohio
Colorado	Massachusetts	Oklahoma
Connecticut	Michigan	Pennsylvania
Delaware	Minnesota	Puerto Rico
District of Columbia*	Mississippi	Rhode Island
Georgia	Missouri	South Carolina
Hawaii	Montana	Utah
Idaho	Nebraska	Vermont
Illinois	New Hampshire**	Virginia*
Iowa	New Jersey	Virgin Islands
Kansas	New Mexico	West Virginia
Kentucky	New York	Wisconsin
* Dual Residency		
** Business Profit Tax		

California Nonresidents — If your client is a resident and paid net income tax to **Arizona, Guam, Indiana, Oregon or Virginia**, they receive tax relief by claiming the Other State Tax credit for California on income also taxed by California on the income with a California source. You complete FTB Schedule S to compute and claim the credit.

The credit may be allowed for taxes paid to U.S. possessions:

- American Samoa.
- Guam.
- Puerto Rico.
- The Virgin Islands.
- **FTB Schedule S (enlarged form)**

<small>TAXABLE YEAR</small>		<small>CALIFORNIA SCHEDULE</small>
2016	Other State Tax Credit	S
<small>Attach to Form 540, Long Form 540NR, or Form 541.</small>		
<small>Name(s) as shown on your California tax return</small>		<small>SSN, ITIN, or FEIN</small>
Part I Double-Taxed Income (Read specific line instructions for Part I before completing.)		
(a) Income item(s) description	(b) Double-taxed income taxable by California	(c) Double-taxed income taxable by other state
<input type="radio"/> _____	<input type="radio"/> _____	<input type="radio"/> _____
<input type="radio"/> _____	<input type="radio"/> _____	<input type="radio"/> _____
<input type="radio"/> _____	<input type="radio"/> _____	<input type="radio"/> _____
1 Total double-taxed income	<input type="radio"/> _____	<input type="radio"/> _____
Part II Figure Your Other State Tax Credit (Read specific line instructions for Part II before completing.)		
2 California tax liability. See instructions	<input type="radio"/> 2	00
3 Double-taxed income taxable by California. Enter the amount from Part I, line 1, column (b).	<input type="radio"/> 3	00
4 California adjusted gross income. See instructions	<input type="radio"/> 4	00
5 Divide line 3 by line 4. Do not enter more than 1.0000	<input type="radio"/> 5	_____
6 Multiply line 2 by line 5	<input type="radio"/> 6	00
7 Income tax liability paid to name of other state (use state's abbreviation) <input type="radio"/> _____. See instructions	<input type="radio"/> 7	00
8 Double-taxed income taxable by other state. Enter the amount from Part I, line 1, column (c).	<input type="radio"/> 8	00
9 Adjusted gross income taxable by other state. See instructions	<input type="radio"/> 9	00
10 Divide line 8 by line 9. Do not enter more than 1.0000	<input type="radio"/> 10	_____
11 Multiply line 7 by line 10	<input type="radio"/> 11	00
12 Other state tax credit. Enter the smaller of line 6 or line 11. Use Credit Code 187. See instructions	<input type="radio"/> 12	00
<small>For Privacy Notice, go to FTB 1131 ENG/SP.</small>	<small>8021163</small>	<small>Schedule S 2016</small>

4

At Top Enter clients' names and social security numbers as shown on the return.

Part I - Computation of Double-Taxed Income

Enter in each Column:

- A. Describe each type of double-taxed income like wages, business income, rental income, and gain on sale of property.
- B. The amount of income California taxes.

C. The amount of income the other state taxes, normally the (b) amount.

Line 1 Total double-taxed income — Combine the amounts in column (b) and the Amounts in column (c) and enter the two totals in the appropriate spaces on Schedule S, Part I, line 1 and Part II, line 3, and line 8.

Part II - Computation of Other State Tax Credit

Line 2 California tax liability — Enter California tax liability from FTB 540 or FTB 540NR (Long Form) **less any credits** (except Other State Tax credit and the Child and Dependent Care Expenses credit).

Caution: With regard to the proper order of applying credits, the Other State Tax credit comes after the Nonrefundable credits. Therefore, you reduce the California tax liability by the Nonrefundable Renter's credit determined first. Enter the result on this line.

Line 3 Double-taxed income (by California) — Enter double-taxed income amount from Part 1, line 1, column (b).

Line 4 California adjusted gross income — Enter California adjusted gross income from FTB 540 line 17 or FTB 540NR Schedule CA (540/540NR), line 37, column E.

Line 5 Divide the amount on line 3 by the amount on line 4 to get a ratio of double-taxed income to California adjusted gross income. (The maximum percentage is 100%).

Line 6 Multiply the amount on line 2 by the percentage on line 5.

Line 7 Income tax paid (to other state) — Enter the name of the other state and the amount of taxes paid to that state. Do not include taxes paid to any city, the federal government, or any foreign country, or any tax paid to the other state that is comparable to California's alternative minimum tax.

Line 8 Double-taxed income taxed by other state — Enter double-taxed income amount from Part 1, line 1, column (c).

Line 9 adjusted gross income (taxable by other state) — Enter the adjusted gross income taxable by the other state or U.S. possession.

Line 10 Divide the amount on line 8 by the amount on line 9 to get a ratio of double-taxed income to the other states adjusted gross income. (The maximum percentage is 100 %.)

Line 11 Multiply the amount on line 7 by the percentage on line 10.

Line 12 Other State Tax Credit — The other state tax credit is the lesser of line 6 or line 11. Enter the lesser amount on line 12 and on FTB Form 540, line 43 or 44 or FTB Form 540NR, line 58 or 59, with **"other state"** and code **"187"**.

Other State Tax Credit

Married/RDP Filing Separately: Your client only claims the other state tax credit for income on their separate return. If your client files a joint return for the other state, determine what portion of the income taxed by both states belongs to each client. Apply the community property and separate property rules.

Note: All states use the same rules for dividing income.

Copy of Other State Return Required

Taxpayers must attach a copy of the other state return to the California return as proof the tax was paid.

Note: Taxpayers who e-file should retain a copy of the other state return along with the California return for their records

Nonrefundable Renters Credit

California residents or part-year residents who paid rent for at least six months on their principal residence located in California and who meet certain income requirements may claim a nonrefundable renter's credit against tax

Some requirements for the credit are:

- The client was a **California resident** in the tax year being filed.
- Their California adjusted gross income (adjusted gross income) does not exceed the cut off limits.
- They paid rent for at least 6 months of the tax year for property in California that was their principal residence.
- The property cannot be exempt from property taxes.

For a full list of requirements go to ftb.ca.gov and search for the FTB 540 booklet.

If they meet the requirements, the credit is:

- \$60 for single or married filing separately.
- \$120 for married filing jointly, head of household, or widow(er).
- \$60 if only one spouse is a resident of California.

Full Year Residents Only

Filing Status	Amount
1-Single	\$60
2-Married filing jointly	\$120
3-Married filing separately	\$60 each or \$0 and \$120 to one spouse
4-Head of household	\$120
5-Qualifying widow(er)	\$120

[Table of Contents](#)

Part - Year Residents

Filing Status – client was a resident in CA in 2016							
Number of months in CA	6	7	8	9	10	11	12
Single or married filing separately	\$30	\$35	\$40	\$45	\$50	\$55	\$60
Married filing jointly, head of household, or qualifying widow(er)	\$60	\$70	\$80	\$90	\$100	\$110	File FTB Form 540

FTB Form 3506, Child and Dependent Care Credit - Nonrefundable

The client may qualify to claim the Child Dependent Care Credit if they had California earned income and paid someone in California to care for their child or qualifying person while they worked or looked for employment. A qualifying person is one of the following:

- A dependent of the client who is under 13 years of age and for whom the client is entitled to a dependent exemption credit.
- The spouse of the client, if he or she is physically or mentally unable to care for him or herself.
- A dependent of the client who is physically or mentally unable to care for him or herself and for whom the client was entitled to a dependent exemption credit without regard to the gross income limitation.

Clients who qualify for MSRRA do NOT qualify for the child and dependent care credit.

The credit is a nonrefundable tax credit and is applied against the California net tax liability.

To receive the maximum credit active duty pay may be considered earned income from California sources, regardless of whether the servicemember is domiciled in California. Generally, if married a joint tax return must be filed.

The child dependent care credit can be used even if the adjusted gross income with both servicemember and spouse/spouse's income is greater than \$100,000 as long as the MPA reduces the adjusted gross income below \$100,000. In this case, the California tax return cannot be e-filed and must be mailed.

For client's with the military pay adjustment (MPA), apply the MPA and use these charts to correct FTB Form 3506 lines 7 and 9. Use the California Modified adjusted gross income (Fed adjusted gross income – Military pay) to determine the correct percentages.

If IRS Form 2441 line 7 is:			If IRS Form 2441 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

Total IRS adjusted gross income Form 540/540NR line 13 less fed/CA differences is:	FTB Form FTB 3506, Line 9 decimal amount is:
\$40,000 or less	.50
Over \$40,000 but not over \$70,000	.43
Over \$70,000 but not over \$100,000	.34
Over \$100,001	Client does not qualify for this credit.

For more information go to FTB Form 3506, *Child and Dependent Care Expenses Credit* and Federal Form 2441 and Publication 503, *Child and Dependent Care Expenses*.

Refunds and Balances Due

For Clients Who Have a Refund

Encourage direct deposit when a client has a refund into checking or savings. Direct deposit is fast, safe, and convenient. You can request a direct deposit refund on your client's tax return whether they e-file or file a paper tax return.

Please be sure to fill in the routing and account numbers carefully and double-check the numbers for accuracy to avoid it being rejected by their financial institution.

The client will generally receive their state tax refund within:

1. Seven to Ten business days from the accepted date for e-filed tax returns.
2. Six to ten weeks from the date the tax return was mailed

Note: The IRS recently [announced](#) that 2016 tax refunds that include the earned income tax credit (EITC) and/or the additional child tax credit (ACTC) will not be issued before February 15, 2017.

For Clients Who Owe

Individuals have several easy ways to pay, where no registration is needed. With instant access and service available 24 hours a day, the online payment options at ftb.ca.gov will save your clients time and hassle. Encourage your clients to pay their taxes online. The client may use any of the following payment methods:

1. **Web Pay** - You can pay today or schedule your payment up to one year in advance.
2. **Credit Card** – Make your payment online or by phone with Official Payments Corporation. There is a convenience fee of 2.3% (minimum \$1):
 - a. Online: officialpayments.com
 - b. Toll-free: 800.272.9829
3. **Western Union** - Make an online payment, or locate the nearest Western Union office.
 - a. Online at WesternUnion.com
 - b. Toll-Free at 800.238.5772.
4. **Check, money order, or cash** –
 - a. Mail your check or money order.
 - b. Pay in person at one of our field offices.
5. **Installment Agreements** – Details on the FTB web site.
 - a. ftb.ca.gov

MyFTB Account

Clients may sign up for an FTB account to view:

1. Account summary and tax year details for all tax years we have on file.
2. Estimated tax payments before filing their tax return.
3. California wage and withholding records.

How to Register MyFTB Account Access

To register as an individual taxpayer, the client will need:

1. A valid email address.
2. Their social security number.
3. The first and last name from their most recently filed California tax return.
4. Information from one California tax return they filed in the last five years:
 - a. Tax year.
 - b. Filing status.
 - c. CA adjusted gross income (adjusted gross income).

If they have not filed a California tax return in one of the last five years, they cannot register.

Federal vs. State

In general, California law often conforms to the Internal Revenue Code (IRC). However, California may not adopt all of the federal tax laws. For more information, go to irs.gov and ftb.ca.gov

[Table of Contents](#)

Glossary of Tax Terms

<p>Key Terms</p> <p>California Itemized or Standard Deduction</p>	<p>The deductions we apply to the California adjusted gross income. We determine it by applying the ratio of California adjusted gross income to total adjusted gross income to all of the itemized or prescribed standard deductions allowable to California residents. The maximum ratio cannot exceed 1.0 or 100% of the total itemized or prescribed standard deduction.</p>
<p>Military Spouses Residence Relief Act (MSRRA)</p>	<p>“A spouse of a servicemember shall neither lose nor acquire a residence or domicile for purposes of taxation with respect to the person, personal property, or income of the spouse by reason of being absent or present in any tax jurisdiction of the United States solely to be with the servicemember in compliance with the servicemember’s military orders if the residence or domicile, is the same for the servicemember and the spouse.</p> <p>A spouse must meet the requirement of physical presence in the State and also show intent to make that State their permanent home.</p>
<p>Nonresident (Full-year)</p>	<p>A nonresident is any individual who is not a resident all year. Note: A California domiciliary on active duty permanently stationed out of California or an active duty military member domiciliary of any other state is considered to be a nonresident.</p>
<p>Part-year Resident</p>	<p>A part-year resident is any individual who is a California resident for part of the year and a nonresident for part of the year. Residence determines income California taxes. We follow the resident rules for the resident part of the year and the nonresident rules for the nonresident part of the year.</p>
<p>Resident (Full-year)</p>	<p>A resident is any individual who is present in California for other than a temporary or transitory purpose or domiciled in California, but outside California for a temporary or transitory purpose. As a resident, you are taxed on income from all sources. You will be presumed to be a California resident for any taxable year in which you spend more than nine months in this state. Unless an individual is a nonresident pursuant to the MSRRA.</p>
<p>California Source Income</p>	<p>When California becomes the place where a resident, part-year resident, or nonresident taxpayer produces or derives income at issue. It includes the following:</p> <p>Taxpayer earns wages working in California. We exclude military pay of a non-domiciliary or nonresident.</p> <ul style="list-style-type: none"> • California business income. • Gain/Loss from the sale of California real estate. • Rental income from California property. • Pass through entity income from California sources.
<p>California Taxable Income</p>	<p>California adjusted gross income less the prorated California itemized deductions or the standard deduction.</p>

Community Income	Community income is all income from community property. It also includes wages, salaries, and other compensation for personal services of a community property domiciliary person. We divide community income equally between the spouses.
Community Property	<p>Community Property is all of the property acquired as follows:</p> <ul style="list-style-type: none"> • By a community property state domiciliary husband or wife or both (other than property acquired as joint tenants), and • By a community property state domiciliary husband or wife, that is not separate property. <p>Each spouse owns one-half of all community property. Go to IRS Publication 555, Community Property, for specific rules. For tax years 2007 and later, California recognizes registered domestic partners the same as married couples concerning these rules. In 2005 and 2006, earned income of RDP was not treated as community property.</p>
Constructive Receipt	Constructive receipt occurs when a person's account receives credit or income set apart in any way that makes it available to the person. Physical possession is not necessary. For example, the bank credits interest earned and available on a savings account rather than actually withdrawing and paying it to the saver.
Contingency Operations	The Secretary of Defense designates a military operation or the President or Congress declares a war or a national emergency and therefore calls members of the uniform services to active duty (or retains them on active duty).
Credit	A credit is an amount that can be used to offset a tax liability of equal amount. It may provide special incentives for taxpayers to act in a particular way. Some credits allow for a refund of the excess credit or a carryover of the excess credit into a future year.
Deferrals	We postpone and call some items in taxation deferrals. Deferrals possess a right of interest, or payment withheld until a future date beyond the current tax year. Nonresidents, part-year residents, and residents use various tax reporting methods, regarding tax computations and recognition of loss carryovers, deferred deductions, and deferred income. We base reporting on the taxpayer's current year residency situation. The person looks back at the time they generated deferrals and uses the residency rules of their current reporting year's residency.

Dependent	<p>A dependent person must meet all five-exemption tests (same as federal) as listed below:</p> <ul style="list-style-type: none"> • Member of household or relationship • Citizenship • Joint return • Gross income • Support <p>The federal deducts the dependent exemption. California law allows a dependent exemption credit. For tax years 2005 and later, a dependent is a qualifying child or a qualifying relative. Got to FTB Publication 1540 for a description of the tests to be a qualifying child or a qualifying relative.</p>
Dependent Exemption Credit	<p>California provides a tax credit for each person who qualifies as a dependent. We limit the credit of high-income taxpayers using federal adjusted gross income.</p>
Dividends	<p>A corporation makes distributions to its shareholders out of earnings of the current year and from accumulated earnings of prior years. We call these distributions dividends.</p>
Domicile	<p>We define domicile as someone's permanent and true home. The place where the person intends to return whenever absent to live permanently and indefinitely. Domicile determines an active duty military member's California residency for income tax purposes. We also use domicile to divide income for married couples.</p> <p>The keys we use to determine domicile are the person's intent and physical presence. In order to claim a domicile other than California while living in California, the person establishes a domicile elsewhere before coming to California.</p>
Double Taxed Income	<p>We define double taxed income as income taxable in two or more states. Go to the FTB California Schedule S, Other State Tax Credit for a possible credit.</p>
Exemption Credit	<p>California allows two types of exemption credits: a personal exemption credit and a dependent exemption credit. These credits reduce tax, but remain subject to federal adjusted gross income limits.</p>

Hero Act 2006	The Heroes Earned Retirement Opportunities Act of 2006 permits excluded combat pay to be treated as compensation for purposes of the IRA contribution rules with a three-year make up window period for making IRA contributions for tax years 2004 – 2006 and then future years. California conforms to the Hero Act.
Heroes Act (HEART) 2008	California conforms to the Heroes Earnings Assistance and Relief Tax Act of 2008. An active duty employee treats differential wages as wages for retirement plan and IRA purposes and a person can roll over federal military death benefit gratuities to a Roth IRA or a Coverdell Education Savings Account without regard to contribution limits. California conforms to federal law with respect to elimination of the early withdrawal penalty for qualified retirement plan distributions to reservists, and extension of military home sales rules to certain members of the intelligence community for sales after January 1, 2010. Go to FTB Publication 1032, Tax Information for Military Personnel and IRS Pub. 3, Armed Forces Tax Guide.
Home of Record	Home of record normally is the place where the military member entered the service, usually their domicile at the time of entry.
Home Port	Home of record normally is the place where the military member entered the service, usually their domicile at the time of entry.
Intangible	Intangible property represents the right or claim to some kind of property or reward. Intangible property does not have physical existence, but is the right to property or financial rewards. Examples are interest, dividends, royalties, and capital gains/loss from the sale of stocks and bonds.
Nonresident	California defines a nonresident as someone who is not a resident of California for income tax purposes. See below for a definition of a California resident.
Part-year Resident	California defines part-year resident for tax purposes as someone with residency in California for part of the calendar year and not a resident of California for the other part of the year.
Permanent Change of Station (PCS)	We define a PCS as a change of duty assignment that includes a move from the taxpayer's home to a military post of duty, or a move from one permanent post of duty to another, or a move from the last permanent post of duty to the taxpayer's home upon discharge or retirement.

Personal Exemption Credit	California allows tax credits for the taxpayer and spouse, instead of the personal exemption deduction under federal law. These credits may be limited by federal adjusted gross income.
Prorated Tax Computation	California computes tax for nonresidents and part-year residents as follows: We divide the proper tax from the tax table/schedule on the total taxable income by the total taxable income to arrive at a tax rate, then We multiple the California taxable income by the tax rate.
Registered Domestic Partners (RDP)	The Secretary of State of California (SOS) grants two persons an RDP after they file a Declaration of Domestic Partnership. Effective for taxable years beginning on or after January 1, 2007, RDP file their California income tax returns as married/RDP filing jointly or married/RDP filing separately filing status. Beginning in 2007, RDP who file head of household for California must meet the requirements to be considered unmarried. Go to FTB Publication 1540, California Head of Household Filing Status. RDP enjoy the same legal benefits, protections, and responsibilities as married couples unless otherwise specified. Go to FTB Publication 737, Tax Information for Registered Domestic Partners.
Resident	California defines a resident as any person who is in California for other than a temporary or transitory purpose; or, is domiciled in California, but outside California for a temporary or transitory purpose. The individual maintains the above for income tax purposes for all of the calendar year. We focus on physical presence and intent. California taxes residents on all taxable income. California provides an exception to this rule for active duty military members. For income tax purposes, California treats an active duty military member as a resident of California only if they are both domiciled and stationed permanently in California.
Separate Income	We define separate income as income from separate property or income earned by a person domiciled in a separate property state. It is taxable to the spouse who owns the separate property. Caution: Idaho, Louisiana, Texas, and Wisconsin treat income from most separate property as community income. Some states treat the income earned after a separation and before issuance of a divorce decree, as community income. Other states treat it as separate income. California requires spouses who separate with no intention of resuming marriage to report their community income for the period they live together. But, they report each spouse's income as separate income after the spouses separate with no present intention of resuming the marriage.

Separate Property	<p>Separate property includes the following:</p> <p>All property owned separately by the husband/RDP or wife/RDP before marriage or registering as an RDP.</p> <p>All property acquired separately after marriage/RDP, such as gifts or inheritances, and property purchased with separate funds.</p> <p>Money earned while domiciled in a separate property state.</p> <p>Earned income of an RDP is not treated as community property until tax year 2007.</p> <p>All property declared separate property in a valid agreement (pre- or post-nuptial/RDP agreement).</p>
Service-members' Civil Relief Act	<p>Per this federal act:</p> <p>States, including California, are prohibited from making a nonresident military person (not domiciled in California) a resident solely because of being stationed in the state on military orders.</p> <p>The military compensation of nonresident military stationed in California will not be considered California source income or used to increase the total income to calculate the tax rate.</p> <p>States cannot use military income to increase tax on the nonmilitary income of the servicemember or their spouse.</p> <p>As amended by the Military Spouses Residency Relief Act: If a nonmilitary spouse of a servicemember lives in a state solely to be with the servicemember in compliance with the servicemember's military orders, and has the same out-of-state domicile as the servicemember, the spouse' service income will not be income from a California source.</p>
TaxSlayer (TS)	<p>The Internal Revenue Service provides the Volunteer Program professional tax software. TS software produces federal and state tax returns for electronic or print and mail filing.</p>
Total Taxable Income	<p>California defines total taxable income as total adjusted gross income if a California resident for the current year. We include income from prior taxable years such as carryover items, deferred income, suspended losses, or suspended deductions. We subtract either the itemized or prescribed standard deductions.</p>
US Armed Forces	<p>The United States Armed Forces includes commissioned officers and enlisted personnel in all regular and reserve units under control of the Secretaries of the Defense, Army, Navy, Marines (under the Navy), and Air Force. It includes the US Coast Guard, US Public Health Service, and National Oceanic and Atmospheric Administration Commission Corps.</p>
VITA or VRPP	<p>An acronym we use for a program that trains and allows volunteers to help civilians, active duty, retired military personnel and their families prepare their federal and state income tax returns. It stands for "Volunteer Income Tax Assistance." In 2005, the Internal Revenue Service named their overall program "Volunteer Return Preparation Program" (VRPP).</p>

540	We use FTB Form 540, California Resident Income Tax Return, to file the resident individual income tax form. FTB Form 540 covers all the possible income, adjustments, deductions, credits, other taxes, and payments. In scope, it compares to the IRS Form 1040, U.S. Individual Income Tax Return.
540CA or CA or Schedule CA (540) or Schedule CA	The FTB Schedule CA (540), California Adjustments - Residents, we use with the FTB Form 540. We adjust the federal adjusted gross income and itemized deductions for the federal and California law difference on the FTB Schedule CA (540 or 540NR).
540 2EZ	We use the FTB Form 540 2EZ, California Resident Income Tax Return, to file resident individual income tax. We complete this form using simple computations, its own tax table with built-in standard deduction, personal exemption, and dependent exemption. Type of income and restrictions on filing status limit this form's wide use. Some taxpayers direct file it on the internet.
540NR (Short)	We use the FTB Form 540NR (Short Form), California Nonresident or Part-Year Resident Income Tax Return, to file the nonresident or part-year resident individual income tax form. We file just income from wages, interest, unemployment, and paid family leave on this form. We use it for married couples filing jointly if one is a resident and the other is a nonresident or both are nonresidents or part-year residents. We use it to file all but the married filing separately filing status. It limits credits to the personal exemption credits and nonrefundable renter's credit.
540NR 540NR (Long)	We use the FTB Form 540NR (Long Form), California Nonresident or Part-Year Resident Income Tax Return, to file a nonresident or part-year resident individual income tax form. It allows for all situations for income tax reporting of nonresident or part-year residents, reporting. The different purpose of the IRS Form 1040NR, U.S. Income Tax Return for Nonresident Aliens, causes a mismatch for federal adjusted gross income required with the FTB Form 540NR. We complete an IRS Form 1040, 1040A, or 1040EZ first and then use it to complete the FTB Form 540NR.
540NR CA or NR CA or Schedule CA NR or Schedule CA (540NR)	FTB Schedule CA (540NR), California Adjustments - Nonresidents or Part-Year Residents, we use with, and must be an attachment to, FTB Form 540NR. We adjust the federal adjusted gross income and itemized deductions for the federal and California law difference. We use it to identify California taxable income and compute the ratio of California adjusted gross income (adjusted gross income) to total adjusted gross income from all sources.
540X or Amended Tax Return	Use the FTB Form 540X, Amended Individual Income Tax Return, to amend the 1990 through 2005 California personal income tax return [FTB Form 540, 540EZ, 540 2EZ, or 540NR (Long or Short) 540NR], whether originally filed via paper, e-file or CalFile. Get, read, and follow the instructions before attempting this form on the computer or in written form.

Quiz - California Tax Law

We allow 45 minutes to complete the quiz before going to lunch. If you need more time, you may finish the quiz by returning early from lunch. We go over the quiz after lunch.

When you get to Part B, you need to identify the example number of the Military Quick Reference Guide that best fits the scenario. Get in the habit of identifying the proper example to mimic for easy completion of the California tax returns, even with a minimal grasp of all the concepts.

Part A

1. Active military member Tim entered the military in Utah, his home state. Permanently stationed in California all year. Tim is a:
 - A. Resident of California with a Utah domicile.
 - B. Resident of Utah with a California domicile.
 - C. Resident of Utah with a Utah domicile.
 - D. Resident of California with a California domicile.
 - E. None of the above.

2. Bill entered and remains in the military in California on permanent change of station orders. The Air Force sent him on a temporary duty assignment to Arkansas for three months. His nonmilitary spouse Peggy lived in California all her life and stayed in California in Bill's absence.
 - A. Bill and Peggy are California residents with California domiciles.
 - B. Bill is a resident of Arkansas with a California domicile.
 - C. Peggy is a resident of California with an Arkansas domicile.
 - D. Bill is a resident of California for only 9 months.
 - E. None of the above.

3. Military member Steve entered the military in New York and was stationed in California from January through March. From January through March, he maintained his New York residence. He retired in April. He decided to remain in California permanently.
 - A. Resident of California with a California domicile starting in April.
 - B. He needs to file a California resident tax return.
 - C. He is a California resident with a New York domicile all year.
 - D. Both his military pay and retirement pay will be taxed by California.
 - E. None of the above.

4. Karen entered the military in California. She serves in Japan on PCS orders all year. She intends to return to California.
 - A. Karen is required to file a California resident tax return.
 - B. Karen is a California nonresident for tax filing with a California domicile.
 - C. Karen is a Japan resident with a California domicile.
 - D. Karen must file a nonresident California tax return for her military wages.
 - E. None of the above.

5. Active duty military member, Charles serves in California on PCS orders the entire year. He and his wife Betty moved here in 2013 from Maine, their permanent and true home, and where Charles entered the military.
- A. Charles and Betty are Maine residents with Maine domiciles.
 - B. Charles and Betty are California residents with Maine domiciles.
 - C. Charles is a resident of Maine with a Maine domicile.
 - D. Betty is a resident of California with a California domicile.
 - E. None of the above.
6. To help a nonresident military client with earned income from a second job while serving in California, you take what action?
- A. File FTB 540NR.
 - B. File if the second job wages do not exceed the filing requirement amount.
 - C. File FTB 540, 540A, or 540 2EZ.
 - D. File the California FTB 540NR only if there is California withholding.
 - E. None of the above.
7. To complete their tax return, a part-year resident uses:
- A. The resident rules only.
 - B. The nonresident rules only.
 - C. The resident rules and nonresident rules.
 - D. FTB Form 540, 540A, or 540 2EZ.
 - E. None of the above.
8. A non-resident and resident married client who file a joint return will use which form:
- A. FTB 540.
 - B. FTB 540NR.
 - C. FTB 5402EZ.
 - D. None of the above.
9. We consider interest income:
- A. Tangible property.
 - B. Community property.
 - C. Separate property.
 - D. Intangible property.
 - E. All of the above.

10. A California domiciliary military member PCS to a military installation in California remains a resident even when out of California on:
- A. Temporary duty.
 - B. Vacation.
 - C. Non-PCS duty assignment.
 - D. Convalescent leave in Hawaii.
 - E. All of the above.
11. Nonresident or part-year residents file a tax return if their gross income or CA adjusted gross income from _____ exceeds amounts in the filing requirement chart from.
- A. All sources.
 - B. California sources only.
 - C. Military sources.
 - D. The other state's sources.
 - E. None of the above.
12. Identify the community property states.
- A. Texas, New Mexico, and Oklahoma.
 - B. Wisconsin, Idaho, Washington.
 - C. Nevada, Montana, Arizona.
 - D. Louisiana, Puerto Rico, Virginia.
 - E. All of the above.
13. Clients file a federal return married filing jointly. They can file separate state returns:
- A. If one of them is member of the US Armed Forces during the taxable year.
 - B. Anytime the result is to their advantage.
 - C. If one spouse is not available to file and sign the state return.
 - D. If they have multiple states of domicile.
 - E. None of the above.
14. Residency determines what income is:
- A. Reportable.
 - B. Taxable.
 - C. Split between the spouses.
 - D. Excluded from taxable income.
 - E. None of the above.

15. The military pay adjustment applies if:
- A. The military member is domiciled in California but PCS out of California.
 - B. The military member is not domiciled in California.
 - C. The nonmilitary spouse is not domiciled in California.
 - D. The nonmilitary spouse and servicemember have the same domicile.
 - E. None of the above.
16. California excludes from taxation, interest earnings of a part-year resident during part of the year:
- A. As a California resident.
 - B. As a California nonresident.
 - C. As a California resident but out of the state on vacation.
 - D. Chicago municipal bond interest was earned.
 - E. None of the above.
17. The Servicemembers' Civil Relief Act applies to:
- A. Retired military members not domiciled in California.
 - B. All nonmilitary spouses in compliance with military orders.
 - C. Active duty military members.
 - D. Civil service personnel assigned to military units.
 - E. None of the above.
18. To determine the California taxable income, married clients apply the community or separate property rules based upon the property laws of the state where each spouse is:
- A. Domiciled.
 - B. A resident.
 - C. A resident and domiciled.
 - D. When the income was received.
 - E. None of the above.
19. Spouses divide their income when filing married filing separately:
- A. Based on the domicile of the spouse receiving the income.
 - B. Based on the domicile of the spouse earning the income.
 - C. Based on the most advantageous split.
 - D. Only if it is from a jointly held account.
 - E. None of the above.

20. In addition to income, using community property rules we divide:
- A. Withholding from the Form W-2 income that was divided.
 - B. Deductions associated with the income that was divided.
 - C. Credits generated from the divided income.
 - D. Estimated taxes paid for the tax liability generated by the divided income.
 - E. All of the above.
21. When using the Head of Household filing status for California, you must include:
- A. FTB Form 3532, Head of Household filing status schedule.
 - B. Birth Certificate.
 - C. Proof of dependent exemption
 - D. Schedule A, Itemized Deductions.
 - E. All of the above.
22. California excludes from taxation the following types of income for nonresidents:
- A. Interest.
 - B. Dividends.
 - C. Capital gains from the sale of stock.
 - D. Unemployment compensation.
 - E. All of the above.
23. For tax purposes, California considers military members with a California domicile and serving outside California as nonresidents of California if they are on:
- A. A ship with a California home port.
 - B. Permanent change of station orders of indefinite duration.
 - C. One-year permanent change of station orders as a California reservist.
 - D. Temporary duty orders.
 - E. None of the above.
24. California taxes nonresidents on income from a:
- A. Federal Form W-2 with a California business address for work done in the home state.
 - B. California source.
 - C. Retirement sourced in California.
 - D. Alimony from a California resident former spouse.
 - E. None of the above.

25. California considers a California domiciled and California home port military sailor on sea duty in the Persian Gulf a California:
- A. Nonresident after 9 months at sea.
 - B. Resident no matter how long the voyage.
 - C. Resident while in port and a nonresident while outside the three-mile limit.
 - D. Part-year resident.
 - E. None of the above.
26. Domicile determines:
- A. How married couples divide income.
 - B. If the military member qualifies for the military pay adjustment.
 - C. The state with the potential taxing authority of the military member.
 - D. Whether separate or community property rules apply to the taxpayer.
 - E. All of the above.
27. We determine domicile using these key factors:
- A. The taxpayer's intent to remain permanently and physical presence.
 - B. The military member's employment location on PCS orders.
 - C. The location of the military member's family.
 - D. The taxpayer's automobile registration and driver's license.
 - E. All of the above.
28. The California adverse consequences to married/RDP filing separately are:
- A. You cannot deduct student loan interest.
 - B. Exemptions of your spouse/RDP cannot be claimed on your tax return.
 - C. One spouse/RDP may have itemized deductions below the standard deduction.
 - D. In most cases, child and dependent care expense credits are eliminated.
 - E. All of the above.
29. The dependent exemption tests for California are:
- A. Member of household or relationship.
 - B. Citizenship.
 - C. Joint return.
 - D. Gross income and/or support.
 - E. All of the above.

30. For the military member not domiciled in California and their spouse/RDP, you exclude the military compensation from any of the following:
- a. Gross Income.
 - b. Taxable Income.
 - c. Alternative Minimum Taxable income.
 - d. Limitations based on federal adjusted gross income .
 - e. All of the above.
31. The modified federal adjusted gross income affects the following items on the California tax forms:
- a. Personal and Dependent Exemption Credits.
 - b. Medical and Dental Expenses.
 - c. Student Loan Interest Deductions.
 - d. Child and Dependent Care Credit.
 - e. All of the above.
32. If the federal adjusted gross income is \$85,000 and the military pay adjustment is \$33,000, for California purpose the federal modified adjusted gross income is:
- a. \$55,000.
 - b. \$52,000.
 - c. \$118,000.
 - d. \$33,000.
 - e. None of the above.

Part B

In this matching exercise find the example number that best fits the taxpayers' scenario. Use the back cover index of the Military Quick Reference Guide to find the example number.

First, you determine whether the state is a community (CPS) or separate property state (SPS), and then, the client's Military Member (M), spouse (S) location in or out of California.

These examples assume you were either a nonresident for the entire year or a resident for the entire year.

	Example Number	If the Military Member is:		And the Civilian Spouse is:		
		Domiciled	Located PCS	Domiciled	Resident	Located
30.		CA	TX	CA	CA	CA
31.		IL	CA	IL	CA	CA
32.		CA	S. KOREA	NONE		
33.		AZ	CA	ID	CA	CA
34.		CA	CA	CA	CA	CA
35.		CA	CA	CA	MI	MI
36.		CA	CA	NONE		
37.		TN	CA	NONE		
38.		TN	CA	ID	CA	CA
39.		CA	AZ	AZ	AZ	AZ
40.		NM	CA	NJ	CA	CA

TaxSlayer Login

The base coordinator has set up the student/volunteer's accounts in TaxSlayer using their tax center client ID. Coordinators can use TaxSlayer online instructions or call for assistance on how to do this.

The student's will type the username and password provided to them by the site coordinator along with the security code that is also provided by the site coordinator.

Once you have entered the appropriate information you will be prompted to change your password.

User Name:	Student's name	Your User Name	_____
Password:	Student's name	New Password	_____
Security Code:	_____		

Annually TaxSlayer updates the current California state forms in late January. During California State tax training it will be necessary for you to use the prior year TaxSlayer online program.

<https://vita.taxslayerpro.com/IRSTraining>

Important - TaxSlayer Information

The information you type into TaxSlayer is crucial. Key it as you see it. Type each tax form into TaxSlayer exactly as it looks.

When you put correct information into TaxSlayer, you get correct information out of TaxSlayer.

On occasion clients will mix up their tax paper work and give you forms from multiple tax years.

Check the Social Security Numbers

It is important to check your client's tax forms to verify their social security number matches and the tax forms are for the tax year you are preparing.

IRS Training

During the IRS classroom or the online Link and Learn training, you learned how to key tax forms into TaxSlayer to create a federal tax return.

Your client's tax forms will have their social security numbers and the tax year on them. For these examples, the social security numbers and tax years have been removed.

[Table of Contents](#)

Grasp Step by Step Exercise

The Grasp practice exercise instructs you how to complete the return in TaxSlayer. Take your time, it is expected that the Grasp step by step exercise will take you longer than the other exercise problems in this manual.

Enter the exercises into TaxSlayer, the way you did during the IRS training:

1. Review the IRS Form 13614-C.
 - a. Carefully read the interview notes on page 3 and 4.
 - b. In this training manual the interview notes are:
 - i. On a separate page titled Interview Notes.
 - ii. Detailed items you will need to ask your client's for.
2. Enter all the tax forms.
3. Continue until the federal tax return is complete.
4. Complete the FTB 2335 VITA Military Worksheet.
 - a. Used for California nonresident or part-year residents with California income.
5. Finish by completing the California state tax return.

During California State TaxSlayer training you will need to create the primary taxpayer's unique social security number. The spouse and dependents numbers can be reused over and over for all the exercises.

The Grasp exercise has been set up to simulate a return that a client may bring to your VITA site. Review the information on the following pages and use the step by step instructions to guide you.

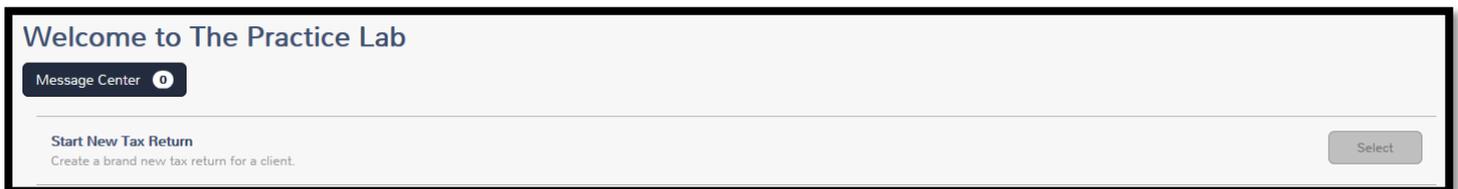
Getting Started

Log into TaxSlayer Training and use the Grasp's information to create a tax return.

Click, Go to Practice Area from the Practice Lab Home Screen.

In TaxSlayer:

- Click "**Select**" on the Start New Tax Return line.



[Table of Contents](#)

- Make up a social security number.
 - a. Do not use numbers from your social security number.

Enter Social Security Number

Social Security Number

Confirm Social Security Number

Available Taxpayer Profiles

Start Return

Enter Social Security Number

Available Taxpayer Profiles

Office Profiles

Basic (No Profile)
Create a return without a Taxpayer Profile.

3189 Master Profile
Default Profile

Start Return

NOTE: You can choose a Taxpayer Profile to automatically display income and adjustment entry pages that most closely reflect information from the taxpayer. When you do this, you save time in the return. You can still add other information to the return after you complete any of the necessary forms displayed by the taxpayer profile. For more information on taxpayer profiles, go to the *Entering Basic Income* lesson.

Tip: If you do not want to use a taxpayer profile for the return, you can choose basic (no profile) and start a blank return. You can only select taxpayer profiles during **Start A New Return**.

For the exercises in the training manual the client's interview notes are placed after the IRS Form 13614-C, Intake/Interview and Quality Review Sheet. For real client's you will interview them and place your notes on pages 3 and 4.

Interview Notes – Grasp

1. May B. Grasp is in the military.
 - o She is domiciled in Louisiana.
2. She will file a joint return with her spouse.
3. Her spouse is Will U. Grasp he is a construction worker.
 - o He is domiciled in Ohio.
4. They have two children:
 - o Minnie Grasp - she is in day care all day.
 - o Al Grasp - he attends an after school care program.
5. They provided
 - o The entire cost of maintaining the household
 - o All of the support for their children.
6. They received the following income forms
 - o W2, wage income.
 - o 1099-INT from their bank.
 - o 1099-G state tax refund.
 - Last year they itemized.
 - o 1099-B for an investment at E-trade they sold.
 - o 1099-R for a 401K Will cashed in.
 - The funds were used to pay household expenses.
 - Will did not qualify for an exception to the early withdrawal penalty.
 - o 1099-G for Will's unemployment income.
7. They are itemizing and brought the following documents
 - o BAH & BAS.
 - o Sales tax paid on a new car.
 - o 1098 Mortgage interest and property tax.
 - o DMV bill - license fee.
 - o Charity receipt.
8. The Grasp's provided a check and if they:
 - o Have a refund they would like direct deposit.
 - o Owe they would like the money withdrawn on April 15

All members of the household had minimum essential health coverage all year.

Form 13614-C (October 2014)	Department of the Treasury - Internal Revenue Service Intake/Interview & Quality Review Sheet	OMB Number 1545-1964											
You will need: <ul style="list-style-type: none"> • Tax Information such as Forms W-2, 1099, 1098. • Social security cards or ITIN letters for all persons on your tax return. • Picture ID (such as valid driver's license) for you and your spouse. 		<ul style="list-style-type: none"> • Please complete pages 1-3 of this form. • You are responsible for the information on your return. Please provide complete and accurate information. • If you have questions, please ask the IRS certified volunteer preparer. 											
Part I – Your Personal Information													
1. Your first name May	M.I. B	Last name Grasp											
2. Your spouse's first name Will	M.I. U	Last name											
3. Mailing address 555 Walton Ave	Apt #	City Your City											
4. Telephone number(s) 916-555-1234	Email address (optional) May.Grasp@mil.gov												
5. Your Date of Birth 10/11/86	6. Your job title Military	7. Last year, were you: a. Full time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No											
8. Your spouse's Date of Birth 11/12/1983	9. Your spouse's job title Construction	10. Last year, was your spouse: a. Full time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No											
11. Can anyone claim you or your spouse on their tax return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure													
12. Have you or your spouse: a. Been a victim of identity theft? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No b. Adopted a child? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No													
Part II – Marital Status and Household Information													
1. As of December 31 of last year, were you: <input type="checkbox"/> Single (This includes registered domestic partnerships, civil unions, or other formal relationships under state law) <input checked="" type="checkbox"/> Married a. Did you live with your spouse during any part of the last six months of 2014? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No b. Was your marriage recognized under the laws of the state(s) you are filing in? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unsure <input type="checkbox"/> Divorced or Legally Separated Date of final decree or separate maintenance agreement _____ <input type="checkbox"/> Widowed Year of spouse's death _____													
2. List the names below of: • everyone who lived with you last year (other than you or your spouse) • anyone you supported but did not live with you last year													
		If additional space is needed check here <input type="checkbox"/> and list on page 3											
To be completed by a Certified Volunteer Preparer													
Name (first, last) Do not enter your name or spouse's name below	Date of Birth (mm/dd/yy)	Relationship to you (for example: son, daughter, parent, none, etc)	Number of months lived in your home last year	US Citizen (yes/no)	Resident of US, Canada, or Mexico last year (yes/no)	Single or Married as of 12/31/14 (S/M)	Full-time Student last year (yes/no)	Totally and Permanently Disabled (yes/no)	Can this person be claimed by someone else as a dependent on their return? (yes/no)	Did this person provide more than 50% of their own support? (yes/no)	Did this person have less than \$3950 of income? (yes/no)	Did the taxpayer(s) provide more than 50% of support for this person? (yes/no)	Did the taxpayer(s) pay more than half the cost of maintaining a home for this person? (yes/no)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)					
Minnie Grasp	02/28/2011	Daughter	12	Yes	Yes	S	No	No	No	No	Yes	Yes	Yes
Al Grasp	01/25/2007	Son	12	Yes	Yes	S	No	No	No	No	Yes	Yes	Yes
Volunteers are trained to provide high quality service and uphold the highest ethical standards. To report unethical behavior to the IRS, email us at wi.voltax@irs.gov or call toll free 1-877-330-1205													
Catalog Number 52121E				www.irs.gov				Form 13614-C (Rev. 10-2014)					

Yes **No** **Unsure** Check appropriate box for each question in each section

Part III – Income – Last Year, Did You (or Your Spouse) Receive

- | | | | |
|-------------------------------------|-------------------------------------|--------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 1. (B) Wages or Salary? (Form W-2) If yes, how many jobs did you have last year? _____ |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 2. (A) Tip Income? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 3. (B) Scholarships? (Forms W-2, 1098-T) |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 4. (B) Interest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV) |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 5. (B) Refund of state/local income taxes? (Form 1099-G) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 6. (B) Alimony income? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 7. (A) Self-Employment income? (Form 1099-MISC, cash) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 8. (A) Cash/check payments for any work performed not reported on Forms W-2 or 1099? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 9. (A) Income (or loss) from the sale of Stocks, Bonds or Real Estate? (including your home) (Forms 1099-S, 1099-B) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 10. (B) Disability income? (such as payments from insurance, or workers compensation) (Forms 1099-R, W-2) |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 11. (A) Distribution from Pensions, Annuities, and/or IRA? (Form 1099-R) |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 12. (B) Unemployment compensation? (Form 1099-G) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 13. (B) Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 14. (M) Income (or loss) from Rental Property? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 15. (B) Other income? (gambling, lottery, prizes, awards, jury duty, Sch K-1, etc.) (Forms W-2G) Specify _____ |

Part IV – Expenses – Last Year, Did You (or Your Spouse) Pay

- | | | | |
|-------------------------------------|-------------------------------------|--------------------------|---|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 1. (B) Alimony? If yes, do you have the recipient's SSN? <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 2. Contributions to a retirement account? _____ IRA (A) _____ 401K (B) _____ Roth IRA (B) _____ Other _____ |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 3. (B) Post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 4. (B) Unreimbursed employee business expenses? (such as uniforms or mileage) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 5. (B) Medical expenses? (including health insurance premiums) |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 6. (B) Home mortgage interest? (Form 1098) |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 7. (B) Real estate taxes for your home or personal property taxes for your vehicle? (Form 1098) |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 8. (B) Charitable contributions? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 9. (B) Child or dependent care expenses such as daycare? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 10. (B) For supplies used as an eligible educator such as a teacher, teacher's aide, counselor, etc.? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 11. (A) Expenses related to self-employment income or any other income you received? |

Part V – Life Events – Last Year, Did You (or Your Spouse)

- | | | | |
|--------------------------|-------------------------------------|--------------------------|---|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 1. (HSA) Have a Health Savings Account? (Forms 5498-SA, 1099-SA, W-2 with code W in box 12) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 2. (COD) Have debt from a mortgage or credit card cancelled/forgiven by a commercial lender? (Forms 1099-C, 1099-A) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 3. (A) Buy, sell or have a foreclosure (COD) of your home? (Form 1099-A) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 4. (B) Have Eamed Income Credit (EIC) disallowed in a prior year? If yes, for which tax year? _____ |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 5. (A) Purchase and install energy-efficient home items? (such as windows, furnace, insulation, etc.) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 6. (B) Live in an area that was affected by a natural disaster? If yes, where? _____ |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 7. (A) Receive the First Time Homebuyers Credit in 2008? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 8. (B) Pay any student loan interest? (Form 1098-E) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 9. (B) Make estimated tax payments or apply last year's refund to this year's tax? If so how much? _____ |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 10. (A) File a federal return last year containing a "capital loss carryover" on Form 1040 Schedule D? _____ |

Yes No Unsure Check appropriate box for each question in each section

Part VI: Health Care Coverage (includes CHIP, Medicare, Medicaid, Employer-Sponsored Insurance, Individual Health Insurance, etc.)

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. Last year, did you have health care coverage for you, your spouse, and all qualifying dependents? (Forms W-2, 1099 SSA and Form 1095 series)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. Last year, did you or your spouse receive an advance payment from the Marketplace to help you pay for your monthly health care payments? (Form 1095A)

Visit <http://www.healthcare.gov/> or call 1-800-318-2596 for more information on health insurance coverage options and assistance.

If you're receiving advance payments of the premium tax credit to help pay for your health insurance coverage, you should report life changes, such as income, marital status or family size changes, to your marketplace. Reporting changes will help to make sure you are getting the proper amount of advance payments.

To be completed by a Certified Volunteer Preparer (Use Publication 4012 and check the appropriate box(es) indicating the health care coverage status for everyone listed on the return)

Had Health Care Coverage	(B) For the Entire year (12 months)	(B) For part of the year (Less than 12 months)	(B) No Health Care Coverage at all	(B) Qualify for an exemption
Taxpayer				
Spouse				
Dependent number 1 (page 1)				
Dependent number 2 (page 1)				
Dependent number 3 (page 1)				
Dependent number 4 (page 1)				

Part VII – Additional Information and Questions Related to the Preparation of Your Return

1. Presidential Election Campaign Fund (If you check a box, your tax or refund will not change)
 Check here if you, or your spouse if filing jointly, want \$3 to go to this fund You Spouse

2. If you are due a refund, would you like:
 a. Direct deposit Yes No
 b. To purchase U.S. Savings Bonds Yes No
 c. To split your refund between different accounts Yes No

3. If you have a balance due, would you like to make a payment directly from your bank account? Yes No

Many free tax preparation sites operate by receiving grant money. The data from the following questions may be used by this site to apply for these grants. Your answers will be used only for statistical purposes.

4. Other than English, what language is spoken in your home? Spanish Prefer not to answer

5. Are you or a member of your household considered disabled? Yes No Prefer not to answer

Additional comments
 ***** CLIENT INTERVIEW NOTES MAY BE PLACED HERE. *****

— Paid sales tax of \$2,550 on their new car. —
 — —

Part VIII – IRS Certified Volunteer Quality Reviewer Section

Review the tax return with the taxpayer to ensure:

- Taxpayer (and Spouse's) identity was verified with a photo ID.
- The volunteer return preparer/quality reviewer are certified to prepare/review this return and return is within scope of the program.
- All unsure boxes were discussed with the taxpayer and correctly marked yes or no.
- The information on pages one through three was correctly addressed and transferred to the return.
- Names, SSNs, ITINs, and EINs, were verified and correctly transferred to the return.
- Filing status was verified and correct.
- Personal and Dependency Exemptions are entered correctly on the return.
- All Income (including income with or without source documents) checked "yes" in part III was correctly transferred to the tax return.
- Adjustments are correct.
- Standard, Additional or Itemized Deductions are correct.
- All credits are correctly reported.
- All Affordable Care Act information is reported correctly
- Withholding shown on Forms W-2, 1099 and Estimated Tax Payments are correctly reported.
- Direct Deposit/Debit and checking/saving account numbers are correct.
- SIDN is correct on the return.
- The taxpayer(s) was advised that they are responsible for the information on their return.

Certified Volunteer Preparer's name/initials <i>(optional)</i>	Certified Volunteer Quality Reviewer's name/initials <i>(optional)</i>
--	--

Additional Tax Preparer notes
 ***** CLIENT INTERVIEW NOTES MAY BE PLACED HERE. *****

FOR OUR EXERCISES IN THE TRAINING MANUAL THE INTERVIEW NOTES ARE LISTED AFTER THE FORM 13614-C.

Privacy Act and Paperwork Reduction 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.

The Paperwork Reduction Act requires that the IRS display an OMB control number on all public information requests. The OMB Control Number for this study is 1545-1994. Also, if you have any comments regarding the time estimates associated with this study or suggestion on making this process simpler, please write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, Washington, DC 20224

TaxSlayer Pro saves the new return and displays **what's your filing status** page.

1. Select the appropriate filing status. (For Grasp you would choose Married Filing Joint)
2. Click **Continue**

The screenshot shows the TaxSlayer Pro interface. At the top, there's a blue header with the logo and a 'Help' icon. Below the header, there are tabs for 'Filing Status', 'Personal Information', and 'Dependents'. A sidebar on the left contains a search bar and a list of navigation items: Basic Information (highlighted), Federal Section, Health Insurance, State Section, Summary/Print, e-File, 2015 Amended Return, Save & Log Out, and Scanned Documents. The main content area is titled 'What's your filing status?'. It features five radio button options: Single, Married Filing Joint (which is selected), Married Filing Separate, Head of Household, and Qualifying Widow(er) with Dependent Children. To the right of these options is a link for 'Need help determining your filing status?' with a 'Filing Status Wizard' button. At the bottom right, there are two buttons: a red 'Cancel' button and a green 'Continue' button.

After you select the filing status, TaxSlayer Pro displays the **Personal Information Page**.

3. Read each box and type or select the appropriate data.

The screenshot shows the 'Personal Information' page in TaxSlayer Pro. The page is titled 'Personal Information' and 'Taxpayer Information'. It contains several input fields and checkboxes. The 'Primary First Name' field contains 'May', the 'MI' field contains 'B', the 'Last Name' field contains 'Grasp', and the 'Suffix (Jr, Sr, etc.)' field is a dropdown menu. The 'Social Security Number' field is empty, and the 'Date of Birth' field contains '10/11/1986'. The 'Occupation' field contains 'Military'. Below these fields are several checkboxes with labels: 'Check here if the Taxpayer can be claimed as a dependent on someone else's return.', 'Check here if Taxpayer is a student.', 'Check here if Taxpayer is blind.', 'Check here if Taxpayer is deceased.', 'Check here if the Taxpayer wishes to contribute \$3 to the Presidential Election Campaign Fund.', and 'Check here if the Taxpayer or Spouse served in a Combat Zone during the current tax year.'

TaxSlayer Pro automatically enters the primary social security number/ITIN based on the information you typed while starting the return.

4. TaxSlayer Pro displays the Spouse Information section if you selected a Married Filing Status. Complete the information for the spouse and select any applicable check boxes. TaxSlayer Pro automatically completes the spouse's last name based on the information you typed for the taxpayer's last name. You can change this box if the spouse has a different last name.

Spouse Information

Spouse First Name: Will | MI: U | Last Name: Grasp | Suffix (Jr, Sr, etc.): ---

Social Security Number: [] - [] - [] | Date of Birth: 11 / 12 / 1983

Occupation: Construction

Check here if the Spouse can be claimed as a dependent on someone else's return.
 Check here if Spouse is a student.
 Check here if the Spouse is blind.
 Check here if Spouse is deceased.
 Check here if the Spouse wishes to contribute \$3 to the Presidential Election Campaign Fund.

Contact Information

5. Select the appropriate check box if the taxpayer has a stateside military address or a foreign address.
6. When you type the zip code, TaxSlayer Pro automatically populates the city and state.

Address and Phone Number

Check here if Stateside Military address.
 Check here if foreign address

Address (Number and Street): 555 Walton Ave | Apartment: []

Zip Code: 95826 - []

City, Town, or Post Office: Sacramento

State: California | Resident State as of 12/31/2015: California

Daytime Telephone Number: (916) 555 - 1234

Secondary Telephone Number: ([]) [] - []

7. When you finish entering the personal information for the taxpayer and, if applicable the spouse, click "**Continue**".

Entering Dependent Information

When you complete the personal information, TaxSlayer Pro displays **the Dependents or Qualifying Person(s)** page.

To add dependents to the return, use the following steps:

1. Click "**Yes**" showing that the taxpayer does have a dependent or qualifying person.

Filing Status Personal Information Dependents

Dependents or Qualifying Person(s)

Do you have any Dependents or Qualifying Person(s) to claim on your return?

Individuals who rely on you for support and reside in your house generally qualify for dependent tax exemptions. However, there are situations when a child's exemption status is more complicated. The IRS has special rules for these situations.

TaxSlayer displays the **Dependent/Qualifying Child Information** page.

2. Type the dependent or qualifying child's name.
3. Select the date of birth from the lists.
4. If the dependent does not have a taxpayer identification number, select the **Check if the depend does not have an SSN/ITIN/ATIN** check box.

[Table of Contents](#)

Dependent / Qualifying Child Information

First Name	Middle	Last Name
MINNIE		Grasp

Date of Birth:

2 28 2011

Check if the dependent does not have an SSN/ITIN/ATIN

Social Security Number:

- -

Relationship:

Daughter

Number of months this person lived in your home during 2015:

12

Note: If this dependent was born in 2015, you must select 12 months)

Please answer the following:

Check if this person was a FULL-TIME student.

Check if this person was DISABLED.

Check if this qualifying child is NOT YOUR DEPENDENT.

Check if you wish NOT to claim this dependent for Earned Income Credit purposes.

Check if this dependent is married.

Note: If an ITIN is needed, TaxSlayer displays a new question to determine whether Form W-7 is needed in the return.

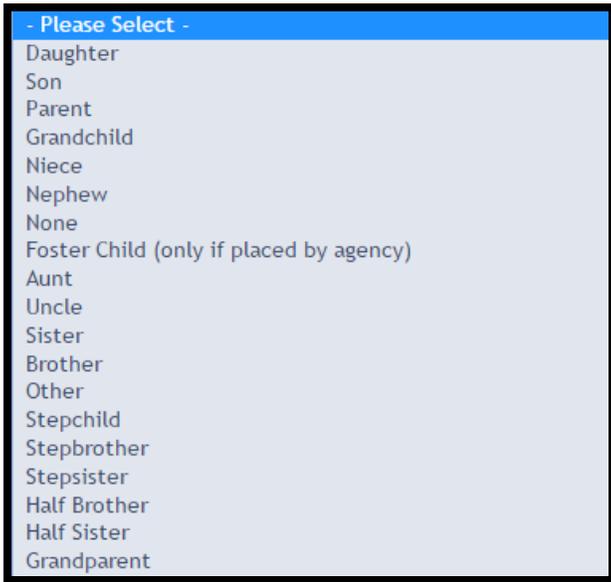
- Select the answer to the question.
- If the dependent does have a taxpayer identification number, type the dependents social security number or other identifying number.

Check if the dependent does not have an SSN/ITIN/ATIN

This dependent will be completing a Form W-7, Application for ITIN:

Yes No

5. Select the dependents relationship from the list.



6. Select the number of months the dependent lived in the home during the year. If the dependent lived in Canada, Mexico or was not in the home for other reasons, select the appropriate option from the list.



7. If there is a "YES" in any appropriate check boxes. TaxSlayer Pro may display additional boxes for you to complete based on the check boxes you select.

Please answer the following:

Check if this person was a FULL-TIME student.

Check if this person was DISABLED.

Enter the Type of Disability:

Check if this qualifying child is NOT YOUR DEPENDENT.

Check if you wish NOT to claim this dependent for Earned Income Credit purposes.

Check if this dependent is married.

Check if this dependent is filing their own tax return with the sole purpose of receiving a refund because of no tax liability.

When you finish typing the dependents information, click **“Continue”**.

TaxSlayer displays the Dependent or Qualifying Child page, listing the dependent you just entered.

- If the taxpayer has more than one dependent or qualifying child, click **“Add”** to add each one.

Dependent or Qualifying Child

First Name	Last Name	Social Security Number		
MINNIE	Grasp	Applied for ITIN	Edit	Delete
AL	Grasp	Applied for ITIN	Edit	Delete

[+ Add](#) Add a Dependent or Qualifying Child

[Continue](#)

When you are finished entering dependents, click **Continue**.

Tip: You can add an unlimited number of qualifying dependents in the **Dependent or Qualifying Child** section.

TaxSlayer Pro displays the **Basic Information** page.

To review the filing status, personal information or dependent information, click **“Edit”** for that row.

When you finish reviewing basic information, click **“Continue”**.

[Table of Contents](#)

Entering Basic Income

TaxSlayer provides four methods of entering income in the taxpayers return. You can use any of the following:

- Taxpayer Profile
- Form 1040
- Guide Me
- Enter Myself

We will be entering the income using the Enter Myself option.

1. Click "Enter Myself"

Let's look at the money you earned

Money isn't everything, except on your tax return. Tell us about your W-2, interest and dividends and retirement distributions. Follow our step-by-step guide to ensure accurate entry of your income. Or, enter the information on your own if you are familiar with the forms.

[Guide Me](#) -OR- [Enter Myself](#)

[← Back](#) [✓ Skip Income](#)

2. Once you click Enter Myself the following screen will appear. Click Begin for the type of income you need to add to the return. We will be starting with the W-2.

Income

Wages and Salaries (W-2)

BEGIN

State and Local Refunds (1099-G Box 2)

BEGIN

Interest and Dividends (1099-INT, 1099-DIV)

BEGIN

IRA/Pension Distributions (1099-R, 1099-SSA)

BEGIN

Unemployment Compensation (1099-G Box 1)

BEGIN

Form 1099-Misc

BEGIN

Profit or Loss From A Business (Schedule C)

BEGIN

Rents and Royalties (Schedule E)

BEGIN

Capital Gain and Losses (Schedule D)

BEGIN

Profit or Loss From Farming (Schedule F)

BEGIN

3. Type the information from the taxpayers W-2 on the form.

22222		Employee's social security number		OMB No. 1545-0008			
b Employer identification number (EIN) 84-9990000		1 Wages, tips, other compensation 31,782.41		2 Federal income tax withheld 3,208.30			
c Employer's name, address, and ZIP code Defense Finance and Accounting 8899 East 56th Street Indianapolis, IN 46249-1200		3 Social security wages 39,582.41		4 Social security tax withheld 2,454.00			
		5 Medicare wages and tips 39,582.41		6 Medicare tax withheld 574.00			
		7 Social security tips		8 Allocated tips			
d Control number 89-8569		9		10 Dependent care benefits			
e Employee's first name and initial Last name Suff. May B Grasp 555 Walton Ave Your City, YS Your Zip		11 Nonqualified plans		12a D 2,600.00			
		13 Statutory employee Full-time part-time Other <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b Q 5,200.00			
		14 Other		12c			
				12d			
f Employee's address and ZIP code							
15 State Employer's state ID number LA 84-99001	16 State wages, tips, etc. 31,782.41	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name		

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

Department of the Treasury — Internal Revenue Service

W-2

a Control Number

Not needed for e-filing

IRS Verification Code (If provided)

- This is a standard W-2
- This is a corrected W-2
- This is a substitute W-2

Employee

Whose W-2 is this?

May Grasp

Will Grasp

ITIN SSN:

000

00

0001

Check here if foreign address

Address (Number and Street)

555 Walton Ave

Zip Code

95826

City, Town, or Post Office

Sacramento

State

California



Employer

b EIN

84

9990000

c Employer Name

DFAS-JFLL/IN

Check here if foreign address

Address (Number and Street)

8899 EAST 56TH STREET

Zip Code

46249

City, Town, or Post Office

Indianapolis

State

Indiana



Note: Information entered above must match the IRS Master File. **Please Verify.**

Wages

1 Wages, Tips	\$ 31782	2 Federal Tax Withheld	\$ 3208
3 SS Wages	\$ 39582	4 Soc. Sec. Tax Withheld	\$ 2454
5 Medicare Wages	\$ 39582	6 Medicare Tax	\$ 574
7 SS Tips	\$	8 Allocated Tips	\$
9	RESERVED	10 Dependent Care	\$
		11 NonQual Plan	\$
Unreported Tips	\$		

12 Code	Amount	13	14 Code	Amount
a D	\$ 2600	<input type="checkbox"/> Statutory Employee		\$
b Q	\$ 5200	<input type="checkbox"/> Retirement Plan	+ add another row	
c	\$	<input type="checkbox"/> Third Party Pay		
+ add another row				

Louisiana Information

Clear

15 State Name	State EIN	16 St Wages	17 St Tax Paid
Louisiana	8499001913904001	\$ 31782	\$
	18 Local Wages	19 Local Tax Paid	20 Local Name
	\$	\$	

Once you have completed entering May's W-2 and click "Continue", you will be asked if she is active duty military. Answer the question accordingly and click "Continue".

Additional W-2's

If you have additional W-2's to be entered click on "Add" and repeat step 3.

2222	a Employee's social security number	OMB No. 1545-0008				
b Employer identification number (EIN) 45-2283795		1 Wages, tips, other compensation 48,288.36	2 Federal income tax withheld 1,830.15			
c Employer's name, address, and ZIP code Local Concrete Company 1297 Market Street Your City, State Zip		3 Social security wages 53,288.36	4 Social security tax withheld 3,304.00			
		5 Medicare wages and tips 53,288.36	6 Medicare tax withheld 773.00			
		7 Social security tips	8 Allocated tips			
d Control number		9	10 Dependent care benefits			
e Employee's first name and initial Last name Will U Grasp 555 Walton Ave Your City, State Zip		11 Nonqualified plans		12a D 5,000.00		
		13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b DD 2,000.00		
		14 Other		12c		
f Employee's address and ZIP code		12d				
15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name
CA	12-0005601	48,288.36	723.05		482.88	CASDI

Form **W-2** Wage and Tax Statement Department of the Treasury—Internal Revenue Service

Table of Contents

W-2 Wage Statement

Employee	Employer	Income	Tax Withheld		
Taxpayer	DFAS-JFLL/IN	\$31,782	\$3,208		
Spouse	LOCAL CONCRETE COMPANY	\$48,288	\$1,830		

 **Add a W-2 Wage Statement**



1099 Forms

Once you have completed entering the W-2(s) and continued, you will be back to the main screen to enter income.

1. Click "BEGIN" on Interest and Dividends (1099-int, 1099-Div)

Interest and Dividends (1099-INT, 1099-DIV) 

2. Click on "Interest and Dividends" to enter the information below.

Interest and Dividend Income

Interest or Dividend Income 

3. After clicking "Begin", select the type of Interest or Dividend you will be entering and click "Continue".

[Table of Contents](#)

1099 Description Schedule B

Choose the type of Interest or Dividend item you want to enter:

- Interest Income, Form 1099-INT (including interest income less < 1,500)
- Tax Exempt Interest Income, Form 1099-INT, Box 8 or Form 1099-DIV, Box 10
- Dividend Income, Form 1099-DIV
- Seller Financed Interest Income

X Cancel

✓ Continue

<input type="checkbox"/> CORRECTED (if checked)											
PAYER'S name, street address, city or town, province or state, country, ZIP or foreign postal code, and telephone no. JP Morgan Chase 125 Enterprise Blvd. Your City, State Zip				Payer's RTN (optional)		OMB No. 1545-0112		Interest Income			
				1 Interest income \$ 1,200.00		Form 1099-INT					
PAYER'S federal identification number 45-2283795				RECIPIENT'S identification number				Copy B			
RECIPIENT'S name Will and Mary Gras Will and May Grasp				2 Early withdrawal penalty \$				For Recipient			
Street address (including apt. no.) 555 Walton Ave				3 Interest on U.S. Savings Bonds and Treas. obligations \$ 76.02				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.			
City or town, province or state, country, and ZIP or foreign postal code Your City, State Zip				4 Federal income tax withheld \$		5 Investment expenses \$					
				6 Foreign tax paid \$		7 Foreign country or U.S. possession					
				8 Tax-exempt interest \$		9 Specified private activity bond interest \$					
Account number (see instructions)				10 Tax-exempt bond CUSIP no.		11 State CA					
Form 1099-INT				(keep for your records)				www.irs.gov/form1099int			
Department of the Treasury - Internal Revenue Service											

[Table of Contents](#)

Interest Income

Type of transaction: **Interest Income**

Payer's Name:

Taxpayer, Spouse, or Joint?

Interest Income (Box 1)	<input type="text" value="\$ 1200"/>
Early Withdrawal Penalty (Box 2)	<input type="text" value="\$"/>
Interest on U.S. Savings Bonds and Treasury obligations (Box 3) <small>(Note: Enter Taxable amount only)</small>	<input type="text" value="\$ 76"/>
Federal Tax Withheld (Box 4)	<input type="text" value="\$"/>
Foreign Tax Withheld (Box 6)	<input type="text" value="\$"/>
Amount of Interest on U.S. Savings Bonds and Treasury Obligations that you want subtracted from your state return	<input type="text" value="\$ 76"/>
Please select your state	<input type="text" value="California"/> <input type="checkbox"/>
Nominee Interest	<input type="text" value="\$"/>
OID Adjustment	<input type="text" value="\$"/>
Accrued Interest	<input type="text" value="\$"/>
ABP Adjustment	<input type="text" value="\$"/>
Accrued Market Discount	<input type="text" value="\$"/>

US Savings Bonds

California does not tax US Savings Bond interest, so you need to subtract the bond amount. You want to enter the bond amount in box 3 and then subtract that same amount in the box that states, "Interest on U.S. Savings Bonds and Treasury Obligations that you want subtracted from your State return".

Additional Interest

If you have additional interest (1099-INT) forms to enter, Click "ADD" and repeat step 2.

CORRECTED (if checked)

PAYER'S name, street address, city or town, province or state, country, ZIP or foreign postal code, and telephone no. JP Morgan Chase 125 Enterprise Blvd. Your City, State Zip		Payer's RTN (optional)	OMB No. 1545-0112	Interest Income Form 1099-INT
PAYER'S federal identification number 98-6985333		1 Interest income \$ 44.09		
RECIPIENT'S identification number		2 Early withdrawal penalty \$		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.
RECIPIENT'S name May Gasp <small>Street address (including apt. no.)</small> 555 Walton Ave <small>City or town, province or state, country, and ZIP or foreign postal code</small> 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 \$	
10 Tax-exempt bond CUSIP no.		6 Foreign tax paid \$	7 Foreign country or U.S. possession	
8 Tax-exempt interest \$		9 Specified private activity bond interest \$		11 State
12 State identification no.		13 State tax withheld \$		\$

Form **1099-INT** (keep for your records) www.irs.gov/form1099int Department of the Treasury - Internal Revenue Service

TaxSlayer will look like this when finished:

Interest and Dividends

Type	Payer	Owner	Amount		
Interest Income	JP MORGAN CHASE	Joint	\$1,276	Edit	Delete
Interest Income	JP MORGAN CHASE	Taxpayer	\$44	Edit	Delete

+ Add **Add an Interest and Dividends**

✔ Continue

1099-G

The Form 1099-G is used for certain government payments such as state and local tax refunds or unemployment compensation. Each box on the 1099-G describes the type of income. On this Form 1099-G the income is in box 2, state or local tax refund.

<input type="checkbox"/> CORRECTED (if checked)		Certain Government Payments	
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. Franchise Tax Board PO Box 942867 Sacramento CA 94267-0001		1 Unemployment compensation \$	OMB No. 1545-0120 Form 1099-G
PAYER'S federal identification number 94-1234569	RECIPIENT'S identification number	2 State or local income tax refunds, credits, or offsets \$ 386.00	4 Federal income tax withheld \$
RECIPIENT'S name May and Will Grasp Street address (including apt. no.) 555 Walton Ave City or town, state or province, country, and ZIP or foreign postal code Your City, State, Zip Account number (see instructions)		3 Box 2 amount is for tax year	6 Taxable grants \$
		5 RTAA payments \$	8 If checked, box 2 is trade or business income <input type="checkbox"/>
		7 Agriculture payments \$	9 Market gain \$
		10a State	11 State income tax withheld \$
		10b State identification no.	\$
Form 1099-G (keep for your records)		www.irs.gov/form1099g	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.

Entering Taxable Refunds

If the taxpayer and/or spouse received a state or local tax refund in the previous year, you need to determine whether that refund is taxable this year. Taxpayers who receive a refund of state or local income taxes may receive Form 1099-G listing their refund amount(s).

The taxpayers who claimed the standard deduction on the tax return for the previous year and they received a refund of state or local income taxes do not include the refund in current taxable income.

Taxpayers who itemized their deductions and received a state or local refund may have to include all, part, or none of the refund in federal taxable income.

If the taxpayer and/or spouse received a state or local tax refund in the previous year and itemized deductions on the federal return, use the following steps to complete the State Refund Worksheet.

1. Click "**Begin**" on the State and Local Refund (1099-G box 2) to start adding information.

State and Local Refunds (1099-G Box 2)
BEGIN

2. If the taxpayer was forced to itemize on the previous year's return because he or she used the married filing separately filing status and the spouse itemized, skip to the last line on this worksheet. Add the amounts from all state and local tax refunds. Type the total on that line.
3. Add the amounts from all state and local tax refunds. The taxpayer should have received Forms 1099-G or similar statements to show these amounts. Type the total in the appropriate box.
4. From the previous year's return, find the amount of the itemized deductions on line 40. Type that amount in the appropriate box.

5. Select the taxpayer's filing status from the previous year's return from the drop-down list.
6. Find any additional deductions the taxpayer received on the previous year's tax return. Select any check boxes that apply.
7. Click **Continue**.

Note: The taxability of a State refund is determined based on what was deducted or allowed the previous year. In this case the State refund is not taxable because they took the general sales tax deduction and not the state and local taxes paid.

State Refund Worksheet

Bypass State Refund Worksheet

Enter an amount here to bypass worksheet and enter the full amount as taxable on form 1040:

Section 1 - State and Local Refunds

State Tax Refunds (all refunds from 1099-G or similar statements):

Last year's (2014 Tax Return) Standard/Itemized Deductions found on line 40 Form 1040 or line 24 Form 1040A. If you filed your 2014 return on form 1040EZ, please enter 0.:

Last Year's (2014 Tax Return) Filing Status: ▼

Last Year's (2014 Tax Return) Deductions for Over 65 or Blind:

- Check here if the Taxpayer claimed the Over 65 deduction last year.
- Check here if the Spouse claimed the Over 65 deduction last year.
- Check here if the Taxpayer claimed the Blind deduction last year.
- Check here if the Spouse claimed the Blind deduction last year.

Section 2 - If the filing status on your 2014 Form 1040 was married filing separately and you were forced to itemize because your spouse itemized in 2014, fill out this section ONLY.

State Tax Refunds (all refunds from 1099-G or similar statements):

🗑️ Delete

✖ Cancel

✓ Continue

May Gasp's Prior Year Return

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 www.irs.gov/schedulea .		2015
Name(s) shown on Form 1040 MAY B & WILL U GRASP		▶ Attach to Form 1040.		Your social security number 388-68-4863
Medical and Dental Expenses	Caution: Do not include expenses reimbursed or paid by others.			
	1	Medical and dental expenses (see instructions)	1	
	2	Enter amount from Form 1040, line 38 2 93,824.		
	3	Multiply line 2 by 10% (.10). But if either you or your spouse was born before Jan. 2, 1951, multiply line 2 by 7.5% (.075) instead	3	9,382.
4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-		4	
Taxes You Paid	5 State and local (check only one box):			
	a	<input type="checkbox"/> Income taxes, or	5	4,104.
	b	<input checked="" type="checkbox"/> General sales taxes		
	6	Real estate taxes (see instructions)	6	3,117.
	7	Personal property taxes	7	
8	Other taxes. List type and amount ▶ DMV	8	43.	
9	Add lines 5 through 8		9	7,264.
Interest You Paid	10 Home mortgage interest and points reported to you on Form 1098		10	4,717.
	11 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▶		11	
	12 Points not reported to you on Form 1098. See instructions for special rules		12	
	13 Mortgage insurance premiums (see instructions)		13	
	14 Investment interest. Attach Form 4952 if required. (See instructions.)		14	
15	Add lines 10 through 14		15	4,717.
Gifts to Charity	16 Gifts by cash or check. If you made any gift of \$250 or more, see instructions		16	375.
	17 Other than by cash or check. If any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500		17	310.
	18 Carryover from prior year		18	
19	Add lines 16 through 18		19	685.
Casualty and Theft Losses	20 Casualty or theft loss(es). Attach Form 4684. (See instructions.)			20
Job Expenses and Certain Miscellaneous Deductions	21 Unreimbursed employee expenses - job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.) ▶		21	
	22 Tax preparation fees		22	
	23 Other expenses - investment, safe deposit box, etc. List type and amount ▶		23	
	24 Add lines 21 through 23		24	
	25 Enter amount from Form 1040, line 38 25 93,824.		25	
26	Multiply line 25 by 2% (.02)	26	1,876.	
27	Subtract line 26 from line 24. If line 26 is more than line 24, enter -0-		27	
Other Miscellaneous Deductions	28 Other - from list in the inst. List type and amount ▶			28
Total Itemized Deductions	29 Is Form 1040, line 38, over \$154,950?			
	<input checked="" type="checkbox"/> No. 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. <input type="checkbox"/> Yes. Your deduction may be limited. See the Itemized Deductions Worksheet in the instructions to figure the amount to enter.		29	12,666.
30	If you elect to itemize deductions even though they are less than your standard deduction, check here			

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule A (Form 1040) 2015

BCA

Table of Contents

3. Type the information for each line for *one* of the taxpayer's capital gain transactions, using the following tips:
 - a. If the taxpayer sold stock from the same company on the same date, you can group those transactions on one page. Otherwise, enter each transaction separately.
 - b. If the taxpayer does not know the date acquired or date sold, select the **Alternate Option** check box for that line and select the explanation from the drop-down list.
 - c. If the sales price is expired or worthless, select the **Alternate Option** check box for that line and select the explanation from the drop-down list.
 - d. Select the source of the cost basis from the **Select cost basis type** drop-down list.
 - e. If the cost is expired, select the **Alternate Option** check box and select the explanation from the drop-down list.
 - f. If you need to add a negative adjustment to gain or loss, type a negative sign. For any adjustment you type, select the explanation from the drop-down list.
4. When you finish typing the information for the transaction, do one of the following:
 - a. If the taxpayer has more capital gain transactions, click **Save & Enter Another**, and then follow the same tips to add each transaction.
 - b. When you finish adding transactions, click **Continue**.

Capital Gains Transaction

Description of Property	E TRADE ×
Date Acquired:	7 ▼ 12 ▼ 2010 ▼
<input type="checkbox"/> * Alternate Option: If Date Acquired is not known, leave the date blank and select an option here	
Date Sold:	5 ▼ 8 ▼ 2015 ▼
<input type="checkbox"/> * Alternate Option:	
<input type="checkbox"/> Check here if a short sale.	
Sales Price	\$4500
<input type="checkbox"/> * Alternate Option: If Sale Price is Expired, leave the sales price blank and select an option here	
Select cost basis type	1099-B, Box 3 Cost Basis Rej ▼
Cost	\$2500
<input type="checkbox"/> * Alternate Option: If Cost is Expired, leave the cost blank and select an option here	
Enter any necessary adjustments to Gain or Loss	\$
<small>NOTE: If this entry is to be shown as a loss, please enter a negative sign before the number.</small>	
If you entered an adjustment amount above, please select the adjustment explanation	- Select if Applicable - ▼
Is this a Collectible Exchange?	<input type="checkbox"/> Check if 'YES'

✕ Cancel
✓ Continue
+ Save & Enter Another

[Table of Contents](#)
Entering Basic Retirement Income (1099-R)

Taxpayers may receive retirement income, either from an IRA or pension. This section covers entering those types of income.

PAYER'S name, street address, city or town, province or state, country, and ZIP or foreign postal code		1 Gross distribution		OMB No. 1545-0119 Form 1099-R	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
Smith Brother's Construction Co. Retirement Accounts - 401K PO Box 5432 Your City, State Zip		\$ 5,400.00			
PAYER'S federal identification number 99-0009801		2a Taxable amount \$ 5,400.00		Total distribution <input type="checkbox"/>	
RECIPIENT'S name Will U Grasp		3 Capital gain (included in box 2a) \$		4 Federal income tax withheld \$	
Street address (including apt. no.) 555 Walton Ave		5 Employee contributions /Designated Roth contributions or insurance premiums \$		6 Net unrealized appreciation in employer's securities \$	
City or town, province or state, country, and ZIP or foreign postal code Your City, State Zip		7 Distribution code(s) 1		8 Other \$ %	
10 Amount allocable to IRR within 5 years \$		11 1st year of desig. Roth contrib.		9a Your percentage of total distribution %	
Account number (see instructions)		12 State tax withheld \$		9b Total employee contributions \$	
		13 State/Payer's state no. CA/12-555638		14 State distribution \$ 5,400.00	
		15 Local tax withheld \$		16 Name of locality	
				17 Local distribution \$	

Form 1099-R www.irs.gov/form1099r Department of the Treasury - Internal Revenue Service

To add these types of retirement income, begin with the following steps:

1. Click "Begin" on the IRA/Pension Distributions (1099-R, 1099-SSA) line to display the IRA/Pension Distributions landing page.

IRA/Pension Distributions (1099-R, 1099-SSA) BEGIN

2. Click "Begin" on the **Add or Edit a 1099-R** line.

IRA/Pension Distributions

Add or Edit a 1099-R	BEGIN
RRB-1099-R	BEGIN
Social Security Benefits	BEGIN
Nontaxable Distributions	BEGIN
✔ Continue	

Table of Contents

3. As discussed in the Form W-2 lesson, if the taxpayer is a married filing joint return, select whether this Form 1099-R is for the taxpayer or the spouse.

Whose 1099-R is this?	1099-R Information
<p>Recipient</p> <p><input type="radio"/> May Grasp</p> <p><input checked="" type="radio"/> Will Grasp</p>	<p>1 Gross Distribution</p> <p>\$5400</p>
<p>Payer Information</p> <p>Payer's ID</p>	<p>2a Taxable Amount</p> <p>\$5400</p> <p>Do you need to figure your taxable amount using</p>

4. Type the payer's information as shown on Form 1099-R.

Payer Information

Payer's ID
99 - 0089801

Name
SMITH BROTHERS CONSTRUCTION

Check here if foreign address

Address (Number and Street)
PO BOX 5432

Zip Code
95826 -

City, Town, or Post Office
Sacramento

State
California

5. TaxSlayer carries the recipient's address from the personal information you typed. If the taxpayer's address on Form 1099-R is different, make the appropriate changes.

Recipient Information

Check here if foreign address

Address (Number and Street)
555 Walton Ave

Zip Code
95826 -

City, Town, or Post Office
Sacramento

State
California

6. Type the information in boxes 1-10 as it appears on the paper Form 1099-R.
- TaxSlayer automatically completes box 2a (Taxable Amount) based on the information you type in box 1. If the amount on the taxpayer's Form 1099-R is a different amount, type that amount in the box.
 - If the taxpayer's Form 1099-R, Box 2a states that you need to determine the taxable amount, click **Worksheet** to add the **simplified method worksheet**. See below for information on completing this worksheet.

- If this Form 1099-R is for an IRA, select the IRA/SEP/SIMPLE check box under box 7 as shown on the paper Form 1099-R.

1099-R Information

1 Gross Distribution
\$5400

2a Taxable Amount
\$5400

Do you need to figure your taxable amount using the Simplified Method? Click here for the worksheet.
[Worksheet](#)

2b

Taxable amount not determined

Total distribution

3 Capital gain (included in box 2a)
\$

4 Federal income tax withheld
\$

5 Employee contributions or insurance premiums
\$

6 Net unrealized appreciation in employer's securities
\$

7 Distribution Code(s)
1
 IRA/SEP/Simple

8 Other (Not collected)

9a Your percentage of total distribution
%

9b Total employee contributions
\$

10 Amount allocable to IRR within 5 years (Not needed for e-filing)

7. Select the appropriate check box if this is an IRA and the taxpayer rolled over part or all of the distribution shown on this Form 1099-R.
 - When you select the check box, type the amount that the taxpayer rolled over in the appropriate box.
8. If this is disability distribution and the taxpayer is disabled, qualifying him or her to report the pension amount as earned income, select the **Check here to report on Form 1040, line 7.**

Rollover or Disability

Check here if all/part of the distribution was rolled over, and enter the rollover amount.

Check here to report on Form 1040, Line 7 (Distribution code must be a "3")

9. Type the state and local information as shown on the Form 1099-R the taxpayer received.
10. When you finish entering the information, click "**Continue**".

State/Local Information 1

12 Tax W/H \$	13a State California	13b ID 12555638
14 State Distr \$5400	15 Local Tax \$	16 Locality Name
		17 Local Distr \$

State/Local Information 2

12 Tax W/H \$	13a State - Please Select -	13b ID
14 State Distr \$	15 Local Tax \$	16 Locality Name
		17 Local Distr \$

11. Once you click "Continue" you will then navigate to the 1099-R Distribution Penalty page below. You will need to select the type of plan the early distribution penalty is for.

Form 1099-R Distribution Penalty

Your distribution code (Box 7) indicates that your 1099-R is reporting an early distribution.

Generally, if you receive a 1099-R with a Distribution Code of either '1' or 'J', your early withdrawal is subject to a 10% Early Withdrawal Penalty. If you receive a 1099-R with a Distribution Code of 'S', your early withdrawal is generally subject to a 25% Early Withdrawal Penalty.

TaxSlayer Pro will automatically calculate the appropriate penalty for you for distribution codes '1' and 'S'. If your distribution code is 'J' for early ROTH distribution, you must complete Distributions from Roth section of Form 8606, to accurately calculate the penalty of taxable earnings. Form 8606 is found in the Adjustment portion of the Deduction section.

What type of plan did you receive this distribution from? (one of these must be selected)

Retirement Plan
 Qualified Tuition Plan
 ROTH Distributions After Conversion

There are certain circumstances in which the IRS will allow you to make an early withdrawal and not have to pay the appropriate penalty. Not sure if your withdrawal qualifies to be exempt from the penalty?

If you have indicated that part of your distribution meets one of the exceptions to the penalty and you wish to exclude the qualifying part of your distribution(s) from the penalty, be sure to enter the appropriate amount and reason on Form 5329, Tax on Early Distribution. This form can be found once you finish entering other required information for your return by selecting Other Taxes Menu from the sub-navigation menu above.

12. If you need to add more Forms 1099-R, click "Add" and use the same steps to add Form 1099-R. When you are finished adding forms, Click "**Continue**", twice.

Form 1099-R IRA/Pension Distribution(s)

Taxpayer or Spouse	Payer	Federal Tax Withheld	Taxable Amount	Gross		
Spouse	SMITH BROTHERS CONSTRUCTION	\$0	\$5,400	\$5,400	Edit	Delete

[+ Add](#) Add a Form 1099-R IRA/Pension Distribution(s)

[Continue](#)

Entering Unemployment Compensation

If the taxpayer or spouse received unemployment compensation during the year, he or she should have received a Form 1099-G to report that income. To add unemployment compensation in the return, use the following steps:

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. State of California Employment Development Department PO Box 942842 Sacramento, CA 94240		1 Unemployment compensation \$ 5,063.91	OMB No. 1545-0120 Form 1099-G	Certain Government Payments
PAYER'S federal identification number 03-3523567	RECIPIENT'S identification number	2 State or local income tax refunds, credits, or offsets \$	3 Box 2 amount is for tax year \$	
RECIPIENT'S name Will U Grasp Street address (including apt. no.) 555 Walton Ave City or town, state or province, country, and ZIP or foreign postal code Your City, State Zip Account number (see instructions)		5 RTAA payments \$	6 Taxable grants \$	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.
		7 Agriculture payments \$	8 If checked, box 2 is trade or business income <input type="checkbox"/>	
		9 Market gain \$	11 State income tax withheld \$	
		10a State	10b State identification no.	

Form **1099-G** (keep for your records) www.irs.gov/form1099g Department of the Treasury - Internal Revenue Service

1. Click **"Begin"** on the Income page.

Unemployment Compensation (1099-G Box 1)

[BEGIN](#)

2. Click "Begin" on the Unemployment Compensation page.

Unemployment Compensation

Add or Edit a 1099-G BEGIN

Repayment of Unemployment BEGIN

Continue

3. Type the information on the page exactly as it appears on the Form 1099-G the taxpayer received. Use the following tip to enter this information:
 - Compare the recipient’s address as shown on the page to the address the paper Form 1099-G. If it is different, change the address in TaxSlayer.

4. When you are finished typing the information, click “Continue”.

<h3 style="margin: 0;">Payer Information</h3> <p>EIN <input style="width: 30px;" type="text" value="03"/> - <input style="width: 80px;" type="text" value="3523567"/></p> <p>Payer Name <input style="width: 90%; border: 1px solid #0070C0;" type="text" value="EMPLOYMENT DEVELOPMENT DEPARTMENT"/></p> <p>Address (Number and Street) <input style="width: 90%; border: 1px solid #0070C0;" type="text" value="PO BOX 942842"/></p> <p>Zip Code <input style="width: 30px;" type="text" value="94240"/> - <input style="width: 30px;" type="text"/></p> <p>City, Town, or Post Office <input style="width: 90%; border: 1px solid #0070C0;" type="text" value="Sacramento"/></p> <p>State <input style="width: 80%; border: 1px solid #0070C0;" type="text" value="California"/> ▼</p> <p>Phone (<input style="width: 30px;" type="text"/>) <input style="width: 40px;" type="text"/> - <input style="width: 60px;" type="text"/></p>	<h3 style="margin: 0;">1099-G Information</h3> <p>1 Unemployment Compensation <input style="width: 90%; border: 1px solid #0070C0;" type="text" value="\$5064"/></p> <p>2 State or local income tax refunds, credits, or offsets (Not collected)</p> <p>3 Box 2 Tax Year (Not collected)</p> <p>4 Federal Tax Withheld <input style="width: 90%; border: 1px solid #0070C0;" type="text" value="\$"/></p> <h3 style="margin: 0;">State Information</h3> <p>State <input style="width: 90%; border: 1px solid #0070C0;" type="text" value="California"/> ▼</p> <p>State ID No. <input style="width: 90%; border: 1px solid #0070C0;" type="text"/></p> <p>State Tax Withheld <input style="width: 90%; border: 1px solid #0070C0;" type="text" value="\$"/></p>
--	---

Recipient

May Grasp
 Will Grasp

Check here if foreign address

Address (Number and Street)
 555 Walton Ave

Zip Code
 95826 -

City, Town, or Post Office
 Sacramento

State
 California

- Review the information on the Unemployment Statement, Click "Continue: twice if the information is correct. If the information is not correct, Click "Edit" and correct the error.

Deducting Student Loan Interest

If the taxpayer made qualified adjustments to income such as repayments on a student loan during the year, he or she probably paid interest with those payments. Most taxpayers can deduct any student loan interest paid during the year. To deduct student loan interest, use the following steps:

<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		OMB No. 1545-1576	
RECIPIENT'S/LENDER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number		Student Loan Interest Statement Form 1098-E	
Ed Fund PO Box 825 Lincoln, NE 68501			
RECIPIENT'S federal identification no.	BORROWER'S social security number	1 Student loan interest received by lender	
84-9968759		\$ 326.85	
BORROWER'S name		Copy C For Recipient For Privacy Act and Paperwork Reduction Act Notice, see the 2014 General Instructions for Certain Information Returns.	
Will U. Grasp			
Street address (including apt. no.) 555 Walton Ave City or town, state or province, country, and ZIP or foreign postal code Your City, State, Zip			
Account number (see instructions)		2 Check if box 1 does not include loan origination fees and/or capitalized interest, and the loan was made before September 1, 2004 <input type="checkbox"/>	
Form 1098-E		www.irs.gov/form1098e Department of the Treasury - Internal Revenue Service	

- You will need to navigate to the deduction screen. Click the Federal section from the left menu section. Then click "Deductions" from the top menu section.

2. From the deductions page, click “**Begin**” on the adjustments line.

3. From the Adjustments page, click “Begin” on the student loan interest deduction line.

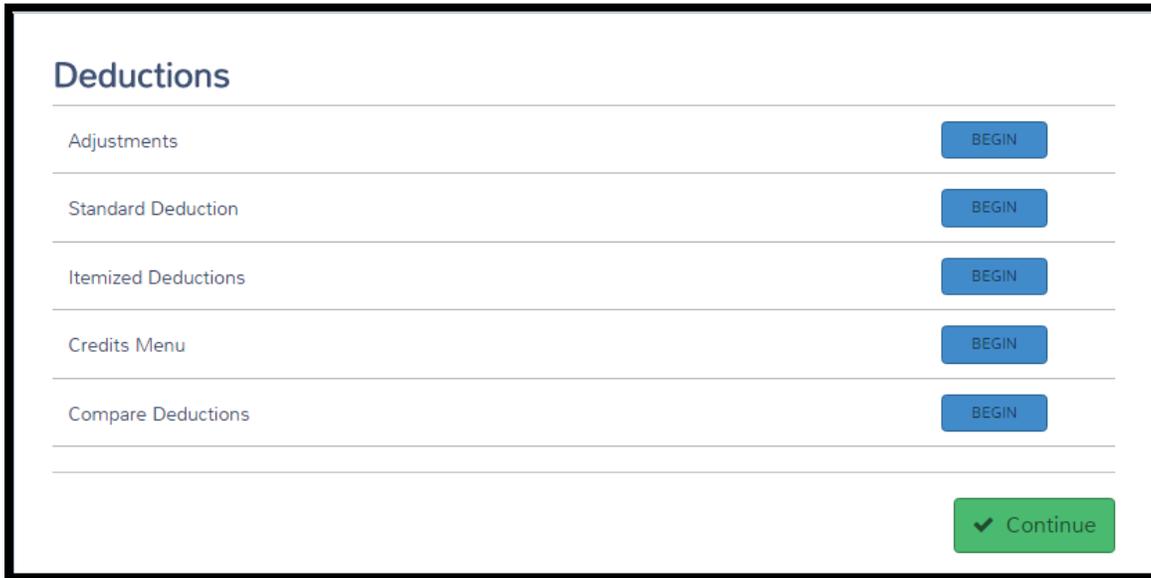
4. Type the total amount of qualified student loan interest in the box and click “**Continue**” when finished.

Table of Contents

Adding Itemized Deductions – Schedule A

TaxSlayer automatically calculates additional itemized deductions, such as state income taxes paid from a Form W-2. If the taxpayer has other itemized deductions that you need to add, use the following steps:

1. From the Deductions landing page, click “Begin” on the Itemized deductions line.

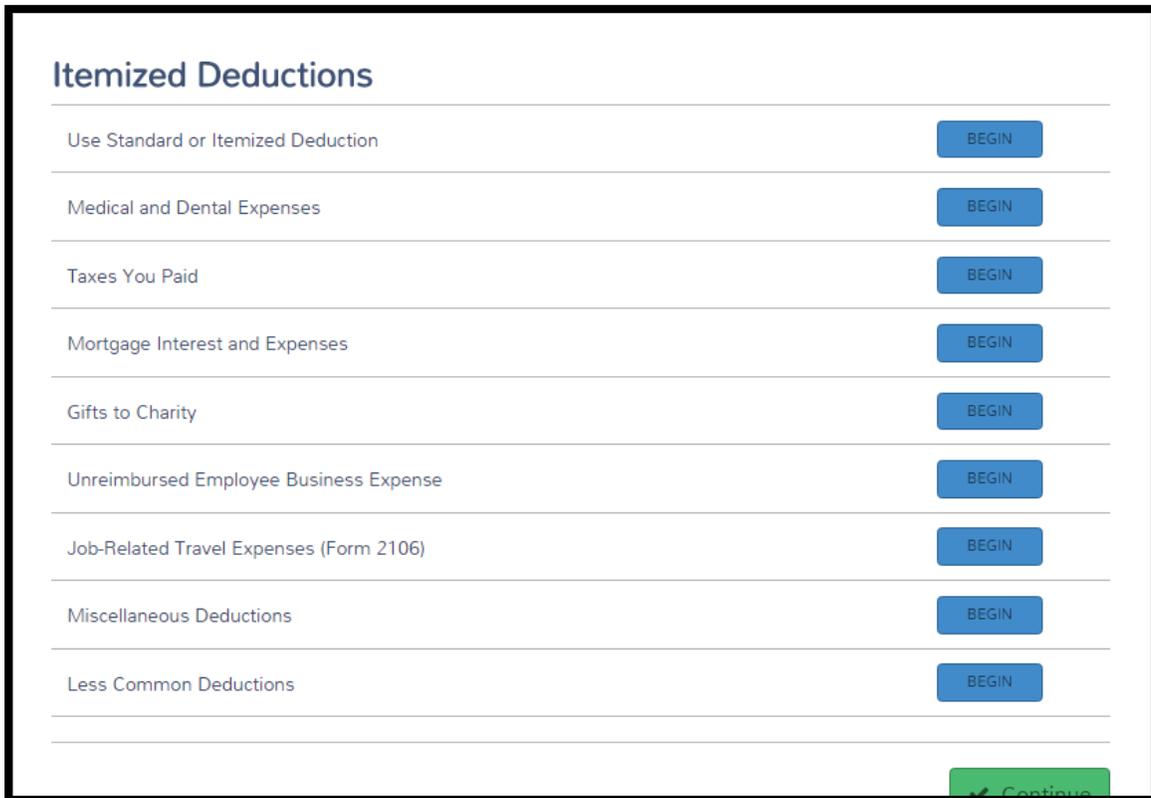


The screenshot shows the 'Deductions' landing page. It features a list of options on the left and corresponding 'BEGIN' buttons on the right. At the bottom right, there is a green 'Continue' button with a checkmark icon.

Option	Action
Adjustments	BEGIN
Standard Deduction	BEGIN
Itemized Deductions	BEGIN
Credits Menu	BEGIN
Compare Deductions	BEGIN

Continue

2. Use this page as a starting point for all of the remaining sections of this lesson.



The screenshot shows the 'Itemized Deductions' page. It features a list of deduction categories on the left and corresponding 'BEGIN' buttons on the right. At the bottom right, there is a green 'Continue' button with a checkmark icon.

Deduction Category	Action
Use Standard or Itemized Deduction	BEGIN
Medical and Dental Expenses	BEGIN
Taxes You Paid	BEGIN
Mortgage Interest and Expenses	BEGIN
Gifts to Charity	BEGIN
Unreimbursed Employee Business Expense	BEGIN
Job-Related Travel Expenses (Form 2106)	BEGIN
Miscellaneous Deductions	BEGIN
Less Common Deductions	BEGIN

Continue

Adding Medical and Dental Expenses

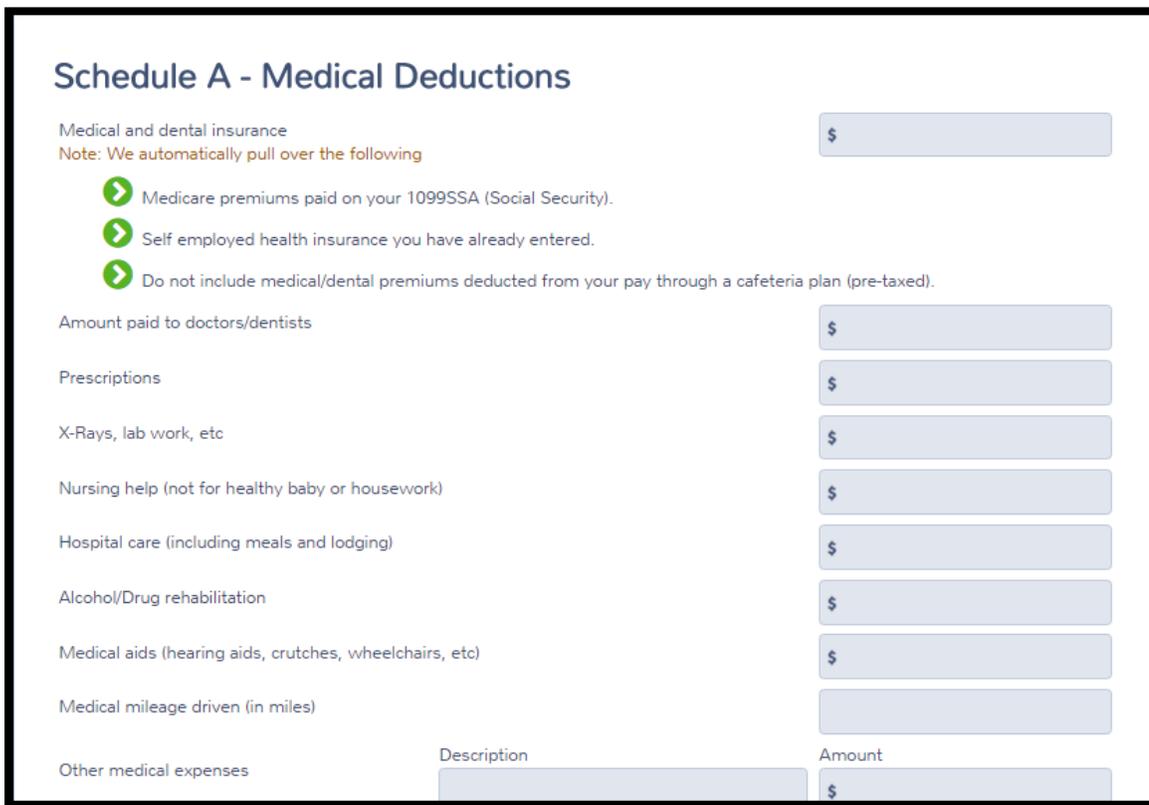
If the taxpayer paid unreimbursed medical expenses during the year, he or she may be able to deduct a portion of these expenses as itemized deductions. To deduct medical and dental expenses, use the following steps:

1. From the Itemized Deduction page, click "begin" on the medical and dental expenses line.



A screenshot of a software interface showing the title "Medical and Dental Expenses" on the left and a blue button labeled "BEGIN" on the right.

2. Read each line carefully and type the amounts based on information provided by the taxpayer.
 - TaxSlayer automatically deducts certain health insurance payments. Read the information on the page carefully to determine what amounts you should **not** include.
 - If the taxpayer paid qualified long-term care premiums, click "Add Premiums" and type the total premiums paid.



A screenshot of the "Schedule A - Medical Deductions" form. It includes a title, a note about automatic deductions, a list of items with corresponding input fields, and a table for "Other medical expenses".

Schedule A - Medical Deductions	
Medical and dental insurance	\$
<i>Note: We automatically pull over the following</i>	
➤ Medicare premiums paid on your 1099SSA (Social Security).	
➤ Self employed health insurance you have already entered.	
➤ Do not include medical/dental premiums deducted from your pay through a cafeteria plan (pre-taxed).	
Amount paid to doctors/dentists	\$
Prescriptions	\$
X-Rays, lab work, etc	\$
Nursing help (not for healthy baby or housework)	\$
Hospital care (including meals and lodging)	\$
Alcohol/Drug rehabilitation	\$
Medical aids (hearing aids, crutches, wheelchairs, etc)	\$
Medical mileage driven (in miles)	
Other medical expenses	
Description	Amount
	\$

3. When you finish adding medical deductions, click "Continue".

Schedule A - Medical Deductions

Medical and dental insurance	Amount paid to doctors/dentists	Other Medical Expenses	
\$0.00	\$0.00	\$0.00	<input type="button" value="Edit"/> <input type="button" value="Delete"/>
			<input type="button" value="Continue"/>

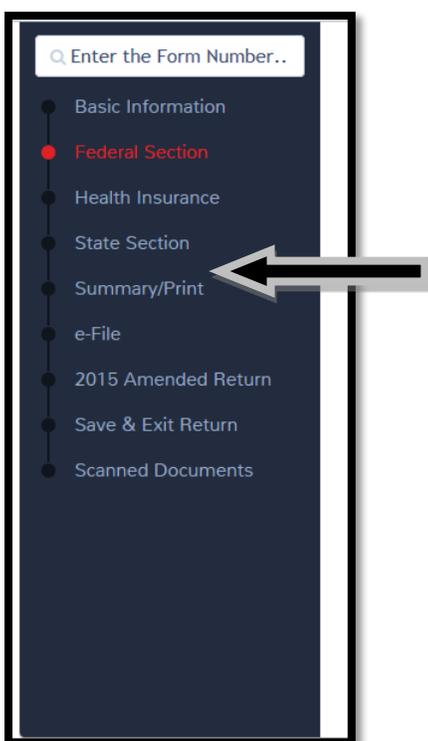
Deducting Taxes

The IRS allows taxpayers to deduct several types of taxes as itemized deductions, including the following:

- State and Local income or general sales tax.
- Real Estate taxes.
- Personal Property Taxes.
- Other Taxes.

To figure out the correct amount of taxes paid when the taxpayer has combat pay exclusions and basic housing and food allowances, use the following steps to figure out the correct taxes paid:

1. Click on "Summary/Print" on the left hand side of your screen.



2. From the Summary View (page 1 of the 1040), you will need the information from lines 6D (Total number of Exemptions claimed) and line 37 (adjusted gross income).
 - You will need this information when figuring out the taxpayer's sales tax deduction.

3. After you have the Number of Exemptions and the taxpayer's adjusted gross income, Navigate back to the deductions page.

To add taxes paid that qualify as itemized deductions, use the following steps from the **Itemized Deductions** page shown above:

4. Click **"Begin"** on the **Taxes You Paid** line.

Itemized Deductions	
Use Standard or Itemized Deduction	BEGIN
Medical and Dental Expenses	BEGIN
Taxes You Paid	BEGIN
Mortgage Interest and Expenses	BEGIN
Gifts to Charity	BEGIN
Unreimbursed Employee Business Expense	BEGIN
Job-Related Travel Expenses (Form 2106)	BEGIN
Miscellaneous Deductions	BEGIN
Less Common Deductions	BEGIN
✔ Continue	

State and Local Taxes

If the taxpayer paid state and local income tax during the year, TaxSlayer automatically adds those taxes to Schedule A based on information you enter on Form W-2, Form 1099-R, estimated tax payment worksheets, and other forms where the payer may have deducted state and local income taxes.

In some cases, the taxpayer may have paid state taxes that you have not previously added to the return. If you need to add state and local income tax paid, use the following step on the **Schedule A – Taxes You Paid** page:

Some taxpayers qualify to claim general sales tax paid instead of state and local income tax paid. If the taxpayer needs to figure the better of the two, you can add sales tax to the return. To take the sales tax deduction, use the following steps from the **Schedule A – Taxes You Paid** page:

5. Click **Begin Sales Tax Worksheet**.

Schedule A - Taxes You Paid

* State and Local Tax amounts are automatically pulled from W-2, 1099, W-2G, and Estimates.
PLEASE DO NOT include any of these amounts in any of the boxes below or your calculations will NOT be correct.

Taxes Paid

Additional State and Local Income Tax
(DO NOT INCLUDE AMOUNTS FROM W-2, 1099, W-2G or Estimates.)

State and Local Sales Tax Paid

Prior Year 4th Quarter State Estimates paid after 12/31/2014

Real Estate Taxes (Non-Business Property)
Real Estate Taxes entered here will overwrite any real estate taxes paid already entered.

Personal Property (ex: Car Registration)
Enter in your Ad Valorem tax, exclude amount paid for actual car tags.

Other Taxes	Description	Amount
	<input type="text"/>	<input type="text" value="\$"/>



6. Click the link in the bottom left corner that says, "Click Here". This will direct you to the IRS Sales Tax Calculator.

Sales Taxes Deduction

i To calculate your sales tax deduction, complete the information below. If you would rather enter the deduction amount from your receipts, select the 'Override' button below.

State

Number of days lived in the state: days

Local general sales tax percent: (ex. 1.825)

State general sales tax percent: (ex. 1.825)

! The calculation using the IRS tables do not take into account sales tax paid on large purchases such as a car or boat. Enter the sales tax amount paid on single purchases such as cars, trucks, RV's, and boats.

General sales taxes paid

[*Click here to view the IRS sales tax deduction calculator.](#)



7. You will need to click "Sales Tax Calculator" and then click "Continue".

Sales Tax Deduction Calculator   

If you file a Form 1040, and itemize deductions on Schedule A, you have the option of claiming either state and local *income* taxes or state and local *sales* taxes (you can't claim both). If you saved your receipts throughout the year, you can add up the total amount of sales taxes you actually paid and claim that amount.

[Sales Tax Calculator](#) >

8. Answer the questions on the webpage based on your taxpayer's information. To figure out your income range, you will need to add your nontaxable combat pay, Basic housing and food allowances to your adjusted gross income .
 - For this problem: Mrs. Grasp's adjusted gross income is $\$93,824 + \$5,200$ (Combat Pay) $+\$25,704$ (Housing Allowance) $+\$4,291 = \$129,019$. The total is what you will use as Mrs. Grasp's income range when filling out the Sales Tax Calculator.
 - Don't forget about the sales tax that was paid on the car of \$2,550.00.
9. Once you have completed the Sales tax calculation, your screen should look like the one below. The number you will need to complete the sales tax work sheet in TaxSlayer is \$4,132.
 - Your sales tax deduction may differ due to the zip code you enter.

2015 Sales Tax Deduction Calculator

Results

Generated on: Friday, September 9, 2016 1:40:07 PM EST
Please print this page for your records.

Income Range: At least \$120,000 but less than \$140,000
Exemptions: 4

Move Date	ZIP Code	City, County, State	State Tax	Local Tax	Percentage of Year at Residence	State Tax Amount	Local Tax Amount	Total Tax
N/A	95826	SACRAMENTO, SACRAMENTO, CA	7.5000%	1.0000%	100.00%	\$1,396.00	\$186.13	\$1,582.13
Additional general sales tax paid on specified items:								\$2,550.00
Total General Sales Tax Deduction (rounded to the nearest dollar):								\$4,132



10. Navigate back to the "Sales Taxes Deduction" page in TaxSlayer and click on the blue override button in the bottom left corner to enter your sales tax amount.

11. On the State and Local sales tax override page, enter your sales tax amount.

12.If the taxpayer has another state to add (for example, if he or she lived in more than one state during the year.) Click "Add" and use the same steps to add other states.

13.Click "Continue" once you are finished.

Personal Property Taxes

If the taxpayer paid vehicle property taxes, he or she may be able to deduct those as an itemized deduction. To enter property taxes, use the following steps from the Schedule A- Taxes you paid page:

1. Type the total amount of deductible personal property taxes in the Personal Property box.
 - a. The Grasp's paid \$108 to register their older car in California. \$43 of the fee is eligible to be tax deductible, thus enter \$43.

VEHICLE REGISTRATION RENEWAL NOTICE

VIN	MAKE	YR	BODY TYPE	LICENSE PLATE	AMOUNT DUE	DUE DATE
					\$108	

When itemizing this fee is tax deductible.

To renew, just provide:

Renewal Fees

RENEW VIA INTERNET OR TELEPHONE
 Your Renewal Identification Number is : (see insert)
 VISIT WWW.DMV.CA.GOV or
 CALL 1-800-921-1117

FEES	
REGISTRATION FEE	\$40
LICENSE FEE (License fee may be tax deductible)	\$43
WEIGHT FEE	\$24
SPECIAL PLATE FEE	\$0
COUNTY/DISTRICT FEES	\$0
OWNER RESPONSIBILITY FEE	\$0

Schedule A - Taxes You Paid

* State and Local Tax amounts are automatically pulled from W-2, 1099, W-2G, and Estimates.
PLEASE DO NOT include any of these amounts in any of the boxes below or your calculations will NOT be correct.

Taxes Paid

Additional State and Local Income Tax
(DO NOT INCLUDE AMOUNTS FROM W-2, 1099, W-2G or Estimates.)

State and Local Sales Tax Paid [Edit Sales Tax Worksheet](#)

Prior Year 4th Quarter State Estimates paid after 12/31/2014

Real Estate Taxes (Non-Business Property)
Real Estate Taxes entered here will overwrite any real estate taxes paid already entered.

Personal Property (ex: Car Registration)
Enter in your Ad Valorem tax, exclude amount paid for actual car tags.

Other Taxes	Description	Amount
	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text" value="\$"/>

Real Estate Taxes

If the taxpayer paid real estate taxes during the year, he or she may be able to deduct those taxes as itemized deductions. To deduct real estate taxes, use the following steps from the Schedule A – Itemized deduction page.

- On this Form 1098 the property tax is located in box 5.
 - The amount may be located on the back of the 1098 letter instead.
 - Or may not be listed at all and the client’s county bill will be required.

<input type="checkbox"/> CORRECTED (if checked)		OMB No. 1545-0901	
RECIPIENT'S/LENDER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number River City Bank PO Box 543 Sacramento, CA 95833		* Caution: 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. Form 1098	
RECIPIENT'S federal identification no. 02-12345677		Mortgage Interest Statement	
PAYER'S social security number		Copy B For Payer/Borrower	
PAYER'S/BORROWER'S name May and Will Grasp		The information in boxes 1, 2, 3, and 4 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 this refund of interest on your return.	
Street address (including apt. no.) 555 Walton Ave City or town, state or province, country, and ZIP or foreign postal code Your City, State, Zip		1 Mortgage interest received from payer(s)/borrower(s) \$ 4,717.07	
Account number (see instructions)		2 Points paid on purchase of principal residence \$	
		3 Refund of overpaid interest \$	
		4	
		5 Property Tax \$3,117.00	
Form 1098 (keep for your records)		www.irs.gov/form1098 Department of the Treasury - Internal Revenue Service	

1. Click "Begin" on the Mortgage and Expenses line.

Itemized Deductions

Use Standard or Itemized Deduction BEGIN

Medical and Dental Expenses BEGIN

Taxes You Paid BEGIN

Mortgage Interest and Expenses BEGIN

Gifts to Charity BEGIN

Unreimbursed Employee Business Expense BEGIN

Job-Related Travel Expenses (Form 2106) BEGIN

Miscellaneous Deductions BEGIN

Less Common Deductions BEGIN

2. If the taxpayer received a Form 1098 to report the mortgage interest, click "Begin" on the Mortgage Interest Reported on Form 1098 line.

Schedule A Interest

Mortgage Interest Reported on Form 1098	<input type="button" value="BEGIN"/>
Mortgage Interest Not Reported on Form 1098	<input type="button" value="BEGIN"/>
Points Not Reported on Form 1098	<input type="button" value="BEGIN"/>
Primary Mortgage Insurance (PMI) Deduction	<input type="button" value="BEGIN"/>

- Enter the real estate tax located in box 5 of the 1098 in the Real Estate Taxes (Non-Business Property) line.
- Once you have entered your real estate tax, click on "Add Interest and Points Paid."

Mortgage Interest Reported on 1098

Add/Edit Interest Reported

Real Estate Taxes (Non-Business Property)

Real Estate Taxes (Non-Business Property)

- Type the lender's name, amount of interest paid and amount of any deductible points paid.

Mortgage Interest Reported on 1098

Recipient/Lender's Name

Interest Paid

Points Paid

- TaxSlayer may remove the Recipient/lender's name box in TaxSlayer online 2016. For training purposes, we will complete the entry.

6. Click Continue once you have completed your entry.

Deducting Charitable Contributions

If the taxpayer made contributions to a qualifying charitable organization, he or she may be able to deduct those contributions as an itemized deduction. To deduct charitable contributions, use the following steps from the itemized deductions page:

- For this exercise, the Grasp's jointly gave \$375 cash to the Salvation Army and \$310 worth of clothing and miscellaneous items to Goodwill.
1. Click "Begin" on the Gifts to Charity line.

Gifts to Charity

Cash Gifts to Charity	BEGIN
Non-Cash Gifts to Charity	BEGIN
Non-Cash Donations (more than \$500)	BEGIN
Limitation on Charitable Contributions Deduction	BEGIN
Declaration of Appraiser	BEGIN
Donee Acknowledgement	BEGIN

Continue

2. Click "Begin" on the Cash Gifts to Charity line. Type the Charity's name, description, the amount donated and the date the taxpayer made the donation.

Charity Cash Contributions

Charity Name: SALVATION ARMY

Description: CASH

Amount Donated: \$375

Date of Donation: 1 / 1 / 2015

- If you want to group all of the taxpayer's cash contributions as one entry, click "Override" and type the total amount of cash contributions.

Click "Continue" twice to complete cash donations.

3. If the taxpayer made non-cash gifts to charities totaling less than \$500, type the total amount of non-cash contributions in the appropriate box.

Schedule A Gifts to Charity Information	
Charitable Miles	<input type="text"/>
Non-Cash Less Than or Equal to \$500	\$310
Carryover from Prior Year	\$

4. Click "Continue" twice to complete charitable donations.

Child and Dependent Care Credit - IRS Form 2441

If the taxpayer has dependents under the age of 13, he or she may have paid child care expenses during the year.

The Grasp family jointly paid for day care. The cost for Al was \$4,441 and Minnie was \$7,104 for a total of \$11,545 last year.

Wild Flower Day Care 2350 Poppy Lane Your City, CA Your Zip (916) 555-7777 Tax ID 94-6543987	Mrs. and Mr. Grasp 555 Walton Ave Your City, CA Your Zip (916) 555-1212 Customer Acct. Grasp 2	
Cost for Child Care Services		
AL \$4,441	Minnie \$7,104	Total \$11,545

To enter the child and dependent care credit, use the following steps from the Credits page:

Deductions

Adjustments	EDIT
Standard Deduction	BEGIN
Itemized Deductions	EDIT
Credits Menu	BEGIN
Compare Deductions	BEGIN



1. Click "Begin" on the Child Care Credit (Form 2441) Line.

Credits

Foreign Tax Credit (Form 1116)	BEGIN
Child Care Credit (Form 2441)	BEGIN

2. Add all child care providers and the total amount paid to each provider. Click "Add" in step 1 – child care providers.

F2441 - Child Care Credit - Page 1



The 2441 covers expenses paid for child care. The amount paid to the provider(s) of the child care must equal the total expenses of the dependents and any qualified person not listed on the return as a dependent. If the totals do not balance out to a difference of \$0, then there is a risk of rejection of the return.

Total Expenses		\$0.00
Total Amount Paid To Providers	-	\$0.00
<hr/>		
Difference	-	\$0.00

- Step 1 - Child Care Providers

Child Care Providers

Enter the required information about the child care provider you paid to care for your dependents and qualified persons. Once you have entered all providers, continue to Step 2 - Dependents.

Provider	ID Number	Amount
+ Add	Add a Child Care Provider	

3. Select the **SSN/ITIN** radio button if the child care provider's tax identification number is a Social Security number. If the number is an EIN, leave the selection as it is.
4. Type the child care provider's tax identification number, name, address, phone number, and the total amount paid to the provider.
5. Read the remaining lines on the form and complete them if necessary based on information provided from the taxpayer.
6. Click **Continue**.

Form 2441 - Child Care Provider Information

Basic Provider Information

Please select if ID Number is a SSN, ITIN, or EIN

SSN/ITIN
 EIN

Provider's ID Number (SSN, ITIN, or EIN) -

Provider's Name

Provider's Address Check here if foreign address

Address (Number and Street)

Zip Code -

City, Town, or Post Office

State

Check here if provider is Tax Exempt

Check here if you were living abroad and used a foreign care provider

Amount Paid to Provider for Child Care

Hawaii Tax ID Number

Enter the 8 or 10 digit number (numbers only)

Provider's Phone Number -

* You MUST provide a phone number if you intend to file a CALIFORNIA state return.

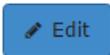
7. If the taxpayer paid child care expenses to more than one provider, click "Add" for each provider and enter information using the same steps.
8. When you finish adding child care providers, click Step 2- Dependents.
9. Click "Edit" for the dependent for whom the taxpayer paid qualifying child care expenses.

+ Step 1 - Child Care Providers

- Step 2 - Dependents

Dependents

Dependents entered on your return are pulled and listed below. Enter the total annual qualifying expenses paid for each dependent listed below. If you have qualified expenses for a qualifying person not listed below, continue to step 3.

Dependent's Name	Social Security	Qualifying Expenses		
Child Taxpayer	XXX-XX-XXXX -----	\$0.00		

+ Step 3 - Qualifying Persons

Preparing a Return 137

10. Type the amount of child care expenses the taxpayer paid for this dependent.
11. Click **Continue**.

Form 2441 - Qualifying Dependent Expenses

Amount Paid
Child Taxpayer

\$

12. If the taxpayer has additional dependents for whom he or she paid qualifying expenses, click **Edit** for that dependent and add the qualifying expenses using the same steps.
13. If the taxpayer is the custodial parent and has a qualifying child for whom he or she cannot claim an exemption but is a qualifying child for dependent care expenses, you must enter the child here. Do not list this non-dependent in personal information section. Click **Step 3 – Qualifying Persons**.

Difference - \$0.00

+ Step 1 - Child Care Providers

+ Step 2 - Dependents

- **Step 3 - Qualifying Persons**

Qualifying Persons

Enter the information and Qualifying Expenses paid for Qualified Persons, not listed Step 2.

Qualifying Person's Name	Social Security Number	Qualifying Expenses
<input type="button" value="+ Add"/> Add a Qualifying Person		

14. Click "Add".

Form 2441 - Qualifying Person Not Listed on 1040

First Name Middle Initial Last Name

Social Security Number - -

Date of Birth MM DD YYYY

Check Here if Disabled

Qualified Expenses \$

15. Type the qualifying person's name, Social Security number, and qualified expenses.
16. Select the birth date from the drop-down lists.
17. Select the **Check here if disabled** check box if the qualifying person is disabled.
18. Click **Continue**.

Form 2441 - Qualifying Person Not Listed on 1040

First Name Middle Initial Last Name

Social Security Number - -

Date of Birth MM DD YYYY

Check Here if Disabled

Qualified Expenses \$

- 19. Review the numbers at the top of the form to confirm that the amount of total expenses matches the total amount paid to providers. If TaxSlayer displays a difference, review the information you entered and make corrections.
- 20. Click **Continue to Page 2**.

F2441 - Child Care Credit - Page 1

 The 2441 covers expenses paid for child care. The amount paid to the provider(s) of the child care must equal the total expenses of the dependents and any qualified person not listed on the return as a dependent. If the totals do not balance out to a difference of \$0, then there is a risk of rejection of the return.

Total Expenses	-	\$11,545.00
Total Amount Paid To Providers	-	\$11,545.00
Difference	-	\$0.00

- 21. If the taxpayer or spouse is a student or disabled, for each month or part of a month your spouse was a student or was disabled, he or she is considered to have worked and earned income. To figure the amount he or she can use as earned income for purposes of this credit, type that amount in the **Additional Income for Taxpayer for purposes of this credit**, based on the instructions on the screen.
- 22. Enter the amount of any additional employer provided dependent care benefits that were **not** included on Form W-2 in the appropriate boxes.
- 23. Click **Continue**.

F2441 - Child Care Credit - Page 2

What is this page for?

The Credit for Dependent Care Expenses is for individuals who paid for child care so that they could work. For this credit to calculate, the Taxpayer and the Spouse, if applicable, must each have earned income. There are exceptions to the rule for disabled or full-time students who were unable to work. Complete the "Addition to Income" section below for the appropriate non-working spouse for the purpose of calculating this credit only.

*NOTE: Any amounts entered here are **only** used for the purposes of figuring this credit. It will not be added to your total income on your tax return.

Additions to Income for Taxpayer for this credit

NOTE: If the taxpayer was a full-time student or disabled, enter any additional income.

Figuring the amount to enter:

Step 1: Figure out how many months you were a student (or disabled) and did not work. Do not include any month in which both you and your spouse (if applicable) were both students.

Step 2: If you have just one qualifying child that you paid expenses for, multiply the number of months you figured in Step 1 by \$250. If you have more than one qualifying child, multiply the number of months by \$500. The result is what you should report as Additional Income for Taxpayer.

Additional Income for Taxpayer for purposes of this credit

\$

Benefits (Do not enter an amount from your W-2)

Employer-paid Dependent Care Benefits

\$

24. Once you have completed page 2, click continue to complete the Child and Dependent Care Credit (Form 2441) section.

Form 2441 - Child Care Credit

Total to Providers	Total for Qualifying Persons	Additions	Benefits		
\$11,545.00	\$11,545.00	\$0.00	\$0.00	Edit	Delete

[Continue](#)

Affordable Care Act

With the Affordable Care Act, taxpayers must include certain information with the tax return to figure any credit or penalty for health insurance. To begin working with the health insurance information required for the Affordable Care Act, use the following steps:

1. Click "Health Insurance" on the left navigation bar and click "Continue".

- Basic Information
- Federal Section
- Health Insurance
- State Section
- Summary/Print
- e-File

Health Insurance Introduction

This is easier than the doctor's office. As part of the Affordable Care Act, we are required to verify insurance coverage for members of your household. We have made this easy for you with a series of questions.

Contact our support team if you need assistance. We are here to make it painless.

✓ Continue

Completing the Health Insurance Questionnaire

The first step in completing the Health Insurance section is to complete a questionnaire that requests information concerning the taxpayer's coverage, household members and other applicable information. To complete the questionnaire, use the following steps:

2. Answer the question to show whether the taxpayer and his or her family has health insurance during the year.
3. Click "Continue".

Note: The Grasp's had insurance all year.

Health Insurance Questionnaire

Did you or your family have health insurance at any time in 2015? Yes No

Below are some examples of healthcare plans that may be purchased or qualify as a purchased plan under the Affordable Care Act.

- ✦ A private plan purchased from a health insurance company
- ✦ An employer-sponsored health insurance plan or insurance through your work, spouse's work or parent's work
- ✦ A university or college where you are enrolled
- ✦ Your parent's health insurance plan if you're under age 26
- ✦ A State Medicaid program
- ✦ State high-risk pools for plan or policy years
- ✦ The Children's Health Insurance Program (CHIP) in your state
- ✦ Medicare
- ✦ Veteran's Administration (VA), CHAMPVA, or Tricare
- ✦ A former employer's retirement program
- ✦ A union you belong to
- ✦ The Peace Corps
- ✦ COBRA
- ✦ Refugee Medical Assistance (RMA)
- ✦ The Nonappropriated Fund Health Benefit Program

← Back
✓ Continue

Since you answered "Yes" to the question above, TaxSlayer will display the Health Insurance Questionnaire page:

4. Determine whether the taxpayer purchased health insurance from the marketplace (whether Federal or State) and select the appropriate answer.
5. Click "Continue".

Health Insurance Questionnaire

Did you purchase health insurance via HealthCare.gov or a State Marketplace? Yes No

[← Back](#) [✓ Continue](#)

Once you click "Continue" TaxSlayer will display the Verify Your Household Members page:

6. Review the information on the page to verify that every member of your household is listed. If you need to add dependents, click "Dependents" and add the dependents.
7. If the taxpayer has a household member who is not listed on the tax return, click "Add a New Member".
8. When you are finished reviewing Household Members, click "Continue".

Verify Your Household Members

If there are additional household members that are listed as a dependent, click the "Dependents" button below. If you have additional family members that are neither a spouse nor a dependent, click "Add a New Member."

First Name	Last Name	SSN	Date of Birth
May	Grasp	222-11-1234	10/11/1986
Will	Grasp	222-11-2345	11/12/1983
MINNIE	Grasp	222-11-3456	2/28/2011
AL	Grasp	222-11-4567	1/25/2007

[+ Dependents](#) [+ Add a New Member](#)

[← Back](#) [✓ Continue](#)

Once you select Continue, the Months Insured page will be displayed.

9. Select Yes or No to show whether the entire household was insured for the entire year.
10. Select "Yes" from the drop down and click "Continue".

Months Insured

Was your entire household insured for all 12 months of 2015?

Yes No

[< Back](#) [✓ Continue](#)

The Federal return is complete.

Review the information on the following pages to compare with your figures in TaxSlayer.

Check Federal amounts (Check Figures) – Grasp

The following check figures are from TaxSlayer 2015

Form 1040 Department of the Treasury—Internal Revenue Service (99)		2015 OMB No. 1545-0074		IRS Use Only—Do not write or staple in this space.																										
For the year Jan. 1–Dec. 31, 2015, or other tax year beginning ., 2015, ending ., 20																														
Your first name and initial MAY B		Last name GRASP		Your social security number 222-11-1234																										
If a joint return, spouse's first name and initial WILL U		Last name GRASP		Spouse's social security number 222-11-2345																										
Home address (number and street). If you have a P.O. box, see instructions. 555 WALTON AVE				Apt. no.																										
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). SACRAMENTO, CA 95826				Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund. <input type="checkbox"/> You <input type="checkbox"/> Spouse																										
Foreign country name		Foreign province/state/county		Foreign postal code																										
Filing Status 1 <input type="checkbox"/> Single 2 <input checked="" type="checkbox"/> Married filing jointly (even if only one had income) 3 <input type="checkbox"/> Married filing separately. Enter spouse's SSN above and full name here. ▶ 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. ▶ 5 <input type="checkbox"/> Qualifying widow(er) with dependent child																														
Exemptions 6a <input checked="" type="checkbox"/> Yourself. If someone can claim you as a dependent, do not check box 6a b <input checked="" type="checkbox"/> Spouse c Dependents: <table border="1"> <thead> <tr> <th>(1) First name</th> <th>Last name</th> <th>(2) Dependent's social security number</th> <th>(3) Dependent's relationship to you</th> <th>(4) <input checked="" type="checkbox"/> if child under age 17 qualifying for child tax credit (see instructions)</th> </tr> </thead> <tbody> <tr> <td>MINNIE</td> <td>GRASP</td> <td>222-11-3456</td> <td>DAUGHTER</td> <td><input checked="" type="checkbox"/></td> </tr> <tr> <td>AL</td> <td>GRASP</td> <td>222-11-4567</td> <td>SON</td> <td><input checked="" type="checkbox"/></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> </tbody> </table> d Total number of exemptions claimed						(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)	MINNIE	GRASP	222-11-3456	DAUGHTER	<input checked="" type="checkbox"/>	AL	GRASP	222-11-4567	SON	<input checked="" type="checkbox"/>					<input type="checkbox"/>					<input type="checkbox"/>
(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)																										
MINNIE	GRASP	222-11-3456	DAUGHTER	<input checked="" type="checkbox"/>																										
AL	GRASP	222-11-4567	SON	<input checked="" type="checkbox"/>																										
				<input type="checkbox"/>																										
				<input type="checkbox"/>																										
				Boxes checked on 6a and 6b No. of children on 6c who: • lived with you • did not live with you due to divorce or separation (see instructions) Dependents on 6c not entered above Add numbers on lines above ▶																										
				2 2 0 0 4																										
Income 7 Wages, salaries, tips, etc. Attach Form(s) W-2 7 80070 8a Taxable interest. Attach Schedule B if required 8a 1320 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 2000 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 5400 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 5064 20a Social security benefits 20a b Taxable amount 20b 21 Other income. List type and amount 21 22 Combine the amounts in the far right column for lines 7 through 21. This is your total income ▶ 22 93854																														
Adjusted Gross Income 23 Educator expenses 23 24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ 24 25 Health savings account deduction. Attach Form 8889 25 26 Moving expenses. Attach Form 3903 26 27 Deductible part of self-employment tax. Attach Schedule SE 27 28 Self-employed SEP, SIMPLE, and qualified plans 28 29 Self-employed health insurance deduction 29 30 Penalty on early withdrawal of savings 30 31a Alimony paid b Recipient's SSN ▶ 31a 32 IRA deduction 32 33 Student loan interest deduction 33 327 34 Tuition and fees. Attach Form 8917 34 35 Domestic production activities deduction. Attach Form 8903 35 36 Add lines 23 through 35 36 327 37 Subtract line 36 from line 22. This is your adjusted gross income ▶ 37 93527																														
For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.				Form 1040 (2015)																										

**SCHEDULE A
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

Itemized Deductions

► Information about Schedule A and its separate instructions is at www.irs.gov/schedulea.
► Attach to Form 1040.

OMB No. 1545-0074

2015
Attachment
Sequence No. 07

Name(s) shown on Form 1040

Your social security number

MAY & WILL GRASP

Caution: Do not include expenses reimbursed or paid by others.				
Medical and Dental Expenses	1 Medical and dental expenses (see instructions)	1		
	2 Enter amount from Form 1040, line 38 <u>2</u>			
	3 Multiply line 2 by 10% (.10). But if either you or your spouse was born before January 2, 1951, multiply line 2 by 7.5% (.075) instead	3		
	4 Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-			4
Taxes You Paid	5 State and local (check only one box):			
	a <input type="checkbox"/> Income taxes, or	5	4132	
	b <input checked="" type="checkbox"/> General sales taxes			
	6 Real estate taxes (see instructions)	6	3117	
	7 Personal property taxes	7	43	
	8 Other taxes. List type and amount ►	8		
	9 Add lines 5 through 8			9
				7292
Interest You Paid	10 Home mortgage interest and points reported to you on Form 1098	10	4717	
	11 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 ►	11		
	12 Points not reported to you on Form 1098. See instructions for special rules	12		
	13 Mortgage insurance premiums (see instructions)	13		
	14 Investment interest. Attach Form 4952 if required. (See instructions.)	14		
	15 Add lines 10 through 14			15
			4717	
Gifts to Charity	16 Gifts by cash or check. If you made any gift of \$250 or more, see instructions	16	375	
	17 Other than by cash or check. If any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500	17	310	
	18 Carryover from prior year	18		
	19 Add lines 16 through 18			19
			685	
Casualty and Theft Losses	20 Casualty or theft loss(es). Attach Form 4684. (See instructions.)			20
Job Expenses and Certain Miscellaneous Deductions	21 Unreimbursed employee expenses—job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.) ►	21		
	22 Tax preparation fees	22		
	23 Other expenses—investment, safe deposit box, etc. List type and amount ►	23		
	24 Add lines 21 through 23	24		
	25 Enter amount from Form 1040, line 38 <u>25</u>			
	26 Multiply line 25 by 2% (.02)	26		
	27 Subtract line 26 from line 24. If line 26 is more than line 24, enter -0-			27
Other Miscellaneous Deductions	28 Other—from list in instructions. List type and amount ►			28
Total Itemized Deductions	29 Is Form 1040, line 38, over \$154,950			
	<input checked="" type="checkbox"/> No. 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
	<input type="checkbox"/> Yes. Your deduction may be limited. See the Itemized Deductions Worksheet in the instructions to figure the amount to enter.			
	30 If you elect to itemize deductions even though they are less than your standard deduction, check here <input type="checkbox"/>			
				12694

For Paperwork Reduction Act Notice, see Form 1040 instructions.
QNA

Schedule A (Form 1040) 2015

SCHEDULE B
(Form 1040A or 1040)

Interest and Ordinary Dividends

OMB No. 1545-0074

2015
Attachment
Sequence No. **08**

Department of the Treasury
Internal Revenue Service (99)

▶ Attach to Form 1040A or 1040.
▶ Information about Schedule B and its instructions is at www.irs.gov/scheduleb.

Name(s) shown on return

MAY & WILL GRASP

Your social security number

Part I **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 instructions on back and list this interest first. Also, show that buyer's social security number and address ▶
JP MORGAN CHASE
JP MORGAN CHASE

(See instructions on back and the instructions for Form 1040A, or Form 1040, line 8a.)

Note: If you received a Form 1099-INT, Form 1099-OID, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

Amount
1276
44

1

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 1040A, or Form 1040, line 8a ▶

2	1320
3	
4	1320

Note: If line 4 is over \$1,500, you must complete Part III.

Part II **5** List name of payer ▶

Ordinary Dividends

(See instructions on back and the instructions for Form 1040A, or 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.

Amount	
5	
6	

Note: If line 6 is over \$1,500, you must complete Part III.

Part III
Foreign Accounts and Trusts

(See instructions on back.)

You must complete this part if you (a) had over \$1,500 of taxable interest or ordinary dividends; (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 2015, did you have a financial interest in or signature authority over a financial account (such as a bank account, securities account, or brokerage account) located in a foreign country? See instructions

If "Yes," are you required to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR), to report that financial interest or signature authority? See FinCEN Form 114 and its instructions for filing requirements and exceptions to those requirements

b If you are required to file FinCEN Form 114, enter the name of the foreign country where the financial account is located ▶

8 During 2015, 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 instructions on back

Yes	No
	X
	X

For Paperwork Reduction Act Notice, see your tax return instructions.
QNA

Schedule B (Form 1040A or 1040) 2015

**SCHEDULE D
(Form 1040)**

Capital Gains and Losses

OMB No. 1545-0074

Department of the Treasury
Internal Revenue Service (99)

▶ **Attach to Form 1040 or Form 1040NR.**
▶ **Information about Schedule D and its separate instructions is at www.irs.gov/scheduled.**
▶ **Use Form 8949 to list your transactions for lines 1b, 2, 3, 8b, 9, and 10.**

2015
Attachment
Sequence No. **12**

Name(s) shown on return

MAY & WILL GRASP

Your social security number

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

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

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

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

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

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

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

	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part II, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
8a Totals for all long-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 8b				
8b Totals for all transactions reported on Form(s) 8949 with Box D checked	4500	2500		2000
9 Totals for all transactions reported on Form(s) 8949 with Box E checked				
10 Totals for all transactions reported on Form(s) 8949 with Box F checked				
11 Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824				11
12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				12
13 Capital gain distributions. See the instructions				13
14 Long-term capital loss carryover. Enter the amount, if any, from line 13 of your Capital Loss Carryover Worksheet in the instructions				14 ()
15 Net long-term capital gain or (loss). Combine lines 8a through 14 in column (h). Then go to Part III on the back				15 2000

For Paperwork Reduction Act Notice, see your tax return instructions.
QNA

Schedule D (Form 1040) 2015

Part III Summary

<p>16 Combine lines 7 and 15 and enter the result</p>	16	2000
<ul style="list-style-type: none"> • If line 16 is a gain, enter the amount from line 16 on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 17 below. • If line 16 is a loss, skip lines 17 through 20 below. Then go to line 21. Also be sure to complete line 22. • If line 16 is zero, skip lines 17 through 21 below and enter -0- on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 22. 		
<p>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.</p>		
<p>18 Enter the amount, if any, from line 7 of the 28% Rate Gain Worksheet in the instructions . . . ▶</p>	18	
<p>19 Enter the amount, if any, from line 18 of the Unrecaptured Section 1250 Gain Worksheet in the instructions . . . ▶</p>	19	
<p>20 Are lines 18 and 19 both zero or blank? <input checked="" type="checkbox"/> Yes. Complete the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44 (or in the instructions for Form 1040NR, line 42). Do not complete lines 21 and 22 below. <input type="checkbox"/> No. Complete the Schedule D Tax Worksheet in the instructions. Do not complete lines 21 and 22 below.</p>		
<p>21 If line 16 is a loss, enter here and on Form 1040, line 13, or Form 1040NR, line 14, the smaller of:</p> <ul style="list-style-type: none"> • The loss on line 16 or • (\$3,000), or if married filing separately, (\$1,500) } <p>Note: When figuring which amount is smaller, treat both amounts as positive numbers.</p>	21	()
<p>22 Do you have qualified dividends on Form 1040, line 9b, or Form 1040NR, line 10b? <input type="checkbox"/> Yes. Complete the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44 (or in the instructions for Form 1040NR, line 42). <input type="checkbox"/> No. Complete the rest of Form 1040 or Form 1040NR.</p>		

Name(s) shown on return. Name and SSN or taxpayer identification no. not required if shown on other side
MAY & WILL GRASP

Social security number or taxpayer identification number

Before you check Box D, E, or F below, see whether you received any Form(s) 1099-B or substitute statement(s) from your broker. A substitute statement will have the same information as Form 1099-B. Either will show whether your basis (usually your cost) was reported to the IRS by your broker and may even tell you which box to check.

Part II Long-Term. Transactions involving capital assets you held more than 1 year are long term. For short-term transactions, see page 1.

Note: You may aggregate all long-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS and for which no adjustments or codes are required. Enter the totals directly on Schedule D, line 8a; you aren't required to report these transactions on Form 8949 (see instructions).

You must check Box D, E, or F below. Check only one box. If more than one box applies for your long-term transactions, complete a separate Form 8949, page 2, for each applicable box. If you have more long-term transactions than will fit on this page for one or more of the boxes, complete as many forms with the same box checked as you need.

- (D)** Long-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS (see **Note** above)
- (E)** Long-term transactions reported on Form(s) 1099-B showing basis was **not** reported to the IRS
- (F)** Long-term transactions not reported to you on Form 1099-B

1	(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold or disposed of (Mo., day, yr.)	(d) Proceeds (sales price) (see instructions)	(e) Cost or other basis. See the Note below and see <i>Column (e)</i> in the separate instructions	Adjustment, if any, to gain or loss. If you enter an amount in column (g), enter a code in column (f). See the separate instructions.		(h) Gain or (loss). Subtract column (e) from column (d) and combine the result with column (g)
						(f) Code(s) from Instructions	(g) Amount of adjustment	
	E TRADE	07/12/2010	05/08/2015	4 500	2 500			2 000
2 Totals. Add the amounts in columns (d), (e), (g), and (h) (subtract negative amounts). Enter each total here and include on your Schedule D, line 8b (if Box D above is checked), line 9 (if Box E above is checked), or line 10 (if Box F above is checked) ▶				4 500	2 500			2 000

Note: If you checked Box D above but the basis reported to the IRS was incorrect, enter in column (e) the basis as reported to the IRS, and enter an adjustment in column (g) to correct the basis. See *Column (g)* in the separate instructions for how to figure the amount of the adjustment.

Child and Dependent Care Expenses



Department of the Treasury
Internal Revenue Service (99)

▶ Attach to Form 1040, Form 1040A, or Form 1040NR.
▶ Information about Form 2441 and its separate instructions is at www.irs.gov/form2441.

Name(s) shown on return

MAY & WILL GRASP

Your social security number

Part I Persons or Organizations Who Provided the Care—You must complete this part.
(If you have more than two care providers, see the instructions.)

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)
	WILD FLOWER DAY CARE	2350 POPPY LANE SACRAMENTO CA 95826	94-6543987	11545

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. If you do, you cannot file Form 1040A. For details, see the instructions for Form 1040, line 60a, or Form 1040NR, line 59a.

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 First Last	(b) Qualifying person's social security number	(c) Qualified expenses you incurred and paid in 2015 for the person listed in column (a)
	MINNIE GRASP		7104
	AL GRASP		4441

3 Add the amounts in column (c) of line 2. **Do not** 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 31

3 6000

4 Enter your **earned income**. See instructions

4 31782

5 If married filing jointly, enter your spouse's earned income (if you or your spouse was a student or was disabled, see the instructions); **all others**, enter the amount from line 4

5 48288

6 Enter the **smallest** of line 3, 4, or 5

6 6000

7 Enter the amount from Form 1040, line 38; Form 1040A, line 22; or Form 1040NR, line 37

7 93824

8 Enter on line 8 the decimal amount shown below that applies to the amount on line 7

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

8 X .20

9 Multiply line 6 by the decimal amount on line 8. If you paid 2014 expenses in 2015, see the instructions

9 1200

10 Tax liability limit. Enter the amount from the Credit Limit Worksheet in the instructions.

10 8546

11 **Credit for child and dependent care expenses.** Enter the **smaller** of line 9 or line 10 here and on Form 1040, line 49; Form 1040A, line 31; or Form 1040NR, line 47

11 1200

For Paperwork Reduction Act Notice, see your tax return instructions.

QNA

This completes the federal tax return. Now use the above information for Mrs. and Mr. Grasp to fill in the [FTB 2335 VITA Military Worksheet](#). After that, you will fill in the [540NR, California Nonresident State Tax Return](#).

Table of Contents

Student Notes

The information you have already entered on the federal return in TaxSlayer will fill in most of the California State tax return. This information is correct if the clients are California residents. California residents pay taxes on their worldwide income; meaning all of their income is taxed by California, and you do not use the FTB 2335 worksheet.

FTB 2335, VITA Military Worksheet

We designed the [FTB 2335, VITA Military Interview Worksheet](#), to assist you in preparing your client's California state return. Use it to determine what income is taxable to California by using income splitting under community and separate property rules. Use the FTB 5137, Military Quick Reference Guide, examples to help you complete the worksheet for:

- Single part-year or single full-year nonresidents.
- Married/RDP couples where one or both are part-year or full-year nonresidents or are residents filing separately.

Normally, you do not complete the worksheet for resident tax returns.

It is designed to prepare your client's California Nonresident or Part-Year Resident Income Tax Return.

Before completing the worksheet, you need the following items:

- Complete the federal income tax returns with all schedules and attachments.
- All reporting documents: Form W-2(s), Form 1099(s), Schedule K-1(s).

The "interview worksheet outline instructions" on Side 2, explain the specific instructions on how to use the spreadsheet. In general, you fill out the top portion and check the appropriate boxes. Then you identify and annotate the joint income for the taxpayer "T", spouse "S", and joint "J" as you type it into the first three columns, "TSJ", "*", and "FEDERAL AMOUNTS". The first columns are the income from the joint federal tax return. Ensure you have captured all the income from the federal tax return. Separate income for each taxpayer, i.e., W-2 wages list per taxpayer. Column 1 and 2 are used to allocate federal income based on community or separate property rules if the taxpayer(s) were to file married filing separate tax returns. Once the federal income has been separated, you use California resident and non-resident rules to determine income taxable to California.

Remember to split the income according to domicile rules. The figures on the left side of the worksheet are the federal figures for filing jointly or separately, and the right side of the worksheet gives you the amounts that California will tax when filing jointly or separately.

The May is a nonresident and Will Grasp is a resident of California therefore the MSRRA doesn't apply. You need to use the worksheet to split the income under community and separate property rules and to determine what income is not taxed by California. Before completing the worksheet, you need the following items:

- Completed federal income tax return with all schedules and attachments.
- All income reporting documents: Forms W-2, Forms 1099, and schedules.
- FTB 2335 forms are located at the end of the manual.

Steps to Complete the FTB 2335 VITA Military Worksheet

Start at the top of the worksheet and work your way down from left to right. Client 1 is the taxpayer who is listed first on the tax return.

VITA Military Worksheet			
Client 1		Client 2	
Resident ____ months	Nonresident ____ months	Resident ____ months	Nonresident ____ months
<input type="checkbox"/> Active Duty Military			
<input type="checkbox"/> Civilian or Retired Military			
Domiciled [Select One] State			

- Fill in the client's first and last name on the line provided; continue to the right when there is a spouse.
 - Client 1; taxpayer.
 - Client 2; spouse.
- Fill in the number of months in the appropriate section.
 - For a California resident enter number of months the client was in California and leave the nonresident section blank
 - For nonresidents of California enter number of months the client was in California and leave the resident section blank.
 - The Grasp exercise:
 - May Grasp was a nonresident for 12 months.
 - Will Grasp was a resident for 12 months.
- Select the appropriate Active Duty, Civilian or Retired Military box for each client.
 - The Grasp exercise:
 - May Grasp is active duty.
 - Will Grasp is a civilian.
- Domicile, select the drop down to pick community or separate property. The community property states are listed on the worksheet.

VITA Military Worksheet			
Client 1		Client 2	
Resident ____ months	Nonresident ____ months	Resident ____ months	Nonresident ____ months
<input type="checkbox"/> Active Duty Military	<input type="checkbox"/> Active Duty Military	<input type="checkbox"/> Active Duty Military	<input type="checkbox"/> Active Duty Military
<input type="checkbox"/> Civilian or Retired Military	<input type="checkbox"/> Civilian or Retired Military	<input type="checkbox"/> Civilian or Retired Military	<input type="checkbox"/> Civilian or Retired Military
Domiciled [Select One] State	Domiciled [Select One] State	Domiciled [Select One] State	Domiciled [Select One] State
Community Property States: Arizona, California, CN Ma		As a nonresident, was client 1 domiciled in a community property state, or a separate property state?	
		<input type="checkbox"/> Community Property <input type="checkbox"/> Separate Property	

- The Grasp exercise:
 - May is domiciled in Louisiana and it is on the community property list, select community property.
 - Will is domiciled in Ohio and it is not on the community property list, so select separate property.
- Fill in the state abbreviation.
 - The Grasp exercise:
 - May's domicile is Louisiana = LA.
 - Will's domicile is Ohio = OH.

6. Select the appropriate yes or no answers to the California Adjustments Schedule CA questions. Are these items on the client's 1040 page 1? If so then select yes.

Community Property States: Arizona, California, CN Mariana I, Guam, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, and Wisconsin					
California Adjustments 540NR Schedule CA Column B			California Adjustments 540NR Schedule CA Column B (Continued)		
	Yes	No		Yes	No
MPA (Military Pay Adjust) / MSRRA W-2 (Line 7)	<input type="checkbox"/>	<input type="checkbox"/>	Unemployment Compensation (1099-G) (Line 19)	<input type="checkbox"/>	<input type="checkbox"/>
Savings Bonds / Treasury Bills Interest (1099-INT) (Line 8)	<input type="checkbox"/>	<input type="checkbox"/>	Taxable Social Security / RR Retirement (Line 20)	<input type="checkbox"/>	<input type="checkbox"/>
State Tax Refunds (1099-G) (Line 10)	<input type="checkbox"/>	<input type="checkbox"/>	CA Lottery (W-2G) (Line 21a)	<input type="checkbox"/>	<input type="checkbox"/>
IRA / Pensions (1099-R) (Line 15b/16b)	<input type="checkbox"/>	<input type="checkbox"/>	1040 Adjustments to Income (Lines 23-35)	<input type="checkbox"/>	<input type="checkbox"/>

A. The Grasp exercise

- i. (Line 7) MPA (Military Pay Adjustment) / MSRRA yes
- ii. (Line 8) Savings bond (1099-INT) yes
- iii. (Line 10) State refund (1099-G) No
- iv. (Line 16) IRA/Pension (1099-R) yes
- v. (Line 19) Unemployment (1099-G) yes
- vi. (Line 20) Taxable Social Security/Rail Road No
- vii. (Line 21) CA Lottery (W-2G) no
- viii. (Line 33) 1040 adjustment to income yes

7. Fill in the income information from the W-2, 1099's, and other income sources the client has provided.

- A. Again look at the client's Form 1040 page 1.
- B. For income that is not joint, write the client's and the spouse's separate income on their own line.
- C. Blank lines are left for you to type or write in extra income items.
- D. In the TSJ column identify who the income is from, T = Client 1 taxpayer, S = Client 2 spouse and J = Joint.

Income & Client		1040 Page 1	
T = Client 1			
S = Client 2		1040	Total
J = Joint	TSJ	Lines	Amounts
Military Wages		7	
Other Wages		7	
Interest		8	
U.S. Bonds		8	
Dividends		9	
State Refund		10	
Alimony Received		11	
Business Income		12	
Capital Gains		13	
IRA		15	
Pensions		16	
Rental RE, etc.		17	
Unemp. Comp.		19	
Social Security		20 b	
		21	
Total Income		22	\$ 0.00
Federal Subtraction Adjustmen			
		-	
		-	
Total Adjustments		36	\$ 0.00
Adjusted Gross Income		37	\$ 0.00

FTB 2335 (REV 06-2014) Side 1

Table of Contents

- A. The Grasp exercise
- i. Military Wages T \$31,782
 - ii. Spouse Wages S \$48,288
 - iii. Interest J \$1,200
 - iv. Interest (bond) J \$76
 - v. Interest T \$44
 - vi. State refund J \$0.00
 - vii. Capital gain J \$2,000
 - viii. Pension S \$5,400
 - ix. Unemployment S \$5,064
- B. And the adjustment below the line
- x. Student loan interest paid S \$327

8. Make sure the worksheet's federal income information matches TaxSlayer's 1040 federal income amounts.
9. Still on the Federal side of the worksheet, in the two columns to the right separate the income based on the state of domicile's community or separate property rules.
- A. All the income marked joint gets split evenly between both lines
 - B. The taxpayer, client 1, is from a community property state, all her income is split evenly.
 - C. The spouse, client 2, is from a separate property state, he keeps all his income in his column.

1040 Page 1					
Income & Client		Federal Income			
T = Client 1					
S = Client 2					
J = Joint					
	TSJ	1040 Lines	Total Amounts	Client 1 [Select One]	Client 2 [Select One]
Military Wages	T	7	\$ 31,782.00		
Spouse Wages	S		\$ 48,288.00		
Other Wages		7			
Interest			\$ 1,200.00		
Interest		8	\$ 44.00		
U.S. Bonds		8	\$ 76.00		
Dividends		9			
State Refund		10			
Alimony Received		11			
Business Income		12			
Capital Gains		13	\$ 2,000.00		
IRA		15			
Pensions		16	\$ 5,400.00		
Rental RE, etc.		17			
Unemp. Comp.		19	\$ 5,064.00		
Social Security		20 b			
		21			
Total Income		22	\$ 93,854.00	\$ 0.00	\$ 0.00
Federal Subtraction Adjustments (Lines 23-35)					
Student Interest	S	--	\$ 327.00		
		--			
Total Adjustments		36	\$ 327.00	\$ 0.00	\$ 0.00
Adjusted Gross Income		37	\$ 93,527.00	\$ 0.00	\$ 0.00

10. The Grasp exercise
- i. Attempt to split the income on your worksheet before reviewing the next page.

1040 Page 1					
Income & Client		Federal Income			
T = Client 1					
S = Client 2					
J = Joint					
	TSJ	1040 Lines	Total Amounts	Client 1 Community	Client 2 Separate
Military Wages	T	7	\$ 31,782.00	\$ 15,891.00	\$ 15,891.00
Spouse's wages	S		\$ 48,288.00		\$ 48,288.00
Other Wages		7			
Interest	J		\$ 44.00	\$ 22.00	\$ 22.00
Interest	J	8	\$ 1,200.00	\$ 600.00	\$ 600.00
U.S. Bonds	T	8	\$ 76.00	\$ 38.00	\$ 38.00
Dividends		9			
State Refund	J	10			
Alimony Received		11			
Business Income		12			
Capital Gains	J	13	\$ 2,000.00	\$ 1,000.00	\$ 1,000.00
IRA		15			
Pensions	S	16	\$ 5,400.00		\$ 5,400.00
Rental RE, etc.		17			
Unemp. Comp.	S	19	\$ 5,064.00		\$ 5,064.00
Social Security		20 b			
		21			
Total Income		22	\$ 93,854.00	\$ 17,551.00	\$ 76,303.00
Federal Subtraction Adjustments (Lines 23-35)					
Student Interest	S	35	\$ 327.00		\$ 327.00
		--			
Total Adjustments		36	\$ 327.00	\$ 0.00	\$ 327.00
Adjusted Gross Income		37	\$ 93,527.00	\$ 17,551.00	\$ 75,976.00

1. The federal income has been entered. Next, apply the client's income information to the California columns on the right side of the worksheet.
 - A. We call this crossing the State line.
 - B. Move each client's income amounts from the federal client columns over to the State client's columns.
 - C. Use California resident and nonresident rules to determine the income taxed and not taxed by California.
 - i. Some of the boxes are grey out to indicate California does not tax those income types.
 - U.S Bond interest, state refunds, unemployment, social security.
 - ii. Complete the nonresident column for May Grasp.
 - iii. Complete the resident column for Will Grasp.
 - D. Here is where the MPA (Military Pay Adjustment) and/or MSRRRA (Military Spouse Residency Relief Act) rules will be applied.

Schedule CA	California Taxable Amounts 540NR Schedule CA Totals				
	1	2		540NR	
Line #	Resident	Nonresident	Resident	Nonresident	Column E
7					\$ 0.00
			\$ 48,288.00		\$ 48,288.00
					\$ 0.00
					\$ 0.00
			\$ 22.00		\$ 22.00
8			\$ 600.00		\$ 600.00
9					\$ 0.00
10					
11					\$ 0.00
12					\$ 0.00
13			\$ 1,000.00		\$ 1,000.00
15					\$ 0.00
16			\$ 5,400.00		\$ 5,400.00
17					\$ 0.00
19					
20 b					
21					\$ 0.00
22	\$ 0.00	\$ 0.00	\$ 55,310.00	\$ 0.00	\$ 55,310.00
California Subtraction Adjustments on the Schedule CA					
--			\$ 327.00		\$ 327.00
--					\$ 0.00
36	\$ 0.00	\$ 0.00	\$ 327.00	\$ 0.00	\$ 327.00
37	\$ 0.00	\$ 0.00	\$ 54,983.00	\$ 0.00	\$ 54,983.00

1. Total the rows and columns. The online form will automatically calculate.
2. Verify your worksheet looks like this one, adjust accordingly.

FTB 2335 is Complete

On the next page there is a copy of the completed 2335 form. Use the worksheet for nonresident clients who have California taxable income. Don't try to skip using the form and entering the figures in TaxSlayer. Also note that normally the worksheet is not used for single clients.

For your clients to have a properly filed California tax return the FTB 2335 VITA Military Worksheet must be completed when it is needed.

VITA Military Worksheet											
Client 1 MAY B GRASP						Client 2 WILL U GRASP					
Resident <input type="checkbox"/> months		Nonresident <input checked="" type="checkbox"/> 12 months				Resident <input type="checkbox"/> 12 months		Nonresident <input type="checkbox"/> months			
<input type="checkbox"/> Active Duty Military		<input checked="" type="checkbox"/> Active Duty Military				<input type="checkbox"/> Active Duty Military		<input type="checkbox"/> Active Duty Military			
<input type="checkbox"/> Civilian or Retired Military		<input type="checkbox"/> Civilian or Retired Military				<input checked="" type="checkbox"/> Civilian or Retired Military		<input type="checkbox"/> Civilian or Retired Military			
Domiciled [Select One] State		Domiciled Community Property State LA				Domiciled Separate Property State OH		Domiciled [Select One] State			
Community Property States: Arizona, California, CN Mariana I, Guam, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, and Wisconsin											
California Adjustments 540NR Schedule CA Column B						California Adjustments 540NR Schedule CA Column B (Continued)					
MPA (Military Pay Adjust) / MSRRA W-2 (Line 7) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No						Unemployment Compensation (1099-G) (Line 19) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No					
Savings Bonds / Treasury Bills Interest (1099-INT) (Line 8) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No						Taxable Social Security / RR Retirement (Line 20) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No					
State Tax Refunds (1099-G) (Line 10) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No						CA Lottery (W-2G) (Line 21a) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No					
IRA / Pensions (1099-R) (Line 15b/16b) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No						1040 Adjustments to Income (Lines 23-35) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No					
1040 Page 1											
Income & Client		Federal Income				Schedule CA	California Taxable Amounts 540NR Schedule CA Totals				
T = Client 1 S = Client 2 J = Joint		1040 Lines	Total Amounts	Client 1 Community	Client 2 Separate	Line #	1 MAY B GRASP		2 WILL U GRASP		540NR Column E
	TSJ						Resident	Nonresident	Resident	Nonresident	
Military Wages	T	7	\$ 31,782.00	\$ 15,891.00	\$ 15,891.00	7			\$ 48,288.00		\$ 0.00
Other Wages	S	7	\$ 48,288.00		\$ 48,288.00						\$ 48,288.00
Interest	T		\$ 44.00	\$ 22.00	\$ 22.00				\$ 22.00		\$ 22.00
Interest	J	8	\$ 1,200.00	\$ 600.00	\$ 600.00	8			\$ 600.00		\$ 600.00
U.S. Bonds	J	8	\$ 76.00	\$ 38.00	\$ 38.00						
Dividends		9				9					\$ 0.00
State Refund		10				10					
Alimony Received		11				11					\$ 0.00
Business Income		12				12					\$ 0.00
Capital Gains	J	13	\$ 2,000.00	\$ 1,000.00	\$ 1,000.00	13			\$ 1,000.00		\$ 1,000.00
IRA		15				15					\$ 0.00
Pensions	S	16	\$ 5,400.00		\$ 5,400.00	16			\$ 5,400.00		\$ 5,400.00
Rental RE, etc.		17				17					\$ 0.00
Unemp. Comp.	S	19	\$ 5,064.00		\$ 5,064.00	19					
Social Security		20 b				20 b					
		21				21					\$ 0.00
Total Income		22	\$ 93,854.00	\$ 17,551.00	\$ 76,303.00	22	\$ 0.00	\$ 0.00	\$ 55,310.00	\$ 0.00	\$ 55,310.00
Federal Subtraction Adjustments (Lines 23-35)						California Subtraction Adjustments on the Schedule CA					
Student Loan	S	35	\$ 327.00		\$ 327.00	35			\$ 327.00		\$ 327.00
		--				--					\$ 0.00
Total Adjustments		36	\$ 327.00	\$ 0.00	\$ 327.00	36	\$ 0.00	\$ 0.00	\$ 327.00	\$ 0.00	\$ 327.00
Adjusted Gross Income		37	\$ 93,527.00	\$ 17,551.00	\$ 75,976.00	37	\$ 0.00	\$ 0.00	\$ 54,983.00	\$ 0.00	\$ 54,983.00

Completing A State Return in TaxSlayer

After completing this topic, you will be able to:

- Add states to a return.
- Add information to a state return.
- Delete a state from the return.

TaxSlayer Tip: The screen prints seen below may look different but you will be entering the same information.

When you finish entering information for the federal return, TaxSlayer Pro Online displays the **Your Federal Return is Complete:**

Q Enter the Form Number...

Basic Information

Federal Section

Health Insurance

State Section

Summary/Print

e-File

2015 Amended Return

Save & Log Out

Scanned Documents

Your Federal Return is Complete!

Congratulations! You have completed your Federal Return.

We're ready to add your state return. We'll automatically transfer all the necessary information into your state return for you.

Please choose from the following options:

- Add a State Return to your account.
The following states do not have state income tax returns that can be filed through TaxSlayer Pro: Alaska, Florida, Nevada, New Hampshire, South Dakota, Tennessee, Texas, Washington and Wyoming
- Skip the State Return process and Continue to the Summary.
- Return to the Federal Section to review or make changes to your Federal Return.

◀ Return to Federal Section

▶ Add State Return(s)

▶ Continue to Summary

TIP: You can also click **State Section** in the left navigation bar to access this page. If the taxpayer does not need to add a state, click **Continue to Summary**.

1. Click "ADD State Return".
2. Select the state from the drop-down list or click your state in the map.
3. Click "Continue".

Select your State Return

Please select the state that you would like to complete below.

Only states that accept tax returns for which you have not already created a state tax return are listed here. The following states do not have individual income tax returns:
 Alaska, Florida, Nevada, New Hampshire, South Dakota, Tennessee, Texas, Washington and Wyoming



Choose State
 - Please Select -

4. Select whether the taxpayer is a resident, part-year resident, or non-resident of the state.
5. Click **Continue**.

If you are preparing a Resident return or Part year Resident return, you will need to follow the steps below. If you are preparing a 540NR (Non-Resident return) continue to **“Adding Information to the State Return”**.

Select your California Return Residency

Please choose a return type

Resident: You are a resident of California if your domicile/permanent home is in California regardless of brief, infrequent absences.

Part Year: You are a Part Year Resident of California if you have a permanent place to live in California during any part of the tax year.

Non-Resident You are a Nonresident of California if you do not maintain a permanent place to live in California during the tax year.

Adding Information to the State Return

1. On the How would you like to input your state return? Click either "Guide Me" or "Enter Myself". For this class we will click "Guide Me".

How would you like to input your state return?

You can choose to follow our step by step guide in order to ensure that you will not incorrectly enter anything. Or, if you feel comfortable, choose to enter in everything yourself.

Guide Me -OR- Enter Myself

Cancel

2. From the California State Return screen, you will start filling out the Schedule CA (540NR). Click "Begin" on the question that applies to your client's situation.
 - May Grasp is active military, click "Begin" next to Complete if you were active Duty Military.

California State Return

We are ready to get started!

Your federal information has been successfully transferred to your State. There are just a few more items required to complete the state return.

Complete California Form 3532 (Head of Household) **BEGIN**

Additional Personal Information **BEGIN**

Complete if you were Active Duty Military **EDIT**

Complete if the Taxpayer or Spouse listed on the return is deceased **BEGIN**

Residency and Nonresidency Information Before 2015 **BEGIN**

Residency and Nonresidency Information During 2015 **EDIT**

BEGIN

Cancel

3. Once you have answered the question, Are you active duty military? Click "Continue" to complete.

California State Return

Complete if you were Active Duty Military

*If you are Active Duty Military, please select **YES** below and complete all information in reference to your military service.*

Are you Active Duty Military?

If you were deployed overseas or served in a combat zone/QHDA, complete the following questions: Required Fields are: 1. Type of Military Service AND 2. Date Deployed Overseas or Date Entered Combat Zone/QHDA. If you enter data in the Date Returned from Overseas or Combat Zone/QHDA OR name of the Area Served or Combat Zone/QHDA Operation then you must ALSO complete the required fields listed above.

Select your Type of Military Service

Taxpayer

Spouse

Enter Date Deployed Overseas or Date Entered Combat Zone/QHDA (Enter as follows: yyyyMMdd)

Taxpayer

Spouse

Enter the Date Returned from Overseas or Combat Zone/QHDA (Enter as follows: yyyyMMdd)

Taxpayer

Spouse

Enter the name of the Area Served or Combat Zone/QHDA Operation

Taxpayer

Spouse

✔ Continue

4. Click "Begin" to enter the Resident and Non-residency information.

California State Return

We are ready to get started!

Your federal information has been successfully transferred to your State. There are just a few more items required to complete the state return.

Complete California Form 3532 (Head of Household)

BEGIN

Additional Personal Information

BEGIN

Complete if you were Active Duty Military

EDIT

Complete if the Taxpayer or Spouse listed on the return is deceased

BEGIN

Residency and Nonresidency Information Before 2015

BEGIN

Residency and Nonresidency Information During 2015

BEGIN



✕ Cancel

✓ Continue

5. Fill in, or use the drop down menus, with the taxpayer and spouse's information based on their domicile and where they were stationed. Once you have answered all the applicable questions, click "Continue".

California State Return

Residency and Nonresidency Information During 2015

CA Resident Status

Taxpayer

Nonresident

Spouse

Resident

Residency Information During 2015 (Enter all information that applies)

Enter the number of days spent in California during 2015 (for any purpose)

Taxpayer

365

Spouse

365

Do you own property in California?

Taxpayer

Yes

Spouse

Yes

If you were a nonresident of California for the entire year...

Select your State of Residency during 2015

Taxpayer

Louisiana

Spouse

California

OR if you were out of the country

Select your Country of Residency

Taxpayer

--Select--

Spouse

--Select--

If you were domiciled in a state or country OTHER THAN California...

Select the State

Taxpayer

--Select--

Spouse

--Select--

OR if you were out of the country

Select the Country

Taxpayer

--Select--

Spouse

--Select--

If you are military...

Select the state you were stationed in for 2015

Taxpayer

California

Spouse

California

OR if you were out of the country

Select the country you were stationed in for 2015

Taxpayer

Spouse

[Continue](#)

6. Once you click "Continue", the software will bring you back to the Basic Information landing page. Click "Continue" to move to the next section of the return.

California State Return

Basic Information

Your federal information has been successfully transferred to your State. There are just a few more items required to complete the state return.

Complete California Form 3532 (Head of Household)	BEGIN
Additional Personal Information	BEGIN
Complete if you were Active Duty Military	EDIT
Complete if the Taxpayer or Spouse listed on the return is deceased	BEGIN
Residency and Nonresidency Information Before 2015	BEGIN
Residency and Nonresidency Information During 2015	EDIT

[Continue](#)

7. Next you will enter the income that is taxable to California by clicking "Begin" next to other income taxable to California.

Use FTB Form 2335 to enter the income taxable to California. California earned income will automatically transfer to the State return.

California State Return

Income Subject to Tax

[learn more](#)

Your California Wages are automatically carried to your state tax return. Please select the menus below to answer questions regarding your residency/nonresidency and to indicate any other income taxable and adjustments to your California tax return.

Other Income Taxable to California

BEGIN

Adjustments to Income Subject to California Tax

BEGIN

[← Back](#)

[✓ Continue](#)

California State Return

Other Income Taxable to California

Your California wages from Form W-2, lines 15-20, have been automatically carried to your California tax return. Other income listed on your Federal return is indicated below. Please enter the amount of each type of income that is taxable to California.

Interest Income	\$ 622
Dividend Income	\$
Alimony Received	\$
Business Income (loss)	\$
Capital Gain/Loss	\$ 1000
Other Gains/Losses from Form 4797	\$
IRA Distributions	\$
Pension and Annuities	\$ 5400
Rents and Royalties	\$
Farm Income (Loss)	\$
Other income (loss)	\$

8. Once you have entered all the income taxable to California click "Continue".
 - Other Income Taxable to California is used to enter the deduction to income.
9. Now you will need to add Adjustments to Income by selecting "Begin" next to Adjustments to Income subject to California Tax.

California State Return

Income Subject to Tax

[learn more](#)

Your California Wages are automatically carried to your state tax return. Please select the menus below to answer questions regarding your residency/nonresidency and to indicate any other income taxable and adjustments to your California tax return.

Other Income Taxable to California

BEGIN

Adjustments to Income Subject to California Tax

BEGIN

← Back

✓ Continue

10. Enter the student loan interest and click "Continue" twice to get to the "Subtraction from income" screen.

California State Return

Adjustments to Income Subject to California Tax

Listed below are adjustments to income, if any, entered on your Federal Tax Return. Indicate the adjustments to be subtracted from your California taxable income.

IRA Deduction

\$

Student Loan Interest Deduction

\$ 327

Moving Expenses

\$

One-half Self Employment Tax

\$

Self Employed Health Insurance Deduction

\$

Self Employed SEP/Simple Deduction

\$

Penalty on Early Withdrawal of Savings

\$

Alimony Paid

\$

Other Adjustments to Income

\$

Certain Business Expenses for fee-basis government officials

\$

✓ Continue

11. Once you have clicked "Begin" you will need to click on "Active Duty Military Pay" to enter the income that is not taxable to California based on your FTB 2335. The military

pay that should be entered here is \$31,782. Click "Continue" once you have entered the military income.

California State Return
Subtractions from Income

We have automatically carried over subtractions from income to your California return; however, California does not tax certain items of income that are taxed by the Federal Government. Enter the amounts to be subtracted as allowable.

Active Duty Military Pay

Other Subtractions

California State Return
Active Duty Military Pay

Military pay is not taxable by California if your domicile (home state of record) is outside of California, even if you were stationed in California all year. All other nonmilitary, California source income is taxable by California. Click [HERE](#) for more information.

Enter eligible military income.

12. Once you click "Continue" the second time, the system will bring you back to the "Subtraction from Income" page where you will need to click "Continue" again since there are no other subtractions to be made.

California State Return

Subtractions from Income

We have automatically carried over subtractions from income to your California return; however, California does not tax certain items of income that are taxed by the Federal Government. Enter the amounts to be subtracted as allowable.

Active Duty Military Pay	EDIT
Other Subtractions	BEGIN

[✔ Continue](#)

13. Once you click "Continue" you will be back on the "California State Return" where you will need to click "Begin" on Credits.

California State Return

Basic Information	EDIT
Income Subject to Tax	EDIT
Additions to Income	BEGIN
Subtractions from Income	EDIT
Itemized Deductions	BEGIN
Credits	BEGIN
Tax	BEGIN
Voluntary Contributions	BEGIN
Payments	BEGIN
Miscellaneous Forms	BEGIN

✕ Cancel

✔ Continue

14. From the Credits page, click "Begin" next to Child Care Credits.

California State Return

Credits

Certain credits are automatically calculated and carried from your Federal return to your California return. Below are additional credits that are available through the state of California. Please review each section and complete the necessary information as it is applicable to your tax situation.

Child Care Credit

EDIT

Other Credits

BEGIN

Renters Credit

BEGIN

Schedule S, Other State Tax Credit

BEGIN

✓ Continue

15. On the Child Care Credit screen, if you have child care you entered for Federal (Form 2441) select "Yes" from the drop down and fill out the unearned income information. Once you have filled in all applicable information click "Continue" twice to get back to the California State Return landing page.

California State Return

Child Care Credit

You may qualify to claim the 2015 credit for child and dependent care expenses if you paid someone in California to care for your child or other qualifying person while you worked or looked for work. You must have California earned income to qualify for this credit.

If filing Federal Form 2441, was the care provided in California? If YES please complete information below, if applicable.

Yes

Your California earned income is automatically used to calculate this credit. List the source and amount of any money you received in 2015 that is not included in your earned income but was used to support your household. Enter up to three types and amounts below.

#1 Unearned Income/Other Funds

Enter Description

interest

Enter Amount

\$ 1320

#2 Unearned Income/Other Funds

Enter Description

1099r

Enter Amount

\$ 5400

#3 Unearned Income/Other Funds

Enter Description

capitol gains and unemploymer

Enter Amount

\$ 7064

✓ Continue

16. You will continue adding information to the state return as needed based on the taxpayer's circumstances. For this return, you have completed entering all California information so you will click "Continue" to complete the California return.

17. If you add a state return and later find that you need to delete it from the return, use the following steps:

- a. Select State Section
- b. Click Delete for the state you need to delete. TaxSlayer will display a warning confirmation page, where you will need to select delete to confirm you want to delete the state return.
- c. If you select the wrong Filing status (Resident, Part year resident or Non-Resident) you will need to delete the state return to make the change to the correct filing status.

ACH and Direct Deposit Information

ACH and direct deposit is easy, safe, and a free way for your client to pay their balance due or to receive a refund.

Use the check below to enter the bank information for the Grasp exercise. If they owe they want to pay on April 15 or direct deposit if it is a refund.

May or William Grasp
555 Walton Ave
Your City, State, Zip

12/31/2014 1234

Pay to the Order of \$

Sierra Credit CU
123 Bank Street
Your City, State, Zip

321174770: 1234 1234567

1. From the summary/print screen, click "Continue". Once you click continue, you will see a warning page that will advise you of any concerns the software finds on the return you entered. If there are corrections that need to be made on the return, you will need to correct them to allow the return to be e-filed.
2. Since there are no issues on this return, click "Continue".

Warnings Concerning Your Federal Return

The following warnings concerning your Federal return were found.

- The balance due on your Federal return is more than \$1000. You may be subject to an estimated tax penalty. If there is a penalty due, the IRS will calculate the penalty and send a notice by mail.
If you would like to complete Form 2210 go to Federal Section >> Payments & Estimates >> Underpayment of Estimated Tax.
- The amount(s) you entered as paid to child care providers for Dependents and other qualified persons does not match the amount you have entered for Child Care Providers.
Please return to the Form 2441 section in the Credits menu to correct this.
- You have the following sticky notes in your account.
Itemized deduction s
- There is no where to enter the Military income for BAH and BAS. Since this income is not able to be entered on the Schedule A the sales tax is incorrect. The sales tax is being figured based on their
Itemized deduction s
- Where would we enter the BAH and BAS income to calculate the sales tax properly?
CA 3506
- Line 9 Decimal amount on the 3506 is incorrect. The amount is calculating .34 based on their AGI when it should actually be .43. The decimal amount is based on their modified AGI. (Federal AGI minus M
- You indicated that you paid taxes to LA on your W-2, but you are not filing a LA state return. To add a state return, select the button below and follow the instructions to add your state return.

[← Back](#)

[✓ Continue](#)

3. Once you click "Continue" you will need to fill out the information to preparer the return to be E-Filed. This section is where you will need to input your direct deposit/electronic payment information.

Note: Since the Grasp's owe on their Federal return, you will want to select Direct Debit from the drop down for Federal Return Type.

E-File Back Save

Return Type

Your return is now ready to be e-Filed to the IRS.

Please make sure that all information you enter below is correct.

In order for us to transmit your client's return to the IRS you must complete all Steps in the e-File Process.

CAUTION: Your client's return will not be sent to the IRS unless you complete ALL steps. None of the information is saved until all information is entered and the "Continue" button below is clicked.

To continue the e-File process, please first select a return type and the form will ask for all required information. Refund summary

Send State Only

Federal Return Type Direct Debit

ERO Information

Efin#: 369258
EroName#: Practice Lab

Next

- Click "Next" until you get to the State Return section and select "Direct Deposit" from the drop down and click "Next" to enter the bank information.

E-File Back Save

Return Type

Tax Preparation and E-File Information

State Return(s)

Choose how you would like to file your state returns:

State	Refund/Due	Return Type
CA	Refund: \$ 600.00	Direct Deposit

Next

- You will need to enter the taxpayer's bank information and how much of the balance due they would like to pay electronically.

State Return(s)

Taxpayer Bank Account Information

Note: This bank information **MUST** be accurate for your return to process correctly.

Name of Bank: Sierra Credit Union

Type of Account: Checking

Routing Transit Number: 321174770

Confirm Routing Transit Number: 321174770

Bank Account Number: 1234567

Confirm Bank Account Number: 1234567

Direct Debit Information

Amount of Tax Payment: \$848.00 (Amount Owed: \$848.00)

* **Note:** Payment only applies to federal tax due. If payment amount is less than the amount due, you will have to mail the rest of the payment to the IRS with a payment voucher.

* Because today is after 4/15/2016 today's date will be used as the payment date.
Note: You may also be subject to late payment and interest penalties.

Your return is now complete and ready to be E-Filed. Click "Save and Close" to exit the return.

[Table of Contents](#)

Check California TaxSlayer Amounts (Check Figures)

Use the California tax return on the following pages to check the tax return you completed in TaxSlayer.

<u>TAXABLE YEAR</u>	California Nonresident or Part-Year Resident Income Tax Return	ATTACH FEDERAL RETURN	FORM 540NR
2015	Long Form		

MAY	GRAS	15			A
WILL	B GRASP				R
	U GRASP				RP

555 WALTON AVE
SACRAMENTO CA 95826

10-11-1986 11-12-1983

Filing Status

1 Single

2 Married/RDP filing jointly. See inst.

3 Married/RDP filing separately. Enter spouse's/RDP's SSN or ITIN above and full name here _____
If your California filing status is different from your federal filing status, check the box here

4 Head of household (with qualifying person). See instructions.

5 Qualifying widow(er) with dependent child. Enter year spouse/RDP died _____

6 If someone can claim you (or your spouse/RDP) as a dependent, check the box here. See inst. 6

Exemptions

► For line 7, line 8, line 9, and line 10: Multiply the amount you enter in the box by the pre-printed dollar amount for that line. **Whole dollars only**

7 **Personal:** If you checked box 1, 3, or 4 above, enter 1 in the box. If you checked box 2 or 5, enter 2. If you checked the box on line 6, see instructions. 7 X \$109 = \$ 218

8 **Blind:** If you (or your spouse/RDP) are visually impaired, enter 1; if both are visually impaired, enter 2 8 X \$109 = \$ _____

9 **Senior:** If you (or your spouse/RDP) are 65 or older, enter 1; if both are 65 or older, enter 2. 9 X \$109 = \$ _____

10 **Dependents: Do not include yourself or your spouse/RDP.**

	Dependent 1	Dependent 2	Dependent 3
First Name	<input checked="" type="radio"/> MINNIE	<input checked="" type="radio"/> AL	<input type="radio"/>
Last Name	<input checked="" type="radio"/> GRASP	<input checked="" type="radio"/> GRASP	<input type="radio"/>
SSN	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Dependent's relationship to you	<input checked="" type="radio"/> DAUGHTER	<input checked="" type="radio"/> SON	<input type="radio"/>

Total dependent exemptions 10 X \$337 = \$ 674

11 **Exemption amount:** Add line 7 through line 10 11 \$ 892

Total Taxable Income

12 Total California wages from your Form(s) W-2, box 16 12 48288 00

13 Enter federal AGI from Form 1040, line 37; 1040A, line 21; 1040EZ, line 4; 1040NR, line 36; or 1040NR-EZ, line 10 13 93824 00

14 California adjustments – subtractions. Enter the amount from Schedule CA (540NR), line 37, column B 14 37219 00

15 Subtract line 14 from line 13. If less than zero, enter the result in parentheses. See instructions 15 56605 00

16 California adjustments – additions. Enter the amount from Schedule CA (540NR), line 37, column C. 16 _____ 00

17 Adjusted gross income from all sources. Combine line 15 and line 16. 17 56605 00

18 Enter the **larger** of: Your California **itemized deductions** from Schedule CA (540NR), line 44; **OR** Your California **standard deduction**. See instructions 18 8562 00

19 Subtract line 18 from line 17. This is your **total taxable income**. If less than zero, enter -0-. 19 48043 00

041

3131154

Long Form 540NR c1 2015 Side 1

Your name: MAY B GRASP

Your SSN or ITIN: _____

	31	Tax. Check the box if from: <input checked="" type="checkbox"/> Tax Table <input type="checkbox"/> Tax Rate Schedule <input type="checkbox"/> FTB 3800 <input type="checkbox"/> FTB 3803	31	1019	00
	32	CA adjusted gross income from Schedule CA (540NR), Part IV, line 45	32	55310	00
CA Taxable Income	35	CA Taxable Income from Schedule CA (540NR), Part IV, line 49	35	46944	00
	36	CA Tax Rate. Divide line 31 by line 19	36	0	0212
	37	CA Tax Before Exemption Credits. Multiply line 35 by line 36	37	995	00
	38	CA Exemption Credit Percentage. Divide line 35 by line 19. If more than 1, enter 1.0000	38	0	9771
	39	CA Prorated Exemption Credits. Multiply line 11 by line 38. If the amount on line 13 is more than \$178,706, see instructions	39	872	00
	40	CA Regular Tax Before Credits. Subtract line 39 from line 37. If less than zero, enter -0-	40	123	00
	41	Tax. See instructions. Check the box if from: <input type="checkbox"/> Schedule G-1 <input type="checkbox"/> FTB 5870A	41		00
	42	Add line 40 and line 41	42	123	00
Special Credits	50	Nonrefundable Child and Dependent Care Expenses Credit. See instructions. Attach form FTB 3506	50	408	00
	51	Credit for joint custody head of household. See instructions	51		00
	52	Credit for dependent parent. See instructions	52		00
	53	Credit for senior head of household. See instructions	53		00
	54	Credit percentage. Divide line 35 by line 19. If more than 1, enter 1.0000. See instructions	54		
	55	Credit amount. See instructions	55		00
	58	Enter credit name _____ code _____ and amount	58		00
	59	Enter credit name _____ code _____ and amount	59		00
	60	To claim more than two credits. See instructions	60		00
	61	Nonrefundable renter's credit. See instructions	61		00
	62	Add line 50 and line 55 through 61. These are your total credits	62	408	00
	63	Subtract line 62 from line 42. If less than zero, enter -0-	63	0	00
Other Taxes	71	Alternative minimum tax. Attach Schedule P (540NR)	71		00
	72	Mental Health Services Tax. See instructions	72		00
	73	Other taxes and credit recapture. See instructions	73		00
	74	Add line 63, line 71, line 72, and line 73. This is your total tax	74	0	00
Payments	81	California income tax withheld. See instructions	81	723	00
	82	2015 CA estimated tax and other payments. See instructions	82		00
	83	Withholding (Form 592-B and/or 593). See instructions	83		00
	84	Excess SDI (or VPD) withheld. See instructions	84		00
	85	Earned Income Tax Credit (EITC)	85		00
	86	Add lines 81 through 85. These are your total payments. See instructions	86	723	00
Overpaid Tax/Tax Due	101	Overpaid tax. If line 86 is more than line 74, subtract line 74 from line 86	101	723	00
	102	Amount of line 101 you want applied to your 2016 estimated tax	102		00
	103	Overpaid tax available this year. Subtract line 102 from line 101	103	723	00
	104	Tax due. If line 86 is less than line 74, subtract line 86 from line 74	104		00

Your name: MAY B GRASP Your SSN or ITIN: _____

	Contributions				Contributions	
	Code	Amount	Code	Amount	Code	Amount
California Seniors Special Fund See Inst.	● 400	00	Child Victims of Human Trafficking Fund	● 419	00	
Alzheimer's Disease/Related Disorders Fund	● 401	00	School Supplies for Homeless Children Fund	● 422	00	
Rare and Endangered Species Preservation Program	● 403	00	State Parks Protection Fund/Parks Pass Purchase	● 423	00	
California Breast Cancer Research Fund	● 405	00	Protect Our Coast and Oceans Fund	● 424	00	
California Firefighters' Memorial Fund	● 406	00	Keep Arts in Schools Fund	● 425	00	
Emergency Food for Families Fund	● 407	00	California Senior Legislature Fund	● 427	00	
California Peace Officer Memorial Foundation Fund	● 408	00	Habitat for Humanity Fund	● 428	00	
California Sea Otter Fund	● 410	00	California Sexual Violence Victim Services Fund	● 429	00	
California Cancer Research Fund	● 413	00	State Children's Trust Fund for the Prevention of Child Abuse	● 430	00	
			Prevention of Animal Homelessness & Cruelty Fund	● 431	00	
120 Add code 400 through code 431. This is your total contribution	● 120	00				

121 AMOUNT YOU OWE. Add line 104 and line 120. See instructions. **Do not send cash.**
 Mail to: **FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0001** ● 121 00
 Pay Online – Go to ftb.ca.gov for more information.

122 Interest, late return penalties, and late payment penalties..... 122 00
123 Underpayment of estimated tax. Check the box: ● FTB 5805 attached ● FTB 5805F attached ● 123 00
124 Total amount due. See instructions. Enclose, but **do not** staple, any payment 124 00

125 REFUND OR NO AMOUNT DUE. Subtract line 120 from line 103.
 Mail to: **FRANCHISE TAX BOARD, PO BOX 942840, SACRAMENTO CA 94240-0001** ● 125 723.00

Fill in the information to authorize direct deposit of your refund into one or two accounts. **Do not** attach a voided check or a deposit slip.
 See instructions. **Have you verified the routing and account numbers?** Use whole dollars only.
 All or the following amount of my refund (line 125) is authorized for direct deposit into the account shown below:
 Checking
 Savings
321174770 1234567 723.00
 ● Routing number ● Type ● Account number ● 126 Direct deposit amount
 The remaining amount of my refund (line 125) is authorized for direct deposit into the account shown below:
 Checking
 Savings
 _____ _____ _____
 ● Routing number ● Type ● Account number ● 127 Direct deposit amount

IMPORTANT: Attach a copy of your complete federal return.
 To learn about your privacy rights, how we may use your information, and the consequences for not providing the requested information, go to ftb.ca.gov and search for **privacy notice**. To request this notice by mail, call 800.852.5711.

Under penalties of perjury, I declare that I have examined this tax return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.
 Your signature _____ Date 10/05/2016 Spouse's/RDP's signature (if a joint tax return, both must sign) X
 Your email address (optional). Enter only one email address. _____ Daytime phone number (optional) 916-555-1234

Sign Here

It is unlawful to forge a spouse's/RDP's signature.
 Joint tax return? (See instructions)

Paid preparer's signature (declaration of preparer is based on all information of which preparer has any knowledge)
 Firm's name (or yours, if self-employed) PRACTICE LAB ● PTIN S71018851
 Firm's address 15 PRACTICE LAB WAY ● FEIN _____
WASHINGTON DC 20005

Do you want to allow another person to discuss this tax return with us? See instructions. ● Yes No
 Print Third Party Designee's Name _____ Telephone Number 202-202-2022

California Adjustments — 2015 Nonresidents or Part-Year Residents

CA (540NR)

Important: Attach this schedule behind Long Form 540NR, Side 3 as a supporting California schedule.

Name(s) as shown on tax return

MAY B & WILL U GRASP

Part I Residency Information. Complete all lines that apply to you and your spouse/RDP for taxable year 2015.

During 2015:

1 My California (CA) Residency (Check one)

- a Myself: Nonresident Part-Year Resident Resident
 b Spouse: Nonresident Part-Year Resident Resident

	Yourself	Spouse/RDP
2 a I was domiciled in (enter two letter code, see instructions).....	<input checked="" type="radio"/> L A	<input checked="" type="radio"/> O H
b I was in the military and stationed in (enter two letter code).....	<input type="radio"/> C A	<input type="radio"/> C A
3 I became a CA resident (enter state of prior residence and date (mm/dd/yy) of move) ...	<input type="radio"/> / /	<input type="radio"/> / /
4 I became a CA nonresident (enter new state of residence and date (mm/dd/yy) of move).....	<input type="radio"/> / /	<input type="radio"/> / /
5 I was a CA nonresident the entire year (enter state of residence).....	<input checked="" type="radio"/> L A	<input type="radio"/> O H
6 The number of days I spent in CA for any purpose was:	<input checked="" type="radio"/> 3 6 5	<input checked="" type="radio"/> 3 6 5
7 I owned a home/property in CA (enter Y for Yes, N for No)	<input checked="" type="radio"/> Y	<input type="radio"/> Y
8 Before 2015: I was a CA resident for the period of	<input type="radio"/> / /	<input type="radio"/> / /

Part II Income Adjustment Schedule

Section A — Income

	A Federal Amounts (taxable amounts from your federal tax return)	B Subtractions See instructions (difference between CA & federal law)	C Additions See instructions (difference between CA & federal law)	D Total Amounts Using CA Law As if You Were a CA Resident (subtract col. B from col. A; add col. C to the result)	E CA Amounts (Income earned or received as a CA resident and income earned or received from CA sources as a nonresident)
7 Wages, salaries, tips, etc. See instructions before making an entry in col. B or C..... 7	<input checked="" type="radio"/> 80070	<input checked="" type="radio"/> 31782	<input type="radio"/>	<input checked="" type="radio"/> 48288	<input checked="" type="radio"/> 48288
8 Taxable interest. (b)..... 8(a)	<input checked="" type="radio"/> 1320	<input checked="" type="radio"/> 76	<input type="radio"/>	<input checked="" type="radio"/> 1244	<input checked="" type="radio"/> 622
9 Ordinary dividends. See instructions. (b)..... 9(a)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
10 Taxable refunds, credits, or offsets of state and local income taxes..... 10	<input checked="" type="radio"/> 297	<input checked="" type="radio"/> 297	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
11 Alimony received. See instructions..... 11	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
12 Business income or (loss)..... 12	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
13 Capital gain or (loss). See instructions..... 13	<input checked="" type="radio"/> 2000	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/> 2000	<input checked="" type="radio"/> 1000
14 Other gains or (losses)..... 14	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
15 IRA distributions. See instructions. (a)..... 15(b)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
16 Pensions and annuities. See instructions. (a)..... 5400..... 16(b)	<input checked="" type="radio"/> 5400	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/> 5400	<input checked="" type="radio"/> 5400
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc..... 17	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
18 Farm income or (loss)..... 18	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
19 Unemployment compensation..... 19	<input checked="" type="radio"/> 5064	<input checked="" type="radio"/> 5064	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
20 Social security benefits. (a)..... 20(b)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
21 Other income. a California lottery winnings b Disaster loss deduction from FTB 3805V c Federal NOL (Form 1040, line 21) d NOL deduction from FTB 3805V e NOL from FTB 3805D, FTB 3805Z, FTB 3806, FTB 3807, or FTB 3809 f Other (describe):.....	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/> 21	<input checked="" type="radio"/> 21
22 a Total: Combine line 7 through line 21 in each column. Continue to Side 2..... 22a	<input checked="" type="radio"/> 94151	<input checked="" type="radio"/> 37219	<input type="radio"/>	<input checked="" type="radio"/> 56932	<input checked="" type="radio"/> 55310

Income Adjustment Schedule		A	B	C	D	E
Section B — Adjustments to Income		Federal Amounts (taxable amounts from your federal tax return)	Subtractions See Instructions (difference between CA & federal law)	Additions See Instructions (difference between CA & federal law)	Total Amounts Using CA Law As If You Were a CA Resident (subtract col. B from col. A; add col. C to the result)	CA Amounts (income earned or received as a CA resident and income earned or received from CA sources as a nonresident)
22	b Enter totals from Side 1, line 22a, col. A through col. E 22b	<input checked="" type="radio"/> 94151	<input checked="" type="radio"/> 37219	<input checked="" type="radio"/>	<input checked="" type="radio"/> 56932	<input checked="" type="radio"/> 55310
23	Educator expenses 23	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
24	Certain business expenses of reservists, performing artists, and fee-basis government officials 24	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
25	Health savings account deduction 25	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
26	Moving expenses 26	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
27	Deductible part of self-employment tax 27	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
28	Self-employed SEP, SIMPLE, and qualified plans 28	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
29	Self-employed health insurance deduction 29	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
30	Penalty on early withdrawal of savings 30	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
31a	Alimony paid. b Enter recipient's: SSN <input type="radio"/> - - - - - Last name <input type="radio"/> 31a	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
32	IRA deduction 32	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
33	Student loan interest deduction 33	<input checked="" type="radio"/> 327	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/> 327	<input checked="" type="radio"/>
34	Tuition and fees 34	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
35	Domestic production activities deduction 35	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
36	Add line 23 through line 35 in each column, A through E. 36	<input checked="" type="radio"/> 327	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/> 327	<input checked="" type="radio"/>
37	Total. Subtract line 36 from line 22b in each column, A through E. See instructions. 37	<input checked="" type="radio"/> 93824	<input checked="" type="radio"/> 37219	<input checked="" type="radio"/>	<input checked="" type="radio"/> 56605	<input checked="" type="radio"/> 55310

Part III Adjustments to Federal Itemized Deductions

38	Federal Itemized Deductions. Enter the amount from federal Schedule A (Form 1040), lines 4, 9, 15, 19, 20, 27, and 28 (or Schedule A (Form 1040NR), lines 1, 5, 6, 13, and 14). <input checked="" type="radio"/> 38	12694
39	Enter total of federal Schedule A (Form 1040), line 5 (State Disability Insurance, and state and local income tax, or General Sales Tax), and line 8 (foreign taxes only) (or Schedule A (Form 1040NR), line 1). See instructions. <input checked="" type="radio"/> 39	4132
40	Subtract line 39 from line 38 <input checked="" type="radio"/> 40	8562
41	Other adjustments including California lottery losses. See instructions. Specify <input checked="" type="radio"/> 41	
42	Combine line 40 and line 41. <input checked="" type="radio"/> 42	8562
43	Is your federal AGI (Long Form 540NR, line 13) more than the amount shown below for your filing status? Single or married/RDP filing separately \$178,706 Head of household \$268,063 Married/RDP filing jointly or qualifying widow(er) \$357,417 No. Transfer the amount on line 42 to line 43. Yes. Complete the Itemized Deductions Worksheet in the instructions for Schedule CA (540NR), line 43 <input checked="" type="radio"/> 43	8562
44	Enter the larger of the amount on line 43 or your standard deduction. See instructions <input checked="" type="radio"/> 44	8562

Part IV California Taxable Income

45	California AGI. Enter your California AGI from line 37, column E. <input checked="" type="radio"/> 45	55310
46	Enter your deductions from line 44 <input checked="" type="radio"/> 46	8562
47	Deduction Percentage. Divide line 37, column E by line 37, column D. Carry the decimal to four places. If the result is greater than 1.0000, enter 1.0000. If less than zero, enter -0- <input checked="" type="radio"/> 47	0.9771
48	California Itemized/Standard Deductions. Multiply line 46 by the percentage on line 47 <input checked="" type="radio"/> 48	8366
49	California Taxable Income. Subtract line 48 from line 45. Transfer this amount to Long Form 540NR, line 35. If less than zero, enter -0- <input checked="" type="radio"/> 49	46944

2015

Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts

3805P

First name WILL	Initial U	Last name GRASP	222-11-2345	
Address (number and street, PO Box, or PMB no.) 555 WALTON AVE		Apt. no./Ste. no.	Check this box if this is an amended return <input type="checkbox"/>	
City SACRAMENTO		State CA	ZIP Code 95826	

Part I Additional Tax on Early Distributions – Complete this part if you received a taxable distribution, before you reached age 59½, from a qualified retirement plan (including an IRA) or modified endowment contract. You also may have to complete this part if you received a federal Form 1099-R that incorrectly indicates an early distribution or you received a Roth IRA distribution (see instructions).

1	Early distributions included in income. For Roth IRA distributions, see instructions	1	00
2	Early distributions included on line 1 that are not subject to additional tax. See instructions. Enter the appropriate exception number from instructions <input type="checkbox"/> <input type="checkbox"/>	2	00
3	Amount subject to additional tax. Subtract line 2 from line 1*	3	00
4	Tax due. Multiply line 3 by 2½% (.025). Enter the amount here and include this amount in the total on Form 540, line 63 or Long Form 540NR, line 73. If you are not required to file a California income tax return, sign this form below and refer to the instructions	4	00

* If any part of the amount on line 3 was a distribution from a SIMPLE IRA, you may have to include 6% (.06) of that amount on line 4 instead of 2½% (.025). See instructions.

Part II Additional Tax on Distributions from Coverdell Education Savings Accounts (ESAs) or Qualified Tuition Programs (QTPs) Not Used for Educational Expenses – Complete this part if a distribution was made from your Coverdell ESA or QTP and was not used for educational expenses.

5	Distributions included in income from Coverdell ESAs or QTPs. Enter the amount from federal Publication 970, Worksheet 7-3, line 16.	5	00
6	Distributions included on line 5 that are not subject to additional tax. See instructions	6	00
7	Amount subject to additional tax. Subtract line 6 from line 5	7	00
8	Tax due. Multiply line 7 by 2½% (.025). Enter the amount here and include this amount in the total on Form 540, line 63 or Long Form 540NR, line 73. If you are not required to file a California income tax return, sign this form below and refer to the instructions	8	00

Part III Additional Tax on Distributions from Archer and Medicare Advantage Medical Savings Accounts (MSAs) – Complete this part if you reported a taxable distribution from an MSA on federal Form 8853.

9	Taxable Archer MSA distribution from federal Form 8853, line 8	9	00
10 a	If you meet any of the exceptions to the 10% tax (see instructions), check here	10a	<input type="checkbox"/>
b	Otherwise, multiply line 9 by 10% (.10). Enter the amount here and include this amount in the total on Form 540, line 63 or Long Form 540NR, line 73. If you are not required to file a California income tax return, sign this form below and refer to the instructions	10b	00
11	Additional tax due from Medicare Advantage MSA distributions. Enter the amount from federal Form 8853, line 13b. Also include this amount in the total on Form 540, line 63 or Long Form 540NR, line 73. If you are not required to file a California income tax return, sign this form below and refer to the instructions. Long Form 540NR filers, see instructions.	11	00

Signature. Complete **only** if you are filing this form by itself and not with your tax return.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. It is unlawful to forge a spouse's/registered domestic partner's signature.

Your signature	Date
X	
Signature of paid preparer (declaration of preparer is based on all information of which preparer has any knowledge.)	PTIN
PRACTICE LAB	S71018851
Firm's name (or yours if self-employed) and address	FEIN
15 PRACTICE LAB WAY WASHINGTON DC 20005-	

2015 Child and Dependent Care Expenses Credit

3506

Attach to your California Form 540 or Long Form 540NR.

Name(s) as shown on tax return

M A Y B & W I L L U G R A S P | 2 2 2 1 1 1 2 3 4

Part I Unearned Income and Other Funds Received in 2015. See instructions.

SOURCE OF INCOME/FUNDS	AMOUNT	SOURCE OF INCOME/FUNDS	AMOUNT
INTEREST	1320		
1099R	5400		
CAPITOL GAINS AND UNEMPLOYMENT	7064		

Part II Persons or Organizations Who Provided the Care in California – You must complete this part. See instructions.

1 Enter the following information for each person or organization that provided care in California. Only care provided in California qualifies for the credit. If you need more space, attach a separate sheet.

	Provider	Provider
a. Care provider's name	WILD FLOWER DAY CARE	
b. Care provider's address (number, street, apt. no., city, state, and ZIP Code)	2350 POPPY LANE SACRAMENTO CA 95826	
c. Care provider's telephone number	(916) 555-7777	()
d. Is provider a person or organization?	<input type="checkbox"/> Person <input checked="" type="checkbox"/> Organization	<input type="checkbox"/> Person <input type="checkbox"/> Organization
e. Identification number (SSN, ITIN, or FEIN)	946-54-3987	
f. Address where care was provided (number, street, apt. no., city, state, and ZIP Code) PO Box not acceptable.	2350 POPPY LANE SACRAMENTO CA 95826	
g. Amount paid for care provided	11545	

Did you receive dependent care benefits? >>>>> No. Complete Part III below.
Yes. Complete Part IV on Side 2 before you complete Part III.

Part III Credit for Child and Dependent Care Expenses

2 Information about your qualifying person(s). See instructions.

(a) Qualifying person's name		(b) Qualifying person's social security number (SSN) (See Instructions)	(c) Qualifying person's date of birth (DOB - mm/dd/yyyy) or disability status	(d) Percentage of physical custody (See Instructions)	(e) Qualified expenses you incurred and paid in 2015 for the qualifying person's care in California
First	Last				
MINNIE	GRASP	6	DOB: 02/28/2011 Disabled <input type="checkbox"/> Yes	100.00	7104
AL	GRASP	222-11-4567	DOB: 01/25/2007 Disabled <input type="checkbox"/> Yes	100.00	4441
			DOB: _____ Disabled <input type="checkbox"/> Yes		

3 Add the amounts in column (e) of line 2. Do not enter more than \$3,000 for one qualifying person or \$6,000 for two or more qualifying persons. If you completed Side 2, Part IV, enter the amount from line 33	3	6000	00
4 Enter YOUR earned income. See instructions. Nonresidents: Enter only your earned income from California sources. If you do not have earned income from California sources, stop, you do not qualify for the credit. Military servicemembers, see Instructions. Part-year residents: Enter the total of (1) your earned income from California sources received while you were a nonresident and (2) all earned income received while you were a resident. Military servicemembers, see Instructions.	4	31782	00
5 If married or an RDP filing a joint return, enter YOUR SPOUSE'S/RDP's earned income. (If your spouse/RDP was a student or was disabled, see the instructions.) If you are not filing a joint tax return, enter the amount from line 4. Nonresidents: Enter only your spouse's/RDP's earned income from California sources. If your spouse/RDP does not have earned income from California sources, stop, you do not qualify for the credit. Military servicemembers, see line 4 Instructions. Part-year residents: Enter the total of (1) your spouse's/RDP's earned income from California sources received while he or she was a nonresident and (2) all earned income your spouse/RDP received while he or she was a resident. Military servicemembers, see line 4 Instructions.	5	48288	00
6 Enter the smallest of line 3, line 4, or line 5.	6	6000	00
7 Enter the decimal amount shown in the chart of the instructions for line 7.	7	X	2 0
8 Multiply line 6 by the decimal amount on line 7.	8	1200	00
9 Enter the decimal amount listed in the chart of the instructions for line 9.	9	X	3 4
10 Multiply the amount on line 8 by the decimal amount on line 9.	10	408	00
11 Credit for prior year expenses paid in 2015. See instructions.	11		00
12 Add line 10 and line 11. Enter the amount here and on Form 540, line 40; or Long Form 540NR, line 50	12	408	00

Part IV Dependent Care Benefits

13 Enter the total amount of dependent care benefits you received for 2015. This amount should be shown in box 10 of your Form(s) W-2. Do not include amounts that were reported to you 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		13		00
14 Enter the amount, if any, you carried over from 2014 and used in 2015 during the grace period		14		00
15 Enter the amount, if any, you forfeited or carried forward to 2016		15	()	00
16 Combine line 13 through line 15		16		00
17 Enter the total amount of qualified expenses incurred in 2015 for the care of the qualifying person(s) . See instructions	17			00
18 Enter the smaller of line 16 or line 17	18			00
19 Enter YOUR earned income	19			00
20 If married or an RDP filing a joint return, enter YOUR SPOUSE'S/RDP's earned income (if your spouse/RDP was a student or was disabled, see the instructions for line 5); if married or an RDP filing a separate tax return, see the instructions for the amount to enter; all others , enter the amount from line 19	20			00
21 Enter the smallest of line 18, line 19, or line 20	21			00
22 Enter \$5,000 (\$2,500 if married or an RDP filing separately and you were required to enter your spouse's/RDP's earned income on line 20)	22			00
23 Enter the amount from line 13 that you received from your sole proprietorship or partnership. If you did not receive any amounts, enter -0-		23		00
24 Subtract line 23 from line 16	24			00
25 Deductible benefits. Enter the smallest of line 21, line 22, or line 23		25		00
26 Excluded benefits. Subtract line 25 from the smaller of line 21 or line 22. If zero or less, enter -0-		26		00
27 Taxable benefits. Subtract line 26 from line 24. If zero or less, enter -0-		27		00
28 Enter \$3,000 (\$6,000 if two or more qualifying persons)		28		00
29 Add line 25 and line 26		29		00
30 Subtract the amount on line 29 from the amount on line 28. If zero or less, stop . You do not qualify for the credit. Exception – If you paid 2014 expenses in 2015, see instructions for line 11		30		00
31 Complete Side 1, Part III, line 2. Add the amounts in column (e) and enter the total here		31		00
32 Enter the amount from your federal Form 2441, Part III, line 31		32		00
33 Enter the smaller of line 30, line 31, or line 32. Also, enter this amount on Side 1, Part III, line 3 and complete line 4 through line 12		33		00

Worksheet – Credit for 2014 Expenses Paid in 2015

1. Enter your 2014 qualified expenses paid in 2014. If you did not claim the credit for these expenses on your 2014 tax return, get and complete a 2014 form FTB 3506 for these expenses. You may need to amend your 2014 tax return	1.	_____
2. Enter your 2014 qualified expenses paid in 2015	2.	_____
3. Add the amounts on line 1 and line 2	3.	_____
4. Enter \$3,000 if care was for one qualifying person (\$6,000 for two or more)	4.	_____
5. Enter any dependent care benefits received for 2014 and excluded from your income (from your 2014 form FTB 3506, Part IV, line 26)	5.	_____
6. Subtract amount on line 5 from amount on line 4 and enter the result	6.	_____
7. Compare your and your spouse's/RDP's earned income for 2014 and enter the smaller amount	7.	_____
8. If filing a joint tax return, compare the amounts on line 3, line 6, and line 7 and enter the smallest amount. If not filing a joint tax return, enter your earned income	8.	_____
9. Enter the amount from your 2014 form FTB 3506, Side 1, Part III, line 6	9.	_____
10. Subtract amount on line 9 from amount on line 8 and enter the result. If zero or less, stop here. You cannot increase your credit by any previous year's expenses	10.	_____
11. Enter your 2014 federal adjusted gross income (AGI) (from your 2014 Form 540, line 13; or Long Form 540NR, line 13)	11.	_____
12. 2014 federal AGI decimal amount (from 2014 form FTB 3506, instructions for line 7)	12.	_____
13. Multiply line 10 by line 12	13.	_____
14. 2014 California AGI decimal amount (from 2014 form FTB 3506, instructions for line 9)	14.	_____
15. Multiply line 13 by line 14. Enter the result here and on your 2015 form FTB 3506, Side 1, Part III, line 11	15.	_____

041

DO NOT MAIL THIS FORM TO THE FTB

TAXABLE YEAR

FORM

2015

California e-file Signature Authorization for Individuals

8879

Your name

Your SSN or ITIN

MAY B GRASP

4

Spouse's/RDP's name

TIN

WILL U GRASP

5

Part I Tax Return Information (whole dollars only)

Table with 2 columns: Description and Amount. Row 1: California Adjusted Gross Income... 56605. Row 2: Amount You Owe... 2. Row 3: Refund or No Amount Due... 723.

Part II Taxpayer Declaration and Signature Authorization (Be sure you obtain and keep a copy of your return.)

Under penalties of perjury, I declare that I have examined a copy of my individual income tax return and accompanying schedules and statements for the tax year ending December 31, 2015, and to the best of my knowledge and belief, it is true, correct, and complete. I further declare that the information I provided to my electronic return originator (ERO), transmitter, or intermediate service provider...

Taxpayer's PIN: check one box only

[X] I authorize PRACTICE LAB to enter my PIN 1 1 2 3 4 as my signature on my 2015 e-filed California individual income tax return. Do not enter all zeros

[] I will enter my PIN as my signature on my 2015 e-filed California individual income tax return. Check this box only if you are entering your own PIN and your return is filed using the Practitioner PIN method. The ERO must complete Part III below.

Your signature Date 10/05/2016

Spouse's/RDP's PIN: check one box only

[X] I authorize PRACTICE LAB to enter my PIN 1 2 3 4 5 as my signature on my 2015 e-filed California individual income tax return. Do not enter all zeros

[] I will enter my PIN as my signature on my 2015 e-filed California individual income tax return. Check this box only if you are entering your own PIN and your return is filed using the Practitioner PIN method. The ERO must complete Part III below.

Spouse's/RDP's signature Date 10/05/2016

Practitioner PIN Method Returns Only -- continue below

Part III Certification and Authentication -- Practitioner PIN Method Only

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN. 3 6 9 2 5 8 9 8 7 6 5 Do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature for the 2015 California individual income tax return for the taxpayer(s) indicated above. I confirm that I am submitting this return in accordance with the requirements of the Practitioner PIN method and FTB Pub. 1345, 2015 e-file Handbook for Authorized e-file Providers.

ERO's signature Date 10/05/2016

For Privacy Notice, get FTB 1131 ENG/SP.

FTB 8879 C2 2015

The Grasp practice exercise is complete.

PROBLEMS INDEX

Interview Worksheet – Excel or Manually Prepare:

- Problem 1 – Ron B Tanker (Basic)
- Problem 2 - Ralph C and Jen L Fields (Basic)
- Problem 3 – Ted J and Brandy G Chanse (Advanced)
- Problem 4 - Jane K and Jack J Kelley (Advanced)

Form 540 - 540NR

- Exercise 1 – Fletcher
- Exercise 2 – Gold
- Exercise 3 – Cook
- Exercise 4 – Short
- Exercise 5 – Jones
- Exercise 6 – Lowery
- Exercise 7 – Rankin

Enter exercises 1-7 into TaxSlayer, the same way we did the Grasp step by step exercise:

1. Start with the IRS Form 13614-C.
2. Carefully read the interview notes.
3. In all the problems they have full year health care coverage for all the members.
4. Enter all the client's tax forms.
5. Continue until the federal tax return is complete.
6. For California Nonresidents complete the FTB 2335 VITA Military Interview Worksheet.
7. Finish by completing the California state tax return.

Check Figures for Interview work Sheet 1- 4, Problems 1 – 7 231

Note: Unless we specifically state it, you assume commingled income for the common household and not separate property, which is a rather rare situation.

[Table of Contents](#)

Intake- Problem 1 – Ron B Tanker

Instructions: Complete FTB 2335 VITA Military Interview Worksheet

Objectives: MQRG #1 & 2, FTB 2335 Manual or Excel, Sale if residence exclusion

1. Ron B Tanker is in the military.
 - o He is domiciled in California.
 - o Address: Mail Stop 444, 2420 Vela Way El Segundo Ca 90245-4659
 - o Stationed PCS: Washington DC 01/01/2013 – 03/31/2015 after a long duration and PCS to Los Angeles AFB CA 04/01/2016 – 12/31/2016.
2. He received the following income forms
 - o **W2**, wage income from Military \$67,200.00 Federal W/h \$9,700.00 California W/H \$2,700.00
 - o **1099-INT** from Wells Fargo in the amount of \$1,548.00.
 - o **1099-G** state tax refund of \$60.00.
 - o Last year he took the standard deduction.
3. He has a California rental property
4. Net income \$9,600.00 (\$800.00 per month)

All members of the household had minimum essential health coverage all year.

Intake- Problem 2 – Ralph C and Jen L Fields

Instructions: Complete FTB 2335 VITA Military Interview Worksheet

Objectives: MQRG #4, FTB 2335 Manual or Excel.

1. Ralph C Fields is in the military. He is a Petty Officer
 - o He is domiciled in California.
 - o His DOB is 11/02/1973
2. He will file a joint return with his spouse.
3. His PCS: Fallon NV all year. He lives in the barracks.
4. His spouse is Jen L Fields, she is a Museum Director.
 - o She is domiciled in California.
 - o She lives in a rental property in CA.
 - o Her DOB is 03/04/1974
 - o Their address is 2 Aurora Canyon Rd Bridge Port CA 93517
5. They received the following income forms
 - o **W2**, Jen – Mono County Historical Museum Wages: \$12,552 Federal W/H \$800. CA W/H \$0.00
 - o **W2**, Ralph – Navy wages: \$47,412 Federal W/H \$4,900 CA W/H \$450.
 - o **1099-INT** – Joint Savings with Bridge Port Bank of \$148.
 - o **1099-INT** – Jen's money market account with Bank of America \$72

All members of the household had minimum essential health coverage all year.

Intake- Problem 3 – Ted J and Brandy G Chanse

Instructions: Complete FTB 2335 VITA Military Interview Worksheet

Objectives: MQRG #10, FTB 2335 Manual or Excel.

1. Ted J Chanse is in the military. He is a Petty Officer
 - o He is domiciled in NY.
 - o His DOB is 07/05/1973
2. He will file a joint return with his spouse.
3. His PCS: California all year. He lives in a rental apartment.
4. His spouse is Brandy G Chanse, she is a Child Care Provider.
 - o She is domiciled in California.
 - o She lives in a rental apartment.
 - o Her DOB is 06/08/1974
 - o Their address is 3200 Gatty Ave Chula Vista Ca 92101
5. They have two children:
 - o Troy T Chanse DOB 12/13/1998
 - o Darren S Chanse DOB 12/13/1997
6. They Provided
 - o The entire cost of maintaining the household
 - o All of the support for their children
7. They received the following income forms
 - o **W2**, Ted – Navy Wages: \$40,440 Federal W/H \$2,800. NY W/H \$0.00
 - o **W2**, Brandy – Franklin Apt wages: \$8,000 Federal W/H \$300 CA W/H \$30 SDI \$24
 - o **W2**- Brandy – Kids R Us Child Care Wages: \$48,000 Federal W/h \$4,800 CA W/H \$480.
 - o **1099-INT** – Brandy's New York City Bank savings account \$100.
 - o **1099-INT** – Ted's New York City Bank Savings account \$34
 - o **1099-G** State Refund \$64
 - o They have a joint owned Texas rental property with net income of \$4,800 (\$400 per month).
8. Last year's tax return figures
 - o Joint return filed in 2014
 - o State or Local tax \$528
 - o Itemized deduction amount \$12,900
 - o Standard deduction amount \$12,00
 - o Taxable income \$85,000

All members of the household had minimum essential health coverage all year.

Intake- Problem 4 – Jane K and Jack J Kelly

Instructions: Complete FTB 2335 VITA Military Interview Worksheet

Objectives: MQRG #9, FTB 2335 Manual or Excel, Alimony Allocation

1. Jane K Kelly is in the military. She is a Staff Sergeant
 - o She is domiciled in NM.
 - o Her DOB is 02/04/1972
2. She will file a joint return with his spouse.
3. Her PCS: California all year. He lives in a rental apartment.
4. Her spouse is Jack J Kelly, he is in the military. He is a Senior Airman
 - o He is domiciled in NM.
 - o He lived in a rental apartment all year.
 - o His DOB is 02/02/1973
 - o His PCS: CA and discharged from active duty 06/30/15.
 - o Their address is 1788 Kidder Ave Fairfield Ca 94533
5. They received the following income forms
 - o **W2**, Jane – Air Force Wages: \$29,988 Federal W/H \$1,800. NY W/H \$900.
 - o **W2**, Jack – Air Force wages: \$12,500 Federal W/H \$1,200 CA W/H \$600
 - o **W2**- Jack – Jack Solano Truck Repair Wages: \$32,000 (\$4,000 per month starting 5/1 – 12/31) Federal W/h \$4,200 CA W/H \$320 SDI \$352.
 - o **1099-INT** – Joint- Travis Credit Union \$300.
 - o **Alimony** – Jack paid Alimony in the amount of \$4,800 (\$400 per month) to Emma Hanson 585-02-XXXX

All members of the household had minimum essential health coverage all year.

Note: A nonresident or part-year resident is allowed a partial alimony deduction in the same ratio that California adjusted gross income (without alimony) bears to the total adjusted gross income

Yes	No	Unsure	Check appropriate box for each question in each section
Part III – Income – Last Year, Did You (or Your Spouse) Receive			
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. (B) Wages or Salary? (Form W-2) If yes, how many jobs did you have last year? <u>1</u>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. (A) Tip Income?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. (B) Scholarships? (Forms W-2, 1098-T)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (B) Interest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. (B) Refund of state/local income taxes? (Form 1099-G)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. (B) Alimony income?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. (A) Self-Employment income? (Form 1099-MISC, cash)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. (A) Cash/check payments for any work performed not reported on Forms W-2 or 1099?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	9. (A) Income (or loss) from the sale of Stocks, Bonds or Real Estate? (including your home) (Forms 1099-S, 1099-B)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	10. (B) Disability income? (such as payments from insurance, or workers compensation) (Forms 1099-R, W-2)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	11. (A) Distribution from Pensions, Annuities, and/or IRA? (Form 1099-R)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	12. (B) Unemployment compensation? (Form 1099-G)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	13. (B) Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	14. (M) Income (or loss) from Rental Property?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	15. (B) Other income? (gambling, lottery, prizes, awards, jury duty, Sch K-1, etc.) (Forms W-2G) Specify
Part IV – Expenses – Last Year, Did You (or Your Spouse) Pay			
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. (B) Alimony? If yes, do you have the recipient's SSN? <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. Contributions to a retirement account? <u>IRA (A)</u> <u>401K (B)</u> <u>Roth IRA (B)</u> <u>Other</u>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. (B) Post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (B) Unreimbursed employee business expenses? (such as uniforms or mileage)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. (B) Medical expenses? (including health insurance premiums)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. (B) Home mortgage interest? (Form 1098)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. (B) Real estate taxes for your home or personal property taxes for your vehicle? (Form 1098)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. (B) Charitable contributions?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	9. (B) Child or dependent care expenses such as daycare?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	10. (B) For supplies used as an eligible educator such as a teacher, teacher's aide, counselor, etc.?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	11. (A) Expenses related to self-employment income or any other income you received?
Part V – Life Events – Last Year, Did You (or Your Spouse)			
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. (HSA) Have a Health Savings Account? (Forms 5498-SA, 1099-SA, W-2 with code W in box 12)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. (COD) Have debt from a mortgage or credit card cancelled/forgiven by a commercial lender? (Forms 1099-C, 1099-A)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. (A) Buy, sell or have a foreclosure (COD) of your home? (Form 1099-A)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (B) Have Earned Income Credit (EIC) disallowed in a prior year? If yes, for which tax year?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. (A) Purchase and install energy-efficient home items? (such as windows, furnace, insulation, etc.)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. (B) Live in an area that was affected by a natural disaster? If yes, where?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. (A) Receive the First Time Homebuyers Credit in 2008?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. (B) Pay any student loan interest? (Form 1098-E)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	9. (B) Make estimated tax payments or apply last year's refund to this year's tax? If so how much?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	10. (A) File a federal return last year containing a "capital loss carryover" on Form 1040 Schedule D?

Catalog Number 52121E www.irs.gov Form **13614-C** (Rev. 10-2014)

Interview Notes – Fletcher

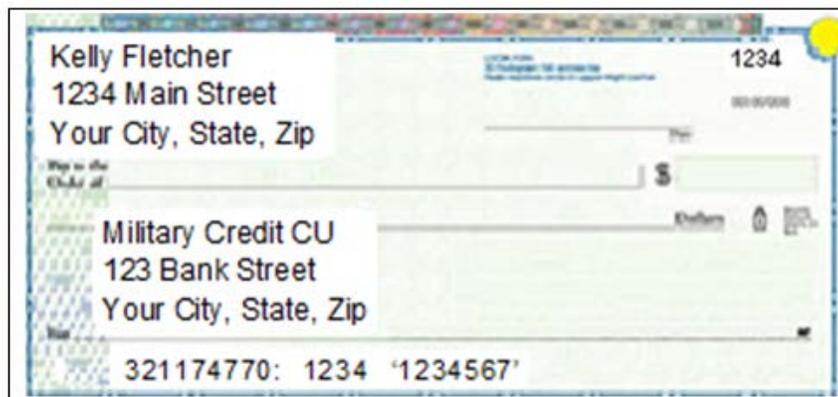
1. Kelly Fletcher is active duty military.
2. Kelly is domiciled in California.
3. Stationed onboard the USS Ronald Reagan CVN 76.
4. The USS Reagan's home port is San Diego, CA.
5. The Regan was on deployment from February 1 through September 9 last year.
6. Kelly is head of household and has one child:
 - a. Amadeus Fletcher.
7. Kelly and her son rent an apartment off base.
 - a. Not base housing.
 - b. Paid rent to Mr. Landlord at
 - i. 432 Front St, Your City, CA Zip
 - ii. Phone number (916) 845-7052.
8. Amadeus' guardian stayed with him when Kelly was on deployment.
9. Kelly provided more than half of her son's support.
 - a. They had no contact or support from his father.
10. She would like to contribute \$5 to a charity to a CA charity of your choice.
 - a. 4th page of the California 540 tax return.
 - b. Pick any charity.
11. Complete her federal and California state tax returns using the forms on the next few pages.
12. She provided a check and if she:
 - a. Has a refund she would like direct deposit.
 - b. Has a balance due, she would like the money withdrawn on March 1st.

Form W-2 Wage and Tax Statement

2015

Department of the Treasury—Internal Revenue Service

Employer's social security number 111-00-1111		OMB No. 1545-0008				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 Employer identification number (EIN) 34-9990000		1 Wages, tips, other compensation 19434		2 Federal income tax withheld 2308			
c Employer's name, address, and ZIP code DFAS 1240 EAST NINTH STREET CLEVELAND OH 44199		3 Social security wages 25480		4 Social security tax withheld 816			
		5 Medicare wages and tips 25480		6 Medicare tax withheld 308			
		7 Social security tips		8 Allocated tips			
d Control number		9		10 Dependent care benefits			
e Employee's first name and initial KELLY R		Last name FLETCHER		11 Nonqualified plans		12a See instructions for box 12 D 1800	
1234 MAIN ST SACRAMENTO CA 95826		13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>		12b Q 4246			
		14 Other		12c			
				12d			
f Employee's address and ZIP code		15 State Employer's state ID number CA 80509664		16 State wages, tips, etc. 19434		17 State income tax 430	
				18 Local wages, tips, etc.		19 Local income tax	
						20 Locality name	



Exercise 2 – Richard Gold

Form 13614-C (October 2014)	Department of the Treasury - Internal Revenue Service Intake/Interview & Quality Review Sheet	OMB Number 1545-1964											
You will need: <ul style="list-style-type: none"> • Tax Information such as Forms W-2, 1099, 1098. • Social security cards or ITIN letters for all persons on your tax return. • Picture ID (such as valid driver's license) for you and your spouse. 													
<ul style="list-style-type: none"> • Please complete pages 1-3 of this form. • You are responsible for the information on your return. Please provide complete and accurate information. • If you have questions, please ask the IRS certified volunteer preparer. 													
Part I – Your Personal Information													
1. Your first name Richard	M.I.	Last name Gold											
2. Your spouse's first name	M.I.	Last name											
3. Mailing address 429 Island Ave	Apt #	City YOUR CITY											
4. Telephone number(s) 916-555-1212 CELL 916-555-2121	Email address (optional) RICHARD.GOLD@MIL.GOV												
5. Your Date of Birth 05/26/1975	6. Your job title MILITARY RESERVIST	7. Last year, were you: a. Full time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No											
8. Your spouse's Date of Birth	9. Your spouse's job title	b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No											
10. Last year, was your spouse:	a. Full time student <input type="checkbox"/> Yes <input type="checkbox"/> No												
b. Totally and permanently disabled <input type="checkbox"/> Yes <input type="checkbox"/> No c. Legally blind <input type="checkbox"/> Yes <input type="checkbox"/> No													
11. Can anyone claim you or your spouse on their tax return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure													
12. Have you or your spouse: a. Been a victim of identity theft? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No b. Adopted a child? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No													
Part II – Marital Status and Household Information													
1. As of December 31 of last year, were you: <input checked="" type="checkbox"/> Single (This includes registered domestic partnerships, civil unions, or other formal relationships under state law)													
<input type="checkbox"/> Married a. Did you live with your spouse during any part of the last six months of 2014? <input type="checkbox"/> Yes <input type="checkbox"/> No													
b. Was your marriage recognized under the laws of the state(s) you are filing in? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unsure													
<input type="checkbox"/> Divorced or Legally Separated Date of final decree or separate maintenance agreement _____													
<input type="checkbox"/> Widowed Year of spouse's death _____													
2. List the names below of: <ul style="list-style-type: none"> • everyone who lived with you last year (other than you or your spouse) • anyone you supported but did not live with you last year 													
If additional space is needed check here <input type="checkbox"/> and list on page 3													
To be completed by a Certified Volunteer Preparer													
Name (first, last) Do not enter your name or spouse's name below	Date of Birth (mm/dd/yy)	Relationship to you (for example: son, daughter, parent, none, etc)	Number of months lived in your home last year	US Citizen (yes/no)	Resident of US, Canada, or Mexico last year (yes/no)	Single or Married as of 12/31/14 (S/M)	Full-time Student last year (yes/no)	Totally and Permanently Disabled (yes/no)	Can this person be claimed by someone else as a dependent on their return? (yes/no)	Did this person provide more than 50% of their own support? (yes/no)	Did this person have less than \$3950 of income? (yes/no)	Did the taxpayer(s) provide more than 50% of support for this person? (yes/no)	Did the taxpayer(s) pay more than half the cost of maintaining a home for this person? (yes/no)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)					
Volunteers are trained to provide high quality service and uphold the highest ethical standards. To report unethical behavior to the IRS, email us at vi.voltax@irs.gov or call toll free 1-877-330-1205													
Catalog Number 52121E				www.irs.gov				Form 13614-C (Rev.10-2014)					

Yes	No	Unsure	Check appropriate box for each question in each section
-----	----	--------	---

Part III – Income – Last Year, Did You (or Your Spouse) Receive

- | | | | |
|-------------------------------------|-------------------------------------|--------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 1. (B) Wages or Salary? (Form W-2) If yes, how many jobs did you have last year? <u>2</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 2. (A) Tip Income? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 3. (B) Scholarships? (Forms W-2, 1098-T) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 4. (B) Interest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 5. (B) Refund of state/local income taxes? (Form 1099-G) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 6. (B) Alimony income? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 7. (A) Self-Employment income? (Form 1099-MISC, cash) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 8. (A) Cash/check payments for any work performed not reported on Forms W-2 or 1099? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 9. (A) Income (or loss) from the sale of Stocks, Bonds or Real Estate? (including your home) (Forms 1099-S, 1099-B) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 10. (B) Disability income? (such as payments from insurance, or workers compensation) (Forms 1099-R, W-2) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 11. (A) Distribution from Pensions, Annuities, and/or IRA? (Form 1099-R) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 12. (B) Unemployment compensation? (Form 1099-G) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 13. (B) Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 14. (M) Income (or loss) from Rental Property? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 15. (B) Other income? (gambling, lottery, prizes, awards, jury duty, Sch K-1, etc.) (Forms W-2G) Specify |

Part IV – Expenses – Last Year, Did You (or Your Spouse) Pay

- | | | | |
|--------------------------|-------------------------------------|--------------------------|---|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 1. (B) Alimony? If yes, do you have the recipient's SSN? <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 2. Contributions to a retirement account? _____ IRA (A) _____ 401K (B) _____ Roth IRA (B) _____ Other |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 3. (B) Post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 4. (B) Unreimbursed employee business expenses? (such as uniforms or mileage) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 5. (B) Medical expenses? (including health insurance premiums) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 6. (B) Home mortgage interest? (Form 1098) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 7. (B) Real estate taxes for your home or personal property taxes for your vehicle? (Form 1098) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 8. (B) Charitable contributions? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 9. (B) Child or dependent care expenses such as daycare? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 10. (B) For supplies used as an eligible educator such as a teacher, teacher's aide, counselor, etc.? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 11. (A) Expenses related to self-employment income or any other income you received? |

Part V – Life Events – Last Year, Did You (or Your Spouse)

- | | | | |
|-------------------------------------|-------------------------------------|--------------------------|---|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 1. (HSA) Have a Health Savings Account? (Forms 5498-SA, 1099-SA, W-2 with code W in box 12) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 2. (COD) Have debt from a mortgage or credit card cancelled/forgiven by a commercial lender? (Forms 1099-C, 1099-A) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 3. (A) Buy, sell or have a foreclosure (COD) of your home? (Form 1099-A) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 4. (B) Have Eamed Income Credit (EIC) disallowed in a prior year? If yes, for which tax year? _____ |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 5. (A) Purchase and install energy-efficient home items? (such as windows, furnace, insulation, etc.) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 6. (B) Live in an area that was affected by a natural disaster? If yes, where? _____ |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 7. (A) Receive the First Time Homebuyers Credit in 2008? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 8. (B) Pay any student loan interest? (Form 1098-E) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 9. (B) Make estimated tax payments or apply last year's refund to this year's tax? If so how much? _____ |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 10. (A) File a federal return last year containing a "capital loss carryover" on Form 1040 Schedule D? |

Interview Notes – Gold

1. Richard Gold has been a military reservist for 16 years.
2. His civilian job is an aircraft mechanic.
3. He is domiciled in California.
4. He has unreimbursed military reservist expenses.
 - a. 1040 page 1, line 24.
 - Link to the 2106EZ.
 - b. Occupation, military reservist.
 - c. Overnight lodging costs were \$1,000.
 - d. Meal expenses were \$300.
 - e. Personal vehicle
 - Placed into service on 05/10/2010.
 - f. His total miles were 15,406.
 - Reservist miles were 3,662.
 - Commuting miles were 7,286.
 - Other miles were 4,458.
 - g. For the yes and no questions he noted:
 - The vehicle was available off duty.
 - This is his only vehicle.
 - He kept a journal for his mileage.
 - h. Fill out the bottom section of the 2106EZ.
 - Armed Forces reservist (RC).
 - He traveled more than 100 miles from his home.
5. Richard paid student loan interest
 - a. 1040 page 1, line 33.
 - Use the 1098-E information on the next page.
6. He is not a full time student.
7. He pays his rent to:
 - a. Pacific Property Rentals.
 - b. Address 120 First Avenue, your city, state zip.
 - c. Phone number 916-555-1212.
8. He provided a check and if he:
 - a. Has a refund he would like direct deposit.
 - b. Has a balance due, he would like the money withdrawn on April 15th.

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

2015

Department of the Treasury—Internal Revenue Service

i 111-00-1112		OMB No. 1545-0008		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 Employer identification number (EIN) 34-9990000		1 Wages, tips, other compensation 10539		2 Federal income tax withheld 800	
c Employer's name, address, and ZIP code DFAS 1240 EAST NINTH STREET CLEVELAND OH 44199		3 Social security wages 11739		4 Social security tax withheld 728	
		5 Medicare wages and tips 11739		6 Medicare tax withheld 170	
		7 Social security tips		8 Allocated tips	
d Control number		9		10 Dependent care benefits	
e Employee's first name and initial RICHARD		Last name GOLD		Suff.	
429 ISLAND AVE SACRAMENTO CA 95826		11 Nonqualified plans		12a See instructions for box 12 D 1200	
		13 Statutory employee <input type="checkbox"/> Retirement plan <input checked="" type="checkbox"/> Third-party sick pay <input type="checkbox"/>		12b	
		14 Other		12c	
				12d	
f Employee's address and ZIP code					
15 State CA	Employer's state ID number 632789512	16 State wages, tips, etc. 10539	17 State income tax 252	18 Local wages, tips, etc.	19 Local income tax
				20 Locality name	

		a Employee's social security number 111-00-1112		OMB No. 1545-0008		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 Employer identification number (EIN) 02-5698321				1 Wages, tips, other compensation 21100		2 Federal income tax withheld 1585	
c Employer's name, address, and ZIP code YOUR FAVORITE AIRLINES 634 AIRPORT ROAD SACRAMENTO CA 95817				3 Social security wages 21100		4 Social security tax withheld 1308	
				5 Medicare wages and tips 21100		6 Medicare tax withheld 306	
				7 Social security tips		8 Allocated tips	
d Control number				9		10 Dependent care benefits	
e Employee's first name and initial RICHARD		Last name GOLD		11 Nonqualified plans		12a See instructions for box 12	
429 ISLAND AVE SACRAMENTO CA 95826				13 Statutory employee <input type="checkbox"/> Retirement plan <input checked="" type="checkbox"/> Third-party sick pay <input type="checkbox"/>		12b	
				14 Other CASDI 211		12c	
						12d	
f Employee's address and ZIP code							
15 State Employer's state ID number CA 59863752		16 State wages, tips, etc. 21100		17 State income tax 267		18 Local wages, tips, etc.	
						19 Local income tax	
						20 Locality name	

<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		RECIPIENT'S/LENDER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number		OMB No. 1545-1576		Student Loan Interest Statement	
Lender Name PO Box 123 Your City, State Zip				Form 1098-E			
RECIPIENT'S federal identification no.		BORROWER'S social security number		1 Student loan interest received by lender \$ 400.00		Copy C For Recipient For Privacy Act and Paperwork Reduction Act Notice, see the 2014 General Instructions for Certain Information Returns.	
BORROWER'S name Richard Gold Street address (including apt. no.) 429 Island Ave. City or town, state or province, country, and ZIP or foreign postal code Your City, State Zip							
Account number (see instructions)				2 Check if box 1 does not include loan origination fees and/or capitalized interest, and the loan was made before September 1, 2004 <input type="checkbox"/>			
Form 1098-E		www.irs.gov/form1098e		Department of the Treasury - Internal Revenue Service			

Yes	No	Unsure	Check appropriate box for each question in each section
-----	----	--------	---

Part III – Income – Last Year, Did You (or Your Spouse) Receive

- | | | | |
|-------------------------------------|-------------------------------------|--------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 1. (B) Wages or Salary? (Form W-2) If yes, how many jobs did you have last year? _____ |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 2. (A) Tip Income? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 3. (B) Scholarships? (Forms W-2, 1098-T) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 4. (B) Interest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 5. (B) Refund of state/local income taxes? (Form 1099-G) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 6. (B) Alimony income? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 7. (A) Self-Employment income? (Form 1099-MISC, cash) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 8. (A) Cash/check payments for any work performed not reported on Forms W-2 or 1099? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 9. (A) Income (or loss) from the sale of Stocks, Bonds or Real Estate? (including your home) (Forms 1099-S, 1099-B) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 10. (B) Disability income? (such as payments from insurance, or workers compensation) (Forms 1099-R, W-2) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 11. (A) Distribution from Pensions, Annuities, and/or IRA? (Form 1099-R) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 12. (B) Unemployment compensation? (Form 1099-G) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 13. (B) Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 14. (M) Income (or loss) from Rental Property? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 15. (B) Other income? (gambling, lottery, prizes, awards, jury duty, Sch K-1, etc.) (Forms W-2G) Specify _____ |

Part IV – Expenses – Last Year, Did You (or Your Spouse) Pay

- | | | | |
|--------------------------|-------------------------------------|--------------------------|---|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 1. (B) Alimony? If yes, do you have the recipient's SSN? <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 2. Contributions to a retirement account? _____ IRA (A) _____ 401K (B) _____ Roth IRA (B) _____ Other _____ |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 3. (B) Post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 4. (B) Unreimbursed employee business expenses? (such as uniforms or mileage) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 5. (B) Medical expenses? (including health insurance premiums) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 6. (B) Home mortgage interest? (Form 1098) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 7. (B) Real estate taxes for your home or personal property taxes for your vehicle? (Form 1098) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 8. (B) Charitable contributions? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 9. (B) Child or dependent care expenses such as daycare? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 10. (B) For supplies used as an eligible educator such as a teacher, teacher's aide, counselor, etc.? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 11. (A) Expenses related to self-employment income or any other income you received? |

Part V – Life Events – Last Year, Did You (or Your Spouse)

- | | | | |
|--------------------------|-------------------------------------|--------------------------|---|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 1. (HSA) Have a Health Savings Account? (Forms 5498-SA, 1099-SA, W-2 with code W in box 12) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 2. (COD) Have debt from a mortgage or credit card cancelled/forgiven by a commercial lender? (Forms 1099-C, 1099-A) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 3. (A) Buy, sell or have a foreclosure (COD) of your home? (Form 1099-A) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 4. (B) Have Earned Income Credit (EIC) disallowed in a prior year? If yes, for which tax year? _____ |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 5. (A) Purchase and install energy-efficient home items? (such as windows, furnace, insulation, etc.) _____ |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 6. (B) Live in an area that was affected by a natural disaster? If yes, where? _____ |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 7. (A) Receive the First Time Homebuyers Credit in 2008? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 8. (B) Pay any student loan interest? (Form 1098-E) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 9. (B) Make estimated tax payments or apply last year's refund to this year's tax? If so how much? _____ |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 10. (A) File a federal return last year containing a "capital loss carryover" on Form 1040 Schedule D? |

Interview Notes – Cook

1. Melissa Cook is active duty military.
2. Melissa is domiciled in California.
3. She was on PCS orders in the state of Florida until April 30th last year.
4. She received new PCS orders to a base in California, reporting May 1st.
5. While in Florida Melissa start a surfboard business then received her PCS orders to CA.
 - a. Business name and code:
 - i. Extraordinary Surfboards.
 - ii. Business Code 423910 - Sporting & Recreational Goods & Supplies.
 - iii. Address same as her tax return address.
 - b. She did not have any employees or make any 1099 payments.
 - c. The total gross receipts, cash income, \$8,745.
 - i. She sold 11 boards last year (4 in Florida and 7 in California).
 - ii. She sells each board for \$795 (tax included).
 - d. The annual business expenses were \$4,883 (all income and expenses occurred in the last 8 months of the year):
 - i. \$121, business cell phone line and internet
 - ii. \$275, advertising.
 - iii. \$495, shipping cost.
 - iv. \$3,993, material to make boards.
 - e. She will take the standard mileage rate.
 - i. Her vehicle was placed into service 09/17/2012.
 - ii. 180 business miles.
 - iii. 6240 commuting miles.
 - iv. 5680 other miles.
 - v. Her vehicle was available for use during off duty hours.
 1. She only has one vehicle.
 2. She has evidence of her mileage.
 3. The evidence is in writing.
 - vi. Follow the instructions on the Schedule CEZ.
 1. Add the mileage amount from Line 5 to line 2.
6. She made estimated tax payments, \$1,000 to the IRS and \$150 to CA.
7. She rented an apartment off base, May 1 – Dec 31.
 - a. Landlord, John Doe.
 - b. Address 321 North Street, Your City, State Zip.
 - c. Phone number 619-555-1212.
8. She provided a check and if she:
 - a. Has a refund she would like direct deposit.
 - b. Has a balance due, she would like the money withdrawn on April 10th.

Note: You must use the ratio (CA Sales/Total Sales) against the total federal business income (IRS 1040 Line 12) to calculate the CA Business Income. The ratio will also be applied to the SE Tax Deduction.

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

2015

Department of the Treasury—Internal Revenue Service

		a Employee's social security number 111-00-1113		OMB No. 1545-0008		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 Employer identification number (EIN) 34-9990000				1 Wages, tips, other compensation 30226		2 Federal income tax withheld 2248									
c Employer's name, address, and ZIP code DFAS 1240 EAST NINTH STREET CLEVELAND OH 44199				3 Social security wages 32626		4 Social security tax withheld 2023									
				5 Medicare wages and tips 32626		6 Medicare tax withheld 473									
				7 Social security tips		8 Allocated tips									
d Control number				9		10 Dependent care benefits									
e Employee's first name and initial MELISSA		Last name COOK		Suff.		11 Nonqualified plans		12a See instructions for box 12 D 2400							
621 MARAMAR DR SACRAMENTO CA 95862				13 Statutory employee <input type="checkbox"/> Retirement plan <input checked="" type="checkbox"/> Third-party sick pay <input type="checkbox"/>		12b									
				14 Other		12c									
						12d									
f Employee's address and ZIP code				15 State Employer's state ID number CA 80509664		16 State wages, tips, etc. 30226		17 State income tax 241		18 Local wages, tips, etc.		19 Local income tax		20 Locality name	

Melissa Cook
621 Miramar Drive 3
Your City, State, Zip

1234

321174770: 1234 '1234567'

Exercise 4 – Carl Short

Form 13614-C (October 2014)	Department of the Treasury - Internal Revenue Service Intake/Interview & Quality Review Sheet	OMB Number 1545-1964
---------------------------------------	---	-------------------------

- You will need:**
- Tax Information such as Forms W-2, 1099, 1098.
 - Social security cards or ITIN letters for all persons on your tax return.
 - Picture ID (such as valid driver's license) for you and your spouse.
- Please complete pages 1-3 of this form.
• You are responsible for the information on your return. Please provide complete and accurate information.
• If you have questions, please ask the IRS certified volunteer preparer.

Part I – Your Personal Information

1. Your first name Carl	M.I.	Last name Short	Are you a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. Your spouse's first name Nancy	M.I.	Last name Short	Is your spouse a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3. Mailing address 321 Valley Parkway		Apt #	City Your City
		State	ZIP code Zip
4. Telephone number(s) 619-555-1212		Email address (optional) Carl.Short@Mil.gov	
5. Your Date of Birth 05/26/1980	6. Your job title Military	7. Last year, were you: a. Full time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
8. Your spouse's Date of Birth 06/27/1982	9. Your spouse's job title Manager	10. Last year, was your spouse: a. Full time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
11. Can anyone claim you or your spouse on their tax return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure			
12. Have you or your spouse: a. Been a victim of identity theft? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No b. Adopted a child? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			

Part II – Marital Status and Household Information

1. As of December 31 of last year, were you:

Single (This includes registered domestic partnerships, civil unions, or other formal relationships under state law)

Married a. Did you live with your spouse during any part of the last six months of 2014? Yes No

Divorced or Legally Separated b. Was your marriage recognized under the laws of the state(s) you are filing in? Yes No Unsure

Widowed Year of spouse's death _____

2. List the names below of:

- **everyone** who lived with you last year (*other than you or your spouse*)
- **anyone** you supported but did not live with you last year

If additional space is needed check here and list on page 3

To be completed by a Certified Volunteer Preparer													
Name (<i>first, last</i>) Do not enter your name or spouse's name below	Date of Birth (<i>mm/dd/yy</i>)	Relationship to you (<i>for example: son, daughter, parent, none, etc</i>)	Number of months lived in your home last year	US Citizen (<i>yes/no</i>)	Resident of US, Canada, or Mexico last year (<i>yes/no</i>)	Single or Married as of 12/31/14 (<i>S/M</i>)	Full-time Student last year (<i>yes/no</i>)	Totally and Permanently Disabled (<i>yes/no</i>)	Can this person be claimed by someone else as a dependent on their return? (<i>yes/no</i>)	Did this person provide more than 50% of their own support? (<i>yes/no</i>)	Did this person have less than \$3950 of income? (<i>yes/no</i>)	Did the taxpayer(s) provide more than 50% of support for this person? (<i>yes/no</i>)	Did the taxpayer(s) pay more than half the cost of maintaining a home for this person? (<i>yes/no</i>)
(a) Nick Short	(b) 03/20/2011	(c) Son	(d) 12	(e) Y	(f) Y	(g) S	(h) N	(i) N					

Volunteers are trained to provide high quality service and uphold the highest ethical standards.
To report unethical behavior to the IRS, email us at wi.voltax@irs.gov or call toll free 1-877-330-1205

Yes	No	Unsure	Check appropriate box for each question in each section
Part III – Income – Last Year, Did You (or Your Spouse) Receive			
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. (B) Wages or Salary? (Form W-2) If yes, how many jobs did you have last year? <u>2</u>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. (A) Tip Income?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. (B) Scholarships? (Forms W-2, 1098-T)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4. (B) Interest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. (B) Refund of state/local income taxes? (Form 1099-G)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. (B) Alimony income?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. (A) Self-Employment income? (Form 1099-MISC, cash)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. (A) Cash/check payments for any work performed not reported on Forms W-2 or 1099?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	9. (A) Income (or loss) from the sale of Stocks, Bonds or Real Estate? (including your home) (Forms 1099-S, 1099-B)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	10. (B) Disability income? (such as payments from insurance, or workers compensation) (Forms 1099-R, W-2)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	11. (A) Distribution from Pensions, Annuities, and/or IRA? (Form 1099-R)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	12. (B) Unemployment compensation? (Form 1099-G)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	13. (B) Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	14. (M) Income (or loss) from Rental Property?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	15. (B) Other income? (gambling, lottery, prizes, awards, jury duty, Sch K-1, etc.) (Forms W-2G) Specify
Part IV – Expenses – Last Year, Did You (or Your Spouse) Pay			
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. (B) Alimony? If yes, do you have the recipient's SSN? <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. Contributions to a retirement account? <input type="checkbox"/> IRA (A) <input type="checkbox"/> 401K (B) <input type="checkbox"/> Roth IRA (B) <input type="checkbox"/> Other
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. (B) Post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (B) Unreimbursed employee business expenses? (such as uniforms or mileage)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. (B) Medical expenses? (including health insurance premiums)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. (B) Home mortgage interest? (Form 1098)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. (B) Real estate taxes for your home or personal property taxes for your vehicle? (Form 1098)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. (B) Charitable contributions?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	9. (B) Child or dependent care expenses such as daycare?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	10. (B) For supplies used as an eligible educator such as a teacher, teacher's aide, counselor, etc.?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	11. (A) Expenses related to self-employment income or any other income you received?
Part V – Life Events – Last Year, Did You (or Your Spouse)			
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. (HSA) Have a Health Savings Account? (Forms 5498-SA, 1099-SA, W-2 with code W in box 12)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. (COD) Have debt from a mortgage or credit card cancelled/forgiven by a commercial lender? (Forms 1099-C, 1099-A)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. (A) Buy, sell or have a foreclosure (COD) of your home? (Form 1099-A)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (B) Have Earned Income Credit (EIC) disallowed in a prior year? If yes, for which tax year? _____
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. (A) Purchase and install energy-efficient home items? (such as windows, furnace, insulation, etc.)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. (B) Live in an area that was affected by a natural disaster? If yes, where? _____
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. (A) Receive the First Time Homebuyers Credit in 2008?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. (B) Pay any student loan interest? (Form 1098-E)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	9. (B) Make estimated tax payments or apply last year's refund to this year's tax? If so how much? _____
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	10. (A) File a federal return last year containing a "capital loss carryover" on Form 1040 Schedule D?

Catalog Number 52121E www.irs.gov Form **13614-C** (Rev. 10-2014)

Interview Notes – Short

1. Carl Short is in the military.
2. He is domiciled in Georgia.
3. PCS to California since May of 2013
4. Nancy Short is a Manager
5. She is domicile in Georgia.
6. They have one child:
 - A. Nick short.
7. He works weekends at the local golf course as an instructor.
8. Carl was previously divorced and per the divorce decree annually he pays:
 - A. \$6,000 in alimony to his ex-spouse Betsy Short.
 - B. \$3,000 in child support for his son Carl Jr.
9. They pay rent to Jane Doe.
 - A. Address 123 4th Street, your city, state zip.
 - B. Phone number 619-555-1212.
 - C. For more info go to page 27, *Nonrefundable Renters Credit*.
10. They provided a check and if they:
 - A. Have a refund they would like direct deposit.
 - B. Have a balance due they would like the money withdrawn on April 15th.

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

2015

Department of the Treasury—Internal Revenue Service

		Employee's social security number 302-00-1234		OMB No. 1545-0008 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 Employer identification number (EIN) 34-9990000		1 Wages, tips, other compensation 48300		2 Federal income tax withheld 4540		
c Employer's name, address, and ZIP code DFAS 1240 EAST NINTH STREET CLEVELAND OH 44199		3 Social security wages 48300		4 Social security tax withheld 2995		
		5 Medicare wages and tips 48300		6 Medicare tax withheld 700		
		7 Social security tips 		8 Allocated tips 		
d Control number 		9 [REDACTED]		10 Dependent care benefits 		
e Employee's first name and initial Last name CARL SHORT 321 VALLEY PARKWAY SACRAMENTO CA 95821		Suff. 11 Nonqualified plans 		12a See instructions for box 12 		
		13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b [REDACTED]		
		14 Other 		12c [REDACTED]		
				12d [REDACTED]		
f Employee's address and ZIP code 						
15 State GA	Employer's state ID number 12365478	16 State wages, tips, etc. 48300	17 State income tax 	18 Local wages, tips, etc. 	19 Local income tax 	20 Locality name

		a Employee's social security number	OMB No. 1545-0008				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 Employer identification number (EIN) 35-5200012			1 Wages, tips, other compensation 18546		2 Federal income tax withheld 1962					
c Employer's name, address, and ZIP code LA PETITE STORE 500 SMALL LANE SACRAMENTO CA 95821			3 Social security wages 19746		4 Social security tax withheld 1224					
			5 Medicare wages and tips 19746		6 Medicare tax withheld 286					
			7 Social security tips		8 Allocated tips					
d Control number			9		10 Dependent care benefits					
e Employee's first name and initial NANCY		Last name SHORT		Suff.		11 Nonqualified plans		12a See instructions for box 12 D 1200		
321 VALLEY PARKWAY SACRAMENTO CA 95821			13 Statutory employee <input type="checkbox"/> Retirement plan <input checked="" type="checkbox"/> Third-party sick pay <input type="checkbox"/>		12b					
			14 Other CASDI 183		12c					
					12d					
f Employee's address and ZIP code										
15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name				
CA	80284400	18546	572							

Form **W-2** Wage and Tax Statement **2015** Department of the Treasury—Internal Revenue Service

		a Employee's social security number	OMB No. 1545-0008				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 Employer identification number (EIN)			1 Wages, tips, other compensation 35600		2 Federal income tax withheld 2840					
c Employer's name, address, and ZIP code CYPRESS LAKE GOLF 907 GOLF DRIVE SACRAMENTO CA 95821			3 Social security wages 35600		4 Social security tax withheld 2207					
			5 Medicare wages and tips 35600		6 Medicare tax withheld 516					
			7 Social security tips		8 Allocated tips					
d Control number			9		10 Dependent care benefits					
e Employee's first name and initial CARL		Last name SHORT		Suff.		11 Nonqualified plans		12a See instructions for box 12		
321 VALLEY PARKWAY SACRAMENTO CA 95821			13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>		12b					
			14 Other CASDI 256		12c					
					12d					
f Employee's address and ZIP code										
15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name				
CA		35600	318							

VOID CORRECTED

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. USAA Savings Bank PO Box 1234 Your City, State Zip		Payer's RTN (optional) 1 Interest income \$ 30.36	OMB No. 1545-0112 Form 1099-INT	Interest Income
PAYER'S federal identification number	RECIPIENT'S identification number	2 Early withdrawal penalty \$		Copy 1 For State Tax Department
RECIPIENT'S name Carl Short Street address (including apt. no.) 321 Valley Parkway City or town, state or province, country, and ZIP or foreign postal code Your City, State Zip		3 Interest on U.S. Savings Bonds and Treas. obligations \$		
Account number (see instructions)		4 Federal income tax withhold \$	5 Investment expenses \$	
12 Tax-exempt bond CUSIP no.		6 Foreign tax paid \$	7 Foreign country or U.S. possession	
13 State		8 Tax-exempt interest \$	9 Specified private activity bond interest \$	15 State tax withheld \$
14 State identification no.		10 Market discount \$	11 Bond premium \$	

Form **1099-INT** www.irs.gov/form1099int Department of the Treasury - Internal Revenue Service

1098B 1099B			
Carl Short 321 Valley Parkway Your City, CA, Your Zip	ABC Investments, INC 456 Main Street Your City, CA, Your Zip FEIN: 40-4000000		
Sale Description Date of Sale Date of Acquisition Sales Price Cost Basis	<table style="width: 100%;"> <tr> <td style="width: 50%;"> 1. 200 Shares XYZ stock 12/01/ 12/01/20XX 03/23/2000 \$3,175.00 \$1,000.00 </td> <td style="width: 50%;"> 2. 250 Shares ABC Stock 09/01/ 09/01/20XX 02/16/ 02/16/20XX \$3,250.00 \$3,750.00 </td> </tr> </table>	1. 200 Shares XYZ stock 12/01/ 12/01/20XX 03/23/2000 \$3,175.00 \$1,000.00	2. 250 Shares ABC Stock 09/01/ 09/01/20XX 02/16/ 02/16/20XX \$3,250.00 \$3,750.00
1. 200 Shares XYZ stock 12/01/ 12/01/20XX 03/23/2000 \$3,175.00 \$1,000.00	2. 250 Shares ABC Stock 09/01/ 09/01/20XX 02/16/ 02/16/20XX \$3,250.00 \$3,750.00		

Carl & Nancy Short
 321 Valley Parkway
 Your City, Ca Your Zip

Military Credit CU
 123 Bank Street
 Your City, State, Zip

321174770: 1234 '1234567'

Exercise 5 – David and Estelle Jones

Form 13614-C (October 2014)	Department of the Treasury - Internal Revenue Service Intake/Interview & Quality Review Sheet	OMB Number 1545-1964											
<p>You will need:</p> <ul style="list-style-type: none"> • Tax information such as Forms W-2, 1099, 1098. • Social security cards or ITIN letters for all persons on your tax return. • Picture ID (such as valid driver's license) for you and your spouse. 													
<p>Part I – Your Personal Information</p>													
1. Your first name David	M.I.	Last name Jones	Are you a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No										
2. Your spouse's first name Estella	M.I.	Last name Jones	Is your spouse a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No										
3. Mailing address 124 Goldstone Road	Apt #	City YOUR CITY	State STATE										
4. Telephone number(s) 951-555-1212 CELL 951-444-1212		Email address (optional) David.Jones@MIL.GOV											
5. Your Date of Birth 02/13/1986	6. Your job title MILITARY	7. Last year, were you: a. Full time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No											
		b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No											
		c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No											
8. Your spouse's Date of Birth 03/05/1990	9. Your spouse's job title NURSE	10. Last year, was your spouse: a. Full time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No											
		b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No											
		c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No											
11. Can anyone claim you or your spouse on their tax return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure													
12. Have you or your spouse: a. Been a victim of identity theft? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No													
b. Adopted a child? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No													
Part II – Marital Status and Household Information													
1. As of December 31 of last year, were you: <input type="checkbox"/> Single (This includes registered domestic partnerships, civil unions, or other formal relationships under state law)													
<input checked="" type="checkbox"/> Married a. Did you live with your spouse during any part of the last six months of 2014? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No													
b. Was your marriage recognized under the laws of the state(s) you are filing in? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unsure													
<input type="checkbox"/> Divorced or Legally Separated Date of final decree or separate maintenance agreement _____													
<input type="checkbox"/> Widowed Year of spouse's death _____													
2. List the names below of: If additional space is needed check here <input type="checkbox"/> and list on page 3													
• everyone who lived with you last year (other than you or your spouse)													
• anyone you supported but did not live with you last year													
To be completed by a Certified Volunteer Preparer													
Name (first, last) Do not enter your name or spouse's name below	Date of Birth (mm/dd/yy)	Relationship to you (for example: son, daughter, parent, none, etc)	Number of months lived in your home last year	US Citizen (yes/no)	Resident of US, Canada, or Mexico last year (yes/no)	Single or Married as of 12/31/14 (S/M)	Full-time Student last year (yes/no)	Totally and Permanently Disabled (yes/no)	Can this person be claimed by someone else as a dependent on their return? (yes/no)	Did this person provide more than 50% of their own support? (yes/no)	Did this person have less than \$3950 of income? (yes/no)	Did the taxpayer(s) provide more than 50% of support for this person? (yes/no)	Did the taxpayer(s) pay more than half the cost of maintaining a home for this person? (yes/no)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)
Isabella Jones	08/30/2008	Daughter	12	Yes	Yes	S	Yes	No	No	No	Yes	Yes	Yes
<p>Volunteers are trained to provide high quality service and uphold the highest ethical standards.</p> <p>To report unethical behavior to the IRS, email us at w.voltax@irs.gov or call toll free 1-877-330-1205</p>													
Catalog Number 52121E				www.irs.gov				Form 13614-C (Rev. 10-2014)					

Table of Contents

Yes No Unsure Check appropriate box for each question in each section

Part III – Income – Last Year, Did You (or Your Spouse) Receive

- | | | | |
|-------------------------------------|-------------------------------------|--------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 1. (B) Wages or Salary? (Form W-2) If yes, how many jobs did you have last year? _____ |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 2. (A) Tip Income? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 3. (B) Scholarships? (Forms W-2, 1098-T) |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 4. (B) Interest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 5. (B) Refund of state/local income taxes? (Form 1099-G) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 6. (B) Alimony income? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 7. (A) Self-Employment income? (Form 1099-MISC, cash) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 8. (A) Cash/check payments for any work performed not reported on Forms W-2 or 1099? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 9. (A) Income (or loss) from the sale of Stocks, Bonds or Real Estate? (including your home) (Forms 1099-S, 1099-B) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 10. (B) Disability income? (such as payments from insurance, or workers compensation) (Forms 1099-R, W-2) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 11. (A) Distribution from Pensions, Annuities, and/or IRA? (Form 1099-R) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 12. (B) Unemployment compensation? (Form 1099-G) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 13. (B) Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 14. (M) Income (or loss) from Rental Property? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 15. (B) Other income? (gambling, lottery, prizes, awards, jury duty, Sch K-1, etc.) (Forms W-2G) Specify _____ |

Part IV – Expenses – Last Year, Did You (or Your Spouse) Pay

- | | | | |
|-------------------------------------|-------------------------------------|--------------------------|---|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 1. (B) Alimony? If yes, do you have the recipient's SSN? <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 2. Contributions to a retirement account? _____ IRA (A) _____ 401K (B) _____ Roth IRA (B) _____ Other _____ |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 3. (B) Post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 4. (B) Unreimbursed employee business expenses? (such as uniforms or mileage) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 5. (B) Medical expenses? (including health insurance premiums) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 6. (B) Home mortgage interest? (Form 1098) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 7. (B) Real estate taxes for your home or personal property taxes for your vehicle? (Form 1098) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 8. (B) Charitable contributions? |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 9. (B) Child or dependent care expenses such as daycare? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 10. (B) For supplies used as an eligible educator such as a teacher, teacher's aide, counselor, etc.? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 11. (A) Expenses related to self-employment income or any other income you received? |

Part V – Life Events – Last Year, Did You (or Your Spouse)

- | | | | |
|--------------------------|-------------------------------------|--------------------------|---|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 1. (HSA) Have a Health Savings Account? (Forms 5498-SA, 1099-SA, W-2 with code W in box 12) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 2. (COD) Have debt from a mortgage or credit card cancelled/forgiven by a commercial lender? (Forms 1099-C, 1099-A) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 3. (A) Buy, sell or have a foreclosure (COD) of your home? (Form 1099-A) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 4. (B) Have Earned Income Credit (EIC) disallowed in a prior year? If yes, for which tax year? _____ |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 5. (A) Purchase and install energy-efficient home items? (such as windows, furnace, insulation, etc.) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 6. (B) Live in an area that was affected by a natural disaster? If yes, where? _____ |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 7. (A) Receive the First Time Homebuyers Credit in 2008? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 8. (B) Pay any student loan interest? (Form 1098-E) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 9. (B) Make estimated tax payments or apply last year's refund to this year's tax? If so how much? _____ |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 10. (A) File a federal return last year containing a "capital loss carryover" on Form 1040 Schedule D? |

Catalog Number 52121E

www.irs.gov

Form 13614-C (Rev. 10-2014)

Interview Notes – Jones

1. David Jones is in the military.
2. He is domiciled in Florida, PCS to California.
3. Estella Jones is a registered nurse.
4. She is domiciled in Indiana.
5. They have one child:
 - A. Isabella Jones.
 - B. They paid for her day care.
6. David has gambling winnings from a casino in California.
7. While a resident of CA Estella returned to Indiana to work for 3-months (June-Aug.) for the clinic where she previously worked. Use CA NR Schedule S, Other State Tax Credit, \$234 Tax Liability and adjusted gross income \$6945.00 for the IN return.
8. The Jones provided a check and if they:
 - A. Have a refund they would like direct deposit.
 - B. Have a balance due; they would like the money withdrawn on April 1st.

22222		a Employee's social security number		OMB No. 1545-0008		
b Employer identification number (EIN) 34-9990000		1 Wages, tips, other compensation \$38,490.36		2 Federal income tax withheld \$3,849.12		
c Employer's name, address, and ZIP code Defense Finance and Accounting Services 1240 East Ninth Street Cleveland, OH 44199-2055		3 Social security wages \$39,690.36		4 Social security tax withheld \$2,461.00		
		5 Medicare wages and tips \$39,690.36		6 Medicare tax withheld \$576.00		
		7 Social security tips		8 Allocated tips		
d Control number		9		10 Dependent care benefits		
e Employee's first name and initial Last name David A Jones 124 Goldstone Road Your City, State Zip		11 Nonqualified plans		12a <input type="checkbox"/> D \$1,200.00		
		13 <input type="checkbox"/> Statutory employee <input checked="" type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay		12b		
		14 Other		12c		
f Employee's address and ZIP code				12d		
FL	15 State Employer's state ID number IN 23654789	16 State wages, tips, etc. \$38,490.36	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name
Form W-2 Wage and Tax Statement		Department of the Treasury—Internal Revenue Service				
Copy 1—For State, City, or Local Tax Department						

Void <input type="checkbox"/>		a Employee's social security number		OMB No. 1545-0008		
b Employer identification number (EIN) 34-9992222		1 Wages, tips, other compensation \$45,500.38		2 Federal income tax withheld \$4,550.00		
c Employer's name, address, and ZIP code High Desert Hospital 1240 E Street Your City, State Zip		3 Social security wages \$45,500.38		4 Social security tax withheld \$2,821.00		
		5 Medicare wages and tips \$45,500.38		6 Medicare tax withheld \$660.00		
		7 Social security tips		8 Allocated tips		
d Control number		9		10 Dependent care benefits		
e Employee's first name and initial Last name Estella Jones 124 Goldstone Road Your City, State Zip		11 Nonqualified plans		12a See instructions for box 12		
		13 <input type="checkbox"/> Statutory employee <input checked="" type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay		12b		
		14 Other		12c		
f Employee's address and ZIP code				12d		
CA	15 State Employer's state ID number 8235096	16 State wages, tips, etc. \$45,500.38	17 State income tax \$2,250.51	18 Local wages, tips, etc.	19 Local income tax \$455.00	20 Locality name CASDI
Form W-2 Wage and Tax Statement		Department of the Treasury—Internal Revenue Service				

Table of Contents

22222		a Employee's social security number XXX-XX-XXXX		OMB No. 1545-0008			
b Employer identification number (EIN) 02-1221915			1 Wages, tips, other compensation \$6945.32		2 Federal income tax withheld \$798.48		
c Employer's name, address, and ZIP code St Johns Clinic 895 4th Street Your City, State Zip			3 Social security wages \$6945.32		4 Social security tax withheld \$431.00		
			5 Medicare wages and tips \$6945.32		6 Medicare tax withheld \$101.12		
			7 Social security tips		8 Allocated tips		
d Control number			9		10 Dependent care benefits		
e Employee's first name and initial		Last name		Suff.		11 Nonqualified plans	
Estella Jones						12a	
124 Goldstone Road						12b	
Your City, State Zip						12c	
						12d	
f Employee's address and ZIP code							
15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name	
IN	45583256	\$6945.32	\$125.10				

Form **W-2** Wage and Tax Statement
Copy 1—For State, City, or Local Tax Department

Department of the Treasury—Internal Revenue Service

3232		<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		OMB No. 1545-0238	
PAYER'S name, street address, city or town, province or state, country, and ZIP or foreign postal code		1 Gross winnings \$ 10,500.00	2 Date won Oct 10th	Form W-2G Certain Gambling Winnings	
Local Casino 4500 Winners Circle Your City, State Zip		3 Type of wager Table	4 Federal income tax withheld \$ 1,050.00		
		5 Transaction	6 Race		
PAYER'S federal identification number		7 Winnings from identical wagers \$	8 Cashier	For Privacy Act and Paperwork Reduction Act Notice, see the 2014 General Instructions for Certain Information Returns.	
92-8526374		9 Winner's taxpayer identification no.	10 Window		
PAYER'S telephone number		11 First I.D. Military ID	12 Second I.D. Drivers Lcn		
WINNER'S name		13 State/Payer's state identification no.	14 State winnings \$ 10,500.00	File with Form 1096	
David Jones		CA 65897589	16 Local winnings \$		
Street address (including apt. no.) 124 Goldsone Road		15 State income tax withheld \$ 105.00	17 Local income tax withheld \$		
City or town, province or state, country, and ZIP or foreign postal code Your City, State Zip		18 Name of locality	Copy A For Internal Revenue Service Center		
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 ▶			
Form W-2G		Cat. No. 10138V		www.irs.gov/w2g Department of the Treasury - Internal Revenue Service	

Table of Contents

Void <input type="checkbox"/>		a Employee's social security number		OMB No. 1545-0008			
b Employer identification number (EIN) 34-9946777		1 Wages, tips, other compensation \$68,244.42		2 Federal income tax withheld \$3,030.07			
c Employer's name, address, and ZIP code Sherman School 632 N 17th Ave Your City, State Zip		3 Social security wages \$71,484.42		4 Social security tax withheld \$4,432.00			
		5 Medicare wages and tips \$71,484.42		6 Medicare tax withheld \$1,037.00			
		7 Social security tips		8 Allocated tips			
d Control number		9		10 Dependent care benefits			
e Employee's first name and initial Last name Suff. Beth Lowrey 1892 2nd Street Your City, State Zip		11 Nonqualified plans		12a See instructions for box 12 D \$3,240.00			
		13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b			
		14 Other		12c			
				12d			
f Employee's address and ZIP code							
15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name	
CA	23115096	\$68,244.42	\$1,154.28				

Form **W-2** Wage and Tax Statement Department of the Treasury—Internal Revenue Service

<input type="checkbox"/> CORRECTED (if checked)		PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. USAA PO Box 1234 Your City, State Zip		Payer's RTN (optional)	OMB No. 1545-0112		Interest Income		
PAYER'S federal identification number		RECIPIENT'S identification number		1 Interest income \$ 450.00	Form 1099-INT				
RECIPIENT'S name Stan Lowrey		Street address (including apt. no.) 1892 2nd St		2 Early withdrawal penalty \$		Copy B			
City or town, state or province, country, and ZIP or foreign postal code Your City, State Zip		FATCA filing requirement <input type="checkbox"/>		3 Interest on U.S. Savings Bonds and Treas. obligations \$				For Recipient	
Account number (see instructions)		14 Tax-exempt and tax credit bond CUSIP no.		4 Federal income tax withheld \$	5 Investment expenses \$	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.			
		15 State		6 Foreign tax paid \$	7 Foreign country or U.S. possession			\$	
		16 State identification no.		8 Tax-exempt interest \$	9 Specified private activity bond interest \$				
		17 State tax withheld		10 Market discount \$	11 Bond premium \$			\$	
				12	13 Bond premium on tax-exempt bond \$	\$			
				16 State	17 State tax withheld			\$	
						\$			

Form **1099-INT** (keep for your records) www.irs.gov/form1099int Department of the Treasury - Internal Revenue Service

Table of Contents

<input type="checkbox"/> CORRECTED (if checked)						Interest Income			
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. USAA PO Box 1234 Your City, State Zip		Payer's RTN (optional)	OMB No. 1545-0112						
PAYER'S federal identification number		RECIPIENT'S identification number	1 Interest income		Form 1099-INT			Copy B For Recipient	
			\$ 1,572.00						
RECIPIENT'S name Beth Lowery		2 Early withdrawal penalty		3 Interest on U.S. Savings Bonds and Treas. obligations		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.			
Street address (including apt. no.) 1892 2nd St		\$		\$ 146.00					
City or town, state or province, country, and ZIP or foreign postal code Your City, State Zip		4 Federal income tax withheld		5 Investment expenses					
		\$		\$					
FATCA filing requirement <input type="checkbox"/>		6 Foreign tax paid		7 Foreign country or U.S. possession					
		\$							
Account number (see instructions)		8 Tax-exempt interest		9 Specified private activity bond interest					
		\$		\$					
		10 Market discount		11 Bond premium					
		\$		\$					
		12		13 Bond premium on tax-exempt bond					
				\$					
		14 Tax-exempt and tax credit bond CUSIP no.		15 State		16 State identification no.		17 State tax withheld	
								\$	
								\$	

Form **1099-INT** (keep for your records) www.irs.gov/form1099int Department of the Treasury - Internal Revenue Service

<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED						Certain Government Payments			
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. California State Refund Sacramento CA 95818		1 Unemployment compensation		OMB No. 1545-0120					
PAYER'S federal identification number		RECIPIENT'S identification number	\$		Form 1099-G			Copy 1 For State Tax Department	
			\$ 691.00						
RECIPIENT'S name Stan and Beth Lowery		3 Box 2 amount is for tax year		4 Federal income tax withheld		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.			
Street address (including apt. no.) 1892 2nd Street		\$		\$					
City or town, state or province, country, and ZIP or foreign postal code Your City, State Zip		5 RTAA payments		6 Taxable grants					
		\$		\$					
Account number (see instructions)		7 Agriculture payments		8 Check if box 2 is trade or business income <input type="checkbox"/>					
		\$							
		9 Market gain		10a State		10b State identification no.		11 State income tax withheld	
								\$	
								\$	

Form **1099-G** www.irs.gov/form1099g Department of the Treasury - Internal Revenue Service

CORRECTED (if checked)

RECIPIENT'S/LENDER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number Home Lender PO Box 543 Your City, State Zip		* Caution: 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 Form 1098	Mortgage Interest Statement
RECIPIENT'S federal identification no.	PAYER'S social security number	1 Mortgage interest received from payer(s)/borrower(s) \$ 11,658.46		Copy B For Payer/Borrower 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 this refund of interest on your return.
PAYER'S/BORROWER'S name Stan and Beth Lowery Street address (including apt. no.) 1892 2nd Street City or town, state or province, country, and ZIP or foreign postal code Your City, State Zip Account number (see instructions)		2 Points paid on purchase of principal residence \$		
		3 Refund of overpaid interest \$		
		4		
		5 Property Tax \$1,453.86		
Form 1098 (keep for your records)		www.irs.gov/form1098		Department of the Treasury - Internal Revenue Service

VEHICLE REGISTRATION RENEWAL NOTICE

VIN	MAKE	YR	BODY TYPE	LICENSE PLATE	AMOUNT DUE	DUE DATE
			Newer Car		\$413	

To renew, just provide:

Renewal Fees

**RENEW VIA INTERNET
OR TELEPHONE**

Your Renewal Identification Number is : (see insert)

VISIT WWW.DMV.CA.GOV OR
CALL 1-800-921-1117

FEES	
REGISTRATION FEE	\$43
LICENSE FEE (License fee may be tax deductible)	\$285
WEIGHT FEE	\$0
SPECIAL PLATE FEE	\$30
COUNTY/DISTRICT FEES	\$55

VEHICLE REGISTRATION RENEWAL NOTICE

VIN	MAKE	YR	BODY TYPE	LICENSE PLATE	AMOUNT DUE	DUE DATE
			Older Truck		\$108	

To renew, just provide:



Renewal Fees



**RENEW VIA INTERNET
OR TELEPHONE**
Your Renewal Identification
Number is :
VISIT WWW.DMV.CA.GOV or
CALL 1-800-921-1117

(see insert)

FEES

REGISTRATION FEE	\$40
LICENSE FEE (License fee may be tax deductible)	\$34
WEIGHT FEE	\$24
SPECIAL PLATE FEE	\$0
COUNTY/DISTRICT FEES	\$10

Donation Receipt from Local Goodwill

Questions? Contact the Goodwill at 619-555-1212.

Donated by	The Lowery's
Address	1 Donation Street
City	San Diego
State/Province	CA
ZIP/Postal Code	92110
Phone	619-555-1212
Type of donation	Merchandise
Description	Misc – clothes, furniture, shoes, books, and toys
Value	\$280.00

Thank you for your generosity. We appreciate your support!

Thank you for supporting Your Church



Donated by:	The Lowery's
Address:	1892 2 nd Street, Your City, State Zip
Phone/E-mail address:	619-555-1212
Donation amount:	\$490.00
Date:	Multiple donations for this tax year.

<input type="checkbox"/> CORRECTED				Tuition Statement	
FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number College 999 College Blvd. Your City, State Zip		1 Payments received for qualified tuition and related expenses \$	OMB No. 1545-1574 Form 1098-T		
FILER'S federal ID number 38-9252525 STUDENT'S social security number		2 Amounts billed for qualified tuition and related expenses \$ 9300.00	3 If this box is checked, your educational institution has changed its reporting method for	Copy B For Student This is important tax information and is being furnished to the Internal Revenue Service.	
STUDENT'S name Christine Lowery		4 Adjustments made for a prior year \$	5 Scholarships or grants \$ 5,000.00		
Street address (including apt. no.) 1892 Second Street		6 Adjustments to scholarships or grants for a prior year \$	7 Checked if the amount in box 1 or 2 includes amounts for an academic period beginning January - March		
City or town, state or province, country, and ZIP or foreign postal code Your City, State Zip		8 Check if at least half-time student <input checked="" type="checkbox"/>	9 Checked if a graduate student <input type="checkbox"/>		
Service Provider/Acct. No. (see instr.)		10 Ins. contract reimb./refund \$			
Form 1098-T (keep for your records)		www.irs.gov/form1098t		Department of the Treasury - Internal Revenue Service	

Stan or Beth Lowery 1892 2 nd Street Your City, State, Zip	1234 00-0000
Military Credit CU 123 Bank Street Your City, State, Zip	\$
321174770: 1234 '1234567'	

Exercise 7 – Jack and Norma Rankin

Form 13614-C (October 2014)	Department of the Treasury - Internal Revenue Service Intake/Interview & Quality Review Sheet	OMB Number 1545-1964											
<p>You will need:</p> <ul style="list-style-type: none"> • Tax information such as Forms W-2, 1099, 1098. • Social security cards or ITIN letters for all persons on your tax return. • Picture ID (such as valid driver's license) for you and your spouse. 													
<p>Part I – Your Personal Information</p>													
1. Your first name Jack	M.I.	Last name Rankin	Are you a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No										
2. Your spouse's first name Norma	M.I.	Last name Rankin	Is your spouse a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No										
3. Mailing address 1145 Alvin Ave		Apt #	City Your City										
4. Telephone number(s) 916-888-1212 Cell 916-333-1212		Email address (optional) Jack.Rankin@Mil.gov											
5. Your Date of Birth 05/30/1986	6. Your job title Military	7. Last year, were you: a. Full time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No											
		b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No											
8. Your spouse's Date of Birth 10/31/1990	9. Your spouse's job title Military	10. Last year, was your spouse: a. Full time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No											
		b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No											
11. Can anyone claim you or your spouse on their tax return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure													
12. Have you or your spouse: a. Been a victim of identity theft? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No b. Adopted a child? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No													
Part II – Marital Status and Household Information													
1. As of December 31 of last year, were you: <input type="checkbox"/> Single (This includes registered domestic partnerships, civil unions, or other formal relationships under state law)													
<input checked="" type="checkbox"/> Married a. Did you live with your spouse during any part of the last six months of 2014? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No													
b. Was your marriage recognized under the laws of the state(s) you are filing in? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unsure													
<input type="checkbox"/> Divorced or Legally Separated Date of final decree or separate maintenance agreement _____													
<input type="checkbox"/> Widowed Year of spouse's death _____													
2. List the names below of: • everyone who lived with you last year (other than you or your spouse) • anyone you supported but did not live with you last year													
										If additional space is needed check here <input type="checkbox"/> and list on page 3			
										To be completed by a Certified Volunteer Preparer			
Name (first, last) Do not enter your name or spouse's name below	Date of Birth (mm/dd/yy)	Relationship to you (for example: son, daughter, parent, none, etc)	Number of months lived in your home last year	US Citizen (yes/no)	Resident of US, Canada, or Mexico last year (yes/no)	Single or Married as of 12/31/14 (S/M)	Full-time Student last year (yes/no)	Totally and Permanently Disabled (yes/no)	Can this person be claimed by someone else as a dependent on their return? (yes/no)	Did this person provide more than 50% of their own support? (yes/no)	Did this person have less than \$3950 of income? (yes/no)	Did the taxpayer(s) provide more than 50% of support for this person? (yes/no)	Did the taxpayer(s) pay more than half the cost of maintaining a home for this person? (yes/no)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)					
Alexander Rankin	01/25/2007	Son	12	Yes	Yes	S	Yes	No	No	No	Yes	Yes	Yes
Sophia Rankin	06/19/2008	Daughter	12	Yes	Yes	S	Yes	No	No	No	Yes	Yes	Yes
<p>Volunteers are trained to provide high quality service and uphold the highest ethical standards. To report unethical behavior to the IRS, email us at wi.voltax@irs.gov or call toll free 1-877-330-1205</p>													
Catalog Number 52121E				www.irs.gov				Form 13614-C (Rev. 10-2014)					

Table of Contents

Yes	No	Unsure	Check appropriate box for each question in each section
Part III – Income – Last Year, Did You (or Your Spouse) Receive			
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. (B) Wages or Salary? (Form W-2) If yes, how many jobs did you have last year? <u>2</u>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. (A) Tip Income?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. (B) Scholarships? (Forms W-2, 1098-T)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (B) Interest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. (B) Refund of state/local income taxes? (Form 1099-G)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. (B) Alimony income?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. (A) Self-Employment income? (Form 1099-MISC, cash)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. (A) Cash/check payments for any work performed not reported on Forms W-2 or 1099?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	9. (A) Income (or loss) from the sale of Stocks, Bonds or Real Estate? (including your home) (Forms 1099-S, 1099-B)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	10. (B) Disability income? (such as payments from insurance, or workers compensation) (Forms 1099-R, W-2)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	11. (A) Distribution from Pensions, Annuities, and/or IRA? (Form 1099-R)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	12. (B) Unemployment compensation? (Form 1099-G)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	13. (B) Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14. (M) Income (or loss) from Rental Property?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	15. (B) Other income? (gambling, lottery, prizes, awards, jury duty, Sch K-1, etc.) (Forms W-2G) Specify _____
Part IV – Expenses – Last Year, Did You (or Your Spouse) Pay			
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. (B) Alimony? If yes, do you have the recipient's SSN? <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. Contributions to a retirement account? _____ IRA (A) _____ 401K (B) _____ Roth IRA (B) _____ Other _____
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. (B) Post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (B) Unreimbursed employee business expenses? (such as uniforms or mileage)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. (B) Medical expenses? (including health insurance premiums)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. (B) Home mortgage interest? (Form 1098)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. (B) Real estate taxes for your home or personal property taxes for your vehicle? (Form 1098)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. (B) Charitable contributions?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	9. (B) Child or dependent care expenses such as daycare?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	10. (B) For supplies used as an eligible educator such as a teacher, teacher's aide, counselor, etc.?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	11. (A) Expenses related to self-employment income or any other income you received?
Part V – Life Events – Last Year, Did You (or Your Spouse)			
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. (HSA) Have a Health Savings Account? (Forms 5498-SA, 1099-SA, W-2 with code W in box 12)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. (COD) Have debt from a mortgage or credit card cancelled/forgiven by a commercial lender? (Forms 1099-C, 1099-A)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. (A) Buy, sell or have a foreclosure (COD) of your home? (Form 1099-A)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (B) Have Earned Income Credit (EIC) disallowed in a prior year? If yes, for which tax year? _____
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. (A) Purchase and install energy-efficient home items? (such as windows, furnace, insulation, etc.)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. (B) Live in an area that was affected by a natural disaster? If yes, where? _____
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. (A) Receive the First Time Homebuyers Credit in 2008?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. (B) Pay any student loan interest? (Form 1098-E)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	9. (B) Make estimated tax payments or apply last year's refund to this year's tax? If so how much? _____
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	10. (A) File a federal return last year containing a "capital loss carryover" on Form 1040 Schedule D?

Interview Notes – Rankin

1. Both Jack and Norma Rankin are in the military and stationed in CA.
2. He is domiciled in New Mexico.
3. She is domiciled in CA.
4. They have two children in school
 - o Alexander Rankin
 - o Sophia Rankin
5. They live in base housing and did not itemize last year.
6. They own another home in California and rent it out.
 - o They have
 - Form 1099-Misc., rental income.
 - The rental information.
 - Prior year's tax return.
 - o Step by step instructions are listed for the rental property.
7. The Rankin's provided a check and if they:
 - o Have a refund they would like direct deposit.
 - o Have a balance due; they would like the money withdrawn on April 15th.

Table of Contents

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

2015

Department of the Treasury—Internal Revenue Service

		a 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 Employer identification number (EIN) 34-9990000		1 Wages, tips, other compensation 38712		2 Federal income tax withheld 3424	
c Employer's name, address, and ZIP code DFAS 1240 EAST NINTH STREET CLEVELAND OH 44199		3 Social security wages 38712		4 Social security tax withheld 2400	
		5 Medicare wages and tips 38712		6 Medicare tax withheld 561	
		7 Social security tips		8 Allocated tips	
d Control number		9		10 Dependent care benefits	
e Employee's first name and initial Last name JACK RANKIN 1145 ALVIN AVE SACRAMENTO CA 95826		f Employee's address and ZIP code		11 Nonqualified plans	
		12a See instructions for box 12		12b	
		12c		12d	
		12e		12f	
13 Statutory employee <input type="checkbox"/> Retirement plan <input checked="" type="checkbox"/> Third-party sick pay <input type="checkbox"/>		14 Other			
15 State Employer's state ID number NM		16 State wages, tips, etc. 38712		17 State income tax	
				18 Local wages, tips, etc.	
				19 Local income tax	
				20 Locality name	

		a 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 Employer identification number (EIN)		34-9990000		1 Wages, tips, other compensation		2 Federal income tax withheld	
c Employer's name, address, and ZIP code		DFAS 1240 EAST NINTH STREET CLEVELAND OH 44199		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 Control number				9		10 Dependent care benefits	
e Employee's first name and initial		Last name		Suff.		11 Nonqualified plans	
NANCY		RANKIN				12a See instructions for box 12	
1145 ALVIN AVE SACRAMENTO CA 95821						D 2000	
f Employee's address and ZIP code				13 Statutory employee		12b	
				Retirement plan		12c	
				Third-party sick pay		12d	
15 State		Employer's state ID number		16 State wages, tips, etc.		17 State income tax	
CA				58563		535	
						18 Local wages, tips, etc.	
						19 Local income tax	
						20 Locality name	

Rental Property

For rental property the client must bring their prior year tax return. In addition, they need to provide the rental information and expenses for this past year.

TaxSlayer Instructions – Schedule E

1. To enter rental property go to the Federal Section under income and select 1099-MISC.
2. Enter the 1099-Misc and continue.
3. Select Add new Schedule E, enter the applicable information and continue.
 - a. Select Depreciation, complete form and continue
 - b. Select Expenses, complete form and continue.

Rental Information

The client provides this information. The Rankin's rental information is as follows:

1. Rental address.
 - a. 112 Ocean Avenue, Your City, State Zip.
2. Jointly owed
 - a. Jack & Norma Rankin.
3. Property Type
 - a. Single family residence.
4. Fair rental days.
 - a. 365.
5. Percent rented.
 - a. 100.00.

<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED					
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. Management Company For Rental Property 987 Main Street Your City, State Zip		1 Rents \$ 16,800.00	OMB No. 1545-0115 Miscellaneous Income Form 1099-MISC		
		2 Royalties \$			
		3 Other income \$			
PAYER'S federal identification number	RECIPIENT'S identification number	5 Fishing boat proceeds \$	4 Federal income tax withheld \$	Copy 1 For State Tax Department	
RECIPIENT'S name Jack and Norma Rankin Street address (including apt. no.) 1145 Alvin Ave City or town, state or province, country, and ZIP or foreign postal code Your City, State Zip		7 Nonemployee compensation \$	6 Medical and health care payments \$		
Account number (see instructions)		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/> 11	8 Substitute payments in lieu of dividends or interest \$		
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 1099-MISC		www.irs.gov/form1099misc		Department of the Treasury - Internal Revenue Service	

Rental Expenses

The client will provide the expenses for the rental or will provide documents like the mortgage interest form 1098. The Rankin's expenses are:

- | | |
|-----------------------------|----------|
| 1. Cleaning and maintenance | \$ 500 |
| 2. Insurance | \$ 750 |
| 3. Management fees | \$ 1,200 |
| 4. Mortgage interest paid | \$ 6,600 |
| 5. Repairs | \$ 250 |
| 6. Taxes | \$ 2,150 |
| 7. Utilities | \$ 1,200 |

The client did not participate in the rental activity.

[Table of Contents](#)

<input type="checkbox"/> CORRECTED (if checked)		OMB No. 1545-0901		Mortgage Interest Statement
RECIPIENT'S/LENDER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number Lender PO Box 654 Your City, State Zip		<i>* Caution: 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.</i>		
RECIPIENT'S federal identification no.	PAYER'S social security number	1 Mortgage interest received from payer(s)/borrower(s)* \$ 6,600.00		Copy B For Payer/Borrower <small>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 this refund of interest on your return.</small>
PAYER'S/BORROWER'S name Jack and Norma Rankin		2 Points paid on purchase of principal residence \$		
Street address (including apt. no.) 1145 Alvin Ave		3 Refund of overpaid interest \$		
City or town, state or province, country, and ZIP or foreign postal code Your City, State Zip		4		
Account number (see instructions)		5 Property Tax \$2,150.00		
Form 1098 (keep for your records)		www.irs.gov/form1098		Department of the Treasury - Internal Revenue Service

Depreciation Information from Last Year's Tax Return

1. Description is rental property.
2. Asset type.
 - A. Real property residential rental.
3. Date placed in service
 - a. 06/01/2010.
4. Property cost or basis \$100,000
5. Percentage of business use.
 - a. 100%.
6. Accumulated Depreciation.
 - a. Enter \$18,180.
7. Depreciation Method.
 - a. MACRS 27.5

The prior depreciation is found on the client's prior year asset allocation worksheet.

Rankin's Prior Year Return

Having the prior year return will give you a guide. Most years have similarities. The 1040 page 1 line 17 shows the rental gain or loss. The schedule E shows the rental information, income and expenses and the 4562 shows the depreciation.

[Table of Contents](#)

CLIENT'S PRIOR YEAR FORM

Income	7 Wages, salaries, tips, etc. Attach Form(s) W-2 _____		7 102,712.
Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.	8a Taxable interest. Attach Schedule B if required _____	8a	80.
	b Tax-exempt interest. Do not include on line 8a _____ 8b _____	8b	
	9a Ordinary dividends. Attach Schedule B if required _____	9a	280.
	b Qualified dividends _____ 9b 140.	9b	
If you did not get a W-2, see instructions.	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	
	14 Other gains or (losses). Attach Form 4797 _____	14	
	15a IRA distributions _____ 15a _____	15a	
	b Taxable amount _____	15b	
	16a Pensions and annuities _____ 16a _____	16a	
	b Taxable amount _____	16b	
	17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E _____	17	1,664.
Enclose, but do not attach, any payment. Also, please use Form 1040-V.	18 Farm income or (loss). Attach Schedule F _____	18	
	19 Unemployment compensation _____	19	
	20a Social security benefits _____ 20a _____	20a	
	b Taxable amount _____	20b	
	21 Other income. List type and amount (see instr.) _____	21	
	22 Combine the amounts in the far right column for lines 7 through 21. This is your total income _____	22	104,736.
Adjusted Gross Income	23 Educator expenses _____ 23 _____	23	
	24 Certain business expenses of reservists, performing artists, and fee-basis gov. officials. Attach Form 2106 or 2106-EZ _____	24	
	25 Health savings account deduction. Attach Form 8889 _____	25	
	26 Moving expenses. Attach Form 3903 _____	26	
	27 Deductible part of self-employment tax. Attach Schedule SE _____	27	
	28 Self-employed SEP, SIMPLE, and qualified plans _____	28	
	29 Self-employed health insurance deduction _____	29	
	30 Penalty on early withdrawal of savings _____	30	
	31a Alimony paid b Recipients see <input type="checkbox"/> _____	31a	
	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	104,736.

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

8320021

Form 1040

CLIENT'S PRIOR YEAR FORM

SCHEDULE E (Form 1040) <small>Department of the Treasury Internal Revenue Service (99)</small>	Supplemental Income and Loss <small>(From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.) Attach to Form 1040, 1040NR, or Form 1041. Information about Schedule E and its separate instructions is at www.irs.gov/form1040.</small>	OMB No. 1545-0074 Attachment Sequence No. 13			
Name(s) shown on return Nelson R & Norma R Rankins		Your social security no.			
Part I Income or Loss From Rental Real Estate and Royalties Note. If you are in the business of renting personal property, use Schedule C or C-EZ (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.					
A Did you make any payments in 2012 that would require you to file Form(s) 1099? (see instructions)		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>			
B If "Yes," did you or will you file all required Forms 1099?		Yes <input type="checkbox"/> No <input type="checkbox"/>			
1a Physical address of each property (street, city, state, Zip code)					
A 112 Ocean Avenue Your City CA 95827-					
B					
C					
1b	Type of Property (from list below)	2 For each rental real estate property listed above, report the number of fair rental and personal use days. Check the QJV box only if you meet the requirements to file as a qualified joint venture. See instructions.	Fair Rental Days	Personal Use Days	QJV
A	1		365		
B					
C					
Type of Property: 1 Single Family Residence 3 Vacation/Short-Term Rental 5 Land 7 Self-Rental 2 Multi-Family Residence 4 Commercial 6 Royalties 8 Other (describe)					
Income:		Properties:		C	
3	Rents received	3	16,800.		
4	Royalties received	4			
Expenses:					
5	Advertising	5			
6	Auto and travel (see instructions)	6			
7	Cleaning and maintenance	7			
8	Commissions	8			
9	Insurance	9	750.		
10	Legal and other professional fees	10			
11	Management fees	11	1,200.		
12	Mortgage interest paid to banks, etc. (see instructions)	12	6,750.		
13	Other interest	13			
14	Repairs	14	450.		
15	Supplies	15			
16	Taxes	16	1,150.		
17	Utilities	17	1,200.		
18	Depreciation expense or depletion	18	3,636.		
19	Other (list) ▶	19			
20	Total expenses. Add lines 5 through 19	20	15,136.		
21	Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6198	21	1,664.		
22	Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)	22	()	()	()
23a	Total of all amounts reported on line 3 for all rental properties	23a	16,800.		
b	Total of all amounts reported on line 4 for all royalty properties	23b			
c	Total of all amounts reported on line 12 for all properties	23c	6,750.		
d	Total of all amounts reported on line 18 for all properties	23d	3,636.		
e	Total of all amounts reported on line 20 for all properties	23e	15,136.		
24	Income. Add positive amounts shown on line 21. Do not include any losses	24	1,664.		
25	Losses. Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here	25	()		
26	Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2	26	1,664.		
For Paperwork Reduction Act Notice, see your tax return instructions.					
				Schedule E (Form 1040) 2012	
BCA		US 508 01			

Table of Contents

CLIENT'S PRIOR YEAR FORM

Form **4562**

Department of the Treasury
Internal Revenue Service (99)

Depreciation and Amortization (Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No. 1545-0172

Attachment
Sequence No. **179**

Name(s) shown on return

Nelson R & Norma R Rankins

Business or activity to which this form relates

Single Family Rental

Identifying number

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1 Maximum amount (see instructions)	1	500,000.
2 Total cost of section 179 property placed in service (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000.
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6 (a) Description of property (b) Cost (business use only) (c) Elected cost		
7 Listed property. Enter the amount from line 29	7	
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9 Tentative deduction. Enter the smaller of line 5 or line 8	9	
10 Carryover of disallowed deduction from line 13 of your 2010 Form 4562	10	
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13 Carryover of disallowed deduction to 2012. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15 Property subject to section 168(f)(1) election	15	
16 Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2012	17	3,636.
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B-Assets Placed in Service During 2012 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depr. (business investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		SL	
h Residential rental property			27.5 yrs.	MM	SL	
i Nonresidential real property			39 yrs.	MM	SL	

Section C-Assets Placed in Service During 2012 Tax Year Using the Alternative Depreciation System

20a Class life					SL	
b 12-year			12 yrs.		SL	
c 40-year			40 yrs.	MM	SL	

Part IV Summary (See instructions)

21 Listed property. Enter amount from line 28	21	
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	22	3,636.
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562**

BCA

US4562 1

Prior year's depreciation totals.

Page: 1

ASSET DETAIL REPORT

Description	Date Acqd	Cost	Bus. Use	179+ Spec.	Basis	Method	Rec. Per.	Current Depr. Cv	Prior Depr.	Current Depr.	Next Year	Prior AMT	Current AMT
Form: Single Family Rental													
Rental Property: (A) 112 Ocean Avenue													
Depreciation Class: Real property residential rental													
In Service Year: 2009													
Single Famil	01/09	100000	100		100000	MACRS	27.5 MM		14544	3636	3636	14544	3636
Form Totals:		100000			100000				14544	3636	3636	14544	3636

The return is complete once you add the bank information and follow the Rankin's interview instructions.

Jack and Norma Rankin
1145 Alvin Ave
Your City, State, Zip

1234

Military Credit CU
123 Bank Street
Your City, State, Zip

321174770: 1234 '1234567'

FINAL EXAMINATION

Part A - True or False

Use the reference materials to answer the questions T (True) or F (False).

1. T F California taxes residents on all income regardless of source and nonresidents only on income with a California source.
2. T F We consider the military member's true and permanent home state the member's domicile.
3. T F California requires the filing of a tax return for the military member not domiciled in California and spouses, if their federal adjusted gross income less the military member's military pay exceeds the filing chart amount.
4. T F California taxes the military pay of a single military person domiciled and stationed PCS in California.
5. T F Both federal and California law restrict a dependent client from claiming a personal exemption, even if the person who can claim them as a dependent, chooses not to claim the dependent exemption deduction or credit on their tax return.
6. T F Line 12 "State wages" on Form 540 are wages from all states, while line 12 "California wages" on the Form 540NR, are wages only from a California source.
7. T F The R&TC §17140.5, military pay adjustment (MPA), allows the military member not domiciled in California to make an adjustment to subtract the entire military member's military wages from being taxed by California.
8. T F We divide joint bank interest income 50/50 when applying the residency rules to determine the taxable amount for joint and separate tax returns.
9. T F When we use the standard deduction on the federal return, California law requires we use the standard deduction on their California return.
10. T F For a married couple, if one spouse itemized, then the other must itemize their deductions if they file separate returns.
11. T F The California Child and Dependent Care Expenses credit percentage is determined with the military pay adjustment and the modified California adjusted gross income for line 7 of FTB Form 3506.
12. T F Under the federal MSRRA, "qualified spouses" who are not domiciled in California are not taxed by California on pay received for services performed in California. However, all other non-service income from California sources is subject to California tax.

13. T F All military spouses domiciled outside of California are considered nonresidents for tax purposes when in California solely to be with the servicemember on PCS orders.
14. T F If your client owes tax, tell them to send a signed check, or a money order, or direct withdrawal info, but not send cash for the payment.
15. T F If your clients file with California electronically with direct deposit, California posts the refund to their bank account within 5 to 7 banking days from the time Franchise Tax Board accepts the electronic return.

Part B - Multiple Choices

Circle the correct answer on your volunteer answer sheet.

16. Part-year resident military members with California source income file:
a. 540 2EZ b. 540A c. 540 d. 540NR-Long e. None of these
17. California always requires an adjustment for federal and California difference for:
a. Wages b. Interest c. Dividends d. Municipal Bonds e. Unemployment
18. California allows a nonresident to claim the other state tax credit with double-taxed income with which state:
a. Oregon b. Iowa c. Ohio d. Utah e. Nevada
19. The main purpose of the VITA Military Interview Worksheet is to:
a. Divide income and adjustments using community/separate property rules.
b. Determine the married filing separate income and adjustment amounts.
c. Determine the taxability of income based upon residency.
d. Apply the sourcing rules to part-year income.
e. Determine the federal taxable income and adjustments.
20. An individual changes his or her domicile by doing the following:
a. Abandon the prior domicile
b. Physically move to and reside in the new location.
c. Take steps that show intent like voter registration, driver license.
d. Take steps that show intent like changing withholding to the new state.
e. All of the above.

Final Exam 1 – Williams
Final Exam 2 – Smith

Enter the final examination exercises into TaxSlayer.

1. Start with the IRS Form 13614-C.
2. Carefully read the interview notes.
3. Enter all the client's tax forms.
4. Continue until the federal tax return is complete.
5. For California Nonresidents complete the FTB 2335 VITA Military Interview Worksheet.
6. Finish by completing the California state tax return.
7. All members of the household had minimum essential health coverage all year.

Final Exam 1 – Ryan and Teresa Williams

Form 13614-C (October 2014)	Department of the Treasury - Internal Revenue Service Intake/Interview & Quality Review Sheet	OMB Number 1545-1964											
<p>You will need:</p> <ul style="list-style-type: none"> • Tax information such as Forms W-2, 1099, 1098. • Social security cards or ITIN letters for all persons on your tax return. • Picture ID (such as valid driver's license) for you and your spouse. <p>• Please complete pages 1-3 of this form. • You are responsible for the information on your return. Please provide complete and accurate information. • If you have questions, please ask the IRS certified volunteer preparer.</p>													
Part I – Your Personal Information													
1. Your first name Ryan	M.I.	Last name Williams											
2. Your spouse's first name Teresa	M.I.	Last name Williams											
3. Mailing address 2007 River Parkway	Apt #	City Your City											
4. Telephone number(s) 951-555-1212 Cell 951-333-1212		Email address (optional) Ryan.Williams6@Mil.gov											
5. Your Date of Birth 09/13/1980	6. Your job title Military	7. Last year, were you: a. Full time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No											
8. Your spouse's Date of Birth 12/17/1980	9. Your spouse's job title Military	10. Last year, was your spouse: a. Full time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No											
11. Can anyone claim you or your spouse on their tax return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure													
12. Have you or your spouse: a. Been a victim of identity theft? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No b. Adopted a child? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No													
Part II – Marital Status and Household Information													
1. As of December 31 of last year, were you: <input type="checkbox"/> Single (This includes registered domestic partnerships, civil unions, or other formal relationships under state law) <input checked="" type="checkbox"/> Married a. Did you live with your spouse during any part of the last six months of 2014? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No b. Was your marriage recognized under the laws of the state(s) you are filing in? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unsure <input type="checkbox"/> Divorced or Legally Separated Date of final decree or separate maintenance agreement _____ <input type="checkbox"/> Widowed Year of spouse's death _____													
2. List the names below of: • everyone who lived with you last year (other than you or your spouse) • anyone you supported but did not live with you last year													
If additional space is needed check here <input type="checkbox"/> and list on page 3													
To be completed by a Certified Volunteer Preparer													
Name (first, last) Do not enter your name or spouse's name below	Date of Birth (mm/dd/yyyy)	Relationship to you (for example: son, daughter, parent, none, etc)	Number of months lived in your home last year	US Citizen (yes/no)	Resident of US, Canada, or Mexico last year (yes/no)	Single or Married as of 12/31/14 (S/M)	Full-time Student last year (yes/no)	Totally and Permanently Disabled (yes/no)	Can this person be claimed by someone else as a dependent on their return? (yes/no)	Did this person provide more than 50% of their own support? (yes/no)	Did this person have less than \$3950 of income? (yes/no)	Did the taxpayer(s) provide more than 50% of support for this person? (yes/no)	Did the taxpayer(s) pay more than half the cost of maintaining a home for this person? (yes/no)
Ethan Williams	09/01/2008	Son	12	Yes	Yes	S	Yes	No	No	No	Yes	Yes	Yes
Volunteers are trained to provide high quality service and uphold the highest ethical standards. To report unethical behavior to the IRS, email us at vi.voltax@irs.gov or call toll free 1-877-330-1205													
Catalog Number 52121E				www.irs.gov				Form 13614-C (Rev. 10-2014)					

Yes	No	Unsure	Check appropriate box for each question in each section
Part III – Income – Last Year, Did You (or Your Spouse) Receive			
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. (B) Wages or Salary? (Form W-2) If yes, how many jobs did you have last year? <u>2</u>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. (A) Tip Income?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. (B) Scholarships? (Forms W-2, 1098-T)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4. (B) Interest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5. (B) Refund of state/local income taxes? (Form 1099-G)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. (B) Alimony income?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. (A) Self-Employment income? (Form 1099-MISC, cash)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. (A) Cash/check payments for any work performed not reported on Forms W-2 or 1099?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	9. (A) Income (or loss) from the sale of Stocks, Bonds or Real Estate? (including your home) (Forms 1099-S, 1099-B)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	10. (B) Disability income? (such as payments from insurance, or workers compensation) (Forms 1099-R, W-2)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	11. (A) Distribution from Pensions, Annuities, and/or IRA? (Form 1099-R)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	12. (B) Unemployment compensation? (Form 1099-G)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	13. (B) Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14. (M) Income (or loss) from Rental Property?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15. (B) Other income? (gambling, lottery, prizes, awards, jury duty, Sch K-1, etc.) (Forms W-2G) Specify
Part IV – Expenses – Last Year, Did You (or Your Spouse) Pay			
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. (B) Alimony? If yes, do you have the recipient's SSN? <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. Contributions to a retirement account? <u>IRA (A)</u> 401K (B) <u>Roth IRA (B)</u> Other
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3. (B) Post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (B) Unreimbursed employee business expenses? (such as uniforms or mileage)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. (B) Medical expenses? (including health insurance premiums)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. (B) Home mortgage interest? (Form 1098)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. (B) Real estate taxes for your home or personal property taxes for your vehicle? (Form 1098)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. (B) Charitable contributions?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. (B) Child or dependent care expenses such as daycare?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	10. (B) For supplies used as an eligible educator such as a teacher, teacher's aide, counselor, etc.?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	11. (A) Expenses related to self-employment income or any other income you received?
Part V – Life Events – Last Year, Did You (or Your Spouse)			
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. (HSA) Have a Health Savings Account? (Forms 5498-SA, 1099-SA, W-2 with code W in box 12)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. (COD) Have debt from a mortgage or credit card cancelled/forgiven by a commercial lender? (Forms 1099-C, 1099-A)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. (A) Buy, sell or have a foreclosure (COD) of your home? (Form 1099-A)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (B) Have Earned Income Credit (EIC) disallowed in a prior year? If yes, for which tax year? <u> </u>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. (A) Purchase and install energy-efficient home items? (such as windows, furnace, insulation, etc.)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. (B) Live in an area that was affected by a natural disaster? If yes, where? <u> </u>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. (A) Receive the First Time Homebuyers Credit in 2008?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. (B) Pay any student loan interest? (Form 1098-E)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	9. (B) Make estimated tax payments or apply last year's refund to this year's tax? If so how much? <u> </u>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	10. (A) File a federal return last year containing a "capital loss carryover" on Form 1040 Schedule D?

Catalog Number 52121E www.irs.gov Form **13614-C** (Rev. 10-2014)

Interview Notes – Williams

1. The Williams' are both in the military.
2. Ryan is domiciled in California
3. Teresa is domiciled in Arizona.
4. They have one child in school.
 - o Ethan Williams
 - o They paid for after school care.
5. Teresa attend college last year
 - o Full time.
 - o Pursuing a degree.
 - o Her first year.
 - o Never convicted of a crime.
6. Last year, the Williams' itemized and had a state refund.
7. They will itemize again this year.
 - o Her BAH is \$18,144
 - o They each get BAS of \$3,600.
 - o They had gambling losses of \$1,050.
 - o Their other tax forms and receipts are on the following pages.
8. They have provided a check and if they:
 - o Have a refund they would like direct deposit.
 - o Have a balance due; they would like the money withdrawn on April 15th.

22222		a Employee's social security number		OMB No. 1545-0008			
b Employer identification number (EIN) 34-9990000		1 Wages, tips, other compensation \$24,415.68		2 Federal income tax withheld \$1,370.51			
c Employer's name, address, and ZIP code Defense Finance and Accounting Services 1240 East Ninth Street Cleveland, OH 44199-2055		3 Social security wages \$31,415.68		4 Social security tax withheld \$1,948.00			
		5 Medicare wages and tips \$31,415.68		6 Medicare tax withheld \$456.00			
		7 Social security tips		8 Allocated tips			
d Control number		9		10 Dependent care benefits			
e Employee's first name and initial Last name Ryan Williams 2007 River Parkway Your City, State Zip		11 Nonqualified plans		12a D \$1,000.00			
		13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b Q \$6,000.00			
		14 Other		12c			
f Employee's address and ZIP code				12d			
15 State CA	Employer's state ID number 80509664	16 State wages, tips, etc. \$24,415.68	17 State income tax \$221.45	18 Local wages, tips, etc.	19 Local income tax	20 Locality name	

Form **W-2** Wage and Tax Statement Department of the Treasury—Internal Revenue Service

22222		a Employee's social security number		OMB No. 1545-0008			
b Employer identification number (EIN) 34-9990000		1 Wages, tips, other compensation \$38,250.43		2 Federal income tax withheld \$3,105.51			
c Employer's name, address, and ZIP code Defense Finance and Accounting Services 1240 East Ninth Street Cleveland, OH 44199-2055		3 Social security wages \$45,625.43		4 Social security tax withheld \$2,829.00			
		5 Medicare wages and tips \$45,625.43		6 Medicare tax withheld \$662.00			
		7 Social security tips		8 Allocated tips			
d Control number		9		10 Dependent care benefits			
e Employee's first name and initial Last name Teresa Williams 2007 River Parkway Your City, State Zip		11 Nonqualified plans		12a D \$1,000.00			
		13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b Q \$6,375.00			
		14 Other		12c			
f Employee's address and ZIP code				12d			
15 State AZ	Employer's state ID number 966453	16 State wages, tips, etc. \$38,250.43	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name	

Form **W-2** Wage and Tax Statement Department of the Treasury—Internal Revenue Service

Table of Contents

CLIENT'S PRIOR YEAR FORM

1040 Department of the Treasury - Internal Revenue Service (99) Last Year OMB No. 1545-0074 IRS Use Only-Do not write or staple in this space.	
For the year Jan. 1-Dec. 31, 2012, or other tax year beginning 2012, ending 20	
See separate instructions.	
Your first name and initial Last name Ryan Williams	
Your social security number	
If a joint return, spouse's first name and initial Last name Teresa Williams	
Spouse's social security no.	
Home address (number and street). If you have a P.O. box, see instructions. Apt. no. 2007 Riverpark	
▲ Make sure the SSN(s) above and on line 6c are correct.	
City, town or village, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). Your City, CA Zip	
Foreign country name Foreign province/county Foreign postal code	
Presidential Election Campaign Check here if you, or your spouse (filing jointly), want to go to this fund. Checking this box below will not change your tax or refund. <input type="checkbox"/> You <input type="checkbox"/> Spouse	
Filing Status	
1 <input type="checkbox"/> Single	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. ▶
2 <input checked="" type="checkbox"/> Married filing jointly (even if only one had income)	5 <input type="checkbox"/> Qualifying widow(er) with dependent child
3 <input type="checkbox"/> Married filing separately. Enter spouse's SSN above and full name here. ▶	
Check only one box.	
Exemptions	
6a <input checked="" type="checkbox"/> Yourself. If someone can claim you as a dependent, do not check box 6a	Boxes checked on
b <input checked="" type="checkbox"/> Spouse	6a and 6b 2
c Dependents:	No. of children on 6c who:
(1) First name Last name (2) Dependent's social security no. (3) Dependent's relationship to you (4) <input checked="" type="checkbox"/> Under age 17 <input type="checkbox"/> Under age 17 and a student (see instr.)	* Lived with you 1
If more than four dependents, see instr. and check here ▶ <input type="checkbox"/>	* did not live with you due to divorce or separation (see instr.) 0
Ethan Williams (1) (2) (3) (4)	dependent on 6c not entered above 0
	Add numbers on lines above ▶ 3
d Total number of exemptions claimed	
Income	
7 Wages, salaries, tips, etc. Attach Form(s) W-2	7 62,666.
Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.	
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 235.
b Qualified dividends	9b
10 Taxable refunds, credits, or offsets of state and local income taxes	10 250.
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
If you did not get a W-2, see instructions.	
15a IRA distributions	15b Taxable amount
16a Pensions and annuities	16b Taxable amount
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
Enclose, but do not attach, any payment. Also, please use Form 1040-V.	
20a Social security benefits	20b Taxable amount
21 Other income. List type and amount (see instr.) GAMBLING WINNINGS	21 1,200.
22 Combine the amounts in the far right column for lines 7 through 21. This is your total income	22 64,351.
Adjusted Gross Income	
23 Educator expenses	23
24 Certain business expenses of reservists, performing artists, and fee-basis gov. officials. Attach Form 2106 or 2106-EZ	24
25 Health savings account deduction. Attach Form 8889	25
26 Moving expenses. Attach Form 3903	26
27 Deductible part of self-employment tax. Attach Schedule SE	27
28 Self-employed SEP, SIMPLE, and qualified plans	28
29 Self-employed health insurance deduction	29
30 Penalty on early withdrawal of savings	30
31a Alimony paid b recipients see ▶	31a
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 64,351.
BCA For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.	
Form 1040 Last Year	

CLIENT'S PRIOR YEAR FORM

Form 1040 Last Year **Ryan & Teresa Williams** Page 2

Tax and Credits	38 Amount from line 37 (adjusted gross income)	38	64,351.
	39a Check <input type="checkbox"/> You were born before Jan. 2, 1948, <input type="checkbox"/> Blind. <input type="checkbox"/> Total boxes checked <input type="checkbox"/> 39a if <input type="checkbox"/> Spouse was born before Jan. 2, 1948, <input type="checkbox"/> Blind. <input type="checkbox"/>		
	b <input type="checkbox"/> If your spouse itemizes on a separate return or you were adjust-status after, check here <input type="checkbox"/> 39b		
Standard Deduction for- • People who check any box on line 39a or 39b or who can be claimed as a dependent, see instructions. • All others: Single or Married filing separately, \$5,950 Married filing jointly or Qualifying widow(er), \$11,900 Head of household, \$8,700	40 Itemized deductions (from Schedule A) or your standard deduction (see left margin)	40	21,208.
	41 Subtract line 40 from line 38	41	43,143.
	42 Exemptions. Multiply \$3,800 by the number on line 6d	42	11,400.
	43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	31,743.
	44 Tax (see instructions). Check (any) tax(es) from: a <input type="checkbox"/> Form(s) 981* b <input type="checkbox"/> Form 992 c <input type="checkbox"/> 992 election	44	3,889.
	45 Alternative minimum tax (see instructions). Attach Form 6251	45	
	46 Add lines 44 and 45	46	3,889.
	47 Foreign tax credit. Attach Form 1116 if required	47	
	48 credit for child and dependent care expenses. Attach Form 2441	48	600.
	49 Education credits from Form 8863, line 19	49	576.
50 Retirement savings contributions credit. Attach Form 8880	50		
51 Child tax credit. Attach Schedule 8812, if required	51	1,000.	
52 Residential energy credits. Attach Form 5695	52		
53 Other credits from Form: a <input type="checkbox"/> 3300 b <input type="checkbox"/> 3301 c <input type="checkbox"/>	53		
54 Add lines 47 through 53. These are your total credits	54	2,176.	
55 Subtract line 54 from line 46. If line 54 is more than line 46, enter -0-	55	1,713.	
Other Taxes	56 Self-employment tax. Attach Schedule SE	56	
	57 Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919	57	
	58 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	58	
	59a Household employment taxes from Schedule H	59a	
	b First-time homebuyer credit repayment. Attach Form 5405 if required	59b	
	60 Other taxes. Enter code(s) from instructions	60	
	61 Add lines 55 through 60. This is your total tax	61	1,713.
Payments	62 Federal income tax withheld from Forms W-2 and 1099	62	5,196.
	63 2012 estimated tax payments and amount applied from 2011 return	63	
If you have a qualifying child, attach Schedule EIC.	64a Earned income credit (EIC)	64a	NQ
	b Nonrefundable combat pay election	64b	
	65 Additional child tax credit. Attach Form 8812	65	
	66 American opportunity credit from Form 8863, line 8	66	384.
	67 Reserved	67	
	68 Amount paid with request for extension to file	68	
	69 Excess social security and tier 1 RRTA tax withheld	69	
	70 Credit for federal tax on fuels. Attach Form 4136	70	
	71 Credits from Form: a <input type="checkbox"/> 2409 b <input type="checkbox"/> 2409-1 c <input type="checkbox"/> 2409-2 d <input type="checkbox"/> 2409-3	71	
	72 Add lines 62, 63, 64a, and 65 through 71. These are your total payments	72	5,580.
Refund	73 If line 72 is more than line 61, subtract line 61 from line 72. This is the amount you overpaid	73	3,867.
	74a Amount of line 73 you want refunded to you. If Form 8888 is attached, check here <input type="checkbox"/>	74a	3,867.
	b Routing number <input type="text"/> <input type="checkbox"/> c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
Direct deposit? See instructions	d Account number <input type="text"/>		
	75 Amount of line 73 you want applied to your 2013 estimated tax	75	
Amount You Owe	76 Amount you owe. Subtract line 72 from line 61. For details on how to pay, see inst.	76	
	77 Estimated tax penalty (see instructions)	77	
Third Party Designee	Do you want to allow another person to discuss this return with the IRS (see instructions)? <input type="checkbox"/> Yes. Complete below. <input checked="" type="checkbox"/> No		
	Designee's name <input type="text"/>	Phone no. <input type="text"/>	Record Identification number (RIN) <input type="text"/>
Sign Here	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.		
	Your signature <input type="text"/>	Date Last Year <input type="text"/>	Your occupation <input type="text"/>
Joint return? See instr. Keep a copy for your records.	Spouse's signature <input type="text"/>	Date Last Year <input type="text"/>	Spouse's occupation <input type="text"/>
	If the IRS sends you an Identity Protection PIN, enter it here (see inst.) <input type="text"/>		
Paid Preparer's Use Only	Print/Type preparer's name VITA - FTB	Preparer's signature <input type="text"/>	Date <input type="text"/>
	Check <input type="checkbox"/> if self-employed	PTIN S71018851	
	Firm's name <input type="text"/>	Firm's EIN <input type="text"/>	
	Firm's address <input type="text"/>	Phone no. <input type="text"/>	
	SACRAMENTO CA 95812		
	800-522-5665		

CLIENT'S PRIOR YEAR FORM

**SCHEDULE A
(Form 1040)**

Department of the Treasury
Internal Revenue Service (56)

Itemized Deductions

▶ Information about Schedule A and its separate instructions is at www.irs.gov/form1040.
▶ Attach to Form 1040.

OMB No. 1545-0074

Last Year
Attachment
Sequence No. **07**

Name(s) shown on Form 1040

Williams

Your social security no.

Medical and Dental Expenses	Caution. Do not include expenses reimbursed or paid by others. 1 Medical and dental expenses (see instructions) 1 2 Enter amount from Form 1040, line 38 2 3 Multiply line 2 by 7.5% (.075) 3 4 Subtract line 3 from line 1. If line 3 is more than line 1, enter -0- 4			
Taxes You Paid	5 State and local a <input checked="" type="checkbox"/> Income taxes 5 1,168. b <input type="checkbox"/> General sales taxes 6 Real estate taxes (see instructions) 6 1,454. 7 Personal property taxes 7 400. 8 Other taxes. List type and amount ▶ 8 9 Add lines 5 through 8 9 3,022.			
Interest You Paid	10 Home mortgage interest & points reported to you on Form 1098 10 15,866. 11 Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see inst. and show that person's name, identifying no., and address ▶ 11 Note. Your mortgage interest deduction may be limited (see instructions). 12 Points not reported to you on Form 1098. See instructions for special rules 12 13 Mortgage insurance premiums (see instructions) 13 500. 14 Investment interest. Attach Form 4952 if required. (See inst.) 14 15 Add lines 10 through 14 15 16,366.			
Gifts to Charity	16 Gifts by cash or check. If you made any gift of \$250 or more, see instructions 16 490. 17 Other than by cash or check. If any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500. 17 280. 18 Carryover from prior year 18 19 Add lines 16 through 18 19 770.			
Casualty and Theft Losses	20 Casualty or theft loss(es). Attach Form 4684. (See instructions.) 20			
Job Expenses and Certain Miscellaneous Deductions	21 Unreimbursed employee expenses - job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.) ▶ 21 22 Tax preparation fees 22 23 Other expenses - investment, safe deposit box, etc. List type and amount ▶ 23 24 Add lines 21 through 23 24 25 Enter amount from Form 1040, line 38 25 26 Multiply line 25 by 2% (.02) 26 27 Subtract line 26 from line 24. If line 26 is more than line 24, enter -0- 27			
Other Miscellaneous Deductions	28 Other - from list in the inst. List type and amount ▶ GAMBLING LOSSES 1,050.			1,050.
Total Itemized Deductions	29 Add the amounts in the far right column for lines 4 through 28. Also, enter this amount on Form 1040, line 40 29 21,208.			
Deductions	30 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.

Schedule A (Form 1040)
Last Year

Table of Contents

<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		OMB No. 1545-0238	
PAYER'S name, street address, city or town, province or state, country, and ZIP or foreign postal code California State Lottery 1 Sacramento Street Your City, CA Zip		1 Gross winnings \$ 1,200.00	2 Date won 8/13/last year
		3 Type of wager Super Lotto	4 Federal income tax withheld \$
		5 Transaction Draw 10-845	6 Race
PAYER'S federal identification number 96-8222374		7 Winnings from identical wagers \$	8 Cashier
PAYER'S telephone number		9 Winner's taxpayer identification no.	10 Window
WINNER'S name Ryan Williams		11 First I.D. Military ID	12 Second I.D. Driver's license
Street address (including apt. no.) 2007 River Parkway		13 State/Payer's state identification no. CA 6589155	14 State winnings \$ 1,200.00
City or town, province or state, country, and ZIP or foreign postal code Your City, CA Zip		15 State income tax withheld \$	16 Local winnings \$
		17 Local income tax withheld \$	18 Name of locality
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 ►	
Form W-2G		www.irs.gov/w2g Department of the Treasury - Internal Revenue Service	

Form W-2G
Certain Gambling Winnings

Copy 1
For State, City, or Local Tax Department

<input type="checkbox"/> CORRECTED (if checked)		OMB No. 1545-0901	
RECIPIENT'S/LENDER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number Mortgage Company 3258 Any Street Your City, CA Zip		<i>* Caution: 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.</i>	
RECIPIENT'S federal identification no. PAYER'S social security number		Form 1098	
PAYER'S/BORROWER'S name Ryan and Teresa Williams		1 Mortgage interest received from payer(s)/borrower(s)* \$ 15,866.00	
Street address (including apt. no.) 2007 River Parkway		2 Points paid on purchase of principal residence \$	
City or town, state or province, country, and ZIP or foreign postal code Your City, CA Zip		3 Refund of overpaid interest \$	
Account number (see instructions)		4	
		5 Property Taxes Paid \$1,953.86	
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 this refund of interest on your return.			
Form 1098		www.irs.gov/form1098 Department of the Treasury - Internal Revenue Service	

Mortgage Interest Statement

Copy B
For Payer/Borrower

VEHICLE REGISTRATION RENEWAL NOTICE

VIN	MAKE	YR	BODY TYPE	LICENSE PLATE	AMOUNT DUE	DUE DATE
			Newer Car		\$373	

To renew, just provide:



Renewal Fees



**RENEW VIA INTERNET
OR TELEPHONE**

Your Renewal Identification
Number is :

VISIT WWW.DMV.CA.GOV or
CALL 1-800-921-1117

(see insert)

FEES

REGISTRATION FEE	\$43
LICENSE FEE (License fee may be tax deductible)	\$245
WEIGHT FEE	\$0
SPECIAL PLATE FEE	\$30
COUNTY/DISTRICT FEES	\$55

VEHICLE REGISTRATION RENEWAL NOTICE

VIN	MAKE	YR	BODY TYPE	LICENSE PLATE	AMOUNT DUE	DUE DATE
			Newer Car		\$413	

To renew, just provide:



Renewal Fees



**RENEW VIA INTERNET
OR TELEPHONE**

Your Renewal Identification
Number is :

VISIT WWW.DMV.CA.GOV or
CALL 1-800-921-1117

(see insert)

FEES

REGISTRATION FEE	\$43
LICENSE FEE (License fee may be tax deductible)	\$285
WEIGHT FEE	\$0
SPECIAL PLATE FEE	\$30
COUNTY/DISTRICT FEES	\$55

RECEIPT		No.: 1
Paid by: Williams	Paid to: Vets of the Military Fund	
DESCRIPTION	AMOUNT	
Charity fund raiser cash donation. 501(c)(3)	\$490.00	
	SUBTOTAL	
	DISCOUNT(S)	
	TAX	
	TOTAL	\$490.00
Date: May 15, last year	Received by: Charity Clerk	

[Table of Contents](#)

Local Church Receipt

Date July 10, Last Year No. 654321

Amount \$280.00	
Description	Clothes, Toys, Furniture, House Hold Appliances,
Description	Computer Accessories, and Dishes
Received by	Church Goodwill Clerk
Approved by	Local Church

Little Feet Child Care

4525 Happy Lane

Your City, CA Your Zip

Your Phone Number
EIN: 35-9XXXXXX

December 31, 2016

Receipt for services provided for Ethan Williams from 01.01.2016 through 12.31.2016, \$4,900 total amount received.

<input type="checkbox"/> CORRECTED				Tuition Statement	
<small>FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number</small> Local College 3200 Vista Place Your City, CA Zip		<small>1 Payments received for qualified expenses</small> \$ 950	<small>2 Amounts billed for qualified tuition and expenses</small> \$ 4,900.00	<small>OMB No. 1545-1574</small> <small>Form 1098-T</small>	
<small>FILER'S fedt</small> 38-9022222	<small>STUDENT'S social security number</small>	<small>3 If this box is checked, your educational institution has changed its reporting method for 2014</small> <input type="checkbox"/>		Copy B For Student This is important tax information and is being furnished to the Internal Revenue Service.	
<small>STUDENT'S name</small> Teresa Williams		<small>4 Adjustments made for a prior year</small> \$	<small>5 Scholarships or grants</small> \$		
<small>Street address (including apt. no.)</small> 2007 River Parkway		<small>6 Adjustments to scholarships or grants for a prior year</small> \$	<small>7 Checked if the amount in box 1 or 2 includes amounts for an academic period beginning January - March 2015</small> <input type="checkbox"/>		
<small>City or town, state or province, country, and ZIP or foreign postal code</small> Your City, CA Zip		<small>9 Checked if a graduate student</small> <input type="checkbox"/>	<small>10 Ins. contract reimb./refund</small> \$		
<small>Service Provider/Acct. No. (see instr.)</small>	<small>8 Check if at least half-time student</small> <input checked="" type="checkbox"/>	<small>Form 1098-T</small> (keep for your records)		<small>www.irs.gov/form1098t</small> Department of the Treasury - Internal Revenue Service	

[Table of Contents](#)

Ryan or Teresa Williams
2007 River Parkway
Your City, CA Zip

1234

00-00-0000

Pay to the order of \$

Military Credit CU
123 Bank Street
Your City, State, Zip

321174770: 1234 '1234567'

Final Exam 2 – Bruce and Laura Smith

Form 13614-C (October 2014)	Department of the Treasury - Internal Revenue Service Intake/Interview & Quality Review Sheet	OMB Number 1545-1964											
<p>You will need:</p> <ul style="list-style-type: none"> • Tax information such as Forms W-2, 1099, 1098. • Social security cards or ITIN letters for all persons on your tax return. • Picture ID (such as valid driver's license) for you and your spouse. 			<ul style="list-style-type: none"> • Please complete pages 1-3 of this form. • You are responsible for the information on your return. Please provide complete and accurate information. • If you have questions, please ask the IRS certified volunteer preparer. 										
Part I – Your Personal Information													
1. Your first name Bruce	M.I.	Last name Smith		Are you a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No									
2. Your spouse's first name Laura	M.I.	Last name Smith		Is your spouse a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No									
3. Mailing address 139 W. Elm Street			Apt #	City Your City	State State								
4. Telephone number(s) 530-555-1212 Cell 530-444-1212			Email address (optional) Bruce.Smith@Mil.gov										
5. Your Date of Birth 08/13/1980	6. Your job title Military		7. Last year, were you:										
			a. Full time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No										
			b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No										
			c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No										
8. Your spouse's Date of Birth 07/01/1981	9. Your spouse's job title Bookkeeper		10. Last year, was your spouse:										
			a. Full time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No										
			b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No										
			c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No										
11. Can anyone claim you or your spouse on their tax return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure													
12. Have you or your spouse:													
a. Been a victim of identity theft? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No													
b. Adopted a child? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No													
Part II – Marital Status and Household Information													
1. As of December 31 of last year, were you:													
<input type="checkbox"/> Single (This includes registered domestic partnerships, civil unions, or other formal relationships under state law)													
<input checked="" type="checkbox"/> Married													
a. Did you live with your spouse during any part of the last six months of 2014? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No													
b. Was your marriage recognized under the laws of the state(s) you are filing in? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unsure													
<input type="checkbox"/> Divorced or Legally Separated Date of final decree or separate maintenance agreement _____													
<input type="checkbox"/> Widowed Year of spouse's death _____													
2. List the names below of:													
• everyone who lived with you last year (other than you or your spouse)													
• anyone you supported but did not live with you last year													
If additional space is needed check here <input type="checkbox"/> and list on page 3													
To be completed by a Certified Volunteer Preparer													
Name (first, last) Do not enter your name or spouse's name below	Date of Birth (mm/dd/yy)	Relationship to you (for example: son, daughter, parent, none, etc)	Number of months lived in your home last year	US Citizen (yes/no)	Resident of US, Canada, or Mexico last year (yes/no)	Single or Married as of 12/31/14 (S/M)	Full-time Student last year (yes/no)	Totally and Permanently Disabled (yes/no)	Can this person be claimed by someone else as a dependent on their return? (yes/no)	Did this person provide more than 50% of their own support? (yes/no)	Did this person have less than \$3900 of income? (yes/no)	Did the taxpayer(s) provide more than 50% of support for this person? (yes/no)	Did the taxpayer(s) pay more than half the cost of maintaining a home for this person? (yes/no)
Amy Smith	05/20/2008	Daughter	12	Yes	Yes	S	Yes	No	No	No	No	Yes	Yes
<p>Volunteers are trained to provide high quality service and uphold the highest ethical standards. To report unethical behavior to the IRS, email us at wi.voltax@irs.gov or call toll free 1-877-330-1205</p>													
Catalog Number 52121E				www.irs.gov				Form 13614-C (Rev. 10-2014)					

Table of Contents

Yes	No	Unsure	Check appropriate box for each question in each section	
Page 2				
Part III – Income – Last Year, Did You (or Your Spouse) Receive				
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1.	(B) Wages or Salary? (Form W-2) If yes, how many jobs did you have last year? <u>3</u>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2.	(A) Tip Income?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3.	(B) Scholarships? (Forms W-2, 1098-T)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4.	(B) Interest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5.	(B) Refund of state/local income taxes? (Form 1099-G)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	6.	(B) Alimony income?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	7.	(A) Self-Employment income? (Form 1099-MISC, cash)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8.	(A) Cash/check payments for any work performed not reported on Forms W-2 or 1099?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9.	(A) Income (or loss) from the sale of Stocks, Bonds or Real Estate? (including your home) (Forms 1099-S, 1099-B)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	10.	(B) Disability income? (such as payments from insurance, or workers compensation) (Forms 1099-R, W-2)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	11.	(A) Distribution from Pensions, Annuities, and/or IRA? (Form 1099-R)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12.	(B) Unemployment compensation? (Form 1099-G)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	13.	(B) Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	14.	(M) Income (or loss) from Rental Property?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	15.	(B) Other income? (gambling, lottery, prizes, awards, jury duty, Sch K-1, etc.) (Forms W-2G) Specify
Part IV – Expenses – Last Year, Did You (or Your Spouse) Pay				
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1.	(B) Alimony? If yes, do you have the recipient's SSN? <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2.	Contributions to a retirement account? _____ IRA (A) _____ 401k (B) _____ Roth IRA (B) _____ Other _____
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3.	(B) Post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4.	(B) Unreimbursed employee business expenses? (such as uniforms or mileage)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5.	(B) Medical expenses? (including health insurance premiums)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	6.	(B) Home mortgage interest? (Form 1098)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	7.	(B) Real estate taxes for your home or personal property taxes for your vehicle? (Form 1098)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8.	(B) Charitable contributions?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9.	(B) Child or dependent care expenses such as daycare?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	10.	(B) For supplies used as an eligible educator such as a teacher, teacher's aide, counselor, etc.?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	11.	(A) Expenses related to self-employment income or any other income you received?
Part V – Life Events – Last Year, Did You (or Your Spouse)				
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1.	(HSA) Have a Health Savings Account? (Forms 5498-SA, 1099-SA, W-2 with code W in box 12)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2.	(COD) Have debt from a mortgage or credit card cancelled/forgiven by a commercial lender? (Forms 1099-C, 1099-A)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3.	(A) Buy, sell or have a foreclosure (COD) of your home? (Form 1099-A)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4.	(B) Have Earned Income Credit (EIC) disallowed in a prior year? If yes, for which tax year? _____
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5.	(A) Purchase and install energy-efficient home items? (such as windows, furnace, insulation, etc.)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	6.	(B) Live in an area that was affected by a natural disaster? If yes, where? _____
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	7.	(A) Receive the First Time Homebuyers Credit in 2008?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8.	(B) Pay any student loan interest? (Form 1098-E)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	9.	(B) Make estimated tax payments or apply last year's refund to this year's tax? If so how much? _____
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	10.	(A) File a federal return last year containing a "capital loss carryover" on Form 1040 Schedule D?
Catalog Number 52121E			www.irs.gov	
			Form 13614-C (Rev. 10-2014)	

Interview Notes – Smith

1. Bruce Smith is in the military.
2. He is domiciled in Texas
3. Laura is a bookkeeper.
4. She is domiciled in California
5. They have one child in school.
 - o Amy Smith
 - o They paid for after school care.
6. The Smith's live in base housing.
7. They sold a piece of property last year.
 - o Form 1099S.
 - o Purchased on 5/7/2008.
 - o For \$30,000 (this is their basis).
8. Laura collected unemployment compensation.
9. The Smith's have 1099-B forms for investments they sold.
10. They have provided a check and if they:
 - o Have a refund they would like direct deposit.
 - o Have a balance due; they would like the money withdrawn on April 15th.
11. All members of the household had minimum essential health coverage all year.

[Table of Contents](#)

22222		a Employee's social security number		OMB No. 1545-0008	
b Employer identification number (EIN) 34-9990000		1 Wages, tips, other compensation \$38,638.16		2 Federal income tax withheld \$3,517.31	
c Employer's name, address, and ZIP code Defense Finance and Accounting Services 1240 East Ninth Street Cleveland, OH 44199-2055		3 Social security wages \$38,638.16		4 Social security tax withheld \$2,396.00	
		5 Medicare wages and tips \$38,638.16		6 Medicare tax withheld \$560.00	
		7 Social security tips		8 Allocated tips	
d Control number		9		10 Dependent care benefits	
e Employee's first name and initial Last name Bruce Smith 139 W Elm Street Your City, State, Zip		11 Nonqualified plans		12a	
		13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b	
		14 Other		12c	
				12d	
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
TX	966453	\$38,638.16			
Form W-2 Wage and Tax Statement Department of the Treasury—Internal Revenue Service					

Void <input type="checkbox"/>		a Employee's social security number		OMB No. 1545-0008	
b Employer identification number (EIN) 56-6398121		1 Wages, tips, other compensation \$9,600.12		2 Federal income tax withheld \$750.74	
c Employer's name, address, and ZIP code Your Favorite Lumber Store 695 3rd Ave Your City, State Zip		3 Social security wages \$9,600.12		4 Social security tax withheld \$595.00	
		5 Medicare wages and tips \$9,600.12		6 Medicare tax withheld \$139.00	
		7 Social security tips		8 Allocated tips	
d Control number		9		10 Dependent care benefits	
e Employee's first name and initial Last name Bruce Smith 139 W Elm Street Your City, State, Zip		11 Nonqualified plans		12a See instructions for box 12	
		13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b	
		14 Other		12c	
				12d	
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
CA	65-387512	\$9,600.12	\$416.56		\$96.00
Form W-2 Wage and Tax Statement Department of the Treasury—Internal Revenue Service					

[Table of Contents](#)

Void <input type="checkbox"/>		a Employee's social security number		OMB No. 1545-0008	
b Employer identification number (EIN) 94-6398121		1 Wages, tips, other compensation \$12,742.19		2 Federal income tax withheld \$1,761.82	
c Employer's name, address, and ZIP code A-1 Bookkeeping 1723 North Ave Your City, State Zip		3 Social security wages \$12,742.19		4 Social security tax withheld \$790.00	
		5 Medicare wages and tips \$12,742.19		6 Medicare tax withheld \$185.00	
		7 Social security tips		8 Allocated tips	
d Control number		9		10 Dependent care benefits	
e Employee's first name and initial Last name Laura Smith 139 W Elm Street Your City, State Zip		11 Nonqualified plans		12a See instructions for box 12	
		13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		12b	
		14 Other		12c	
f Employee's address and ZIP code				12d	
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
CA	82-387512	\$12,742.19	\$370.36		\$127.00
					CASDI

Form **W-2** Wage and Tax Statement Department of the Treasury—Internal Revenue Service

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. Any Brokerage Company 4 Money Street Your City, CA Zip		1a Total ordinary dividends \$ 600.00		OMB No. 1545-0110		Dividends and Distributions
PAYER'S federal identification number		1b Qualified dividends \$ 600.00		Form 1099-DIV		
		2a Total capital gain distr. \$		2b Unrecap. Sec. 1250 gain \$		
RECIPIENT'S identification number		2c Section 1202 gain \$		2d Collectibles (28%) gain \$		Copy 1 For State Tax Department
RECIPIENT'S name Bruce and Laura Smith		3 Nondividend distributions \$		4 Federal income tax withheld \$		
Street address (including apt. no.) 139 W Elm Street		6 Foreign tax paid \$		5 Investment expenses \$		
City or town, state or province, country, and ZIP or foreign postal code Your City, CA Zip		8 Cash liquidation distributions \$		7 Foreign country or U.S. possession		
FATCA filing requirement <input type="checkbox"/>		10 Exempt-interest dividends \$		9 Noncash liquidation distributions \$		
Account number (see instructions)		11 Specified private activity bond interest dividends \$		12 State		
		13 State identification no.		14 State tax withheld \$		
				\$		

Form **1099-DIV** www.irs.gov/form1099div Department of the Treasury - Internal Revenue Service

Table of Contents

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. Any Brokerage Company 4 Money Street Your City, CA Zip		Applicable check box on Form 8949	OMB No. 1545-0715 Form 1099-B	Proceeds From Broker and Barter Exchange Transactions			
PAYER'S federal identification number		RECIPIENT'S identification number		Copy 1 For State Tax Department			
RECIPIENT'S name Bruce and Laura Smith		1a Description of property (Example 100 sh. XYZ Co.) Apple 100 shares				1b Date acquired 10/01/1999	
Street address (including apt. no.) 139 W Elm Street		1c Date sold or disposed 05/12/last year				1d Proceeds \$ 6,000.00	
City or town, state or province, country, and ZIP or foreign postal code Your City, CA Zip		2 Type of gain or loss: Short-term <input type="checkbox"/> Long-term <input checked="" type="checkbox"/>				1e Cost or other basis \$ 2,000.00	
Account number (see instructions)		3 If checked, basis reported to IRS <input checked="" type="checkbox"/>				1f Code, if any	
CUSIP number		4 Federal income tax withheld \$				1g Adjustments \$	
14 State name		5 If checked, noncovered security <input type="checkbox"/>				10 Unrealized profit or (loss) on open contracts—12/31	
15 State identification no.		6 Reported to IRS: Gross proceeds <input checked="" type="checkbox"/> Net proceeds <input checked="" type="checkbox"/>				11 Aggregate profit or (loss) on contracts	
16 State tax withheld \$		7 If checked, loss is not allowed based on amount in 1d <input type="checkbox"/>				12	
		8 Profit or (loss) realized in on closed contracts \$				13 Bartering \$	
		9 Unrealized profit or (loss) on open contracts—12/31 \$					

Form **1099-B** www.irs.gov/form1099b Department of the Treasury - Internal Revenue Service

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. Any Brokerage Company 4 Money Street Your City, CA Zip		Applicable check box on Form 8949	OMB No. 1545-0715 Form 1099-B	Proceeds From Broker and Barter Exchange Transactions			
PAYER'S federal identification number		RECIPIENT'S identification number		Copy 1 For State Tax Department			
RECIPIENT'S name Bruce and Laura Smith		1a Description of property (Example 100 sh. XYZ Co.) Utilities 50 shares				1b Date acquired 11/05/2004	
Street address (including apt. no.) 139 W Elm Street		1c Date sold or disposed 05/12/last year				1d Proceeds \$ 3,500.00	
City or town, state or province, country, and ZIP or foreign postal code Your City, CA Zip		2 Type of gain or loss: Short-term <input type="checkbox"/> Long-term <input checked="" type="checkbox"/>				1e Cost or other basis \$ 1,500.00	
Account number (see instructions)		3 If checked, basis reported to IRS <input checked="" type="checkbox"/>				1f Code, if any	
CUSIP number		4 Federal income tax withheld \$				1g Adjustments \$	
14 State name		5 If checked, noncovered security <input type="checkbox"/>				10 Unrealized profit or (loss) on open contracts—12/31	
15 State identification no.		6 Reported to IRS: Gross proceeds <input checked="" type="checkbox"/> Net proceeds <input checked="" type="checkbox"/>				11 Aggregate profit or (loss) on contracts	
16 State tax withheld \$		7 If checked, loss is not allowed based on amount in 1d <input type="checkbox"/>				12	
		8 Profit or (loss) realized in on closed contracts \$				13 Bartering \$	
		9 Unrealized profit or (loss) on open contracts—12/31 \$					

Form **1099-B** www.irs.gov/form1099b Department of the Treasury - Internal Revenue Service

Table of Contents

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. Any Brokerage Company 4 Money Street Your City, CA Zip		Applicable check box on Form 8949	OMB No. 1545-0715 Form 1099-B	Proceeds From Broker and Barter Exchange Transactions	
PAYER'S federal identification number		1a Description of property (Example 100 sh. XYZ Co.) Cable Co. 100 shares		Copy 1 For State Tax Department	
RECIPIENT'S identification number		1b Date acquired 02/04/2006	1c Date sold or disposed 12/05/last year		
RECIPIENT'S name Bruce and Laura Smith		1d Proceeds \$ 4,556.00	1e Cost or other basis \$ 5,556.00		
Street address (including apt. no.) 139 W Elm Street		1f Code, if any	1g Adjustments \$		
City or town, state or province, country, and ZIP or foreign postal code Your City, CA Zip		2 Type of gain or loss: Short-term <input type="checkbox"/> Long-term <input checked="" type="checkbox"/>	3 If checked, basis reported to IRS <input checked="" type="checkbox"/>		
Account number (see instructions)		4 Federal income tax withheld \$	5 If checked, noncovered security <input type="checkbox"/>		
CUSIP number		6 Reported to IRS: Gross proceeds <input checked="" type="checkbox"/> Net proceeds <input checked="" type="checkbox"/>	7 If checked, loss is not allowed based on amount in 1d <input type="checkbox"/>		
14 State name	15 State identification no.	8 Profit or (loss) realized in on closed contracts \$	9 Unrealized profit or (loss) on open contracts—12/31. \$		
		10 Unrealized profit or (loss) on open contracts—12/31 \$	11 Aggregate profit or (loss) on contracts \$		
		12	13 Bartering \$		
Form 1099-B		www.irs.gov/form1099b		Department of the Treasury - Internal Revenue Service	

<input type="checkbox"/> CORRECTED (if checked)					
FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number Bruce Smith 139 W Elm St Your City, CA Zip		1 Date of closing Sept 1, last year	OMB No. 1545-0997	Proceeds From Real Estate Transactions	
FILER'S federal identification number		2 Gross proceeds \$ 55,000.00	Form 1099-S	Copy B For Transferor 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 item is required to be reported and the IRS determines that it has not been reported.	
TRANSFEROR'S identification number		3 Address or legal description 3321 Power Inn Road Sacramento, CA 95826-3893			
TRANSFEROR'S name New Land Owner		4 Transferor received or will receive property or services as part of the consideration (if checked) <input type="checkbox"/>			
Street address (including apt. no.) Any Street		5 Buyer's part of real estate tax \$			
City or town, state or province, country, and ZIP or foreign postal code Your City, CA Zip					
Account or escrow number (see instructions)					
Form 1099-S		(keep for your records)		www.irs.gov/form1099s Department of the Treasury - Internal Revenue Service	

[Table of Contents](#)

The FTB Form 2335, VITA Military Worksheet

FTB 2335 Instructions

Instructions for FTB 2335 — VITA Military Worksheet

Complete the client's Federal (1040) return in TaxWise prior to filling out this Military Worksheet.

Abbreviations T (Taxpayer), S (Spouse), J (Joint), MFJ (married filing jointly), MFS (Married Filing Separately), HOH (Head of Household), QW (Qualified Widow), and S (Single).

On the top of the 2335 form, complete the client information and adjustments.

1. Fill in the clients' names.
2. Fill in the number of months you were a California resident/nonresident.
3. Check the appropriate Active Duty Military and/ or Civilian or Retired Military boxes.
4. Fill in the state of domicile and check the appropriate community or separate property state box.
5. Check the appropriate boxes for the "California Adjustments" entries for the differences between federal and California tax law.
6. Normally, full year residents filing single or married, stop here, and complete the resident tax return.
7. Nonresidents or part-year residents continue the worksheet to determine the federal AGI for their separate California returns.

Complete The Income and Adjustments

1. The 1st column list types of income.
2. Mark each income line as "T" for taxpayer, "S" for spouse, and "J" for joint in "TSJ" column.
3. The line numbers match the 1040 page 1 (these amounts come from the client's income forms such as W-2, 1099, etc).
4. On the total amount column, enter the client's income from W2, 1099, etc.
5. Split the federal income into the client 1 and 2 columns based on each client's domicile , community or separate property state. Total down the income for each column and subtract the adjustments to obtain the federal adjusted gross income.
6. Use the Federal entries to complete the California resident, and nonresident.
7. Notice the blocked, shaded boxes on the right side of this form. These correspond to the adjustments for the differences between federal and California tax law for the boxes checked in the "California Adjustments." In the "California Subtraction Adjustments" at the bottom, you make the proper adjustment and manually total the AGI (Adjusted Gross Income) line.
8. Only include income taxable to California, Caution: We assume income is received evenly throughout the year. For part-year residents, recalculate the income received while residing in California.
9. Total across the California taxable columns for each type of income to complete the California Total Amounts Schedule CA column E totals.
10. Total down the income for each column and subtract the adjustments to obtain the California adjusted gross income (AGI).

In Tax Wise Transfer This Information On To The Tax Form and Schedules

1. Using the Military Worksheet, complete the RES/NR WKT (resident/nonresident or part-year resident worksheets) and the Schedule CA (540NR) in TaxWise.
2. The far right column on this worksheet California Total Amounts, 540NR Schedule CA Column E, needs to match the TaxWise 540nr Schedule CA CA Column E.
3. Once TaxWise matches this worksheet, print a copy of this form for the client's records and attach to the tax return.

Blank FTB 2335, VITA Military Worksheets

As well as on-line <https://www.ftb.ca.gov/individuals/vita/Military/forms/2335.pdf>

VITA Military Worksheet													
Client 1					Client 2								
Resident _____ months		Nonresident _____ months			Resident _____ months		Nonresident _____ months						
<input type="checkbox"/> Active Duty Military		<input type="checkbox"/> Active Duty Military			<input type="checkbox"/> Active Duty Military		<input type="checkbox"/> Active Duty Military						
<input type="checkbox"/> Civilian or Retired Military		<input type="checkbox"/> Civilian or Retired Military			<input type="checkbox"/> Civilian or Retired Military		<input type="checkbox"/> Civilian or Retired Military						
Domiciled		State			Domiciled		State						
Community Property States: Arizona, California, CN Mariana I, Guam, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, and Wisconsin													
California Adjustments 540NR Schedule CA Column B					Yes	No	California Adjustments 540NR Schedule CA Column B (Continued)						
MPA (Military Pay Adjust) / MSRRA W-2 (Line 7)					<input type="checkbox"/>	<input type="checkbox"/>	Unemployment Compensation (1099-G) (Line 19)						
Savings Bonds / Treasury Bills Interest (1099-INT) (Line 8)					<input type="checkbox"/>	<input type="checkbox"/>	Taxable Social Security / RR Retirement (Line 20)						
State Tax Refunds (1099-G) (Line 10)					<input type="checkbox"/>	<input type="checkbox"/>	CA Lottery (W-2G) (Line 21a)						
IRA / Pensions (1099-R) (Line 15b/16b)					<input type="checkbox"/>	<input type="checkbox"/>	1040 Adjustments to Income (Lines 23-35)						
1040 Page 1					California Taxable Amounts 540NR Schedule CA Totals								
Income & Client		Federal Income				Schedule CA	1				2	540NR	
T - Client 1	S = Client 2	J = Joint	TSJ	1040 Lines	Total Amounts	Client 1	Client 2	Line #	Resident	Nonresident	Resident	Nonresident	Column F
				7				7					
				7									
				8				8					
				8									
				9				9					
				10				10					
				11				11					
				12				12					
				13				13					
				15				15					
				16				16					
				17				17					
				19				19					
				20 b				20 b					
				21				21					
				22				22					
Total Income													
Federal Subtraction Adjustments (Lines 23-35)					California Subtraction Adjustments on the Schedule CA								
				36				36					
				37				37					
Total Adjustments													
Adjusted Gross Income													

FTB 2335 (REV 06-2014) Side 1

Table of Contents

VITA Military Worksheet												
Client 1					Client 2							
Resident _____ months		Nonresident _____ months			Resident _____ months		Nonresident _____ months					
<input type="checkbox"/> Active Duty Military		<input type="checkbox"/> Active Duty Military			<input type="checkbox"/> Active Duty Military		<input type="checkbox"/> Active Duty Military					
<input type="checkbox"/> Civilian or Retired Military		<input type="checkbox"/> Civilian or Retired Military			<input type="checkbox"/> Civilian or Retired Military		<input type="checkbox"/> Civilian or Retired Military					
Domiciled	State	Domiciled	State	Domiciled	State	Domiciled	State	Domiciled	State			
Community Property States: Arizona, California, CN Mariana I, Guam, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, and Wisconsin												
California Adjustments 540NR Schedule CA Column B					Yes	No	California Adjustments 540NR Schedule CA Column B (Continued)				Yes	No
MPA (Military Pay Adjust) / MSRRRA W-2 (Line 7)					<input type="checkbox"/>	<input type="checkbox"/>	Unemployment Compensation (1099-G) (Line 19)				<input type="checkbox"/>	<input type="checkbox"/>
Savings Bonds / Treasury Bills Interest (1099-INT) (Line 8)					<input type="checkbox"/>	<input type="checkbox"/>	Taxable Social Security / RR Retirement (Line 20)				<input type="checkbox"/>	<input type="checkbox"/>
State Tax Refunds (1099-G) (Line 10)					<input type="checkbox"/>	<input type="checkbox"/>	CA Lottery (W-2G) (Line 21a)				<input type="checkbox"/>	<input type="checkbox"/>
IRA / Pensions (1099-R) (Line 15b/16b)					<input type="checkbox"/>	<input type="checkbox"/>	1040 Adjustments to Income (Lines 23-35)				<input type="checkbox"/>	<input type="checkbox"/>
1040 Page 1					Schedule CA		California Taxable Amounts 540NR Schedule CA Totals					
Income & Client		Federal Income			1	2	540NR					
T - Client 1												
S - Client 2												
J = Joint	TSJ	1040 Lines	Total Amounts	Client 1	Client 2	Line #	Resident	Nonresident	Resident	Nonresident	Column F	
Military Wages		7				7						
Other Wages		7										
Interest		8				8						
U.S. Bonds		8										
Dividends		9				9						
State Refund		10				10						
Alimony Received		11				11						
Business Income		12				12						
Capital Gains		13				13						
IRA		15				15						
Pensions		16				16						
Rental RE, etc.		17				17						
Unemp. Comp.		19				19						
Social Security		20 h				20 h						
		21				21						
Total Income		22				22						
Federal Subtraction Adjustments (Lines 23-35)					California Subtraction Adjustments on the Schedule CA							
Total Adjustments		36				36						
Adjusted Gross Income		37				37						

VITA Military Worksheet												
Client 1					Client 2							
Resident _____ months		Nonresident _____ months			Resident _____ months		Nonresident _____ months					
<input type="checkbox"/> Active Duty Military		<input type="checkbox"/> Active Duty Military			<input type="checkbox"/> Active Duty Military		<input type="checkbox"/> Active Duty Military					
<input type="checkbox"/> Civilian or Retired Military		<input type="checkbox"/> Civilian or Retired Military			<input type="checkbox"/> Civilian or Retired Military		<input type="checkbox"/> Civilian or Retired Military					
Domiciled _____ State _____		Domiciled _____ State _____			Domiciled _____ State _____		Domiciled _____ State _____					
Community Property States: Arizona, California, CN Mariana I, Guam, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, and Wisconsin												
California Adjustments 540NR Schedule CA Column B					Yes	No	California Adjustments 540NR Schedule CA Column B (Continued)				Yes	No
MPA (Military Pay Adjust) / MSRRRA W-2 (Line 7)					<input type="checkbox"/>	<input type="checkbox"/>	Unemployment Compensation (1099-G) (Line 19)				<input type="checkbox"/>	<input type="checkbox"/>
Savings Bonds / Treasury Bills Interest (1099-INT) (Line 8)					<input type="checkbox"/>	<input type="checkbox"/>	Taxable Social Security / RR Retirement (Line 20)				<input type="checkbox"/>	<input type="checkbox"/>
State Tax Refunds (1099-G) (Line 10)					<input type="checkbox"/>	<input type="checkbox"/>	CA Lottery (W-2G) (Line 21a)				<input type="checkbox"/>	<input type="checkbox"/>
IRA / Pensions (1099-R) (Line 15b/16b)					<input type="checkbox"/>	<input type="checkbox"/>	1040 Adjustments to Income (Lines 23-35)				<input type="checkbox"/>	<input type="checkbox"/>
1040 Page 1					Schedule CA	California Taxable Amounts 540NR Schedule CA Totals						
Income & Client		Federal Income			1	2		540NR				
T - Client 1												
S = Client 2												
J = Joint												
TSSJ												
		1040 Lines	Total Amounts	Client 1	Client 2	Line #	Resident	Nonresident	Resident	Nonresident	Column F	
Military Wages		7				7						
Other Wages		7										
Interest		8				8						
U.S. Bonds		8										
Dividends		9				9						
State Refund		10				10						
Alimony Received		11				11						
Business Income		12				12						
Capital Gains		13				13						
IRA		15				15						
Pensions		16				16						
Rental RE, etc.		17				17						
Unemp. Comp.		19				19						
Social Security		20 h				20 h						
		21				21						
Total Income		22				22						
Federal Subtraction Adjustments (Lines 23-35)					California Subtraction Adjustments on the Schedule CA							
Total Adjustments		36				36						
Adjusted Gross Income		37				37						

VITA Military Worksheet											
Client 1					Client 2						
Resident _____ months		Nonresident _____ months			Resident _____ months		Nonresident _____ months				
<input type="checkbox"/> Active Duty Military		<input type="checkbox"/> Active Duty Military			<input type="checkbox"/> Active Duty Military		<input type="checkbox"/> Active Duty Military				
<input type="checkbox"/> Civilian or Retired Military		<input type="checkbox"/> Civilian or Retired Military			<input type="checkbox"/> Civilian or Retired Military		<input type="checkbox"/> Civilian or Retired Military				
Domiciled		State			Domiciled		State				
Community Property States: Arizona, California, CN Mariana I, Guam, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, and Wisconsin											
California Adjustments 540NR Schedule CA Column B					Yes	No	California Adjustments 540NR Schedule CA Column B (Continued)				
MPA (Military Pay Adjust) / MSRRA WF-2 (Line 7)					<input type="checkbox"/>	<input type="checkbox"/>	Unemployment Compensation (1099-G) (Line 19)				
Savings Bonds / Treasury Bills Interest (1099-INT) (Line 8)					<input type="checkbox"/>	<input type="checkbox"/>	Taxable Social Security / RR Retirement (Line 20)				
State Tax Refunds (1099-G) (Line 10)					<input type="checkbox"/>	<input type="checkbox"/>	CA Lottery (W-2G) (Line 21a)				
IRA / Pensions (1099-R) (Line 15b/16b)					<input type="checkbox"/>	<input type="checkbox"/>	1040 Adjustments to Income (Lines 23-35)				
1040 Page 1					California Taxable Amounts 540NR Schedule CA Totals						
Income & Client		Federal Income				Schedule CA					540NR
T - Client 1					1						
S - Client 2					2						
J - Joint	TSJ	1040 Lines	Total Amounts	Client 1	Client 2	Line #	Resident	Nonresident	Resident	Nonresident	Column F
Military Wages		7				7					
Other Wages		7									
Interest		8				8					
U.S. Bonds		8									
Dividends		9				9					
State Refund		10				10					
Alimony Received		11				11					
Business Income		12				12					
Capital Gains		13				13					
IRA		15				15					
Pensions		16				16					
Rental RE, etc.		17				17					
Unemp. Comp.		19				19					
Social Security		20 b				20 b					
		21				21					
Total Income		22				22					
Federal Subtraction Adjustments (Lines 23-35)					California Subtraction Adjustments on the Schedule CA						
Total Adjustments		36				36					
Adjusted Gross Income		37				37					

VITA Military Worksheet												
Client 1					Client 2							
Resident _____ months		Nonresident _____ months			Resident _____ months		Nonresident _____ months					
<input type="checkbox"/> Active Duty Military		<input type="checkbox"/> Active Duty Military			<input type="checkbox"/> Active Duty Military		<input type="checkbox"/> Active Duty Military					
<input type="checkbox"/> Civilian or Retired Military		<input type="checkbox"/> Civilian or Retired Military			<input type="checkbox"/> Civilian or Retired Military		<input type="checkbox"/> Civilian or Retired Military					
Domiciled _____ State _____		Domiciled _____ State _____			Domiciled _____ State _____		Domiciled _____ State _____					
Community Property States: Arizona, California, CN Mariana I, Guam, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, and Wisconsin												
California Adjustments 540NR Schedule CA Column B					Yes	No	California Adjustments 540NR Schedule CA Column B (Continued)				Yes	No
MPA (Military Pay Adjust) / MSRRA W-2 (Line 7)					<input type="checkbox"/>	<input type="checkbox"/>	Unemployment Compensation (1099-G) (Line 19)				<input type="checkbox"/>	<input type="checkbox"/>
Savings Bonds / Treasury Bills Interest (1099-INT) (Line 8)					<input type="checkbox"/>	<input type="checkbox"/>	Taxable Social Security / RR Retirement (Line 20)				<input type="checkbox"/>	<input type="checkbox"/>
State Tax Refunds (1099-G) (Line 10)					<input type="checkbox"/>	<input type="checkbox"/>	CA Lottery (W-2G) (Line 21a)				<input type="checkbox"/>	<input type="checkbox"/>
IRA / Pensions (1099-R) (Line 15b/16b)					<input type="checkbox"/>	<input type="checkbox"/>	1040 Adjustments to Income (Lines 23-35)				<input type="checkbox"/>	<input type="checkbox"/>
1040 Page 1					Schedule CA	California Taxable Amounts 540NR Schedule CA Totals						
Income & Client		Federal Income				1	2				540NR	
T = Client 1												
S = Client 2												
J = Joint					Line #	Resident	Nonresident	Resident	Nonresident	Column F		
		1040 Lines	Total Amounts	Client 1	Client 2							
Military Wages		7				7						
Other Wages		7										
Interest		8				8						
U.S. Bonds		8										
Dividends		9				9						
State Refund		10				10						
Alimony Received		11				11						
Business Income		12				12						
Capital Gains		13				13						
IRA		15				15						
Pensions		16				16						
Rental RE, etc.		17				17						
Unemp. Comp.		19				19						
Social Security		20 h				20 h						
		21				21						
Total Income		22				22						
Federal Subtraction Adjustments (Lines 23-35)					California Subtraction Adjustments on the Schedule CA							
Total Adjustments		36				36						
Adjusted Gross Income		37				37						

FTB 2335 (REV 06-2014) Side 1

[Table of Contents](#)

VITA Military Worksheet												
Client 1					Client 2							
Resident ____ months		Nonresident ____ months			Resident ____ months		Nonresident ____ months					
<input type="checkbox"/> Active Duty Military		<input type="checkbox"/> Active Duty Military			<input type="checkbox"/> Active Duty Military		<input type="checkbox"/> Active Duty Military					
<input type="checkbox"/> Civilian or Retired Military		<input type="checkbox"/> Civilian or Retired Military			<input type="checkbox"/> Civilian or Retired Military		<input type="checkbox"/> Civilian or Retired Military					
Domiciled _____ State		Domiciled _____ State			Domiciled _____ State		Domiciled _____ State					
Community Property States: Arizona, California, CN Mariana I, Guam, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, and Wisconsin												
California Adjustments 540NR Schedule CA Column B					Yes	No	California Adjustments 540NR Schedule CA Column B (Continued)				Yes	No
MPA (Military Pay Adjust) / MSRRA W-2 (Line 7)					<input type="checkbox"/>	<input type="checkbox"/>	Unemployment Compensation (1099-G) (Line 19)				<input type="checkbox"/>	<input type="checkbox"/>
Savings Bonds / Treasury Bills Interest (1099-INT) (Line 8)					<input type="checkbox"/>	<input type="checkbox"/>	Taxable Social Security / RR Retirement (Line 20)				<input type="checkbox"/>	<input type="checkbox"/>
State Tax Refunds (1099-G) (Line 10)					<input type="checkbox"/>	<input type="checkbox"/>	CA Lottery (W-2G) (Line 21a)				<input type="checkbox"/>	<input type="checkbox"/>
IRA / Pensions (1099-R) (Line 15b/16b)					<input type="checkbox"/>	<input type="checkbox"/>	1040 Adjustments to Income (Lines 23-35)				<input type="checkbox"/>	<input type="checkbox"/>
1040 Page 1					Schedule CA	California Taxable Amounts 540NR Schedule CA Totals						
Income & Client T - Client 1 S - Client 2 J - Joint		Federal Income			Line #	California Taxable Amounts 540NR Schedule CA Totals				540NR		
		1040 Lines	Total Amounts	Client 1		Client 2	1	2	Resident	Nonresident	Column F	
Military Wages	TSJ	7			7							
Other Wages		7										
Interest		8			8							
U.S. Bonds		8										
Dividends		9			9							
State Refund		10			10							
Alimony Received		11			11							
Business Income		12			12							
Capital Gains		13			13							
IRA		15			15							
Pensions		16			16							
Rental RE, etc.		17			17							
Unemp. Comp.		19			19							
Social Security		20 h			20 h							
		21			21							
Total Income		22			22							
Federal Subtraction Adjustments (Lines 23-35)					California Subtraction Adjustments on the Schedule CA							
Total Adjustments		36			36							
Adjusted Gross Income		37			37							

VITA Military Worksheet												
Client 1					Client 2							
Resident ____ months		Nonresident ____ months			Resident ____ months		Nonresident ____ months					
<input type="checkbox"/> Active Duty Military		<input type="checkbox"/> Active Duty Military			<input type="checkbox"/> Active Duty Military		<input type="checkbox"/> Active Duty Military					
<input type="checkbox"/> Civilian or Retired Military		<input type="checkbox"/> Civilian or Retired Military			<input type="checkbox"/> Civilian or Retired Military		<input type="checkbox"/> Civilian or Retired Military					
Domiciled		State			Domiciled		State					
Domiciled		State			Domiciled		State					
Community Property States: Arizona, California, CN Mariana I, Guam, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, and Wisconsin												
California Adjustments 540NR Schedule CA Column B					Yes	No	California Adjustments 540NR Schedule CA Column B (Continued)				Yes	No
MPA (Military Pay Adjust) / MSRRRA WF2 (Line 7)					<input type="checkbox"/>	<input type="checkbox"/>	Unemployment Compensation (1099-G) (Line 19)				<input type="checkbox"/>	<input type="checkbox"/>
Savings Bonds / Treasury Bills Interest (1099-INT) (Line 8)					<input type="checkbox"/>	<input type="checkbox"/>	Taxable Social Security / RR Retirement (Line 20)				<input type="checkbox"/>	<input type="checkbox"/>
State Tax Refunds (1099-G) (Line 10)					<input type="checkbox"/>	<input type="checkbox"/>	CA Lottery (W-2G) (Line 21a)				<input type="checkbox"/>	<input type="checkbox"/>
IRA / Pensions (1099-R) (Line 15b/16b)					<input type="checkbox"/>	<input type="checkbox"/>	1040 Adjustments to Income (Lines 23-35)				<input type="checkbox"/>	<input type="checkbox"/>
1040 Page 1					Schedule CA	California Taxable Amounts 540NR Schedule CA Totals						
Income & Client		Federal Income				1	2				540NR	
T - Client 1		1040	Total	Client 1	Client 2	Line #	Resident	Nonresident	Resident	Nonresident	Column F	
S = Client 2		Lines	Amounts									
J = Joint		T/S/J										
Military Wages		7				7						
Other Wages		7										
Interest		8				8						
U.S. Bonds		8										
Dividends		9				9						
State Refund		10				10						
Alimony Received		11				11						
Business Income		12				12						
Capital Gains		13				13						
IRA		15				15						
Pensions		16				16						
Rental RE, etc.		17				17						
Unemp. Comp.		19				19						
Social Security		20 h				20 h						
		21				21						
Total Income		22				22						
Federal Subtraction Adjustments (Lines 23-35)					California Subtraction Adjustments on the Schedule CA							
Total Adjustments		36				36						
Adjusted Gross Income		37				37						

MITA Military Worksheet												
Client 1					Client 2							
Resident ____ months		Nonresident ____ months			Resident ____ months		Nonresident ____ months					
<input type="checkbox"/> Active Duty Military		<input type="checkbox"/> Active Duty Military			<input type="checkbox"/> Active Duty Military		<input type="checkbox"/> Active Duty Military					
<input type="checkbox"/> Civilian or Retired Military		<input type="checkbox"/> Civilian or Retired Military			<input type="checkbox"/> Civilian or Retired Military		<input type="checkbox"/> Civilian or Retired Military					
Domiciled		State			Domiciled		State					
Community Property States: Arizona, California, CN Mariana I, Guam, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, and Wisconsin												
California Adjustments 540NR Schedule CA Column B					Yes	No	California Adjustments 540NR Schedule CA Column B (Continued)				Yes	No
MPA (Military Pay Adjust) / MSRRA W-2 (Line 7)					<input type="checkbox"/>	<input type="checkbox"/>	Unemployment Compensation (1099-G) (Line 19)				<input type="checkbox"/>	<input type="checkbox"/>
Savings Bonds / Treasury Bills Interest (1099-INT) (Line 8)					<input type="checkbox"/>	<input type="checkbox"/>	Taxable Social Security / RR Retirement (Line 20)				<input type="checkbox"/>	<input type="checkbox"/>
State Tax Refunds (1099-G) (Line 10)					<input type="checkbox"/>	<input type="checkbox"/>	CA Lottery (W-2G) (Line 21a)				<input type="checkbox"/>	<input type="checkbox"/>
IRA / Pensions (1099-R) (Line 15b/f/6b)					<input type="checkbox"/>	<input type="checkbox"/>	1040 Adjustments to Income (Lines 23-35)				<input type="checkbox"/>	<input type="checkbox"/>
1040 Page 1					Schedule CA	California Taxable Amounts 540NR Schedule CA Totals						
Income & Client		Federal Income			1					540NR		
T - Client 1												
S - Client 2												
J = Joint	TSJ	1040 Lines	Total Amounts	Client 1	Client 2	Line #	Resident	Nonresident	Resident	Nonresident	Column F	
Military Wages		7				7						
Other Wages		7										
Interest		8				8						
U.S. Bonds		8										
Dividends		9				9						
State Refund		10				10						
Alimony Received		11				11						
Business Income		12				12						
Capital Gains		13				13						
IRA		15				15						
Pensions		16				16						
Rental RE, etc.		17				17						
Unemp. Comp.		19				19						
Social Security		20 b				20 b						
		21				21						
Total Income		22				22						
Federal Subtraction Adjustments (Lines 23-35)					California Subtraction Adjustments on the Schedule CA							
Total Adjustments		36				36						
Adjusted Gross Income		37				37						

FTB 2336 (REV 06-2014) Side 1

Table of Contents

VITA Military Worksheet															
Client 1						Client 2									
Resident ____ months			Nonresident ____ months			Resident ____ months			Nonresident ____ months						
<input type="checkbox"/> Active Duty Military			<input type="checkbox"/> Active Duty Military			<input type="checkbox"/> Active Duty Military			<input type="checkbox"/> Active Duty Military						
<input type="checkbox"/> Civilian or Retired Military			<input type="checkbox"/> Civilian or Retired Military			<input type="checkbox"/> Civilian or Retired Military			<input type="checkbox"/> Civilian or Retired Military						
Domiciled		State		Domiciled		State		Domiciled		State					
Community Property States: Arizona, California, CN Mariana I, Guam, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, and Wisconsin															
California Adjustments 540NR Schedule CA Column B						Yes		No		California Adjustments 540NR Schedule CA Column B (Continued)					
MPA (Military Pay Adjust) / MSRRA WF2 (Line 7)						<input type="checkbox"/>		<input type="checkbox"/>		Unemployment Compensation (1099-G) (Line 19)					
Savings Bonds / Treasury Bills Interest (1099-INT) (Line 8)						<input type="checkbox"/>		<input type="checkbox"/>		Taxable Social Security / RR Retirement (Line 20)					
State Tax Refunds (1099-G) (Line 10)						<input type="checkbox"/>		<input type="checkbox"/>		CA Lottery (W-2G) (Line 21a)					
IRA / Pensions (1099-R) (Line 15b/16b)						<input type="checkbox"/>		<input type="checkbox"/>		1040 Adjustments to Income (Lines 23-35)					
1040 Page 1						Schedule CA		California Taxable Amounts 540NR Schedule CA Totals							
Income & Client		Federal Income				1		2		540NR					
T - Client 1															
S = Client 2															
J = Joint															
TSJ															
Military Wages		7				7									
Other Wages		7													
Interest		8				8									
U.S. Bonds		8													
Dividends		9				9									
State Refund		10				10									
Alimony Received		11				11									
Business Income		12				12									
Capital Gains		13				13									
IRA		15				15									
Pensions		16				16									
Rental RE, etc.		17				17									
Unemp. Comp.		19				19									
Social Security		20 h				20 h									
		21				21									
Total Income		22				22									
Federal Subtraction Adjustments (Lines 23-35)						California Subtraction Adjustments on the Schedule CA									
Total Adjustments		36				36									
Adjusted Gross Income		37				37									

Table of Contents

VITA Military Worksheet															
Client 1						Client 2									
Resident ____ months			Nonresident ____ months			Resident ____ months			Nonresident ____ months						
<input type="checkbox"/> Active Duty Military			<input type="checkbox"/> Active Duty Military			<input type="checkbox"/> Active Duty Military			<input type="checkbox"/> Active Duty Military						
<input type="checkbox"/> Civilian or Retired Military			<input type="checkbox"/> Civilian or Retired Military			<input type="checkbox"/> Civilian or Retired Military			<input type="checkbox"/> Civilian or Retired Military						
Domiciled		State		Domiciled		State		Domiciled		State					
Community Property States: Arizona, California, CN Mariana I, Guam, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, and Wisconsin															
California Adjustments 540NR Schedule CA Column B						Yes		No		California Adjustments 540NR Schedule CA Column B (Continued)					
MPA (Military Pay Adjust) / MSRRA W-2 (Line 7)						<input type="checkbox"/>		<input type="checkbox"/>		Unemployment Compensation (1099-G) (Line 19)					
Savings Bonds / Treasury Bills Interest (1099-INT) (Line 8)						<input type="checkbox"/>		<input type="checkbox"/>		Taxable Social Security / RR Retirement (Line 20)					
State Tax Refunds (1099-G) (Line 10)						<input type="checkbox"/>		<input type="checkbox"/>		CA Lottery (W-2G) (Line 21a)					
IRA / Pensions (1099-R) (Line 15b/16b)						<input type="checkbox"/>		<input type="checkbox"/>		1040 Adjustments to Income (Lines 23-35)					
1040 Page 1						Schedule CA		California Taxable Amounts 540NR Schedule CA Totals							
Income & Client		Federal Income				1		2		540NR					
T - Client 1															
S = Client 2															
J = Joint															
TSJ															
Military Wages						7									
Other Wages						7									
Interest						8									
U.S. Bonds						8									
Dividends						9									
State Refund						10									
Alimony Received						11									
Business Income						12									
Capital Gains						13									
IRA						15									
Pensions						16									
Rental RE, etc.						17									
Unemp. Comp.						19									
Social Security						20 b									
						21									
Total Income						22									
Federal Subtraction Adjustments (Lines 23-35)						California Subtraction Adjustments on the Schedule CA									
Total Adjustments						36									
Adjusted Gross Income						37									

FTB 2395 (REV 06-2014) Side 1

Table of Contents

Class Training Evaluation Form

 STATE OF CALIFORNIA Franchise Tax Board	<i>vita tce</i> <small>Joint Programs of the California Franchise Tax Board and the Internal Revenue Service</small>
--	---

Training Evaluation

Trainer: _____ Class Location: _____

1. This year will be my _____ year as a Volunteer Program assistant.
2. Was the training suited to your level of experience?
 Too Basic Just Right Too Complex
What information will be most useful? _____
What information will be least useful? _____
3. Were class objectives stated clearly at the beginning of the class?
 Yes No
Comments: _____
4. Did the class time allow for adequate coverage of each objective?
 Yes No
Comments: _____
5. Did the California volunteer manual contain accurate and comprehensive information for the stated objectives?
 Yes No
Comments: _____
6. Based upon the desired objectives, what is your overall rating of the state training?
 Excellent Good Fair Needs Improvement
Comments: _____
7. How would you rate the performance of the instructor?
 Excellent Good Fair Needs Improvement
Comments: _____

Include additional comments about the program presentation and/or the instructor below:

Email or fax your request to: Volunteercoordinator@ftb.ca.gov or 916.845.9004.

California Volunteers Make The Difference

Thank You!

FTB 7699 PIT (REV 06-2016)

Please complete the evaluation and give to the trainer prior to leaving class.

Thank you.