



# 6744

**VITA/TCE Volunteer Assistor's Test/Retest**  
Volunteer Income Tax Assistance (VITA) / Tax Counseling for the Elderly (TCE)

**2018 RETURNS**



Take your VITA/TCE training online at [www.irs.gov](http://www.irs.gov) (keyword: Link & Learn Taxes). Link to the Practice Lab to gain experience using tax software and take the certification test online, with immediate scoring and feedback.



## How to Get Technical Updates?

Updates to the volunteer training materials will be contained in Publication 4491X, VITA/TCE Training Supplement. The most recent version can be downloaded at: <https://www.irs.gov/pub/irs-pdf/p4491x.pdf>

### Volunteer Standards of Conduct

#### VITA/TCE Programs

The mission of the VITA/TCE return preparation programs is to assist eligible taxpayers in satisfying their tax responsibilities by providing **free** tax return preparation. To establish the greatest degree of public trust, volunteers are required to maintain the highest standards of ethical conduct and provide quality service.

All VITA/TCE volunteers (whether paid or unpaid workers) must complete the Volunteer Standards of Conduct (VSC) certification and agree to adhere to the VSC by signing Form 13615, Volunteer Standards of Conduct Agreement, prior to working at a VITA/TCE site. In addition, return preparers, quality reviewers, and VITA/TCE tax law instructors must certify in tax law prior to signing this form. This form is not valid until the site coordinator, sponsoring partner, instructor, or IRS contact confirms the volunteer's identity and signs and dates the form.

As a volunteer in the VITA/TCE Programs, you must:

1. Follow the Quality Site Requirements (QSR).
2. Not accept payment, solicit donations, or accept refund payments for federal or state tax return preparation from customers.
3. Not solicit business from taxpayers you assist or use the knowledge you gained (their information) about them for any direct or indirect personal benefit for you or any other specific individual.
4. Not knowingly prepare false returns.
5. Not engage in criminal, infamous, dishonest, notoriously disgraceful conduct, or any other conduct deemed to have a negative effect on the VITA/TCE Programs.
6. Treat all taxpayers in a professional, courteous, and respectful manner.

Failure to comply with these standards could result in, but is not limited to, the following:

- Your removal from all VITA/TCE Programs;
- Inclusion in the IRS Volunteer Registry to bar future VITA/TCE activity indefinitely;
- Deactivation of your sponsoring partner's site VITA/TCE EFIN (electronic filing ID number);
- Removal of all IRS products, supplies, loaned equipment, and taxpayer information from your site;
- Termination of your sponsoring organization's partnership with the IRS;
- Termination of grant funds from the IRS to your sponsoring partner; and
- Referral of your conduct for potential TIGTA and criminal investigations.

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#### **Confidentiality Statement:**

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



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### Preface

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#### Quality Return Process

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

- Understanding and applying tax law
- Screening and interviewing taxpayers
- Using references, resources, and tools
- Conducting quality reviews

During training, you were given an opportunity to apply the tax law knowledge you gained. You learned how to verify and use the information provided by the taxpayer on the intake and interview sheet in order to prepare a complete and correct tax return.

You also learned how to use your reference materials and conduct a quality review.

Now it is time to test the knowledge and skills you have acquired and apply them to specific scenarios. This is the final step to help you prepare accurate tax returns within your scope of training.

We welcome your comments for improving these materials and the VITA/TCE programs. You may follow the evaluation procedures located on Link & Learn Taxes at [www.irs.gov](http://www.irs.gov), or e-mail your comments to [partner@irs.gov](mailto:partner@irs.gov).

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

## Test Instructions

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### Special Accommodations

If you require special accommodations to complete the test, please advise your instructor, Site Coordinator, or other VITA/TCE volunteer contact immediately.

### Reference Materials

This test is based on the tax law that was in effect when the publication was printed. Use tax year **2018** values for deductions, exemptions, tax, or credits for all answers on the test. Remember to round to the nearest dollar. Test answers have been rounded up or down as directed in the specific instructions on the form.

- This is an open book test. You may use your course book and any other reference material you will use as a volunteer. A draft Form 13614-C, Intake/Interview & Quality Review Sheet, is included in the return preparation scenarios. Use this form when completing the tax returns and answering the test questions.

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

### Using Tax Preparation Software

The Practice Lab is a tax year 2018 tax preparation tool developed to help in the certification process for VITA/TCE volunteers. Go to [www.irs.gov](http://www.irs.gov) and type “Link & Learn Taxes” in the keyword search field. Click on the link to open the website. The link to the Practice Lab is listed under “Additional Resources.” A universal password will be needed to access the Practice Lab. Your instructor, Site Coordinator, or other VITA/TCE volunteer contact will be able to provide you with the universal password. Once you access the Practice Lab, you will need to create an account if you do not already have one.

Using prior year software will not generate the correct answers for the 2018 test.

When entering Social Security numbers (SSNs) or Employer Identification Numbers (EINs), replace the Xs as directed, or with any four digits of your choice. Use your city, state, and ZIP code when completing any of the forms, unless otherwise indicated. Any question posed by the software not addressed in the interview notes can be answered as you choose.

All taxpayer names, SSNs, EINs, and account numbers provided in the scenarios are fictitious.

### Taking the Test

When taking the tests, you may encounter both mini-scenarios and tax preparation scenarios. The mini-scenarios do not require you to prepare a tax return. For each of these, **read the interview notes for each scenario carefully and use your training and resource materials to answer the questions after the scenarios.**

The tax preparation scenarios require you to complete a sample tax return. You can use the Practice Lab to prepare the sample returns. Answer the questions following the scenario.

You can complete the certification tests online using the Link & Learn Taxes website for

immediate scoring. Go to the Link & Learn Taxes e-learning application at [www.linklearncertification.com](http://www.linklearncertification.com) or at [www.irs.gov](http://www.irs.gov), using keyword search: Link & Learn. If your instructor prefers, you can complete the test answer sheet to be graded by hand.

## Test Answer Sheet

**The test scenarios on Link & Learn Taxes are the same as in this booklet. Read each question carefully before entering your answers online.**

Mark your answers in the test booklet. Use the answer sheet if you are submitting the paper test to your instructor for grading. In that case, make sure your name is at the top of the page and give your Test Answer Sheet and the completed Form 13615, Volunteer Standards of Conduct Agreement to your instructor, Site Coordinator, or other VITA/TCE volunteer contact as directed. Do not submit your entire test booklet unless otherwise directed.

The retest questions are all based on the test scenarios. There are mini-scenarios and questions in Basic, Advanced, Military, and International. The Interview Notes for the mini-scenarios are included on the retest pages.

To answer the retest questions for return preparation scenarios, refer to the Interview Notes, Intake/Interview & Quality Review Sheet, and the tax return you prepared for the scenario.

## Test Score

Once you submit your responses, Link & Learn Taxes will grade your test, provide you with an immediate score, and allow you to print or save your Form 13615, Volunteer Standards of Conduct Agreement. The system will also provide feedback for any missed questions.

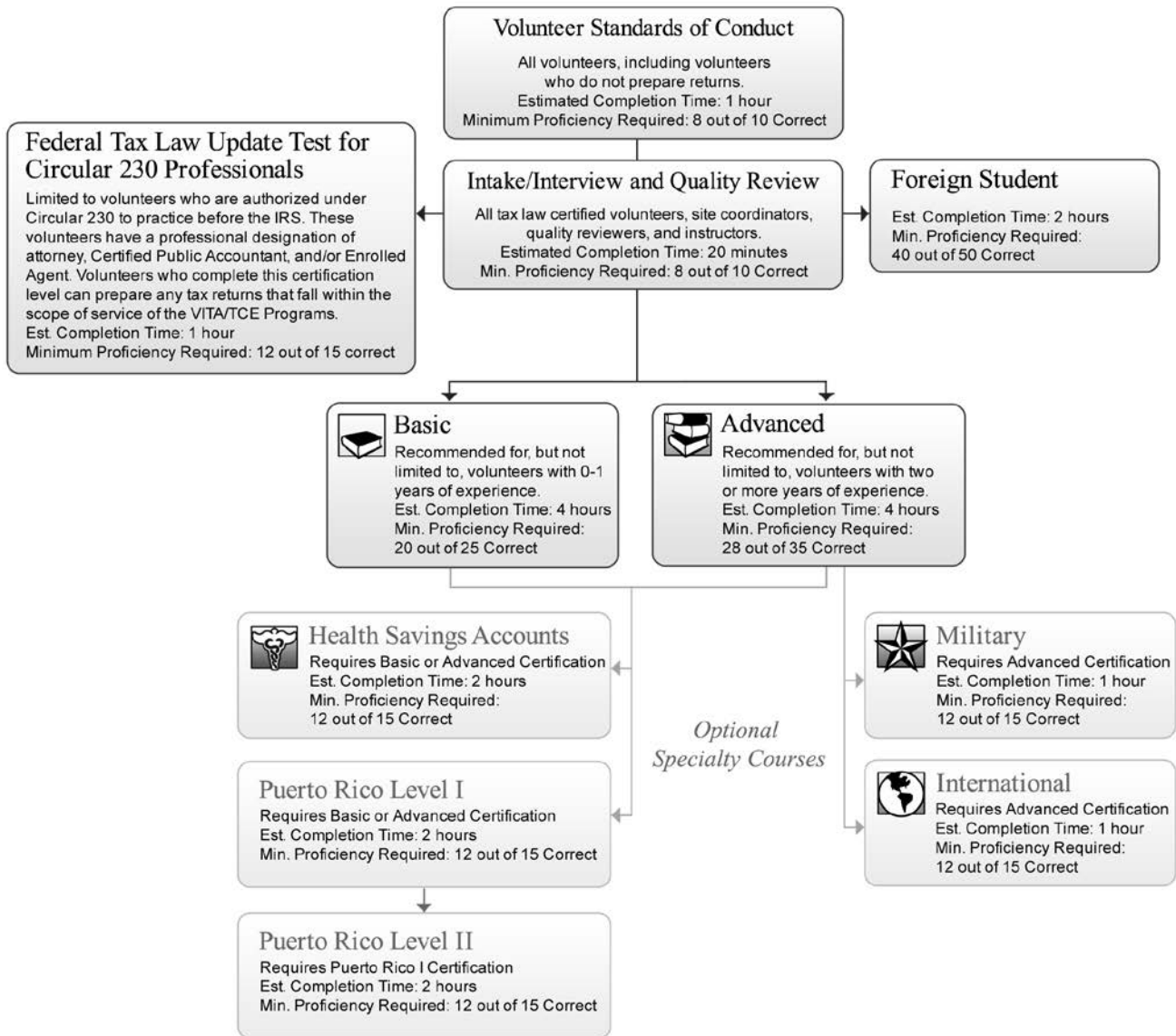
If you submit your paper test answer sheet to your instructor, he or she will advise you of your test results. Your signed Volunteer Standards of Conduct Agreement will be maintained by your Site Coordinator or other VITA/TCE volunteer contact.

## Certification

A score of **80%** or higher is required for certification. If you do not achieve a score of at least **80%**, you should review the subjects you missed or discuss it with your instructor, Site Coordinator, or other VITA/TCE volunteer contact. For most tests, a retest is available. Retest questions are included in this test booklet.



## Certification Tests



# Test Answer Sheet

Name \_\_\_\_\_

If you are entering your test answers in Link & Learn Taxes, **do not use** this answer sheet. Use this only if you are submitting the paper test to your instructor for grading. In that case, record all your answers on this tear-out page. Your instructor will tell you where to send your Test Answer Sheet for grading. Be sure to complete and sign Form 13615, Volunteer Standards of Conduct Agreement.

## Privacy Act Notice

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

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

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

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

Question Answer

### Standards of Conduct

1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	

Total Answers Correct: \_\_\_\_\_

Total Questions: 10

Passing Score: 8 of 10

Question Answer

### Intake/Interview & Quality Review

1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	

Total Answers Correct: \_\_\_\_\_

Total Questions: 10

Passing Score: 8 of 10

Question Answer

### Basic Scenario 1

1.	
2.	

### Basic Scenario 2

3.	
4.	

### Basic Scenario 3

5.	
6.	

### Basic Scenario 4

7.	
8.	

### Basic Scenario 5

9.	
10.	

### Basic Scenario 6

11.	
12.	

### Basic Scenario 7

13.	
14.	

### Basic Scenario 8

15.	
16.	

17.	
18.	

19.	
20.	

21.	
22.	

23.	
24.	

25.	
-----	--

Total Answers Correct: \_\_\_\_\_

Total Questions: 25

Passing Score: 20 of 25

Question Answer

### Advanced Scenario 1

1.	
2.	

### Advanced Scenario 2

3.	
4.	

### Advanced Scenario 3

5.	
6.	

### Advanced Scenario 4

7.	
8.	

### Advanced Scenario 5

9.	
10.	

11.	
12.	

13.	
14.	

15.	
16.	

17.	
-----	--

### Advanced Scenario 6

18.	
19.	

20.	
21.	

22.	
23.	

24.	
-----	--

### Advanced Scenario 7

25.	
26.	

27.	
28.	

29.	
30.	

31.	
-----	--

### Advanced Scenario 8

32.	
33.	

34.	
35.	

Total Answers Correct: \_\_\_\_\_

Total Questions: 35

Passing Score: 28 of 35

Question Answer

### Military Scenario 1

1.	
2.	

### Military Scenario 2

3.	
4.	

### Military Scenario 3

5.	
6.	

7.	
8.	

9.	
----	--

### Military Scenario 4

10.	
11.	

12.	
13.	

14.	
15.	

Total Answers Correct: \_\_\_\_\_

Total Questions: 15

Passing Score: 12 of 15

Question Answer

### International Scenario 1

1.	
2.	

3.	
4.	

### International Scenario 2

5.	
6.	

### International Scenario 3

7.	
8.	

9.	
10.	

11.	
12.	

13.	
14.	

15.	
-----	--

Total Answers Correct: \_\_\_\_\_

Total Questions: 15

Passing Score: 12 of 15

# HSA/Circular 230/Foreign Student Test Answer Sheet

Name \_\_\_\_\_

If you are entering your retest answers in Link & Learn Taxes, **do not use** this answer sheet. Use this only if you are submitting the paper test to your instructor for grading. In that case, record all your answers on this tear-out page. Your instructor will tell you where to send your Retest Answer Sheet for grading. Be sure to complete and sign Form 13615, Volunteer Standards of Conduct Agreement.

Instructions: Volunteers with a Basic or Advanced certification may certify on Health Savings Accounts (HSA). HSA is an optional specialty training and certification test available on Link & Learn Taxes.

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

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

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

Question	Answer
<b>HSA Scenario 1</b>	
1.	
2.	
3.	
<b>HSA Scenario 2</b>	
4.	
5.	
<b>HSA Scenario 3</b>	
6.	
7.	
8.	
<b>HSA Scenario 4</b>	
9.	
10.	
11.	
<b>HSA Scenario 5</b>	
12.	
13.	
14.	
15.	
Total Answers Correct: _____	
Total Questions: 15	
<b>Passing Score: 12 of 15</b>	

Question	Answer
<b>Federal Tax Law Update Test for Circular 230 Professionals</b>	
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12.	
13.	
14.	
15.	
Total Answers Correct: _____	
Total Questions: 15	
<b>Passing Score: 12 of 15</b>	

Question	Answer
<b>Foreign Student Residency Status, Form 8843, and Filing Status</b>	
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12.	
13.	
<b>Foreign Student Scenario 1</b>	
14.	
15.	
16.	
17.	
<b>Foreign Student Taxability of Income, ITINs, and Credits</b>	
18.	
19.	
20.	
21.	
22.	
23.	
24.	
<b>Foreign Student Scenario 2</b>	
25.	
26.	
27.	
28.	
29.	

Question	Answer
<b>Foreign Student Scenario 3</b>	
30.	
31.	
32.	
33.	
34.	
<b>Foreign Student Scenario 4</b>	
35.	
36.	
37.	
38.	
<b>Foreign Student Refunds, Deductions, and the Best Form to Use</b>	
39.	
40.	
41.	
42.	
43.	
44.	
45.	
46.	
47.	
48.	
49.	
50.	
Total Answers Correct: _____	
Total Questions: 50	
<b>Passing Score: 40 of 50</b>	

# Retest Answer Sheet

Name \_\_\_\_\_

If you are entering your retest answers in Link & Learn Taxes, **do not use** this answer sheet. Use this only if you are submitting the paper test to your instructor for grading. In that case, record all your answers on this tear-out page. Your instructor will tell you where to send your Retest Answer Sheet for grading. Be sure to complete and sign Form 13615, Volunteer Standards of Conduct Agreement.

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

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

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

## Question Answer

### Standards of Conduct

Question	Answer
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	

Total Answers Correct: \_\_\_\_\_

Total Questions: 10

Passing Score: 8 of 10

## Question Answer

### Intake/Interview & Quality Review

Question	Answer
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	

Total Answers Correct: \_\_\_\_\_

Total Questions: 10

Passing Score: 8 of 10

## Question Answer

### Basic Scenario 1

Question	Answer
1.	
2.	

### Basic Scenario 2

Question	Answer
3.	
4.	

### Basic Scenario 3

Question	Answer
5.	
6.	

### Basic Scenario 4

Question	Answer
7.	
8.	

### Basic Scenario 5

Question	Answer
9.	
10.	

### Basic Scenario 6

Question	Answer
11.	
12.	

### Basic Scenario 7

Question	Answer
13.	
14.	

### Basic Scenario 8

Question	Answer
15.	
16.	

Question	Answer
17.	
18.	

Question	Answer
19.	
20.	

Question	Answer
21.	
22.	

Question	Answer
23.	
24.	

Question	Answer
25.	

Total Answers Correct: \_\_\_\_\_

Total Questions: 25

Passing Score: 20 of 25

## Question Answer

### Advanced Scenario 1

Question	Answer
1.	
2.	

### Advanced Scenario 2

Question	Answer
3.	
4.	

### Advanced Scenario 3

Question	Answer
5.	
6.	

### Advanced Scenario 4

Question	Answer
7.	
8.	

### Advanced Scenario 5

Question	Answer
9.	
10.	

Question	Answer
11.	
12.	

Question	Answer
13.	
14.	

Question	Answer
15.	
16.	

Question	Answer
17.	

### Advanced Scenario 6

Question	Answer
18.	
19.	

Question	Answer
20.	
21.	

Question	Answer
22.	
23.	

Question	Answer
24.	

### Advanced Scenario 7

Question	Answer
25.	
26.	

Question	Answer
27.	
28.	

Question	Answer
29.	
30.	

Question	Answer
31.	

### Advanced Scenario 8

Question	Answer
32.	
33.	

Question	Answer
34.	
35.	

Total Answers Correct: \_\_\_\_\_

Total Questions: 35

Passing Score: 28 of 35

## Question Answer

### Military Scenario 1

Question	Answer
1.	
2.	

### Military Scenario 2

Question	Answer
3.	
4.	

### Military Scenario 3

Question	Answer
5.	
6.	

Question	Answer
7.	
8.	

Question	Answer
9.	

### Military Scenario 4

Question	Answer
10.	
11.	

Question	Answer
12.	
13.	

Question	Answer
14.	
15.	

Total Answers Correct: \_\_\_\_\_

Total Questions: 15

Passing Score: 12 of 15

## Question Answer

### International Scenario 1

Question	Answer
1.	
2.	

Question	Answer
3.	
4.	

### International Scenario 2

Question	Answer
5.	
6.	

### International Scenario 3

Question	Answer
7.	
8.	

Question	Answer
9.	
10.	

Question	Answer
11.	
12.	

Question	Answer
13.	
14.	

Question	Answer
15.	

Total Answers Correct: \_\_\_\_\_

Total Questions: 15

Passing Score: 12 of 15



# HSA/Circular 230 Retest Answer Sheet

Name \_\_\_\_\_

If you are entering your retest answers in Link & Learn Taxes, **do not use** this answer sheet. Use this only if you are submitting the paper test to your instructor for grading. In that case, record all your answers on this tear-out page. Your instructor will tell you where to send your Retest Answer Sheet for grading. Be sure to complete and sign Form 13615, Volunteer Standards of Conduct Agreement.

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

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

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

Question	Answer
<b>HSA Scenario 1</b>	
1.	
2.	
3.	
<b>HSA Scenario 2</b>	
4.	
5.	
<b>HSA Scenario 3</b>	
6.	
7.	
8.	
<b>HSA Scenario 4</b>	
9.	
10.	
11.	
<b>HSA Scenario 5</b>	
12.	
13.	
14.	
15.	
Total Answers Correct: _____	
Total Questions: 15	
<b>Passing Score: 12 of 15</b>	

Question	Answer
<b>Federal Tax Law Update Test for Circular 230 Professionals</b>	
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12.	
13.	
14.	
15.	
Total Answers Correct: _____	
Total Questions: 15	
<b>Passing Score: 12 of 15</b>	



## Volunteer Standards of Conduct Test

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It is important that all individuals who volunteer their time and services in the VITA/TCE Programs understand their roles and responsibilities under the program. All volunteers are expected to:

- Take the Volunteer Standards of Conduct (VSC) Training, at a minimum, the first year of volunteering with VITA/TCE Programs
- Annually, pass the VSC/Ethics certification test with a score of 80% or higher; and
- Sign and date Form 13615, Volunteer Standards of Conduct Agreement, indicating they have successfully completed the certification test(s) and agree to adhere to the VSC.

These Volunteer Standards of Conduct requirements are in addition to the tax law certification process (i.e., Basic, Advanced, Military, or International) for becoming a qualified volunteer to teach tax law, correct tax returns, conduct quality reviews, prepare tax returns, or address tax law related questions as a volunteer in the VITA/TCE Programs.

Use your training and reference tools to answer the questions. You must answer eight of the following ten questions correctly to pass the Volunteer Standards of Conduct test.

### Test Questions

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#### Directions

Using your resource materials, answer the following questions:

1. Prior to working at a VITA/TCE site, **ALL** VITA/TCE volunteers (greeters, client facilitators, tax preparers, quality reviewers, etc.) must:
  - a. Annually pass the Volunteer Standards of Conduct (VSC) certification test with a score of 80% or higher.
  - b. Sign and date the Form 13615, Volunteer Standards of Conduct Agreement, agreeing to comply with the VSC by upholding the highest ethical standards.
  - c. Pass the Advanced tax law certification.
  - d. All of the above.
  - e. A and B
2. Can a volunteer be removed and barred from the VITA/TCE Programs for violating the Volunteer Standards of Conduct?
  - a. Yes
  - b. No

3. If a taxpayer offers you a \$20 bill because they were so happy about the quality service they received, what would be the appropriate action to take?
  - a. Take the \$20 and thank the taxpayer for the tip.
  - b. Tell the taxpayer it would be better to have the \$20 deposited directly into your bank account from his refund.
  - c. Thank the taxpayer, and explain that you cannot accept any payment for your services.
  - d. Refer the taxpayer to the tip jar located on the quality review and print station.
  
4. Jake is an IRS tax law-certified volunteer preparer at a VITA/TCE site. When preparing a return for Jill, Jake learns that Jill does not have a bank account to receive a direct deposit of her refund. Jill is distraught when Jake tells her the paper refund check will take three or four weeks longer than the refund being direct deposited. Jill asks Jake if he can deposit her refund in his bank account and then turn the money over to her when he gets it. What should Jake do?
  - a. Jake can offer to use his account to receive the direct deposit, and turn the money over to Jill once the refund is deposited.
  - b. Jake should explain that a taxpayer's federal or state refund cannot be deposited into a VITA/TCE volunteer's bank account and she will have to open an account in her own name to have the refund direct deposited.
  - c. Jake can suggest she borrow a bank account number from a friend because the taxpayer's name does **not** need to be on the bank account.
  
5. Max prepares a tax return for Ali at a VITA/TCE site. He finds out during the interview that Ali has no health insurance. After Ali leaves the site, Max writes her name and contact information down to take home to his wife who sells health insurance for profit. Which of the following statements is true?
  - a. There is no violation to the Volunteer Standards of Conduct (VSC) unless Max's wife makes a big commission on the sale of health insurance to Ali.
  - b. Max has violated the VSC because he is using confidential information to engage in a financial transaction to further his own or another's personal interest.
  - c. Max is doing Ali a favor by using her personal information to secure business for his wife.
  - d. Information a taxpayer provides at a VITA/TCE site can be used for the volunteer's personal gain.

6. Bob, an IRS tax law-certified volunteer preparer, told the taxpayer that cash income does not need to be reported because the IRS does not know about it. Bob indicated NO cash income on Form 13614-C. Bob prepared a tax return excluding the cash income. Jim, the designated quality reviewer, was unaware of the conversation and therefore unaware of the cash income and the return was printed, signed, and e-filed. Who has violated the Volunteer Standards of Conduct?
- Bob, the tax law-certified volunteer who prepared the return.
  - Jim, the designated quality reviewer who was unaware of the cash income when he reviewed the return.
  - Betty, the site coordinator.
  - No one has violated the Volunteer Standards of Conduct.
7. Sue, a VITA/TCE site coordinator, was watching the local news when she saw Aaron, a new tax law-certified volunteer, in a story about several bank employees being arrested for suspicion of embezzlement. She saw Aaron being led out of the bank in handcuffs. Three days later, Sue is shocked when she sees Aaron show up at the site ready to volunteer, apparently out on bond. She pulls Aaron aside and explains that his arrest on suspicion of embezzlement could have a negative effect on the site and therefore she must ask him to leave the site. Sue uses the external referral process to report the details to IRS-SPEC by sending an email to [WI.Voltax@irs.gov](mailto:WI.Voltax@irs.gov). Did Sue take appropriate actions as the site coordinator?
- Yes
  - No
8. Heidi, a VSC-certified volunteer, is working at the intake station. As part of her duties, she is required to explain to the taxpayer what they are expected to do today as part of the return preparation process. What should Heidi tell them?
- Form 13614-C, Intake/Interview & Quality Review Sheet, must be completed prior to having the return prepared.
  - You will be interviewed by the return preparer and asked additional questions as needed.
  - You need to participate in a quality review of your tax return by someone other than the return preparer.
  - All of the above.
9. During the intake process, the volunteer should verify the taxpayer and spouse, if applicable, have photo identification. Additionally, taxpayers must provide verification of taxpayer identification number (SSN or ITIN) for everyone who will be on the tax return.
- True
  - False

10. Mary, a VSC-certified greeter, reviews the taxpayer's completed Form 13614-C, page 2, to identify what potential volunteer certification level is needed for this tax return. Mary sees the taxpayer has checked the "yes" box indicating he has self-employment income and the certification level next to the question is (A). All other questions answered "yes" have a (B) certification. When Mary assigns the return to a tax preparer, what tax law certification level should the tax preparer have?
- a. Advanced
  - b. Basic
  - c. It doesn't matter, any level is fine
  - d. No tax law certification is necessary



## Volunteer Standards of Conduct Retest Questions

### Directions

Using your resource materials, answer the following questions:

1. Which volunteers must pass the Volunteer Standards of Conduct (VSC) certification test?
  - a. Site coordinators/local coordinators
  - b. Quality reviewers and tax return preparers
  - c. Greeters or client facilitators
  - d. All VITA/TCE site volunteers must pass the VSC certification test
  
2. Failure of a VITA/TCE volunteer to comply with the Volunteer Standards of Conduct could result in which of the following?
  - a. The volunteer's removal from the VITA/TCE Programs.
  - b. Inclusion in the IRS Volunteer Registry to bar future VITA/TCE activity indefinitely.
  - c. Termination of the sponsoring organization's partnership with the IRS.
  - d. All of the above may be considered an appropriate action depending on the type of violation and the sponsoring partner's corrective actions.
  
3. Is having a donation/tip jar at the quality review station within the VITA/TCE site a violation of the Volunteer Standards of Conduct?
  - a. Yes
  - b. No
  
4. Maggie wants her tax refund quickly; however, she doesn't have a bank account for direct deposit. She asks Josh, the tax law-certified preparer, to deposit her refund into his checking account and turn the funds over to her when received. If Josh agrees to do this, has he violated any of the Volunteer Standards of Conduct?
  - a. Yes
  - b. No

5. Pat is a paid tax preparer in the community; he also gives back to the community by serving as an IRS tax law-certified volunteer tax preparer at a VITA/TCE site. While conducting the interview with the taxpayer, Pat discovers the taxpayer's small business will generate a loss, making the return out of scope for the VITA/TCE Programs. Pat explains to the taxpayer that the tax return cannot be prepared at the VITA/TCE site, but he will offer the taxpayer a discount at his paid tax preparation business down the road. Has Pat violated the Volunteer Standards of Conduct (VSC)?
- Yes, it is a violation of the VSC for Pat to solicit business from any taxpayer at the VITA/TCE site.
  - No, it is not a violation since the return cannot be prepared at the site.
  - No, none of the VSC addresses soliciting business while volunteering at the VITA/TCE site.
6. Ann, an IRS tax law-certified tax preparer, told the taxpayer that cash income does not need to be reported because the IRS will never know about it. Ann indicated NO cash income on Form 13614-C. Ann prepared the return without the cash income. The designated quality reviewer was unaware of the conversation and therefore unaware of the cash income and the return was printed, signed, and e-filed. Did the designated **quality reviewer** violate the Volunteer Standards of Conduct?
- Yes
  - No
7. Jan, a greeter, overheard an IRS tax law-certified volunteer, Jim, trying to sell insurance to a taxpayer he was helping. Jim is an insurance agent in the community. Jan feels like Jim was pushy, made the taxpayer uncomfortable, and violated Volunteer Standard of Conduct #3. What should Jan do?
- Make an announcement to the taxpayers in the waiting room to ignore Jim if he tries to sell them insurance.
  - Tell the site coordinator what she heard, so he can immediately remove Jim from the site and report the incident using the external referral process by sending an email to [WI.Voltax@irs.gov](mailto:WI.Voltax@irs.gov).
  - Mind her own business and do nothing.
8. Explaining the intake/interview and quality review process is important so the taxpayer understands they are expected to:
- Have a completed Form 13614-C, Intake/Interview & Quality Review Sheet, prior to having the return prepared.
  - Answer the tax preparer's additional questions during the interview.
  - Participate in the quality review of their tax return.
  - All of the above.



9. During the intake process, which of the following should the volunteer verify that the taxpayer and spouse, if applicable, have with them to ensure the taxpayers can be served that day?
- a. Photo identification for both
  - b. Social Security or taxpayer identification number verification documents for everyone listed on the return
  - c. All tax statement documents, including Forms W-2, 1099-R, etc.
  - d. All of the above
10. To ensure quality service and accurate return preparation, every site is required to have a process for assigning taxpayers to IRS tax law-certified preparers who are certified at or above the level required to prepare their tax return.
- a. True
  - b. False

## Volunteer Standards of Conduct Agreement – VITA/TCE Programs

The mission of the VITA/TCE return preparation programs is to assist eligible taxpayers in satisfying their tax responsibilities by providing **free** tax return preparation. To establish the greatest degree of public trust, volunteers are required to maintain the highest standards of ethical conduct and provide quality service.

**Instructions:** All VITA/TCE volunteers (whether paid or unpaid workers) must pass the Volunteer Standards of Conduct certification, and sign and date Form 13615, Volunteer Standards of Conduct Agreement, prior to working at a VITA/TCE site. In addition, return preparers, quality reviewers, site coordinators, and VITA/TCE tax law instructors must certify in the Intake/Interview & Quality Review and tax law prior to signing this form. This form is not valid until the site coordinator, sponsoring partner, instructor, or IRS contact confirms the volunteer's identity, with photo ID, and signs and dates the form.

**Standards of Conduct:** As a volunteer in the VITA/TCE Programs, you must:

- |   |  |
|---|--|
| <ol style="list-style-type: none"> <li>1) Follow the Quality Site Requirements (QSR).</li> <li>2) Not accept payment, solicit donations, or accept refund payments for federal or state tax return preparation from customers.</li> <li>3) Not solicit business from taxpayers you assist or use the knowledge you gained (their information) about them for any direct or indirect personal benefit for you or any other specific individual.</li> </ol> | <ol style="list-style-type: none"> <li>4) Not knowingly prepare false returns.</li> <li>5) Not engage in criminal, infamous, dishonest, notoriously disgraceful conduct, or any other conduct deemed to have a negative effect on the VITA/TCE Programs.</li> <li>6) Treat all taxpayers in a professional, courteous, and respectful manner.</li> </ol> |
|---|--|

Failure to comply with these standards could result in, but is not limited to, the following:

- Your removal from all VITA/TCE Programs;
- Inclusion in the IRS Volunteer Registry to bar future VITA/TCE activity indefinitely;
- Deactivation of your sponsoring partner's site VITA/TCE EFIN (electronic filing ID number);
- Removal of all IRS products, supplies, loaned equipment, and taxpayer information from your site;
- Termination of your sponsoring organization's partnership with the IRS;
- Termination of grant funds from the IRS to your sponsoring partner; and
- Referral of your conduct for potential TIGTA and criminal investigations.

**Taxpayer Impact:** Taxpayer trust in the IRS and the local sponsoring partner organization is jeopardized when ethical standards are not followed. Fraudulent returns that report incorrect income, credits, or deductions can result in many years of interaction with the IRS as the taxpayer tries to pay the additional tax plus interest and penalties. This can result in an extreme burden for the taxpayer as the taxpayer tries to resolve the errors made on his or her return.

**Volunteer Protection:** The Volunteer Protection Act generally protects unpaid volunteers from liability for acts or omissions that occur while acting within the scope of their responsibilities at the time of the act or omission. It provides no protection for harm caused by willful or criminal misconduct, gross negligence, reckless misconduct, or a conscious, flagrant indifference to the rights or safety of the individual harmed by the volunteer.

For additional information on the volunteer standards of conduct, please refer to Publication 1084, Site Coordinator Handbook.

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

Our legal right to ask for information is 5 U.S.C. 301. We are asking for this information to assist us in contacting you relative to your interest and/or participation in the IRS volunteer income tax preparation and outreach programs. The information you provide may be furnished to others who coordinate activities and staffing at volunteer return preparation sites or outreach activities. The information may also be used to establish effective controls, send correspondence and recognize volunteers. Your response is voluntary. However, if you do not provide the requested information, the IRS may not be able to use your assistance in these programs. Please note: Sponsoring organizations may perform background checks on their volunteers.



**Volunteer:**

By signing this form, I declare that I have completed Volunteer Standards of Conduct certification and have read, understand, and will comply with the standards of conduct. I also certify that I am a U.S. citizen, a legal resident, or otherwise reside in the U.S. legally.

Full name <i>(please print)</i>	Volunteer position(s) <span style="float:right;"><input type="checkbox"/> IRS Employee</span>
Home address <i>(street, city, state and ZIP code)</i>	

Email address	Daytime telephone	Sponsoring partner name/site name
Number of years volunteered <i>(including this year)</i>	Volunteer signature	Date

**Volunteer Certification Levels** *(Add the letter "P" for all passing test scores)*

Standards of Conduct <i>(Required for ALL)</i>	Intake/Interview & Quality Review	Site Coordinator Training	Basic	Advanced	Military	International	HSA	Puerto Rico		Foreign Students
								1	2	

**Federal Tax Law Update Test for Circular 230 Professionals**

**Federal Tax Law Update Test for Circular 230 Professionals:** Only volunteers in good standing as an attorney, CPA, or Enrolled Agent can take this certification. To qualify for this certification, the license information below must be completed by the volunteer and verified by the partner or site coordinator. Volunteers with this certification level can prepare any tax returns that fall within the scope of the VITA/TCE Programs. (Advanced, HSA, Military, etc.) A Scope of Service Chart is located in Publication 4012, VITA/TCE Volunteer Resource Guide. See Publication 1084, **Site Coordinator Handbook**, for additional requirements and instructions. **Note:** Advanced certification is necessary for qualification for CE Credits, the Federal Tax Law Update Test does not qualify the volunteer to receive CE Credits. See Publication 4396-A, Partner Resource Guide, for more information about requirements for CE Credits.

Professional designation <i>(Attorney, CPA, or Enrolled Agent)</i>	Licensing jurisdiction <i>(state)</i>	Bar, license, registration, or enrollment number	Effective or issue date	Expiration date <i>(if provided)</i>
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**Note:** SPEC established the minimum certification requirements for volunteers who are authorized under Circular 230; however, partners may establish additional certification requirements for their volunteers. Volunteers should check with the sponsoring SPEC Partner.

**Site Coordinator, Sponsoring Partner, Instructor or IRS:** By signing this form, I declare that I have verified the required certification level(s) and photo identification for this volunteer prior to allowing the volunteer to work at the VITA/TCE site.

Approving Official's <i>(printed)</i> name and title <i>(site coordinator, sponsoring partner, instructor, etc.)</i>	Approving Official's signature and date
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**For Continuing Education (CE) Credits ONLY**  
*(to be completed by the site coordinator or partner)*

**Instructions:** Complete this section when an unpaid certified volunteer is requesting Continuing Education (CE) credits. CE credits **will not be issued without a PTIN** for Enrolled Agents or Non-credentialed preparers. CPAs, attorneys, or CFPs do not require a PTIN; however, they must check with their governing board requirements for obtaining CE Credits. The site coordinator, sponsoring partner, or instructor must sign and date this form and send the completed form to the SPEC Territory Office/Relationship Manager for further processing. **Refer to the Fact Sheet - Continuing Education Credits on the Site Coordinator Corner or Publication 4396-A, Partner Resource Guide, for additional requirements and instructions.**

Name as listed on PTIN card	Volunteer Preparer's Tax Identification Number (PTIN) P - _____	CTEC ID number <i>(if applicable)</i> A - _____
Address <i>(VITA/TCE Site or teaching location)</i>	Site Identification Number (SIDN) S - _____	

**Professional Status** *(check only one box)*

- |  |  |   |
|--|--|---|
| <input type="checkbox"/> Enrolled Agent (EA) | <input type="checkbox"/> Certified Public Accountant (CPA) | <input type="checkbox"/> Non-credentialed Tax Return Preparer<br><i>(Participating in the Annual Filing Season Program)</i> |
| <input type="checkbox"/> Attorney            | <input type="checkbox"/> Certified Financial Planner (CFP) |   |

Certification Level <i>(Check only one box below)</i>	Volunteer Hours <i>(Minimum of 10 volunteer hours required to issue CE Credits)</i>
<input type="checkbox"/> Advanced  <b>OR</b>  <input type="checkbox"/> Advanced and One or More Specialty Courses	Total hours volunteered _____ <i>(qualifies for 14 CE credits)</i>  <b>OR</b>  Total hours volunteered _____ <i>(qualifies for 18 CE credits)</i>

**Site Coordinator, Sponsoring Partner, or Instructor:** By signing this form, I declare that I have validated that the reported volunteer hours are based on the activities this volunteer performed in my site or training facility.

Approving Official's <i>(printed)</i> name and title <i>(site coordinator, sponsoring partner, instructor)</i>	
Approving Official's signature	Date signed





## Intake / Interview and Quality Review Test Questions

### Directions

Review the Intake/Interview and Quality Review training and answer the following questions.

1. All IRS-certified volunteer preparers participating in the VITA/TCE Programs **must** use Form 13614-C along with an effective interview for every return prepared at the site.
  - a. True
  - b. False
  
2. What should the certified volunteer preparer do before starting the tax return?
  - a. Make sure all questions on Form 13614-C are answered.
  - b. Change “Unsure” answers to “Yes” or “No” based on a conversation with the taxpayer.
  - c. Complete all applicable Certified Volunteer Preparer shaded-area questions on Form 13614-C.
  - d. All of the above.
  
3. When reviewing Form 13614-C, you see the “Interest” question is marked “Yes” and the taxpayer gives you a Form 1099-INT. You should ask the taxpayer if they had any other interest income.
  - a. True
  - b. False
  
4. VITA/TCE sites are required to conduct quality reviews:
  - a. Of all the returns prepared by volunteers who have less than two years of experience preparing returns.
  - b. Of every return prepared at the site.
  - c. Only when there is a Quality Reviewer available.
  - d. Of all returns prepared by volunteers with certification levels below Advanced, Military, or International.
  
5. You do not need to see proof of insurance coverage for a taxpayer if you feel that this information is not unusual or questionable.
  - a. True
  - b. False
  
6. In most cases, a volunteer must review photo identification for every taxpayer to deter the possibility of identity theft.
  - a. True
  - b. False

7. When does the taxpayer sign the tax return?
- a. Before quality review and before being advised of their responsibility for the accuracy of the information on the return.
  - b. Before quality review and after being advised of their responsibility for the accuracy of the information on the return.
  - c. After quality review and before being advised of their responsibility for the accuracy of the information on the return.
  - d. After quality review and after being advised of their responsibility for the accuracy of the information on the return.
8. The site is busy with many taxpayers waiting for assistance. All volunteers are busy preparing tax returns. Can you quality review the return you just prepared instead of waiting for someone else to quality review the return?
- a. Yes, if it is a returning taxpayer.
  - b. Yes, with approval of the Site Coordinator.
  - c. No, self review is never an acceptable quality review method.
  - d. No, unless you are certified at the Advanced level.
9. Which of the following is true?
- a. Quality review can be conducted by a volunteer preparer certified at Basic when the tax return required an Advanced certification to prepare.
  - b. Quality review is conducted after the taxpayer signs the tax return.
  - c. Quality review is an effective tool for preparing an accurate tax return.
  - d. Taxpayers do not need to be involved in the quality review process.
10. As part of the intake process, each site must:
- a. Have a process to ensure a return is within the scope of the VITA/TCE Programs.
  - b. Identify the certification level needed to prepare a return.
  - c. Have a process to ensure volunteers have the certification needed for the returns they prepare.
  - d. All of the above.



## Intake / Interview and Quality Review Retest Questions

### Directions

Review the Intake/Interview and Quality Review training and answer the following questions.

1. When should an IRS-certified volunteer preparer participating in the VITA/TCE Programs perform a complete interview of a taxpayer?
  - a. Only when the taxpayer has questions.
  - b. Only if the taxpayer has never visited your site.
  - c. Only when the site is not busy.
  - d. For every return prepared at the site.
  
2. The certified volunteer preparer should verify the return is within their certification level as part of the Intake/Interview process.
  - a. True
  - b. False
  
3. When reviewing Form 13614-C, you see the "Interest" question is marked "Yes" and the taxpayer gives you a Form 1099-INT. What should you do next?
  - a. Input Form 1099-INT into tax software.
  - b. Go to the next question on Form 13614-C.
  - c. Ask the taxpayer if they had any other interest income.
  
4. VITA/TCE sites are required to conduct quality reviews of every return prepared at the site.
  - a. True
  - b. False
  
5. A taxpayer tells you that they had health insurance coverage for the entire year, but they did not bring proof of the coverage. This information along with all other information gathered during your interview does not seem unusual or questionable. As a tax preparer, you should:
  - a. Send the taxpayer home to get their insurance card.
  - b. Prepare the return giving credit for having health insurance coverage without seeing proof.
  - c. Prepare their return without giving them credit for having health insurance coverage.



6. What information must a volunteer review to deter the possibility of identity theft?
  - a. Form W-2
  - b. Photo identification
  - c. Last year's tax return
  - d. Medicaid card
  
7. The taxpayer signs the tax return after quality review and after being advised of their responsibility for the accuracy of the information on the return.
  - a. True
  - b. False
  
8. You can quality review a tax return you just prepared instead of waiting for someone else to quality review the return.
  - a. True
  - b. False
  
9. Which of the following four critical processes for quality review is not correct:
  - a. Engaging the taxpayer in the review process.
  - b. Using Google as a main reference for tax law determinations.
  - c. Using the Quality Review Checklist located in Publication 4012 as a guide while conducting the quality review.
  - d. Comparing source documents provided by the taxpayer.
  
10. Completing a thorough interview before entering taxpayer information into the software helps avoid which of the following potential problems?
  - a. The volunteer may not have the required certifications to prepare the return.
  - b. The return may be out of scope.
  - c. The taxpayer may not have all the information needed to prepare the return.
  - d. All of the above.



## Basic Course Scenarios and Test Questions

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### Directions

The first six scenarios do not require you to prepare a tax return. **Read the interview notes for each scenario carefully and use your training and resource materials to answer the questions after the scenarios.**

### Basic Scenario 1: Jeff and Linda Arnold

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#### Interview Notes

- Jeff and Linda got married in December of 2018.
- They are both U.S. citizens with valid Social Security numbers.
- They do not elect to file a joint return for 2018.
- Jeff worked all year and received wages of \$32,000. He received full health insurance coverage from his employer all year.
- Linda worked part-time at a book store January through September. She earned \$9,000 for the year. In November, she started working at the library. She had health insurance through her employers, except for the month of October when she was unemployed.

### Basic Scenario 1: Test Questions

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1. Jeff may need to make a shared responsibility payment.
  - a. True
  - b. False
2. Linda does not need to make a shared responsibility payment because she qualifies for an exemption under the short coverage gap criteria.
  - a. True
  - b. False

## Basic Scenario 2: Ava Harvard

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### Interview Notes

- Ava is 43, divorced, and earned \$38,000 in wages.
- Ava's 20-year-old son, David, is unmarried and a full-time student working towards a degree in Business Administration. David lives on campus during the school year and spent the summer at home with his mother.
- David does not have a felony drug conviction.
- Ava paid \$4,000 of David's tuition that was not covered by his scholarship.
- Ava provided more than half of her son's support and all the cost of his room and board on campus.
- David's only income was \$3,800 in wages.
- Ava and David are U.S. citizens and have valid Social Security numbers.

## Basic Scenario 2: Test Questions

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3. Ava cannot claim her son for the earned income credit because he did not live with her for more than half the year and does not meet the residency test.
  - a. True, David only lived with his mother during the summer, which was less than six months.
  - b. False, attendance at school is considered a temporary absence and this time is counted as time that her child lived with her.
4. David is Ava's qualifying person for which of the following? (Select all that apply)
  - a. Head of Household filing status
  - b. Credit for other dependents
  - c. Education credit
  - d. Child tax credit

## Basic Scenario 3: Ellen Santos

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### Interview Notes

- Ellen is 62. During the interview, she mentions that she always filed a joint return with her husband who died in 2014.
- Ellen has not remarried and she pays all the cost of keeping up her home. She earned \$28,500 in wages for 2018.
- Ellen provides all the support for her two grandchildren who lived with her all year. Tricia is 12 years old and Evan is 16 years old.
- She does not have enough deductions to itemize.
- Her income tax before credits is \$1,050.
- Ellen, Tricia, and Evan are all U.S. citizens with valid Social Security numbers.

## Basic Scenario 3: Test Questions

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5. What is the amount of Ellen's standard deduction?
  - a. \$24,000
  - b. \$19,600
  - c. \$18,000
  - d. \$12,000
6. The maximum amount of additional child tax credit that Ellen is able to claim per qualifying child is:
  - a. \$500
  - b. \$1,000
  - c. \$1,400
  - d. \$2,000

## Basic Scenario 4: Christopher and Amanda Drury

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### Interview Notes

- Christopher and his wife Amanda have lived in the United States since 2012 and have Individual Taxpayer Identification Numbers (ITINs).
- Christopher is 45 and Amanda is 40. They have been married since 2000. They both worked in 2018 and their combined wages for the year were \$40,000.
- They have one child, Jennifer, who is 3 years old and lived with them all year. Jennifer is a U.S. citizen and has a valid Social Security number.
- In order for them to work, they paid \$5,000 in daycare for Jennifer. The statement from the daycare provider includes the provider's name, address, valid Employer Identification Number, and the amount paid for Jennifer's care.
- Christopher and Amanda provided all the support for Jennifer and all the costs of keeping up their home.

### Basic Scenario 4: Test Questions

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7. Can Christopher and Amanda claim Jennifer as a qualifying child for the earned income credit (EIC)?
  - a. Yes, because their income is below the threshold for claiming EIC.
  - b. Yes, because Jennifer is 3 years old and lives with her parents.
  - c. No, because Christopher and Amanda both have ITINs.
  - d. Both a and b.
8. Which credits can Christopher and Amanda claim on their tax return?
  - a. Child and dependent care credit
  - b. Child tax credit
  - c. Credit for other dependents
  - d. Both a and b

## Basic Scenario 5: Mathew Rice and Ashley Tufts

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### Interview Notes

- Mathew and Ashley are both 28 years old.
- Mathew and Ashley are not married to each other and lived together all year. Mathew has never been married. Ashley is still legally married to another man, but she does not want to file a joint return with her spouse.
- Ashley earned \$27,000 in wages during 2018. Mathew received \$13,000 in wages.
- Mathew has two children from a previous relationship. Mark is 9 and Kevin is 6 years old. Mark and Kevin lived with Mathew and Ashley for all of 2018. Mark and Kevin did not provide over half of their own support.
- Ashley paid all the rent, utilities, and household expenses. Mathew did not pay any household expenses.
- Mathew, Ashley, Mark, and Kevin are all U.S. citizens with valid Social Security numbers.

### Basic Scenario 5: Test Questions

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9. Which of the following statements is true?
  - a. Both Ashley and Mathew's filing status is Single.
  - b. Ashley is eligible to claim Head of Household and Mathew must file Single.
  - c. Ashley's filing status is Married Filing Separately and Mathew's filing status is Single.
  - d. Ashley's filing status is Married Filing Separately and Mathew's filing status is Head of Household.
10. Who can claim Mark and Kevin as qualifying children for earned income credit?
  - a. Ashley
  - b. Mathew
  - c. Both Mathew and Ashley

## Basic Scenario 6: George and Helen Reed

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### Interview Notes

- George and Helen have an 18-year-old son, Joshua, who lived with them all year and is a college student.
- George and Helen provided all the support for Joshua and all the costs of keeping up their home.
- Joshua worked during the year and received wages of \$2,000. He had \$140 of federal withholding.
- The Reeds have a balance due on their return and are unsure what to do.
- George, Helen, and Joshua are U.S. citizens with valid Social Security numbers.

### Basic Scenario 6: Test Questions

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11. What actions should George and Helen take to prevent having a balance due next year?
  - a. They should use the withholding calculator.
  - b. They should adjust their Form W-4 to increase withholding.
  - c. There is no way to prevent a balance due.
  - d. Both a and b.
12. What options do George and Helen have if they are not able to full pay their balance due by the due date of the return?
  - a. Wait to file their return until they have the money to pay the full amount owed.
  - b. File Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return.
  - c. Pay as much as they can by the due date of the return and request a payment plan.
  - d. Both a and c.
13. George and Helen ask if their son Joshua should file a tax return for 2018. How should the volunteer respond?
  - a. Joshua is exempt from filing because he is a student.
  - b. Joshua does not have to file because he is their dependent and they can claim his income on their tax return.
  - c. Joshua must file based on the 2018 filing threshold for children and other dependents.
  - d. Joshua should file a tax return to claim a refund of his withholding.



## Basic Scenario 7: Jacob and Martha Mills

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### Directions

Using the tax software, complete the tax return, including Form 1040 and all appropriate forms, schedules, or worksheets. Answer the questions following the scenario.

*Note: When entering Social Security numbers (SSNs) or Employer Identification Numbers (EINs), replace the Xs as directed, or with any four digits of your choice.*

### Interview Notes

- Jacob and Martha are age 65 years old and married. They elect to file Married Filing Jointly.
- They have a son, Daniel, who is 23 years old and a full-time college student in his third year of study. He is pursuing a degree in Business Administration and does not have a felony drug conviction.
- Jacob retired in 2018.
- Jacob received interest, Social Security benefits, and pension income. He went to the local casino and won some money in 2018. During the interview he mentions that he had gambling losses of \$700.
- Martha received Social Security benefits and received wages from a part-time job.
- Jacob and Martha elected to have their 2017 refund of \$400 applied as an estimated tax payment to their 2018 tax return.
- Jacob and Martha do not have enough deductions to itemize.
- Daniel received a scholarship and the terms require that it be used to pay tuition. Jacob and Martha paid the cost of Daniel's tuition and books in 2018 not covered by scholarship. They also provided all of his support for 2018.
- Jacob and Martha were covered by Medicare Parts A and B for the whole year.
- Daniel had minimum essential healthcare coverage through his University health plan.
- If Jacob and Martha receive a refund, they would like to deposit half into their checking account and half into their savings account. Documents from their bank show that the routing number for both accounts is: 111000025. Their checking account number is 987654321 and their savings account number is 234567890.



Form-13614-C (October 2018)	Department of the Treasury - Internal Revenue Service <b>Intake/Interview &amp; Quality Review Sheet</b>	OMB Number 1545-1964
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- You will need:**
- Tax Information such as Forms W-2, 1099, 1098, 1095.
  - 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.

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](mailto:wi.voltax@irs.gov)

**Part I – Your Personal Information** (If you are filing a joint return, enter your names in the same order as last year's return)

1. Your first name <b>JACOB</b>	M.I.	Last name <b>MILLS</b>	Daytime telephone number <b>YOUR PHONE #</b>	Are you a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. Your spouse's first name <b>MARTHA</b>	M.I.	Last name <b>MILLS</b>	Daytime telephone number	Is your spouse a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3. Mailing address <b>5001 LAUREL ST</b>		Apt #	City <b>YOUR CITY</b>	State <b>YS</b>
4. Your Date of Birth <b>09/21/1953</b>		5. Your job title <b>RETIRED</b>		6. 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
7. Your spouse's Date of Birth <b>03/03/1953</b>		8. Your spouse's job title <b>CASHIER</b>		9. 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
10. Can anyone claim you or your spouse as a dependent? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure				
11. Have you, your spouse, or dependents been a victim of tax related identity theft or been issued an Identity Protection PIN? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				

**Part II – Marital Status and Household Information**

1. As of December 31, 2018, what was your marital status?

Never Married (This includes registered domestic partnerships, civil unions, or other formal relationships under state law)

Married a. If Yes, Did you get married in 2018?  Yes  No

Divorced b. Did you live with your spouse during any part of the last six months of 2018?  Yes  No

Legally Separated Date of final decree \_\_\_\_\_

Widowed Date of separate maintenance agreement \_\_\_\_\_

Year of spouse's death \_\_\_\_\_

2. List the names below of:  
 • everyone who lived with you last year (other than 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 (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 12/31/18 (S/M)	Full-time Student last year (yes/no)	Totally and Permanently Disabled (yes/no)	Is this person a qualifying child/relative of any other person? (yes/no)	Did this person provide more than 50% of his/her own support? (yes/no)	Did this person have less than \$4,150 of income? (yes/no)	Did the taxpayer(s) provide more than 50% of support for this person? (yes/no/N/A)	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)						
<b>DANIEL MILLS</b>	<b>01/17/1995</b>	<b>SON</b>	<b>12</b>	<b>YES</b>	<b>YES</b>	<b>S</b>	<b>YES</b>	<b>NO</b>						

Check appropriate box for each question in each section

Yes	No	Unsure	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 checked="" type="checkbox"/>	<input 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 or separate maintenance payments?
<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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11. (A) Retirement income or payments from Pensions, Annuities, and or IRA? (Form 1099-R)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	12. (B) Unemployment Compensation? (Form 1099G)
<input checked="" type="checkbox"/>	<input 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, royalties, foreign income, etc.) Specify <u>Form W-2G</u>
Yes	No	Unsure	Part IV – Expenses – Last Year, Did You (or Your Spouse) Pay
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. (B) Alimony or separate maintenance payments? 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3. (B) College or post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (A) Deductions: <input type="checkbox"/> Medical & Dental (including insurance premiums) <input type="checkbox"/> Mortgage Interest (Form 1098) <input type="checkbox"/> Taxes (State, Real Estate, Personal Property, Sales) <input type="checkbox"/> Charitable Contributions
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. (B) Child or dependent care expenses such as daycare?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. (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"/>	7. (A) Expenses related to self-employment income or any other income you received?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. (B) Student loan interest? (Form 1098-E)
Yes	No	Unsure	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. (A) Have credit card or mortgage debt cancelled/forgiven by a lender or have a home foreclosure? (Forms 1099-C, 1099-A)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. (A) Adopt a child?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (B) Have Earned Income Credit, Child Tax Credit or American Opportunity Credit 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 declared a Federal disaster area? 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) Make estimated tax payments or apply last year's refund to this year's tax? If so how much? <u>\$400</u>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	9. (A) File a federal return last year containing a "capital loss carryover" on Form 1040 Schedule D?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	10. Receive a letter from the IRS?



Check appropriate box for each question in each section

Yes	No	Unsure	Part VI - Health Care Coverage - Last year, did you, your spouse, or dependent(s)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. (B) Have health care coverage?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. (B) Receive one or more of these forms? (Check the box) <input type="checkbox"/> Form 1095-B <input type="checkbox"/> Form 1095-C
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. (A) Have coverage through the Marketplace (Exchange)? [Provide Form 1095-A]
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3a. (A) If yes, were advance credit payments made to help you pay your health care premiums?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3b. (A) If yes, Is everyone listed on your Form 1095-A being claimed on this tax return?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (B) Have an exemption granted by the Marketplace?

To be Completed by a Certified Volunteer Preparer (Use Publication 4012 and check the appropriate box(es) indicating Minimum Essential Coverage (MEC) for everyone listed on the return.)

Name	MEC All Year	No MEC	Months with MEC	Months with Exemption	Exempt All Year	Notes
Taxpayer			J F M A M J J A S O N D	J F M A M J J A S O N D		
Spouse			J F M A M J J A S O N D	J F M A M J J A S O N D		
Dependent			J F M A M J J A S O N D	J F M A M J J A S O N D		
Dependent			J F M A M J J A S O N D	J F M A M J J A S O N D		
Dependent			J F M A M J J A S O N D	J F M A M J J A S O N D		

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

1. Provide an email address (optional) (this email address will not be used for contacts from the Internal Revenue Service) \_\_\_\_\_

2. 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

3. 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

4. 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.**

5. Would you say you can carry on a conversation in English, both understanding & speaking?  Very well  Well  Not well  Not at all  Prefer not to answer

6. Would you say you can read a newspaper or book in English?  Very well  Well  Not well  Not at all  Prefer not to answer

7. Do you or any member of your household have a disability?  Yes  No  Prefer not to answer

8. Are you or your spouse a Veteran from the U.S. Armed Forces?  Yes  No  Prefer not to answer

Additional comments

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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 1545-1964. 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

a Employee's social security number <b>132-00-XXXX</b>		Safe, accurate, FAST! Use 		Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a>		
b Employer identification number (EIN) <b>35-500XXXX</b>		1 Wages, tips, other compensation <b>7,500.00</b>	2 Federal income tax withheld <b>750.00</b>			
c Employer's name, address, and ZIP code  <b>RICH'S BOOK STORE 1225 OVERVIEW AVE YOUR CITY, STATE ZIP</b>		3 Social security wages <b>7,500.00</b>	4 Social security tax withheld <b>465.00</b>			
		5 Medicare wages and tips <b>7,500.00</b>	6 Medicare tax withheld <b>108.75</b>			
		7 Social security tips	8 Allocated tips			
d Control number		9 Verification code		10 Dependent care benefits		
e Employee's first name and initial Last name  <b>MARTHA MILLS 5001 LAUREL ST YOUR CITY, STATE ZIP</b>		11 Nonqualified plans		12a See instructions for box 12		
		13 <input type="checkbox"/> Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay	12b		12c	
		14 Other		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	
<b>YS</b>	<b>35-500XXXX</b>	<b>7,500.00</b>	<b>350.00</b>			
				20 Locality name		

Form **W-2 Wage and Tax Statement** **2018** Department of the Treasury—Internal Revenue Service  
**Copy B—To Be Filed With Employee's FEDERAL Tax Return.**  
This information is being furnished to the Internal Revenue Service.

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, and ZIP or foreign postal code  <b>GILMER CORP 2250 DELTA AVE YOUR CITY, STATE ZIP</b>		1 Gross distribution <b>\$ 20,000.00</b>	OMB No. 1545-0119 <b>2018</b>		Distributions From Retirement Plans, Insurance Contracts, etc.
PAYER'S TIN <b>34-600XXXX</b>		2a Taxable amount <b>\$ 20,000.00</b>	Form 1099-R		
RECIPIENT'S TIN <b>131-00-XXXX</b>		2b Taxable amount not determined <input type="checkbox"/>	Total distribution <input type="checkbox"/>		Copy B Report this income on your federal tax return. If this form shows federal income tax withheld in box 4, attach this copy to your return.  This information is being furnished to the IRS.
RECIPIENT'S name <b>JACOB MILLS</b>		3 Capital gain (included in box 2a) <b>\$</b>	4 Federal income tax withheld <b>\$ 2,000.00</b>		
Street address (including apt. no.) <b>5001 LAUREL ST</b>		5 Employee contributions/ Designated Roth contributions or insurance premiums <b>\$</b>	6 Net unrealized appreciation in employer's securities <b>\$</b>		
City or town, state or province, country, and ZIP or foreign postal code <b>YOUR CITY, STATE ZIP</b>		7 Distribution code(s) <b>7</b>	8 Other <b>\$ %</b>		
10 Amount allocable to IRR within 5 years <b>\$</b>		9a Your percentage of total distribution <b>%</b>		9b Total employee contributions <b>\$</b>	
11 1st year of desig. Roth contrib.		12 State tax withheld <b>\$</b>		13 State/Payer's state no. <b>\$</b>	
14 State distribution <b>\$</b>		15 Local tax withheld <b>\$</b>		16 Name of locality <b>\$</b>	
Account number (see instructions)		17 Local distribution <b>\$</b>			

Form **1099-R** [www.irs.gov/Form1099R](http://www.irs.gov/Form1099R) Department of the Treasury - Internal Revenue Service

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

**2018** • PART OF YOUR SOCIAL SECURITY BENEFITS SHOWN IN BOX 5 MAY BE TAXABLE INCOME.  
• SEE THE REVERSE FOR MORE INFORMATION.

Box 1. Name <b>JACOB MILLS</b>		Box 2. Beneficiary's Social Security Number <b>131-00-XXXX</b>
Box 3. Benefits Paid in 2018 <b>\$16,000.00</b>	Box 4. Benefits Repaid to SSA in 2018	Box 5. Net Benefits for 2018 (Box 3 minus Box 4) <b>\$16,000.00</b>

<p align="center">DESCRIPTION OF AMOUNT IN BOX 3</p> <p><b>Paid by check or direct deposit:</b> <b>\$14,692</b></p> <p><b>Medicare Part B premiums deducted from your benefits:</b> <b>\$1,308</b></p> <p><b>Medicare Prescription Drug premiums (Part D) deducted from your benefits:</b> <b>\$0</b></p> <p><b>Total Additions:</b></p> <p><b>Benefits for 2018:</b> <b>\$16,000</b></p>	<p align="center">DESCRIPTION OF AMOUNT IN BOX 4</p> <p>Box 6. Voluntary Federal Income Tax Withholding</p> <p>Box 7. Address <b>5001 Laurel St.</b> <b>Your City, State Zip</b></p> <p>Box 8. Claim Number (Use this number if you need to contact SSA.)</p>
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**Draft as of June 21, 2018 - Subject to Change**

Form SSA-1099-SM (6-2018)

**DO NOT RETURN THIS FORM TO SSA OR IRS**

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

**2018** • PART OF YOUR SOCIAL SECURITY BENEFITS SHOWN IN BOX 5 MAY BE TAXABLE INCOME.  
• SEE THE REVERSE FOR MORE INFORMATION.

Box 1. Name <b>MARTHA MILLS</b>		Box 2. Beneficiary's Social Security Number <b>132-00-XXXX</b>
Box 3. Benefits Paid in 2018 <b>\$15,000.00</b>	Box 4. Benefits Repaid to SSA in 2018	Box 5. Net Benefits for 2018 (Box 3 minus Box 4) <b>\$15,000.00</b>

<p align="center">DESCRIPTION OF AMOUNT IN BOX 3</p> <p><b>Paid by check or direct deposit:</b> <b>\$12,188</b></p> <p><b>Medicare Part B premiums deducted from your benefits:</b> <b>\$1,312</b></p> <p><b>Medicare Prescription Drug premiums (Part D) deducted from your benefits:</b> <b>\$0</b></p> <p><b>Total Additions:</b></p> <p><b>Benefits for 2018:</b> <b>\$15,000</b></p>	<p align="center">DESCRIPTION OF AMOUNT IN BOX 4</p> <p>Box 6. Voluntary Federal Income Tax Withholding <b>\$1,500.00</b></p> <p>Box 7. Address <b>5001 Laurel St.</b> <b>Your City, State Zip</b></p> <p>Box 8. Claim Number (Use this number if you need to contact SSA.)</p>
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**Draft as of June 21, 2018 - Subject to Change**

Form SSA-1099-SM (6-2018)

**DO NOT RETURN THIS FORM TO SSA OR IRS**



CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		Payer's RTN (optional)	OMB No. 1545-0112		<b>2018</b>	<b>Interest Income</b>	
<b>COUNTY BANK 2400 MILFORD AVE YOUR CITY, STATE ZIP</b>			Form <b>1099-INT</b>				
PAYER'S TIN		RECIPIENT'S TIN		1 Interest income		<b>Copy B</b>  <b>For Recipient</b>	
<b>39-400XXXX</b>		<b>131-00-XXXX</b>		\$ <b>375.00</b>			
RECIPIENT'S name		2 Early withdrawal penalty		\$			
<b>JACOB MILLS</b>		3 Interest on U.S. Savings Bonds and Treas. obligations		\$		This is important tax information and is being furnished to the IRS. 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.)		4 Federal income tax withheld		5 Investment expenses			
<b>5001 LAUREL ST.</b>		\$		\$			
City or town, state or province, country, and ZIP or foreign postal code		6 Foreign tax paid		7 Foreign country or U.S. possession			
<b>YOUR CITY, STATE ZIP</b>		\$		\$			
FATCA filing requirement		8 Tax-exempt interest		9 Specified private activity bond interest			
<input type="checkbox"/>		\$		\$			
Account number (see instructions)		10 Market discount		11 Bond premium			
		\$		\$			
		12 Bond premium on Treasury obligations		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](http://www.irs.gov/Form1099INT) Department of the Treasury - Internal Revenue Service

CORRECTED (if checked)

PAYER'S name, street address, city or town, province or state, country, and ZIP or foreign postal code		1 Reportable winnings	2 Date won	OMB No. 1545-0238			
<b>RIDGETOP CASINO 777 CREST ROAD YOUR CITY, STATE ZIP</b>		\$ <b>2,000.00</b>	<b>5/28/2018</b>	<b>2018</b>			
PAYER'S federal identification number		3 Type of wager		<b>Form W-2G</b>			
<b>38-600XXXX</b>		<b>RAFFLE</b>		<b>Certain Gambling Winnings</b>			
PAYER'S telephone number		4 Federal income tax withheld		This information is being furnished to the Internal Revenue Service			
<b>YOUR PHONE #</b>		\$ <b>500.00</b>					
WINNER'S name		5 Transaction					
<b>JACOB MILLS</b>		6 Race		<b>Copy B</b> <b>Report this income on your federal tax return. If this form shows federal income tax withheld in box 4, attach this copy to your return.</b>			
Street address (including apt. no.)		7 Winnings from identical wagers				8 Cashier	
<b>5001 LAUREL ST</b>		\$				<b>VP</b>	
City or town, province or state, country, and ZIP or foreign postal code		9 Winner's taxpayer identification no.				10 Window	
<b>YOUR CITY, STATE ZIP</b>		<b>131-00-XXXX</b>					
		11 First I.D.				12 Second I.D.	
		<b>YS987654</b>				<b>YS 316-00-XXXX</b>	
		13 State/Payer's state identification no.				14 State winnings	
						\$	
		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](http://www.irs.gov/w2g) Department of the Treasury - Internal Revenue Service

CORRECTED

FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number <b>BUCKEYE COLLEGE 575 COLLEGE BLVD YOUR CITY, STATE ZIP</b>		1 Payments received for qualified tuition and related expenses <b>\$ 7,000.00</b>	OMB No. 1545-1574 <b>2018</b> Form <b>1098-T</b>	<b>Tuition Statement</b>  <b>Copy B For Student</b>  This is important tax information and is being furnished to the IRS. This form must be used to complete Form 8863 to claim education credits. Give it to the tax preparer or use it to prepare the tax return.
FILER'S employer identification no. <b>33-700XXXX</b>	STUDENT'S TIN <b>133-00-XXXX</b>	3 If this box is checked, your educational institution changed its reporting method for 2018 <input type="checkbox"/>		
STUDENT'S name <b>DANIEL MILLS</b>		4 Adjustments made for a prior year <b>\$</b>	5 Scholarships or grants <b>\$ 5,500.00</b>	
Street address (including apt. no.) <b>5001 LAUREL ST.</b>		6 Adjustments to scholarships or grants for a prior year <b>\$</b>		
City or town, state or province, country, and ZIP or foreign postal code <b>YOUR CITY, STATE ZIP</b>		7 Checked if the amount in box 1 includes amounts for an academic period beginning January—March 2019 <input type="checkbox"/>		
Service Provider/Acct. No. (see instr.)	8 Check if at least half-time student <input checked="" type="checkbox"/>	9 Checked if a graduate student <input type="checkbox"/>	10 Ins. contract reimb./refund <b>\$</b>	

Form **1098-T** (keep for your records) [www.irs.gov/Form1098T](http://www.irs.gov/Form1098T) Department of the Treasury - Internal Revenue Service



**College Books**  
580 College Blvd  
Your City, State ZIP

Receipt:  
3 Textbooks: \$500

*Payment for books is also on the college website.*



## Basic Scenario 7: Test Questions

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14. What is the amount of gambling winnings claimed on Jacob's and Martha's 2018 tax return?
- a. \$0
  - b. \$1,300
  - c. \$2,000
  - d. \$2,500
15. Jacob and Martha can claim \$2,000 of qualified education expenses to calculate Daniel's American opportunity credit.
- a. True
  - b. False
16. How much of Martha and Jacob's Social Security is taxable?
- a. \$0
  - b. \$6,851
  - c. \$7,169
  - d. \$26,350
17. The amount of Martha and Jacob's standard deduction is \$\_\_\_\_\_.
18. Which of the following items are included in the total payments on Jacob and Martha's tax return?
- a. Federal income tax withheld from Forms W-2 and 1099
  - b. \$400 applied from 2017 return
  - c. Refundable credits
  - d. All of the above
19. What form must be used to split Jacob and Martha's refund?
- a. Form 8888, Allocation of Refund (Including Savings Bond Purchases)
  - b. Form 8880, Credit for Qualified Retirement Savings Contributions
  - c. Form 8862, Information To Claim Earned Income Credit After Disallowance
  - d. There is no form. A refund can't be split.

## Basic Scenario 8: Emily Clark

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Using the tax software, complete the tax return, including Form 1040 and all appropriate forms, schedules, or worksheets. Answer the questions following the scenario.

*Note: When entering Social Security numbers (SSNs) or Employer Identification Numbers (EINs), replace the Xs as directed, or with any four digits of your choice.*

### Interview Notes

- Emily is single and has two young girls, Sara and Madison, who lived with her all year.
- Emily paid more than half of the support for her daughters and all the cost of keeping up the home.
- Emily was unemployed for two months (March and April). She cashed in her 401(k) savings and used the money to pay household expenses.
- Emily is paying off a student loan that she took out when she attended college for a few courses in 2015.
- She took some courses this year at Drew Community College to improve her job skills as a health aide.
- Emily and her two daughters, Sara and Madison, had qualified health insurance from her employers for 10 months out of the year. They did not have coverage in March and April.



**You will need:**

- Tax Information such as Forms W-2, 1099, 1098, 1095.
- 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.

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](mailto:wi.voltax@irs.gov)

**Part I – Your Personal Information** (If you are filing a joint return, enter your names in the same order as last year's return)

1. Your first name <b>EMILY</b>	M.I.	Last name <b>CLARK</b>	Daytime telephone number <b>YOUR PHONE #</b>	Are you a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. Your spouse's first name	M.I.	Last name	Daytime telephone number	Is your spouse a U.S. citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No
3. Mailing address <b>129 PENNINGTON PLACE</b>			Apt #	City <b>YOUR CITY</b>
			State <b>YS</b>	ZIP code <b>YOUR ZIP</b>
4. Your Date of Birth <b>04/29/1978</b>	5. Your job title <b>MED ASSISTANT</b>		6. Last year, were you:	
		b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		a. Full-time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
				c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
7. Your spouse's Date of Birth	8. Your spouse's job title		9. Last year, was your spouse:	
		b. Totally and permanently disabled <input type="checkbox"/> Yes <input type="checkbox"/> No		a. Full-time student <input type="checkbox"/> Yes <input type="checkbox"/> No
				c. Legally blind <input type="checkbox"/> Yes <input type="checkbox"/> No
10. Can anyone claim you or your spouse as a dependent? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure				
11. Have you, your spouse, or dependents been a victim of tax related identity theft or been issued an Identity Protection PIN? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				

**Part II – Marital Status and Household Information**

1. As of December 31, 2018, what was your marital status?  Never Married (This includes registered domestic partnerships, civil unions, or other formal relationships under state law)  
 Married a. If Yes, Did you get married in 2018?  Yes  No  
 Divorced b. Did you live with your spouse during any part of the last six months of 2018?  Yes  No  
 Legally Separated Date of final decree \_\_\_\_\_  
 Widowed Date of separate maintenance agreement \_\_\_\_\_  
Year of spouse's death \_\_\_\_\_

2. List the names below of:

- everyone who lived with you last year (other than 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 (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 12/31/18 (S/M)	Full-time Student last year (yes/no)	Totally and Permanently Disabled (yes/no)	Is this person a qualifying child/relative of any other person? (yes/no)	Did this person provide more than 50% of his/her own support? (yes/no)	Did this person have less than \$4,150 of income? (yes/no)	Did the taxpayer(s) provide more than 50% of support for this person? (yes/no/N/A)	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)						
SARA CLARK	05/06/10	DAUGHTER	12	YES	YES	S	YES	NO						
MADISON CLARK	07/31/12	DAUGHTER	12	YES	YES	S	YES	NO						

Check appropriate box for each question in each section

Yes	No	Unsure	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 or separate maintenance payments?
<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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11. (A) Retirement income or payments from Pensions, Annuities, and or IRA? (Form 1099-R)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12. (B) Unemployment Compensation? (Form 1099G)
<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, royalties, foreign income, etc.) Specify _____
Yes	No	Unsure	Part IV – Expenses – Last Year, Did You (or Your Spouse) Pay
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. (B) Alimony or separate maintenance payments? 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3. (B) College or post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (A) Deductions: <input type="checkbox"/> Medical & Dental (including insurance premiums) <input type="checkbox"/> Mortgage Interest (Form 1098) <input type="checkbox"/> Taxes (State, Real Estate, Personal Property, Sales) <input type="checkbox"/> Charitable Contributions
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5. (B) Child or dependent care expenses such as daycare?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. (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"/>	7. (A) Expenses related to self-employment income or any other income you received?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. (B) Student loan interest? (Form 1098-E)
Yes	No	Unsure	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. (A) Have credit card or mortgage debt cancelled/forgiven by a lender or have a home foreclosure? (Forms 1099-C, 1099-A)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. (A) Adopt a child?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (B) Have Earned Income Credit, Child Tax Credit or American Opportunity Credit 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 declared a Federal disaster area? 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) 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"/>	9. (A) File a federal return last year containing a "capital loss carryover" on Form 1040 Schedule D?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	10. Receive a letter from the IRS?



Check appropriate box for each question in each section

Yes	No	Unsure	Part VI - Health Care Coverage - Last year, did you, your spouse, or dependent(s)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. (B) Have health care coverage?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. (B) Receive one or more of these forms? (Check the box) <input type="checkbox"/> Form 1095-B <input type="checkbox"/> Form 1095-C
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. (A) Have coverage through the Marketplace (Exchange)? [Provide Form 1095-A]
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3a. (A) If yes, were advance credit payments made to help you pay your health care premiums?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3b. (A) If yes, Is everyone listed on your Form 1095-A being claimed on this tax return?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (B) Have an exemption granted by the Marketplace?

To be Completed by a Certified Volunteer Preparer (Use Publication 4012 and check the appropriate box(es) indicating Minimum Essential Coverage (MEC) for everyone listed on the return.)

Name	MEC All Year	No MEC	Months with MEC	Months with Exemption	Exempt All Year	Notes
Taxpayer			J F M A M J J A S O N D	J F M A M J J A S O N D		
Spouse			J F M A M J J A S O N D	J F M A M J J A S O N D		
Dependent			J F M A M J J A S O N D	J F M A M J J A S O N D		
Dependent			J F M A M J J A S O N D	J F M A M J J A S O N D		
Dependent			J F M A M J J A S O N D	J F M A M J J A S O N D		

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

- Provide an email address (optional) (this email address will not be used for contacts from the Internal Revenue Service) \_\_\_\_\_
- 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
- 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
- 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.

- Would you say you can carry on a conversation in English, both understanding & speaking?  Very well  Well  Not well  Not at all  Prefer not to answer
- Would you say you can read a newspaper or book in English?  Very well  Well  Not well  Not at all  Prefer not to answer
- Do you or any member of your household have a disability?  Yes  No  Prefer not to answer
- Are you or your spouse a Veteran from the U.S. Armed Forces?  Yes  No  Prefer not to answer

Additional comments

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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 1545-1964. 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

a Employee's social security number <b>259-00-XXXX</b>		Safe, accurate, FAST! Use		Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a>		
b Employer identification number (EIN) <b>35-600XXXX</b>		1 Wages, tips, other compensation <b>33,000.00</b>	2 Federal income tax withheld <b>2,600.00</b>			
c Employer's name, address, and ZIP code <b>SALEM RETIREMENT HOME 1270 WEST 29TH STREET YOUR CITY, STATE ZIP</b>		3 Social security wages <b>33,000.00</b>	4 Social security tax withheld <b>2,046.00</b>			
		5 Medicare wages and tips <b>33,000.00</b>	6 Medicare tax withheld <b>479.60</b>			
		7 Social security tips	8 Allocated tips			
d Control number		9 Verification code	10 Dependent care benefits			
e Employee's first name and initial Last name Suff. <b>EMILY CLARK 129 PENNINGTON PLACE YOUR CITY, STATE ZIP</b>		11 Nonqualified plans		12a See instructions for box 12 <b>DD 3,800.00</b>		
		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 <b>YS</b>	Employer's state ID number <b>35-600XXXX</b>	16 State wages, tips, etc. <b>33,000.00</b>	17 State income tax <b>2,238.00</b>	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

Form **W-2** Wage and Tax Statement **2018** Department of the Treasury—Internal Revenue Service  
 Copy B—To Be Filed With Employee's FEDERAL Tax Return.  
 This information is being furnished to the Internal Revenue Service.

a Employee's social security number <b>259-00-XXXX</b>		Safe, accurate, FAST! Use		Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a>		
b Employer identification number (EIN) <b>39-700XXXX</b>		1 Wages, tips, other compensation <b>3,500.00</b>	2 Federal income tax withheld <b>350.00</b>			
c Employer's name, address, and ZIP code <b>DAVIDSON INC. 4325 NORTHRIDGE AVE YOUR CITY, STATE ZIP</b>		3 Social security wages <b>3,500.00</b>	4 Social security tax withheld <b>217.00</b>			
		5 Medicare wages and tips <b>3,500.00</b>	6 Medicare tax withheld <b>50.75</b>			
		7 Social security tips	8 Allocated tips			
d Control number		9 Verification code	10 Dependent care benefits			
e Employee's first name and initial Last name Suff. <b>EMILY CLARK 129 PENNINGTON PLACE YOUR CITY, STATE ZIP</b>		11 Nonqualified plans		12a See instructions for box 12 <b>DD 450.00</b>		
		13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>	12b			
		14 Other		12c		
				12d		
f Employee's address and ZIP code						
15 State <b>YS</b>	Employer's state ID number <b>39-700XXXX</b>	16 State wages, tips, etc. <b>3,500.00</b>	17 State income tax <b>210.00</b>	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

Form **W-2** Wage and Tax Statement **2018** Department of the Treasury—Internal Revenue Service  
 Copy B—To Be Filed With Employee's FEDERAL Tax Return.  
 This information is being furnished to the Internal Revenue Service.

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. <b>STATE UNEMPLOYMENT COMMISSION</b> <b>1000 GOVERNMENT PLAZA</b> <b>YOUR CITY, STATE ZIP</b> <b>(555) 555-4321</b>		1 Unemployment compensation <b>\$ 2,200.00</b> 2 State or local income tax refunds, credits, or offsets \$	OMB No. 1545-0120 <div style="font-size: 2em; font-weight: bold; text-align: center;">2018</div> Form 1099-G	<b>Certain Government Payments</b>
PAYER'S TIN <b>35-700XXXX</b>	RECIPIENT'S TIN <b>259-00-XXXX</b>	3 Box 2 amount is for tax year \$	4 Federal income tax withheld <b>\$ 220.00</b>	<b>Copy B For Recipient</b> <small>This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.</small>
RECIPIENT'S name <b>EMILY CLARK</b> <small>Street address (including apt. no.)</small> <b>129 PENNINGTON PLACE</b> <small>City or town, state or province, country, and ZIP or foreign postal code</small> <b>YOUR CITY, STATE ZIP</b>		5 RTAA payments \$	6 Taxable grants \$	
<small>Account number (see instructions)</small>		7 Agriculture payments \$	8 If checked, box 2 is trade or business income <input type="checkbox"/>	
<small>Account number (see instructions)</small>		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](http://www.irs.gov/Form1099G) Department of the Treasury - Internal Revenue Service

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, and ZIP or foreign postal code <b>KENT STATE BANK FOR SALEM RETIREMENT HOME 401(K)</b> <b>743 COLQUITT WAY</b> <b>YOUR CITY, STATE ZIP</b>		1 Gross distribution <b>\$ 2,000.00</b> 2a Taxable amount <b>\$ 2,000.00</b> 2b Taxable amount not determined <input type="checkbox"/>	OMB No. 1545-0119 <div style="font-size: 2em; font-weight: bold; text-align: center;">2018</div> Form 1099-R	<b>Distributions From Retirement Plans, Insurance Contracts, etc.</b>
PAYER'S TIN <b>38-200XXXX</b>	RECIPIENT'S TIN <b>259-00-XXXX</b>	3 Capital gain (included in box 2a) \$	4 Federal income tax withheld <b>\$ 300.00</b>	<b>Copy B Report this income on your federal tax return. If this form shows federal income tax withheld in box 4, attach this copy to your return.</b>  <small>This information is being furnished to the IRS.</small>
RECIPIENT'S name <b>EMILY CLARK</b> <small>Street address (including apt. no.)</small> <b>129 PENNINGTON PLACE</b> <small>City or town, state or province, country, and ZIP or foreign postal code</small> <b>YOUR CITY, STATE ZIP</b>		5 Employee contributions/ Designated Roth contributions or insurance premiums \$	6 Net unrealized appreciation in employer's securities \$	
<small>Account number (see instructions)</small>		7 Distribution code(s) <div style="text-align: center; font-weight: bold;">1</div>	8 Other \$ %	
<small>Account number (see instructions)</small>		9a Your percentage of total distribution %	9b Total employee contributions \$	
10 Amount allocable to IRR within 5 years \$	11 1st year of desig. Roth contrib. <input type="checkbox"/>	12 State tax withheld \$	13 State/Payer's state no. \$	14 State distribution \$
<small>Account number (see instructions)</small>		15 Local tax withheld \$	16 Name of locality \$	17 Local distribution \$

Form 1099-R [www.irs.gov/Form1099R](http://www.irs.gov/Form1099R) 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  <b>FINANCIAL AID PARTNERS</b> <b>666 LINCOLN</b> <b>YOUR CITY, STATE ZIP</b>			OMB No. 1545-1576  <b>2018</b>  Form 1098-E	<b>Student Loan Interest Statement</b>
RECIPIENT'S TIN <b>38-900XXXX</b>	BORROWER'S TIN <b>259-00-XXXX</b>	<b>1</b> Student loan interest received by lender \$ <b>600.00</b>		<b>Copy B For Borrower</b>
BORROWER'S name  <b>EMILY CLARK</b>  Street address (including apt. no.) <b>129 PENNINGTON PLACE</b>  City or town, state or province, country, and ZIP or foreign postal code <b>YOUR CITY, STATE ZIP</b>		This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for student loan interest.		
Account number (see instructions)				<b>2</b> If checked, box 1 does <b>not</b> include loan origination fees and/or capitalized interest for loans made before September 1, 2004 <input type="checkbox"/>
Form <b>1098-E</b> (keep for your records)		www.irs.gov/Form1098E Department of the Treasury - Internal Revenue Service		

CORRECTED

FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number  <b>DREW COLLEGE</b> <b>1000 COLLEGE AVE</b> <b>YOUR CITY, STATE ZIP</b>		OMB No. 1545-1574  <b>2018</b>  Form 1098-T	<b>Tuition Statement</b>
FILER'S employer identification no. <b>35-500XXXX</b>	STUDENT'S TIN <b>259-00-XXXX</b>	<b>1</b> Payments received for qualified tuition and related expenses \$ <b>2,800.00</b> <b>2</b>	
STUDENT'S name  <b>EMILY CLARK</b>  Street address (including apt. no.) <b>129 PENNINGTON PLACE</b>  City or town, state or province, country, and ZIP or foreign postal code <b>YOUR CITY, STATE ZIP</b>		<b>3</b> If this box is checked, your educational institution changed its reporting method for 2018 <input type="checkbox"/>	<b>Copy B For Student</b>
Service Provider/Acct. No. (see instr.)		<b>4</b> Adjustments made for a prior year \$	<b>5</b> Scholarships or grants \$
<b>8</b> Check if at least half-time student <input type="checkbox"/>		<b>6</b> Adjustments to scholarships or grants for a prior year \$	<b>7</b> Checked if the amount in box 1 includes amounts for an academic period beginning January–March 2019 <input type="checkbox"/>
<b>9</b> Checked if a graduate student <input type="checkbox"/>		<b>10</b> Ins. contract reimb./refund \$	This is important tax information and is being furnished to the IRS. This form must be used to complete Form 8863 to claim education credits. Give it to the tax preparer or use it to prepare the tax return.
Form <b>1098-T</b> (keep for your records)		www.irs.gov/Form1098T Department of the Treasury - Internal Revenue Service	



**River's Child Care**

303 Twiggs Trail  
Your City, Your State Your Zip  
(555) 555-1234

December 31, 2018

Received from Emily Clark:

\$1,500 for after-school care for Sara Clark  
\$1,500 for after-school care for Madison Clark

\$3,000 Total amount received for child care in 2018

Ellen River

EIN: 35-900XXXX

<b>Emily Clark</b> 129 Pennington Place Your City, State 00000	<b>1234</b>
	_____ 20 _____
PAY TO THE ORDER OF _____	\$ <input type="text"/>
	_____ DOLLARS
<b>Adelphi Bank and Trust</b> Anytown, State 00000	
For _____	
: 111000025 : 123456789 1234	

## Basic Scenario 8: Test Questions

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- 20.** Does Emily have to pay a shared responsibility payment on her tax return?
- a. Yes, she did not have full health coverage for 12 months of the year.
  - b. No, she can claim a short coverage gap exemption on her tax return.
- 21.** The amount of Emily's education credit claimed on her tax return is \$\_\_\_\_\_.
- 22.** Emily's total federal income tax withheld is \$\_\_\_\_\_.
- 23.** What is the total credit amount shown on Form 2441, Child and Dependent Care Expenses?
- a. \$0
  - b. \$600
  - c. \$660
  - d. \$792
- 24.** Emily is eligible to claim the child tax credit on her 2018 tax return.
- a. True
  - b. False
- 25.** Emily is subject to the 10% additional tax from her 401(k) distribution.
- a. True
  - b. False



## Basic Course Retest Questions

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### Directions

The first six scenarios do not require you to prepare a tax return. **Read the interview notes for each scenario carefully and use your training and resource materials to answer the questions after the scenarios.**

### Basic Scenario 1: Jeff and Linda Arnold

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#### Interview Notes

- Jeff and Linda got married in December of 2018.
- They are both U.S. citizens with valid Social Security numbers.
- They do not elect to file a joint return for 2018.
- Jeff worked all year and received wages of \$32,000. He received full health insurance coverage from his employer all year.
- Linda worked part-time at a book store January through September. She earned \$9,000 for the year. In November, she started working at the library. She had health insurance through her employers, except for the month of October when she was unemployed.

### Basic Scenario 1: Retest Questions

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1. Jeff does not have to make a shared responsibility payment because he was covered by a health insurance plan through his employer for the full tax year.
  - a. True
  - b. False
  
2. Linda must make a shared responsibility payment because she did not have qualified healthcare coverage all year.
  - a. True
  - b. False

## Basic Scenario 2: Ava Harvard

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### Interview Notes

- Ava is 43, divorced, and earned \$38,000 in wages.
- Ava's 20-year-old son, David, is unmarried and a full-time student working towards a degree in Business Administration. David lives on campus during the school year and spent the summer at home with his mother.
- David does not have a felony drug conviction.
- Ava paid \$4,000 of David's tuition that was not covered by his scholarship.
- Ava provided more than half of her son's support and all the cost of his room and board on campus.
- David's only income was \$3,800 in wages.
- Ava and David are U.S. citizens and have valid Social Security numbers.

## Basic Scenario 2: Retest Questions

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3. David is Ava's qualifying child for the earned income credit.
  - a. True
  - b. False
4. David is a qualifying person for Ava to claim Head of Household filing status, credit for other dependents and the education credit.
  - a. True
  - b. False

## Basic Scenario 3: Ellen Santos

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### Interview Notes

- Ellen is 62. During the interview, she mentions that she always filed a joint return with her husband who died in 2014.
- Ellen has not remarried and she pays all the cost of keeping up her home. She earned \$28,500 in wages for 2018.
- Ellen provides all the support for her two grandchildren who lived with her all year. Tricia is 12 years old and Evan is 16 years old.
- She does not have enough deductions to itemize.
- Her income tax before credits is \$1,050.
- Ellen, Tricia, and Evan are all U.S. citizens with valid Social Security numbers.

### Basic Scenario 3: Retest Questions

---

5. Ellen's standard deduction is \$24,000.
  - a. True
  - b. False
6. The maximum amount of additional child tax credit Ellen is able to claim per qualifying child is \$1,400.
  - a. True
  - b. False

## Basic Scenario 4: Christopher and Amanda Drury

---

### Interview Notes

- Christopher and his wife Amanda have lived in the United States since 2012 and have Individual Taxpayer Identification Numbers (ITINs).
- Christopher is 45 and Amanda is 40. They have been married since 2000. They both worked in 2018 and their combined wages for the year were \$40,000.
- They have one child, Jennifer, who is 3 years old and lived with them all year. Jennifer is a U.S. citizen and has a valid Social Security number.
- In order for them to work, they paid \$5,000 in daycare for Jennifer. The statement from the daycare provider includes the provider's name, address, valid Employer Identification Number, and the amount paid for Jennifer's care.
- Christopher and Amanda provided all the support for Jennifer and all the costs of keeping up their home.

## Basic Scenario 4: Retest Questions

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7. Christopher and Amanda can claim Jennifer as a qualifying child for the earned income credit (EIC).
  - a. True
  - b. False
8. Jennifer is a qualifying child for the child tax credit.
  - a. True
  - b. False

## Basic Scenario 5: Mathew Rice and Ashley Tufts

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### Interview Notes

- Mathew and Ashley are both 28 years old.
- Mathew and Ashley are not married to each other and lived together all year. Mathew has never been married. Ashley is still legally married to another man, but she does not want to file a joint return with her spouse.
- Ashley earned \$27,000 in wages during 2018. Mathew received \$13,000 in wages.
- Mathew has two children from a previous relationship. Mark is 9 and Kevin is 6 years old. Mark and Kevin lived with Mathew and Ashley for all of 2018. Mark and Kevin did not provide over half of their own support.
- Ashley paid all the rent, utilities, and household expenses. Mathew did not pay any household expenses.
- Mathew, Ashley, Mark, and Kevin are all U.S. citizens with valid Social Security numbers.

### Basic Scenario 5: Retest Questions

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9. Ashley's correct filing status is Single.
  - a. True
  - b. False
10. Mathew can claim Mark and Kevin as qualifying children for the earned income credit.
  - a. True
  - b. False

## Basic Scenario 6: George and Helen Reed

---

### Interview Notes

- George and Helen have an 18-year-old son, Joshua, who lived with them all year and is a college student.
- George and Helen provided all the support for Joshua and all the costs of keeping up their home.
- Joshua worked during the year and received wages of \$2,000. He had \$140 of federal withholding.
- The Reeds have a balance due on their return and are unsure what to do.
- George, Helen, and Joshua are U.S. citizens with valid Social Security numbers.

## Basic Scenario 6: Retest Questions

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11. There is nothing George and Helen can do to prevent having a balance due next year.
  - a. True
  - b. False
12. George and Helen should not file their tax return until they can pay the entire balance due.
  - a. True
  - b. False
13. Joshua should file a tax return to claim a refund of his withholding.
  - a. True
  - b. False



## Basic Scenario 7: Retest Questions

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### Directions

Read the scenario information for Jacob and Martha Mills beginning on page 31.

14. Jacob and Martha must report \$\_\_\_\_\_ of gambling winnings on their tax return.
15. The amount of Daniel's qualifying education expenses must be reduced by the scholarship amount shown on Form 1098-T.
  - a. True
  - b. False
16. The taxable amount of Jacob and Martha's Social Security income is \$26,350.
  - a. True
  - b. False
17. Jacob and Martha have an increased standard deduction for their filing status because they are both 65 years old.
  - a. True
  - b. False
18. The total payments reported on Jacob and Martha's joint tax return is \$6,986.
  - a. True
  - b. False
19. Jacob and Martha must use Form 8888, Allocation of Refund (Including Savings Bond Purchases), to split their refund between their checking and savings accounts.
  - a. True
  - b. False

## Basic Scenario 8: Retest Questions

---

### Directions

Read the information for Emily Clark beginning on page 40.

20. Emily can claim an exemption on her 2018 tax return for not having healthcare coverage for 2 months of the year.
- a. True
  - b. False
21. Emily qualifies for the American opportunity credit.
- a. True
  - b. False
22. What is the total federal income tax withheld shown on Emily's tax return?
- a. \$2,600
  - b. \$2,950
  - c. \$3,170
  - d. \$3,470
23. What is Emily's total credit amount shown on Form 2441, Child and Dependent Care Expenses? \$\_\_\_\_\_.
24. Emily does NOT qualify for the child tax credit.
- a. True
  - b. False
25. Emily must pay a 10% additional tax of \$\_\_\_\_\_ on her early distribution from her 401(k).



## Advanced Course Scenarios and Test Questions

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### Directions

The first four scenarios do not require you to prepare a tax return. **Read the interview notes for each scenario carefully and use your training and resource materials to answer the questions after the scenarios.**

### Advanced Scenario 1: Aiden Smith

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#### Interview Notes

- Aiden is 19 years old, unmarried, and was a first-year full-time student working on a degree in accounting during 2018. He has never had a felony drug conviction.
- Aiden did not provide more than half of his own support and can be claimed as a dependent by his mother.
- Aiden's income was \$4,000 in wages working as a part-time cook at a fast food restaurant.
- Aiden received Form 1098-T indicating \$5,000 for payments received for qualified tuition and related expenses in Box 1. He received \$8,500 in scholarships and grants, which was reported in Box 5.
- Aiden's scholarship was used to pay for room and board, tuition, and books. The cost of his books was \$845.
- Aiden is a U.S. citizen with a valid Social Security number.

### Advanced Scenario 1: Test Questions

---

1. Which of the following statements is true?
  - a. The portion of the scholarship that was not used for qualified educational expenses must be included in Aiden's income.
  - b. The amount spent on books is not a qualified education expense.
  - c. The taxable portion of the scholarship must be reported on Aiden's mother's return.
  - d. None of Aiden's scholarship is taxable.
2. Room and board is a qualified education expense.
  - a. True
  - b. False

## Advanced Scenario 2: Sean Yale

---

### Interview Notes

- Sean is 49 and his divorce became final on October 21, 2018. He pays all the cost of keeping up his home in the United States. He earned \$38,000 in wages in 2018.
- Sean's daughter, Sonya, lived with Sean all year. She is 18, single, and had \$4,000 in wages in 2018.
- Sonya's son, Jimmy, was born on November 17, 2018. Jimmy lived in Sean's home all year.
- Sean provides more than half of the support for both Sonya and Jimmy.
- Sean, Sonya, and Jimmy are all U.S. citizens with valid Social Security numbers.

## Advanced Scenario 2: Test Questions

---

3. Sean is able to claim the credit for other dependents for Sonya.
  - a. True
  - b. False
4. Who can Sean claim as a qualifying child(ren) for the earned income credit?
  - a. Sean has no qualifying children.
  - b. Sean can claim Jimmy, but not Sonya.
  - c. Sean can claim Sonya, but not Jimmy.
  - d. Sean can claim both Sonya and Jimmy.
5. Which of the following statements is true?
  - a. Sean must file Married Filing Separately because he was not considered single for the entire year.
  - b. Sonya and Jimmy are qualifying persons for Sean to file Head of Household.
  - c. Sean has to file Single.
  - d. Sean can choose to file a joint return with his ex-wife because his divorce was not final until October 21, 2018.

## Advanced Scenario 3: Tom and Carol Baker

---

### Interview Notes

- Tom and Carol are resident aliens, married, and want to file a joint return.
- They have two children. Sydney is 5 years old and a resident alien. Benjamin is 2 years old and a U.S. citizen. Both children lived with the parents in the United States all year.
- Tom, Carol, and Sydney have Individual Taxpayer Identification Numbers (ITINs). Benjamin has a Social Security number.
- Tom earned \$30,000 in wages. Carol had \$8,000 in wage income. They had no other income.
- Tom and Carol provided all the support for Sydney and Benjamin.
- Sydney and Benjamin attended daycare while Tom and Carol were at work.
- Tom and Carol did not receive dependent care benefits from a dependent care benefits plan or flexible spending account.
- The daycare center provided the Baker's with a statement indicating the amount of \$3,250 paid for 2018, their name, address and valid Employer Identification Number.

### Advanced Scenario 3: Test Questions

---

6. Who can Tom and Carol claim as a qualifying child for the child tax credit?
  - a. Sydney
  - b. Benjamin
  - c. Both Sydney and Benjamin
  - d. Neither Sydney or Benjamin
7. Which credit(s) are Tom and Carol eligible to claim? (Select all that apply.)
  - a. Credit for other dependents
  - b. Child and dependent care credit
  - c. Earned income credit
  - d. They don't qualify for any credits.

## Advanced Scenario 4: Bill Johnson

---

### Interview Notes

- Bill is 31 years old, married, and lived with his spouse Michelle from January 2018 to September 2018. Bill paid all the cost of keeping up his home. He indicated that he is not legally separated and he and Michelle agreed they will not file a joint return.
- Bill has an 8-year-old son, Daniel, who qualifies as Bill's dependent.
- Bill worked as a clerk and his wages are \$20,000 for 2018. His income tax before credits is \$500.
- In 2018, he took a computer class at the local university to improve his job skills.
- Bill has a receipt showing he paid \$1,200 for tuition. He paid for all his educational expenses and did not receive any assistance or reimbursement.
- Bill does not have enough deductions to itemize.
- Bill, Michelle, and Daniel are U.S. citizens with valid Social Security numbers.

## Advanced Scenario 4: Test Questions

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8. Bill does NOT qualify to claim which of the following:
  - a. Head of Household
  - b. Education benefit
  - c. Earned income credit
  - d. All of the above
9. What is the maximum amount of the refundable additional child tax credit Bill is able to claim on Schedule 8812?
  - a. \$500
  - b. \$1,400
  - c. \$1,500
  - d. \$2,000

## Advanced Scenario 5: Fran Emerson

---

### Directions

Using the tax software, complete the tax return, including Form 1040 and all appropriate forms, schedules, or worksheets. Answer the questions following the scenario.

*Note: When entering Social Security numbers (SSNs) or Employer Identification Numbers (EINs), replace the Xs as directed, or with any four digits of your choice.*

### Interview Notes

- Fran's husband died in March 2017. Fran filed a joint return with her husband for 2017. She has not remarried.
- Fran provided the entire cost of maintaining the household and all the support for her children, Meredith and Oliver, in 2018.
- Fran's older brother, Howard, lives with her and is permanently and totally disabled. He received disability income which he used to provide more than half of his own support.
- Oliver attended day care while Fran worked.
- In September 2018, Fran's daughter, Meredith, enrolled in college to pursue a bachelor's degree. She had no previous post-secondary education. Yuma College is a qualified educational institution.
- Meredith does not have a felony drug conviction.
- Fran brought a Form 1098-T and an account statement from the college. Meredith's purchases at the college bookstore were for course-related books.
- The terms of Meredith's scholarship require that it be used to pay for tuition.
- Fran took a distribution from her IRA and used all of the distribution to pay for some of Meredith's education expenses. All her IRA contributions were deductible in the year she made them.
- Fran received a Form 1099-C for cancelled credit card debt. Using the insolvency determination worksheet in Publication 4012, you helped Fran determine the value of her assets exceeded her liabilities and that she was solvent at the time the credit card debt was cancelled.
- Fran did not have minimum essential healthcare coverage (MEC) all year and does not qualify for any exemption. Meredith, Oliver, and Howard each had MEC all year.



Form <b>13614-C</b> (October 2018)	Department of the Treasury - Internal Revenue Service <b>Intake/Interview &amp; Quality Review Sheet</b>	OMB Number 1545-1964											
<p><b>You will need:</b></p> <ul style="list-style-type: none"> <li>• Tax Information such as Forms W-2, 1099, 1098, 1095.</li> <li>• Social security cards or ITIN letters for all persons on your tax return.</li> <li>• Picture ID (such as valid driver's license) for you and your spouse.</li> </ul>													
<p style="text-align: center;">Volunteers are trained to provide high quality service and uphold the highest ethical standards. To report unethical behavior to the IRS, email us at <a href="mailto:wi.voltax@irs.gov">wi.voltax@irs.gov</a></p>													
<b>Part I – Your Personal Information</b> (If you are filing a joint return, enter your names in the same order as last year's return)													
1. Your first name <b>FRAN</b>	M.I. <b></b>	Last name <b>EMERSON</b>	Daytime telephone number <b>YOUR PHONE #</b>	Are you a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No									
2. Your spouse's first name	M.I.	Last name	Daytime telephone number	Is your spouse a U.S. citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No									
3. Mailing address <b>300 DAKOTA CIRCLE</b>			Apt #	City <b>YOUR CITY</b>	State <b>YS</b>	ZIP code <b>YOUR ZIP</b>							
4. Your Date of Birth <b>04/15/1975</b>	5. Your job title <b>MANGEMENT ASSISTANT</b>		6. 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								
7. Your spouse's Date of Birth	8. Your spouse's job title		9. 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								
10. Can anyone claim you or your spouse as a dependent? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure													
11. Have you, your spouse, or dependents been a victim of tax related identity theft or been issued an Identity Protection PIN? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No													
<b>Part II – Marital Status and Household Information</b>													
1. As of December 31, 2018, what was your marital status?													
<input type="checkbox"/> Never Married		(This includes registered domestic partnerships, civil unions, or other formal relationships under state law)											
<input type="checkbox"/> Married		a. If Yes, Did you get married in 2018?		<input type="checkbox"/> Yes <input type="checkbox"/> No									
<input type="checkbox"/> Divorced		b. Did you live with your spouse during any part of the last six months of 2018?		<input type="checkbox"/> Yes <input type="checkbox"/> No									
<input type="checkbox"/> Legally Separated		Date of final decree		_____									
<input type="checkbox"/> Legally Separated		Date of separate maintenance agreement		_____									
<input checked="" type="checkbox"/> Widowed		Year of spouse's death		<b>2017</b>									
2. List the names below of:													
• everyone who lived with you last year (other than your spouse)			If additional space is needed check here <input type="checkbox"/> and list on page 3										
• anyone you supported but did not live with you last year													
<b>To be completed by a Certified Volunteer Preparer</b>													
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 12/31/18 (S/M)	Full-time Student last year (yes/no)	Totally and Permanently Disabled (yes/no)	Is this person a qualifying child/relative of any other person? (yes/no)	Did this person provide more than 50% of his/her own support? (yes/no)	Did this person have less than \$4,150 of income? (yes/no)	Did the taxpayer(s) provide more than 50% of support for this person? (yes/no/N/A)	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)					
<b>MEREDITH EMERSON</b>	<b>08/01/98</b>	<b>DAUGHTER</b>	<b>12</b>	<b>YES</b>	<b>YES</b>	<b>S</b>	<b>YES</b>	<b>NO</b>					
<b>OLIVER EMERSON</b>	<b>04/06/10</b>	<b>SON</b>	<b>12</b>	<b>YES</b>	<b>YES</b>	<b>S</b>	<b>YES</b>	<b>NO</b>					
<b>HOWARD BOLIVAR</b>	<b>10/27/72</b>	<b>BROTHER</b>	<b>12</b>	<b>YES</b>	<b>YES</b>	<b>S</b>	<b>NO</b>	<b>YES</b>					



Check appropriate box for each question in each section

Yes	No	Unsure	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 checked="" type="checkbox"/>	<input 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 or separate maintenance payments?
<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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11. (A) Retirement income or payments from Pensions, Annuities, and or IRA? (Form 1099-R)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	12. (B) Unemployment Compensation? (Form 1099G)
<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, royalties, foreign income, etc.) Specify <b>FORM 1099-C</b>

Yes	No	Unsure	Part IV – Expenses – Last Year, Did You (or Your Spouse) Pay
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. (B) Alimony or separate maintenance payments? 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3. (B) College or post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (A) Deductions: <input type="checkbox"/> Medical & Dental (including insurance premiums) <input type="checkbox"/> Mortgage Interest (Form 1098) <input type="checkbox"/> Taxes (State, Real Estate, Personal Property, Sales) <input type="checkbox"/> Charitable Contributions
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5. (B) Child or dependent care expenses such as daycare?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. (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"/>	7. (A) Expenses related to self-employment income or any other income you received?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. (B) Student loan interest? (Form 1098-E)

Yes	No	Unsure	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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2. (A) Have credit card or mortgage debt cancelled/forgiven by a lender or have a home foreclosure? (Forms 1099-C, 1099-A)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. (A) Adopt a child?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (B) Have Earned Income Credit, Child Tax Credit or American Opportunity Credit 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 declared a Federal disaster area? 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) 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"/>	9. (A) File a federal return last year containing a "capital loss carryover" on Form 1040 Schedule D?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	10. Receive a letter from the IRS?

Check appropriate box for each question in each section

Yes	No	Unsure	Part VI - Health Care Coverage - Last year, did you, your spouse, or dependent(s)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. (B) Have health care coverage?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. (B) Receive one or more of these forms? (Check the box) <input type="checkbox"/> Form 1095-B <input type="checkbox"/> Form 1095-C
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. (A) Have coverage through the Marketplace (Exchange)? [Provide Form 1095-A]
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3a. (A) If yes, were advance credit payments made to help you pay your health care premiums?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3b. (A) If yes, Is everyone listed on your Form 1095-A being claimed on this tax return?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (B) Have an exemption granted by the Marketplace?

To be Completed by a Certified Volunteer Preparer (Use Publication 4012 and check the appropriate box(es) indicating Minimum Essential Coverage (MEC) for everyone listed on the return.)

Name	MEC All Year	No MEC	Months with MEC	Months with Exemption	Exempt All Year	Notes
Taxpayer			J F M A M J J A S O N D	J F M A M J J A S O N D		
Spouse			J F M A M J J A S O N D	J F M A M J J A S O N D		
Dependent			J F M A M J J A S O N D	J F M A M J J A S O N D		
Dependent			J F M A M J J A S O N D	J F M A M J J A S O N D		
Dependent			J F M A M J J A S O N D	J F M A M J J A S O N D		

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

1. Provide an email address (optional) (this email address will not be used for contacts from the Internal Revenue Service) \_\_\_\_\_

2. 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

3. 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

4. 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.**

5. Would you say you can carry on a conversation in English, both understanding & speaking?  Very well  Well  Not well  Not at all  Prefer not to answer

6. Would you say you can read a newspaper or book in English?  Very well  Well  Not well  Not at all  Prefer not to answer

7. Do you or any member of your household have a disability?  Yes  No  Prefer not to answer

8. Are you or your spouse a Veteran from the U.S. Armed Forces?  Yes  No  Prefer not to answer

Additional comments

\_\_\_\_\_


\_\_\_\_\_

\_\_\_\_\_

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 1545-1964. 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



a Employee's social security number <b>601-00-XXXX</b>		OMB No. 1545-0008		Safe, accurate, FAST! Use 		Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a>	
b Employer identification number (EIN) <b>34-600XXXX</b>		1 Wages, tips, other compensation <b>36,300.00</b>		2 Federal income tax withheld <b>2,200.00</b>			
c Employer's name, address, and ZIP code  <b>GILMER CORP 2250 DELTA AVENUE YOUR CITY, STATE ZIP</b>		3 Social security wages <b>36,300.00</b>		4 Social security tax withheld <b>2,250.60</b>			
		5 Medicare wages and tips <b>36,300.00</b>		6 Medicare tax withheld <b>526.35</b>			
		7 Social security tips		8 Allocated tips			
d Control number		9 Verification code		10 Dependent care benefits			
e Employee's first name and initial Last name Suff.  <b>FRAN EMERSON 300 DAKOTA CIRCLE YOUR CITY, STATE ZIP</b>		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 <b>YS 34-600XXXX</b>		16 State wages, tips, etc. <b>36,300.00</b>		17 State income tax <b>1,472.00</b>	
		18 Local wages, tips, etc.		19 Local income tax		20 Locality name	

Form **W-2 Wage and Tax Statement** **2018** Department of the Treasury—Internal Revenue Service  
**Copy B—To Be Filed With Employee's FEDERAL Tax Return.**  
 This information is being furnished to the Internal Revenue Service.

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, and ZIP or foreign postal code  <b>PRAIRIE BANK 1727 OSAGE WAY YOUR CITY, STATE ZIP</b>		1 Gross distribution <b>\$ 3,200.00</b>		OMB No. 1545-0119 <b>2018</b>		Distributions From Retirement Plans, Insurance Contracts, etc.	
PAYER'S TIN <b>30-600XXXX</b>		2a Taxable amount <b>\$ 3,200.00</b>		Form 1099-R			
RECIPIENT'S TIN <b>601-00-XXXX</b>		2b Taxable amount not determined <input type="checkbox"/>		Total distribution <input type="checkbox"/>		<b>Copy B</b> <b>Report this income on your federal tax return. If this form shows federal income tax withheld in box 4, attach this copy to your return.</b>  This information is being furnished to the IRS.	
RECIPIENT'S name  <b>FRAN EMERSON</b>		3 Capital gain (included in box 2a) <b>\$</b>		4 Federal income tax withheld <b>\$ 320.00</b>			
Street address (including apt. no.)  <b>300 DAKOTA CIRCLE</b>		5 Employee contributions/ Designated Roth contributions or insurance premiums <b>\$</b>		6 Net unrealized appreciation in employer's securities <b>\$</b>			
City or town, state or province, country, and ZIP or foreign postal code  <b>YOUR CITY, STATE ZIP</b>		7 Distribution code(s) <b>1</b>		8 Other <b>\$ %</b>			
10 Amount allocable to IRR within 5 years <b>\$</b>		11 1st year of desig. Roth contrib. <input type="checkbox"/>		12 State tax withheld <b>\$</b>		13 State/Payer's state no. <b>\$</b>	
Account number (see instructions)		15 Local tax withheld <b>\$</b>		16 Name of locality <b>\$</b>		17 Local distribution <b>\$</b>	

Form **1099-R** [www.irs.gov/Form1099R](http://www.irs.gov/Form1099R) Department of the Treasury - Internal Revenue Service

CORRECTED (if checked)

CREDITOR'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.  <b>PRAIRIE BANK 1727 OSAGE WAY YOUR CITY, STATE ZIP</b>		1 Date of identifiable event <b>06/15/18</b>	OMB No. 1545-1424  <b>2018</b>  Form 1099-C	<b>Cancellation of Debt</b>
		2 Amount of debt discharged \$ <b>600.00</b>		
		3 Interest if included in box 2 \$		
CREDITOR'S TIN <b>30-600XXXX</b>	DEBTOR'S TIN <b>601-00-XXXX</b>	4 Debt description  <b>CREDIT CARD</b>		<b>Copy B For Debtor</b>  <small>This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if taxable income results from this transaction and the IRS determines that it has not been reported.</small>
DEBTOR'S name  <b>FRAN EMERSON</b>  <small>Street address (including apt. no.) 300 DAKOTA CIRCLE City or town, state or province, country, and ZIP or foreign postal code YOUR CITY, STATE ZIP</small>				
Account number (see instructions)		6 Identifiable event code <b>G</b>	7 Fair market value of property \$	

Form **1099-C** (keep for your records) [www.irs.gov/Form1099C](http://www.irs.gov/Form1099C) Department of the Treasury - Internal Revenue Service

CORRECTED

FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number  <b>YUMA COLLEGE 10 COLLEGE AVE YOUR CITY, STATE ZIP</b>		1 Payments received for qualified tuition and related expenses \$ <b>6,800.00</b>	OMB No. 1545-1574  <b>2018</b>  Form 1098-T	<b>Tuition Statement</b>
		2		
		3 If this box is checked, your educational institution changed its reporting method for 2018 <input type="checkbox"/>		
FILER'S employer identification no. <b>37-700XXXX</b>	STUDENT'S TIN <b>602-00-XXXX</b>	4 Adjustments made for a prior year \$		<b>Copy B For Student</b>  <small>This is important tax information and is being furnished to the IRS. This form must be used to complete Form 8863 to claim education credits. Give it to the tax preparer or use it to prepare the tax return.</small>
STUDENT'S name  <b>MEREDITH EMERSON</b>  <small>Street address (including apt. no.) 300 DAKOTA CIRCLE City or town, state or province, country, and ZIP or foreign postal code YOUR CITY, STATE ZIP</small>				
Service Provider/Acct. No. (see instr.)		5 Scholarships or grants \$ <b>3,500.00</b>	7 Checked if the amount in box 1 includes amounts for an academic period beginning January–March 2019 <input type="checkbox"/>	
8 Check if at least half-time student <input checked="" type="checkbox"/>		6 Adjustments to scholarships or grants for a prior year \$	9 Checked if a graduate student <input type="checkbox"/>	10 Ins. contract reimb./refund \$

Form **1098-T** (keep for your records) [www.irs.gov/Form1098T](http://www.irs.gov/Form1098T) Department of the Treasury - Internal Revenue Service



# Yuma College

## Statement of Account

December 31, 2018

Meredith Emerson

Student ID 602-00-XXXX

Date	Transaction	Amount Billed	Amount Paid
08/30/2018	Tuition – Fall Semester 2017	+\$6,800.00	
08/30/2018	Scholarship		-\$3,500.00
09/03/2018	Meal plan	+\$ 320.00	
09/03/2018	Parking pass	+\$ 75.00	
09/04/2018	Campus Bookstore charge to student account	+\$ 525.00	
09/05/2018	Payment – check #1234		-\$4,220.00

12/31/2018 Account Balance.....\$0.00

### Busy Bee Day Care

303 Twiggs Trail  
Your City, Your State Your Zip  
Ph: (555) 555-1234

December 31, 2018

Received from Fran Emerson:

\$4,000 for after-school care for Oliver Emerson

\$4,000 Total amount received for child care in 2018

Ellen River

EIN: 35-900XXXX

Fran Emerson  
300 Dakota Circle  
Your City, State 00000

1234

20

PAY TO THE  
ORDER OF

\$

DOLLARS

Adelphi Bank and Trust  
Anytown, State 00000

For

: 111000025 : 123456789 1234

VOID

## Advanced Scenario 5: Test Questions

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10. Which allowable filing status is most advantageous to Fran?
- Qualifying Widow
  - Single
  - Married Filing Separately
  - Head of Household
11. Howard qualifies Fran for which of the following:
- Credit for other dependents
  - Child tax credit
  - Earned income credit
  - All of the above
12. What is the amount of Fran's child and dependent care credit shown on Form 2441, Child and Dependent Care Expenses?
- \$1,591
  - \$720
  - \$660
  - \$690
13. What is the total amount of qualified educational expenses used in the calculation of Fran's American opportunity credit? \$\_\_\_\_\_.
14. What is the amount of Fran's individual shared responsibility payment?
- \$0
  - \$695
  - \$1,295
  - \$1,390
15. How much is Fran's federal withholding?
- \$0
  - \$320
  - \$2,200
  - \$2,520



- 16.** Cancelled debt from Form 1099-C, Cancellation of Debt, is reported on Fran's tax return as:
- a. Wages
  - b. Other income
  - c. Capital gain
  - d. It is not reported on the return
- 17.** Which exception can Fran use to avoid the 10% additional tax on the early distribution from her IRA on Form 5329, Additional Taxes on Qualified Plans (including IRAs) and Other Tax-Favored Accounts?
- a. She does not qualify for an exception.
  - b. Distribution made for higher education expenses.
  - c. Distribution made for purchase of a first home.
  - d. Distribution due to total and permanent disability.

## Advanced Scenario 6: Matthew and Mary Donnelly

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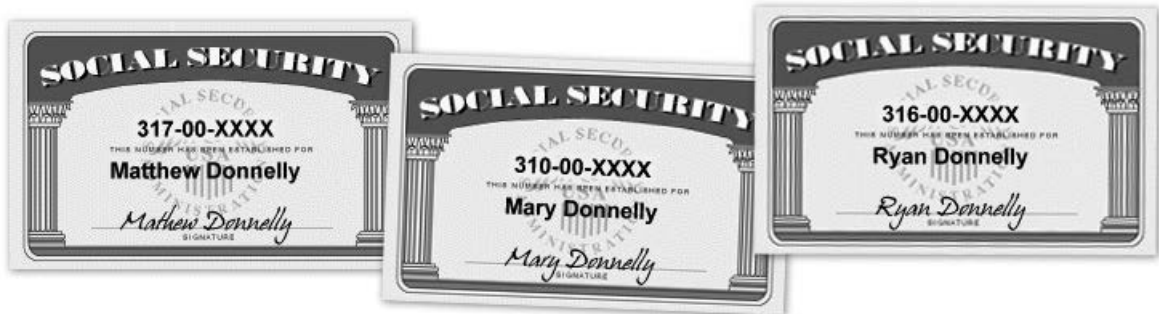
### Directions

Using the tax software, complete the tax return, including Form 1040 and all appropriate forms, schedules, or worksheets. Answer the questions following the scenario.

*Note: When entering Social Security numbers (SSNs) or Employer Identification Numbers (EINs), replace the Xs as directed, or with any four digits of your choice.*

### Interview Notes

- Matthew and Mary are married and want to file a joint return. They provided all the cost of keeping up the home and all of the support for their son Ryan.
- Ryan has no income and no filing requirement.
- Matthew retired and began receiving retirement income on April 1, 2018. No distributions were received prior to his retirement. Matthew selected a joint survivor annuity for these payments.
- Matthew was covered by Medicare all year. Mary and Ryan had minimum essential healthcare coverage (MEC) through Mary's employer until October 14th when she was laid off. Mary and Ryan did not have MEC all of November and December 2018.
- Matthew and Mary stated if they are entitled to a refund, they want half of it deposited into their checking account and the other half deposited into their savings account. The checking account number is 123456789 and the savings account number is 987654321.



## Intake/Interview & Quality Review Sheet

**You will need:**

- Tax Information such as Forms W-2, 1099, 1098, 1095.
- 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.

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](mailto:wi.voltax@irs.gov)

**Part I – Your Personal Information** (If you are filing a joint return, enter your names in the same order as last year's return)

1. Your first name <b>MATTHEW</b>	M.I.	Last name <b>DONNELLY</b>	Daytime telephone number <b>YOUR PHONE #</b>	Are you a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. Your spouse's first name <b>MARY</b>	M.I.	Last name <b>DONNELLY</b>	Daytime telephone number	Is your spouse a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3. Mailing address <b>388 NOBLE CIRCLE</b>		Apt #	City <b>YOUR CITY</b>	State <b>YS</b> ZIP code <b>YOUR ZIP</b>
4. Your Date of Birth <b>01/11/1945</b>	5. Your job title <b>RETIRED</b>		6. 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
7. Your spouse's Date of Birth <b>06/26/1961</b>	8. Your spouse's job title <b>ADMIN ASST</b>		9. 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
10. Can anyone claim you or your spouse as a dependent? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure				
11. Have you, your spouse, or dependents been a victim of tax related identity theft or been issued an Identity Protection PIN? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				

**Part II – Marital Status and Household Information**

1. As of December 31, 2018, what was your marital status?  Never Married (This includes registered domestic partnerships, civil unions, or other formal relationships under state law)  Married

a. If Yes, Did you get married in 2018?  Yes  No

b. Did you live with your spouse during any part of the last six months of 2018?  Yes  No

Divorced      Date of final decree \_\_\_\_\_

Legally Separated      Date of separate maintenance agreement \_\_\_\_\_

Widowed      Year of spouse's death \_\_\_\_\_

2. List the names below of:

- everyone who lived with you last year (other than 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 (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 12/31/18 (S/M)	Full-time Student last year (yes/no)	Totally and Permanently Disabled (yes/no)	Is this person a qualifying child/relative of any other person? (yes/no)	Did this person provide more than 50% of his/her own support? (yes/no)	Did this person have less than \$4,150 of income? (yes/no)	Did the taxpayer(s) provide more than 50% of support for this person? (yes/no/N/A)	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)					
<b>RYAN DONNELLY</b>	<b>02/02/00</b>	<b>SON</b>	<b>12</b>	<b>YES</b>	<b>YES</b>	<b>S</b>	<b>YES</b>	<b>NO</b>					

Check appropriate box for each question in each section

Yes	No	Unsure	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 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 or separate maintenance payments?
<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) Retirement income or payments from Pensions, Annuities, and or IRA? (Form 1099-R)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	12. (B) Unemployment Compensation? (Form 1099G)
<input checked="" type="checkbox"/>	<input 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, royalties, foreign income, etc.) Specify _____

Yes	No	Unsure	Part IV – Expenses – Last Year, Did You (or Your Spouse) Pay
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. (B) Alimony or separate maintenance payments? If yes, do you have the recipient's SSN? <input type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2. Contributions to a retirement account? <input type="checkbox"/> IRA (A) <input checked="" 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) College or post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (A) Deductions: <input type="checkbox"/> Medical & Dental (including insurance premiums) <input type="checkbox"/> Mortgage Interest (Form 1098) <input type="checkbox"/> Taxes (State, Real Estate, Personal Property, Sales) <input type="checkbox"/> Charitable Contributions
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. (B) Child or dependent care expenses such as daycare?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. (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"/>	7. (A) Expenses related to self-employment income or any other income you received?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. (B) Student loan interest? (Form 1098-E)

Yes	No	Unsure	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. (A) Have credit card or mortgage debt cancelled/forgiven by a lender or have a home foreclosure? (Forms 1099-C, 1099-A)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. (A) Adopt a child?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (B) Have Earned Income Credit, Child Tax Credit or American Opportunity Credit 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 declared a Federal disaster area? 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) 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"/>	9. (A) File a federal return last year containing a "capital loss carryover" on Form 1040 Schedule D?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	10. Receive a letter from the IRS?



Check appropriate box for each question in each section

Yes	No	Unsure	Part VI - Health Care Coverage - Last year, did you, your spouse, or dependent(s)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. (B) Have health care coverage?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. (B) Receive one or more of these forms? (Check the box) <input type="checkbox"/> Form 1095-B <input type="checkbox"/> Form 1095-C
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. (A) Have coverage through the Marketplace (Exchange)? [Provide Form 1095-A]
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3a. (A) If yes, were advance credit payments made to help you pay your health care premiums?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3b. (A) If yes, Is everyone listed on your Form 1095-A being claimed on this tax return?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (B) Have an exemption granted by the Marketplace?

To be Completed by a Certified Volunteer Preparer (Use Publication 4012 and check the appropriate box(es) indicating Minimum Essential Coverage (MEC) for everyone listed on the return.)

Name	MEC All Year	No MEC	Months with MEC	Months with Exemption	Exempt All Year	Notes
Taxpayer			J F M A M J J A S O N D	J F M A M J J A S O N D		
Spouse			J F M A M J J A S O N D	J F M A M J J A S O N D		
Dependent			J F M A M J J A S O N D	J F M A M J J A S O N D		
Dependent			J F M A M J J A S O N D	J F M A M J J A S O N D		
Dependent			J F M A M J J A S O N D	J F M A M J J A S O N D		

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

1. Provide an email address (optional) (this email address will not be used for contacts from the Internal Revenue Service) \_\_\_\_\_

2. 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

3. 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

4. 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.

5. Would you say you can carry on a conversation in English, both understanding & speaking?  Very well  Well  Not well  Not at all  Prefer not to answer

6. Would you say you can read a newspaper or book in English?  Very well  Well  Not well  Not at all  Prefer not to answer

7. Do you or any member of your household have a disability?  Yes  No  Prefer not to answer

8. Are you or your spouse a Veteran from the U.S. Armed Forces?  Yes  No  Prefer not to answer

Additional comments

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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 1545-1964. 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

a Employee's social security number <b>310-00-XXXX</b>		OMB No. 1545-0008		Safe, accurate, FAST! Use				Visit the IRS website at www.irs.gov/efile							
b Employer identification number (EIN) <b>40-000XXXX</b>				1 Wages, tips, other compensation <b>14,050.00</b>		2 Federal income tax withheld <b>620.00</b>									
c Employer's name, address, and ZIP code  <b>CONWAY COMPANY 25 IMPERIAL LANE YOUR CITY, STATE ZIP</b>				3 Social security wages <b>14,700.00</b>		4 Social security tax withheld <b>911.40</b>									
				5 Medicare wages and tips <b>14,700.00</b>		6 Medicare tax withheld <b>213.15</b>									
				7 Social security tips		8 Allocated tips									
d Control number				9 Verification code		10 Dependent care benefits									
e Employee's first name and initial Last name Suff.  <b>MARY DONNELLY 388 NOBLE CIRCLE YOUR CITY, STATE ZIP</b>				11 Nonqualified plans		12a See instructions for box 12 <b>D 650.00</b>									
				13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b <b>DD 6,560.00</b>									
				14 Other		12c									
						12d									
f Employee's address and ZIP code				15 State Employer's state ID number <b>YS 34-500XXXX</b>		16 State wages, tips, etc. <b>14,050.00</b>		17 State income tax <b>127.90</b>		18 Local wages, tips, etc.		19 Local income tax		20 Locality name	

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

**2018**

Department of the Treasury—Internal Revenue Service

Copy B—To Be Filed With Employee's FEDERAL Tax Return.  
This information is being furnished to the Internal Revenue Service.

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, and ZIP or foreign postal code  <b>PINE CORPORATION 1809 GULF DRIVE YOUR CITY, STATE ZIP</b>		1 Gross distribution <b>\$ 19,350.00</b>		OMB No. 1545-0119 <b>2018</b>		Distributions From Retirement Plans, Insurance Contracts, etc.	
PAYER'S TIN <b>40-100XXXX</b>		RECIPIENT'S TIN <b>317-00-XXXX</b>		2a Taxable amount <b>\$</b>		Form <b>1099-R</b>	
RECIPIENT'S name  <b>MATTHEW DONNELLY</b>		3 Capital gain (included in box 2a) <b>\$</b>		4 Federal income tax withheld <b>\$ 1,935.00</b>		<p><b>Copy B</b> Report this income on your federal tax return. If this form shows federal income tax withheld in box 4, attach this copy to your return.</p> <p>This information is being furnished to the IRS.</p>	
Street address (including apt. no.)  <b>388 NOBLE CIRCLE</b>		5 Employee contributions/ Designated Roth contributions or insurance premiums <b>\$</b>		6 Net unrealized appreciation in employer's securities <b>\$</b>			
City or town, state or province, country, and ZIP or foreign postal code <b>YOUR CITY, STATE ZIP</b>		7 Distribution code(s) <b>7</b>		8 Other <b>\$ %</b>			
10 Amount allocable to IRR within 5 years <b>\$</b>		9a Your percentage of total distribution <b>%</b>		9b Total employee contributions <b>\$ 13,500.00</b>			
11 1st year of desig. Roth contrib. <input type="checkbox"/>		FATCA filing requirement <input type="checkbox"/>		12 State tax withheld <b>\$</b>		13 State/Payer's state no. <b>\$</b>	
Account number (see instructions)		15 Local tax withheld <b>\$</b>		16 Name of locality <b>\$</b>		17 Local distribution <b>\$</b>	

Form **1099-R**

www.irs.gov/Form1099R

Department of the Treasury - Internal Revenue Service



CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, and ZIP or foreign postal code  <b>ESSEX BANK, CUSTODIAN FOR ROTH IRA OF MATTHEW DONNELLY 300 MARIN STREET YOUR CITY, STATE ZIP</b>		<b>1</b> Gross distribution \$ <b>4,500.00</b>	OMB No. 1545-0119  <b>2018</b>		<b>Distributions From Retirement Plans, Insurance Contracts, etc.</b>
		<b>2a</b> Taxable amount \$ <b>0.00</b>	Form <b>1099-R</b>		
PAYER'S TIN <b>48-100XXXX</b>		RECIPIENT'S TIN <b>317-00-XXXX</b>		<b>3</b> Capital gain (included in box 2a) \$	<b>4</b> Federal income tax withheld \$
RECIPIENT'S name  <b>MATTHEW DONNELLY</b>  Street address (including apt. no.)  <b>388 NOBLE CIRCLE</b>  City or town, state or province, country, and ZIP or foreign postal code <b>YOUR CITY, STATE ZIP</b>		<b>5</b> Employee contributions/ Designated Roth contributions or insurance premiums \$		<b>6</b> Net unrealized appreciation in employer's securities \$	
		<b>7</b> Distribution code(s) <b>Q</b>	IRA/ SEP/ SIMPLE <input type="checkbox"/>	<b>8</b> Other \$ %	
<b>10</b> Amount allocable to IRR within 5 years \$		<b>11</b> 1st year of desig. Roth contrib.	FATCA filing requirement <input type="checkbox"/>	<b>12</b> State tax withheld \$	<b>13</b> State/Payer's state no. \$
<b>14</b> State distribution \$		<b>15</b> Local tax withheld \$		<b>16</b> Name of locality \$	<b>17</b> Local distribution \$
Account number (see instructions)					

Form **1099-R** www.irs.gov/Form1099R Department of the Treasury - Internal Revenue Service

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

**2018** • PART OF YOUR SOCIAL SECURITY BENEFITS SHOWN IN BOX 5 MAY BE TAXABLE INCOME.  
• SEE THE REVERSE FOR MORE INFORMATION.

Box 1. Name <b>MATTHEW DONNELLY</b>		Box 2. Beneficiary's Social Security Number <b>317-00-XXXX</b>	
Box 3. Benefits Paid in 2018 <b>\$15,912.00</b>	Box 4. Benefits Repaid to SSA in 2018	Box 5. Net Benefits for 2018 (Box 3 minus Box 4) <b>\$15,912.00</b>	
DESCRIPTION OF AMOUNT IN BOX 3  <b>Paid by check or direct deposit: \$14,424.00</b>  <b>Medicare Part B premiums deducted from your benefits: \$1,488.00</b>  <b>Medicare Prescription Drug premiums (Part D) deducted from your benefits: \$0</b>  <b>Total Additions:</b>  <b>Benefits for 2018: \$15,912</b>		DESCRIPTION OF AMOUNT IN BOX 4  Box 6. Voluntary Federal Income Tax Withholding <b>\$1,591.00</b>  Box 7. Address <b>388 Noble Circle Your City, State ZIP</b>  Box 8. Claim Number (Use this number if you need to contact SSA.)	

Draft as of June 21, 2018 - Subject to Change

Form SSA-1099-SM (6-2018) **DO NOT RETURN THIS FORM TO SSA OR IRS**

**ABC INVESTMENTS**

456 Pima Plaza  
Your City, YS ZIP

**2018 TAX REPORTING STATEMENT**

Matthew and Mary Donnelly  
388 Noble Circle  
Your City, YS ZIP  
Account No. 111-222  
Recipient ID No. 317-00-XXXX  
Payer's Fed ID Number: 40-200XXXX

**Form 1099-DIV\* 2018 Dividends and Distributions**

Copy B for Recipient (OMB NO. 1545-0110)

1a	Total Ordinary Dividends	489.00
1b	Qualified Dividends	410.00
2a	Total Capital Gain Distributions (Includes 2b- 2d)	105.00
2b	Capital Gains that represent Unrecaptured 1250 Gain	0.00
2c	Capital Gains that represent Section 1202 Gain	0.00
2d	Capital Gains that represent Collectibles (28%) Gain	0.00
3	Nondividend Distributions	90.00
4	Federal Income Tax Withheld	0.00
5	Investment Expenses	0.00
6	Foreign Tax Paid	22.00
7	Foreign Country or U.S. Possession	0.00
8	Cash Liquidation Distributions	0.00
9	Non-Cash Liquidation Distributions	0.00
10	Exempt Interest Dividends	0.00
11	Specified Private Activity Bond Interest Dividends	0.00
12	State	
13	State Identification No.	
14	State Tax Withheld	0.00

**Form 1099-MISC\* 2018 Miscellaneous Income**

Copy B for Recipient (OMB NO. 1545-0115)

2	Royalties	0.00
4	Federal Income Tax Withheld	0.00
8	Substitute Payments in Lieu of Dividends or Interest	0.00
16	State Tax Withheld	0.00
17	State/ Payer's State No.	
18	State Income	0.00

**Form 1099-INT\* 2018 Interest Income**

Copy B for Recipient (OMB NO. 1545-0112)

1	Interest Income	150.00
2	Early Withdrawal Penalty	40.00
3	Interest on U.S. Savings Bonds and Treas. Obligations	0.00
4	Federal Income Tax Withheld	0.00
5	Investment Expenses	0.00
6	Foreign Tax Paid	0.00
7	Foreign Country or U.S. Possession	
8	Tax-Exempt Interest	0.00
9	Specified Private Activity Bond Interest	0.00
10	Tax-Exempt Bond CUSIP No.	

**Summary of 2018 Proceeds From Broker and Barter Exchange Transactions**

Sales Price of Stocks, Bonds, etc.	6,450.00
Federal Income Tax Withheld	0.00

Gross Proceeds from each of your security transactions are reported individually to the IRS. Refer to the Form 1099-B section of this statement. Report gross proceeds individually for each security on the appropriate IRS tax return. Do not report gross proceeds in aggregate.

**ABC INVESTMENTS**456 Pima Plaza  
Your City, YS ZIP**2018 TAX REPORTING STATEMENT**Matthew and Mary Donnelly  
388 Noble Circle  
Your City, YS ZIP  
Account No. 111-222  
Recipient ID No. 317-00-XXXX  
Payer's Fed ID Number: 40-200XXXX**FORM 1099-B\* 2018 Proceeds from Broker and Barter Exchange Transactions**

Copy B for Recipient OMB NO. 1545-0715

**Short-term transactions for which basis is reported to the IRS**Report on Form 8949 with Box A checked and/or Schedule D, Part I  
(This Label is a Substitute for Boxes 1c & 6)**8** Description, **1d** Stock or Other Symbol, CUSIP (IRS Form 1099-B box numbers are shown below in bold type)

Action	1a Date of Sale or Exchange	1b Date of Acquisition	1e Quantity Sold	2a Sales Price of Stocks, Bonds, etc. (a)	3 Cost or Other Basis (b)	Gain / Loss (-)	5 Wash Sale Loss Disallowed	4 Federal Income Tax Withheld	13 State	15 State Tax Withheld
<b>Dakota Co. Common Stock</b>										
Sale	09/01/2018	03/01/2018	250.000	3,150.00	3,600.00	(450.00)				
<b>TOTALS</b>				<b>3,150.00</b>	<b>3,600.00</b>					

**FORM 1099-B\* 2018 Proceeds from Broker and Barter Exchange Transactions**

Copy B for Recipient OMB NO. 1545-0715

**Long-term transactions for which basis is not reported to the IRS**Report on Form 8949 with Box E checked and/or Schedule D, Part II  
(This Label is a Substitute for Boxes 1c & 6)**8** Description, **1d** Stock or Other Symbol, CUSIP (IRS Form 1099-B box numbers are shown below in bold type)

Action	1a Date of Sale or Exchange	1b Date of Acquisition	1e Quantity Sold	2a Sales Price of Stocks, Bonds, etc. (a)	3 Cost or Other Basis (b)	Gain / Loss (-)	5 Wash Sale Loss Disallowed	4 Federal Income Tax Withheld	13 State	15 State Tax Withheld
<b>Iowa Co. Common Stock</b>										
Sale	02/01/2018	06/23/2005	200.000	3,300.00	2,212.00	1,088.00				
<b>TOTALS</b>				<b>3,300.00</b>	<b>2,212.00</b>					

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

**Matthew and Mary Donnelly**

388 Noble Circle  
Your City, State 00000

**1234**

16-0000000000

20

PAY TO THE  
ORDER OF

\$

DOLLARS

**Anytown Bank and Trust**

Anytown, State 00000

For

: 111000025 : 123456789 1234

VOID

## Advanced Scenario 6: Test Questions

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18. Ryan qualifies the Donnellys for which of the following credits?
- Earned income credit
  - Credit for other dependents
  - Child tax credit
  - Both a and b
19. Mary and Ryan did not have health care coverage that qualifies as minimum essential coverage for November and December 2018. Do they qualify for any exemptions?
- No, they will have to pay an individual shared responsibility payment.
  - Yes, they qualify for a short-term coverage exemption.
  - Yes, they qualify for an unaffordable coverage exemption.
  - Yes, but only Ryan qualifies for an exemption.
20. What is the total net amount of capital gain or loss shown on Schedule D, Capital Gains and Losses?
- \$450 loss
  - \$638 gain
  - \$743 gain
  - \$1,088 gain
21. What is the combined age used to calculate the taxable portion of the pension using the Simplified Method? \_\_\_\_\_.
22. Is Matthew's Social Security income taxable?
- Yes, a portion of the Social Security income is taxable.
  - Yes, all of the Social Security income is taxable.
  - No, because their total income is less than \$32,000.
  - No, Social Security benefits are never taxable.
23. The Donnellys want to split their refund between savings and checking accounts. How is this accomplished, if possible?
- Complete Form 8888, Allocation of Refund (Including Savings Bond Purchases).
  - Splitting a refund is not possible.
  - This can only be accomplished if filing a paper return.
  - The Donnellys do not have an overpayment on their return.
24. What is the total income tax withholding on the tax return? \$\_\_\_\_\_

## Advanced Scenario 7: Austin Drake

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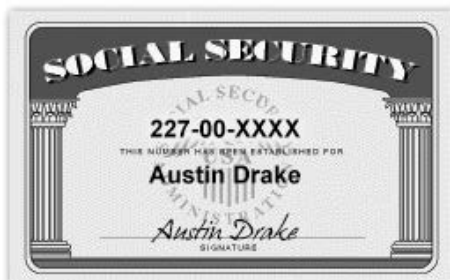
### Directions

Using the tax software, complete the tax return, including Form 1040 and all appropriate forms, schedules, or worksheets. Answer the questions following the scenario.

*Note: When entering Social Security numbers (SSNs) or Employer Identification Numbers (EINs), replace the Xs as directed, or with any four digits of your choice.*

### Interview Notes

- Austin works as a self-employed ride share driver.
  - Austin is a cash-basis taxpayer who materially participates in the operation of his business. He did not make any payments that would require him to file Form 1099. Austin uses business code 485990.
- He received Form 1099-MISC and a Form 1099-K from the ride share company. He had an additional \$3,027 in cash tip income from individual customers NOT included on the Forms 1099.
- Austin provided a statement from the ride share company that indicated the amount of mileage driven and fees paid for the year. These fees are considered ordinary and necessary for the ride share business.
  - 22,500 miles driven while transporting customers.
  - Share ride fee \$3,960
  - Safe driver fee \$120
  - Airport fee \$715
  - GPS device fee \$120
- Austin's recordkeeping application shows he drove 4,570 miles between rides; 2,250 miles driven between his home and his first and last customer of the day. He had the following miscellaneous expenses:
  - Bottled water for customers \$42
  - Auto deodorizers \$15
  - Car washes \$85
  - Lunches eaten while waiting for customers \$1,200
- The total mileage on his car for 2018 was 37,200 miles. He placed his car in service on January 6, 2017. He always takes the standard mileage rate. This is Austin's only car and it was available for personal use.
- Austin paid \$300 each month in 2018 for private health insurance premiums established under his business. His insurance met the requirements for minimum essential coverage (MEC).





## Intake/Interview & Quality Review Sheet

**You will need:**

- Tax Information such as Forms W-2, 1099, 1098, 1095.
- 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.

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](mailto:wi.voltax@irs.gov)

**Part I – Your Personal Information** (If you are filing a joint return, enter your names in the same order as last year's return)

1. Your first name <b>AUSTIN</b>	M.I.	Last name <b>DRAKE</b>	Daytime telephone number <b>YOUR PHONE #</b>	Are you a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. Your spouse's first name	M.I.	Last name	Daytime telephone number	Is your spouse a U.S. citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No
3. Mailing address <b>1551 CONCORD CIRCLE</b>		Apt #	City <b>YOUR CITY</b>	State <b>YS</b> ZIP code <b>YOUR ZIP</b>
4. Your Date of Birth <b>11/22/1981</b>	5. Your job title <b>SELF-EMPLOYED DRIVER</b>		6. Last year, were you:	
		b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		a. Full-time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
				c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
7. Your spouse's Date of Birth	8. Your spouse's job title		9. Last year, was your spouse:	
		b. Totally and permanently disabled <input type="checkbox"/> Yes <input type="checkbox"/> No		a. Full-time student <input type="checkbox"/> Yes <input type="checkbox"/> No
				c. Legally blind <input type="checkbox"/> Yes <input type="checkbox"/> No
10. Can anyone claim you or your spouse as a dependent? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure				
11. Have you, your spouse, or dependents been a victim of tax related identity theft or been issued an Identity Protection PIN? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				

**Part II – Marital Status and Household Information**

1. As of December 31, 2018, what was your marital status?  Never Married  Married  Divorced  Legally Separated  Widowed

(This includes registered domestic partnerships, civil unions, or other formal relationships under state law)

a. If Yes, Did you get married in 2018?  Yes  No

b. Did you live with your spouse during any part of the last six months of 2018?  Yes  No

Date of final decree **10/28/2008**

Date of separate maintenance agreement \_\_\_\_\_

Year of spouse's death \_\_\_\_\_

2. List the names below of:

- **everyone** who lived with you last year (other than 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 (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 12/31/18 (S/M)	Full-time Student last year (yes/no)	Totally and Permanently Disabled (yes/no)	Is this person a qualifying child/relative of any other person? (yes/no)	Did this person provide more than 50% of his/her own support? (yes/no)	Did this person have less than \$4,150 of income? (yes/no)	Did the taxpayer(s) provide more than 50% of support for this person? (yes/no/N/A)	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)					

Check appropriate box for each question in each section

Yes	No	Unsure	Part III – Income – Last Year, Did You (or Your Spouse) Receive
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. (B) Wages or Salary? (Form W-2) <b>If yes, how many jobs did you have last year?</b> _____
<input checked="" type="checkbox"/>	<input 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 or separate maintenance payments?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. (A) Self-Employment income? (Form 1099-MISC, cash)
<input checked="" type="checkbox"/>	<input 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) Retirement income or payments from Pensions, Annuities, and or IRA? (Form 1099-R)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	12. (B) Unemployment Compensation? (Form 1099G)
<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, royalties, foreign income, etc.) Specify _____

Yes	No	Unsure	Part IV – Expenses – Last Year, Did You (or Your Spouse) Pay
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. (B) Alimony or separate maintenance payments? <b>If yes, do you have the recipient's SSN?</b> <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) College or post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (A) Deductions: <input type="checkbox"/> Medical & Dental (including insurance premiums) <input type="checkbox"/> Mortgage Interest (Form 1098) <input type="checkbox"/> Taxes (State, Real Estate, Personal Property, Sales) <input type="checkbox"/> Charitable Contributions
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. (B) Child or dependent care expenses such as daycare?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. (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"/>	7. (A) Expenses related to self-employment income or any other income you received?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. (B) Student loan interest? (Form 1098-E)

Yes	No	Unsure	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. (A) Have credit card or mortgage debt cancelled/forgiven by a lender or have a home foreclosure? (Forms 1099-C, 1099-A)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. (A) Adopt a child?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (B) Have Earned Income Credit, Child Tax Credit or American Opportunity Credit disallowed in a prior year? <b>If yes, for which tax year?</b> _____
<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 declared a Federal disaster area? <b>If yes, where?</b> _____
<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) Make estimated tax payments or apply last year's refund to this year's tax? <b>If so how much?</b> _____
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	9. (A) File a federal return last year containing a "capital loss carryover" on Form 1040 Schedule D?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	10. Receive a letter from the IRS?



**Check appropriate box for each question in each section**

Yes	No	Unsure	Part VI - Health Care Coverage - Last year, did you, your spouse, or dependent(s)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. (B) Have health care coverage?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. (B) Receive one or more of these forms? (Check the box) <input type="checkbox"/> Form 1095-B <input type="checkbox"/> Form 1095-C
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. (A) Have coverage through the Marketplace (Exchange)? [Provide Form 1095-A]
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3a. (A) If yes, were advance credit payments made to help you pay your health care premiums?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3b. (A) If yes, Is everyone listed on your Form 1095-A being claimed on this tax return?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (B) Have an exemption granted by the Marketplace?

**To be Completed by a Certified Volunteer Preparer** (Use Publication 4012 and check the appropriate box(es) indicating Minimum Essential Coverage (MEC) for everyone listed on the return.)

Name	MEC All Year	No MEC	Months with MEC	Months with Exemption	Exempt All Year	Notes
Taxpayer			J F M A M J J A S O N D	J F M A M J J A S O N D		
Spouse			J F M A M J J A S O N D	J F M A M J J A S O N D		
Dependent			J F M A M J J A S O N D	J F M A M J J A S O N D		
Dependent			J F M A M J J A S O N D	J F M A M J J A S O N D		
Dependent			J F M A M J J A S O N D	J F M A M J J A S O N D		

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

1. Provide an email address (optional) (this email address will not be used for contacts from the Internal Revenue Service) \_\_\_\_\_
2. 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
3. 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
4. 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.**

5. Would you say you can carry on a conversation in English, both understanding & speaking?  Very well  Well  Not well  Not at all  Prefer not to answer
6. Would you say you can read a newspaper or book in English?  Very well  Well  Not well  Not at all  Prefer not to answer
7. Do you or any member of your household have a disability?  Yes  No  Prefer not to answer
8. Are you or your spouse a Veteran from the U.S. Armed Forces?  Yes  No  Prefer not to answer

Additional comments

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**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 1545-1964. 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

VOID  CORRECTED

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. <b>TOP CARS RIDE SHARE 8009 PIKE CIR YOUR CITY, STATE ZIP</b>		1 Rents \$	OMB No. 1545-0115 <b>2018</b> Form 1099-MISC		<b>Miscellaneous Income</b>
PAYER'S TIN <b>38-700XXXX</b>		2 Royalties \$	4 Federal income tax withheld \$		
RECIPIENT'S TIN <b>227-00-XXXX</b>		3 Other income \$	5 Fishing boat proceeds \$		<b>Copy 1 For State Tax Department</b>
RECIPIENT'S name <b>AUSTIN DRAKE</b> Street address (including apt. no.) <b>1551 CONCORD CIRCLE</b> City or town, state or province, country, and ZIP or foreign postal code <b>YOUR CITY, STATE ZIP</b>		6 Medical and health care payments \$	7 Nonemployee compensation \$ <b>800.00</b>		
Account number (see instructions)		FATCA filing requirement <input type="checkbox"/>	8 Substitute payments in lieu of dividends or interest \$		
11		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>			
13 Excess golden parachute payments \$		10 Crop insurance proceeds \$			
14 Gross proceeds paid to an attorney \$		12			
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

CORRECTED (if checked)

FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. <b>TOP CARS RIDE SHARE 8009 PIKE CIR YOUR CITY, STATE ZIP</b>		FILER'S TIN <b>38-700XXXX</b>	OMB No. 1545-2205 <b>2018</b> Form 1099-K		<b>Payment Card and Third Party Network Transactions</b>
PAYEE'S TIN <b>227-00-XXXX</b>		1a Gross amount of payment card/third party network transactions \$ <b>45,600</b>		<b>Copy B For Payee</b>	
Check to indicate if FILER is a (an): Payment settlement entity (PSE) <input type="checkbox"/> Electronic Payment Facilitator (EPF)/Other third party <input type="checkbox"/>		Check to indicate transactions reported are: Payment card <input type="checkbox"/> Third party network <input type="checkbox"/>			2 Merchant category code
PAYEE'S name <b>AUSTIN DRAKE</b> Street address (including apt. no.) <b>1551 CONCORD CIRCLE</b> City or town, state or province, country, and ZIP or foreign postal code <b>YOUR CITY, STATE ZIP</b>		3 Number of payment transactions		4 Federal income tax withheld \$	
PSE'S name and telephone number		5a January \$ <b>1,200</b>		5b February \$ <b>1,800</b>	
Account number (see instructions)		5c March \$ <b>2,050</b>		5d April \$ <b>2,100</b>	
		5e May \$ <b>3,000</b>		5f June \$ <b>6,400</b>	
		5g July \$ <b>8,800</b>		5h August \$ <b>9,600</b>	
		5i September \$ <b>7,900</b>		5j October \$ <b>1,000</b>	
		5k November \$ <b>700</b>		5l December \$ <b>1,050</b>	
		6 State		7 State identification no.	
				8 State income tax withheld \$	

Form 1099-K

(Keep for your records)

www.irs.gov/Form1099K

Department of the Treasury - Internal Revenue Service

## Advanced Scenario 7: Test Questions

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- 25.** What income must Austin report for his business on Schedule C, Profit or Loss From Business?
- Only income reported on Form 1099-MISC, Miscellaneous Income, and Form 1099-K, Payment Card and Third Party Network Transactions, from the ride share company.
  - Only cash tip income from individual customers.
  - None. He must report all income from his ride share company as Other Income.
  - His income reported on Form 1099-MISC, Form 1099-K, and the cash tip income from his customers.
- 26.** What is Austin's mileage expense deduction (at the standard mileage rate) for his business as a ride share driver? (Round to the nearest dollar.)
- \$12,263
  - \$14,753
  - \$15,979
  - \$20,274
- 27.** Which item(s) **can** be deducted by Austin as a business expense? (Select all that apply.)
- Bottled water for customers
  - Safe driver fees
  - Lunch
  - GPS device fee
- 28.** How does Austin's self-employment tax affect his tax return?
- Austin's self-employment tax is not reported anywhere on Form 1040.
  - A portion of the self-employment tax is deducted as a business expense on Schedule C-EZ, Net Profit From Business, or Schedule C, Profit or Loss From Business.
  - The self-employment tax is added to his other taxes and the full amount is deducted as an adjustment to income.
  - The self-employment tax is added to his other taxes and one half the amount is shown as an adjustment to income.
- 29.** Austin's qualified business income (QBI) deduction reduces his self-employment tax.
- True
  - False

- 30.** Self-employed health insurance deduction is claimed as a business expense on Schedule C, Profit or Loss From Business.
- a. True
  - b. False
- 31.** Austin indicates he is not able to pay the entire balance due by the due date of the return (without extensions). What are his options?
- a. He can submit a Form 9465, Installment Agreement Request.
  - b. He can apply for a full pay 120-day agreement online.
  - c. He can pay using his credit card.
  - d. Any of the above.



## Advanced Scenario 8: Roberta Wilson

---

### Interview Notes

- Roberta Wilson is 63 years old and single.
- Her grandson, Jacob, is 9 years old and lived with her all year. Roberta paid all household expenses and Jacob qualifies as her dependent.
- Roberta and Jacob are both U.S. citizens and have valid Social Security numbers.
- Roberta claimed EIC for Jacob 2 years ago, but he only lived with her for 2 months and the credit was disallowed.
- Roberta had wage income of \$45,000 in 2018.
- She is not sure if she should itemize or take the standard deduction.
- Roberta paid the following:
  - \$7,200 mortgage interest for a qualified home purchased in 2010.
  - In 2018, she took out a home equity loan for \$8,000 to pay off her credit cards. She paid interest in the amount of \$650 on this loan.
  - \$9,010 for real estate taxes.
  - \$1,762 for state income taxes withheld in 2018.
  - Unreimbursed doctor bills in the amount of \$2,200.
  - Unreimbursed prescription drugs for \$250.
  - Health club dues of \$600.
  - A statement received from her church showing donations made throughout the year totaling \$4,500.
  - Receipts for donations of furniture and clothing in good, used condition to Goodwill. The total estimated fair market value is \$500.
  - \$50 donated to a friend in need via their Go-Fund-Me account.
  - \$45 paid in 2018 on her 2017 balance due state income tax return.

### Advanced Scenario 8: Test Questions

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32. If Roberta itemizes, what amount is she able to deduct for state income and real estate taxes?
- a. \$9,010
  - b. \$10,000
  - c. \$10,772
  - d. \$10,817

- 33.** If Roberta chooses not to itemize, how much is her standard deduction?
- a. \$12,000
  - b. \$13,600
  - c. \$18,000
  - d. \$19,600
- 34.** Which of Roberta's expenses qualify as itemized deductions on Schedule A? (Select all that apply.)
- a. \$50 donated to a friend in need
  - b. \$45 state income tax paid in 2018
  - c. \$7,200 mortgage interest on loan used to purchase home
  - d. \$650 interest on home equity loan used to pay off credit cards
- 35.** Roberta's earned income credit was disallowed 2 years ago. How does that impact her 2018 tax return?
- a. There is no impact.
  - b. She must file a Form 8862, Information To Claim Earned Income Credit After Disallowance, with her return.
  - c. She is disallowed for 5 years.
  - d. She is disallowed forever.



## Advanced Course Retest Questions

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### Directions

The first four scenarios do not require you to prepare a tax return. **Read the interview notes for each scenario carefully and use your training and resource materials to answer the questions after the scenarios.**

### Advanced Scenario 1: Aiden Smith

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#### Interview Notes

- Aiden is 19 years old, unmarried, and was a first-year full-time student working on a degree in accounting during 2018. He has never had a felony drug conviction.
- Aiden did not provide more than half of his own support and can be claimed as a dependent by his mother.
- Aiden's income was \$4,000 in wages working as a part-time cook at a fast food restaurant.
- Aiden received Form 1098-T indicating \$5,000 for payments received for qualified tuition and related expenses in Box 1. He received \$8,500 in scholarships and grants, which was reported in Box 5.
- Aiden's scholarship was used to pay for room and board, tuition, and books. The cost of his books was \$845.
- Aiden is a U.S. citizen with a valid Social Security number.

### Advanced Scenario 1: Retest Questions

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1. Aiden's scholarship is NOT taxable and does NOT need to be reported on his tax return.
  - a. True
  - b. False
2. Which of the following is NOT a qualified education expense?
  - a. Tuition
  - b. Books
  - c. Room and board
  - d. Lab fees required for enrollment

## Advanced Scenario 2: Sean Yale

---

### Interview Notes

- Sean is 49 and his divorce became final on October 21, 2018. He pays all the cost of keeping up his home in the United States. He earned \$38,000 in wages in 2018.
- Sean's daughter, Sonya, lived with Sean all year. She is 18, single, and had \$4,000 in wages in 2018.
- Sonya's son, Jimmy, was born on November 17, 2018. Jimmy lived in Sean's home all year.
- Sean provides more than half of the support for both Sonya and Jimmy.
- Sean, Sonya, and Jimmy are all U.S. citizens with valid Social Security numbers..

## Advanced Scenario 2: Retest Questions

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3. Sean is able to claim Sonya for which of the following credit(s)?
  - a. Child tax credit
  - b. Credit for other dependents
  - c. Both a and b
  - d. Neither a nor b
4. Sean has two qualifying children for the earned income credit.
  - a. True
  - b. False
5. Sean's most advantageous allowable filing status is Head of Household.
  - a. True
  - b. False

## Advanced Scenario 3: Tom and Carol Baker

---

### Interview Notes

- Tom and Carol are resident aliens, married, and want to file a joint return.
- They have two children. Sydney is 5 years old and a resident alien. Benjamin is 2 years old and a U.S. citizen. Both children lived with the parents in the United States all year.
- Tom, Carol, and Sydney have Individual Taxpayer Identification Numbers (ITINs). Benjamin has a Social Security number.
- Tom earned \$30,000 in wages. Carol had \$8,000 in wage income. They had no other income.
- Tom and Carol provided all the support for Sydney and Benjamin.
- Sydney and Benjamin attended daycare while Tom and Carol were at work.
- Tom and Carol did not receive dependent care benefits from a dependent care benefits plan or flexible spending account.
- The daycare center provided the Baker's with a statement indicating the amount of \$3,250 paid for 2018, their name, address and valid Employer Identification Number.

### Advanced Scenario 3: Retest Questions

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6. Tom and Carol are able to eligible to claim Benjamin as a qualifying child for the child tax credit.
  - a. True
  - b. False
7. Tom and Carol are eligible to claim the credit for other dependents and child and dependent care credit.
  - a. True
  - b. False

## Advanced Scenario 4: Bill Johnson

---

### Interview Notes

- Bill is 31 years old, married, and lived with his spouse Michelle from January 2018 to September 2018. Bill paid all the cost of keeping up his home. He indicated that he is not legally separated and he and Michelle agreed they will not file a joint return.
- Bill has an 8-year-old son, Daniel, who qualifies as Bill's dependent.
- Bill worked as a clerk and his wages are \$20,000 for 2018. His income tax before credits is \$500.
- In 2018, he took a computer class at the local university to improve his job skills.
- Bill has a receipt showing he paid \$1,200 for tuition. He paid for all his educational expenses and did not receive any assistance or reimbursement.
- Bill does not have enough deductions to itemize.
- Bill, Michelle, and Daniel are U.S. citizens with valid Social Security numbers.

## Advanced Scenario 4: Retest Questions

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8. Bill is not able to file Head of Household nor claim the earned income credit or education credit.
  - a. True
  - b. False
9. The maximum amount of the refundable additional child tax credit Bill is allowed to claim on Schedule 8812 is \$1,400.
  - a. True
  - b. False



## Advanced Scenario 5: Retest Questions

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### Directions

Read the information for Fran Emerson beginning on page 61.

10. Head of Household is Fran's most advantageous filing status.
  - a. True
  - b. False
  
11. How many qualifying persons does Fran have for the earned income credit?
  - a. 0
  - b. 1
  - c. 2
  - d. 3
  
12. What is the amount of the child and dependent care credit Fran can claim on Form 2441, Child and Dependent Care Expenses? \$\_\_\_\_\_.
  
13. The total amount of qualified educational expenses used in the calculation of Fran's 2018 American opportunity credit is:
  - a. \$3,300
  - b. \$3,825
  - c. \$4,000
  - d. \$4,220
  
14. What is the amount of Fran's individual shared responsibility payment? \$\_\_\_\_\_.
  
15. What is the amount of Fran's federal withholding? \$\_\_\_\_\_.
  
16. Fran's cancelled debt from Form 1099-C, Cancellation of Debt, must be included on her federal income tax return as other income.
  - a. True
  - b. False
  
17. Fran can use the higher education expenses exception to avoid the 10% additional tax on the early distribution from her IRA on Form 5329, Additional Taxes on Qualified Plans (including IRAs) and Other Tax-Favored Accounts.
  - a. True
  - b. False

## Advanced Scenario 6: Retest Questions

---

### Directions

Refer to the scenario information for Matthew and Mary Donnelly, beginning on page 70.

18. Ryan qualifies the Donnellys for the credit for other dependents.
  - a. True
  - b. False
  
19. The Donnellys must pay an individual shared responsibility payment because Mary and Ryan did NOT have healthcare coverage for each month of 2018.
  - a. True
  - b. False
  
20. The net capital gain or loss reported on Schedule D, Capital Gains and Losses, is a gain of \$638.
  - a. True
  - b. False
  
21. The combined age used to calculate the taxable portion of the pension using the Simplified Method is 129.
  - a. True
  - b. False
  
22. None of Matthew's Social Security income is taxable.
  - a. True
  - b. False
  
23. The Donnellys can split their refund using Form 8888, Allocation of Refund (Including Savings Bond Purchases).
  - a. True
  - b. False
  
24. The total withholding on the tax return is \$4,146.
  - a. True
  - b. False

## Advanced Scenario 7: Retest Questions

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### Directions

Refer to the scenario information for Austin Drake, beginning on page 80.

- 25.** Austin must report the income shown on Form 1099-MISC, Miscellaneous Income, and Form 1099-K, Payment Card and Third Party Network Transactions, and his cash tip income from customers on Schedule C, Profit or Loss From Business.
- a. True
  - b. False
- 26.** What is Austin's mileage expense deduction (at the standard mileage rate) for his business as a ride share driver? \$\_\_\_\_\_. (Round to the nearest dollar.)
- 27.** Austin **cannot** deduct the amount he pays for lunch.
- a. True
  - b. False
- 28.** The full amount of his self-employment tax is deducted on Schedule 1.
- a. True
  - b. False
- 29.** The Qualified Business Income (QBI) deduction does NOT reduce the income that is used to calculate self-employment taxes.
- a. True
  - b. False
- 30.** Self-employed health insurance deduction is claimed as an adjustment to income on Schedule 1, Additional Income and Adjustments to Income.
- a. True
  - b. False
- 31.** If Austin owes a balance due on his income tax return, he can pay with his credit card.
- a. True
  - b. False

## Advanced Scenario 8: Roberta Wilson

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### Interview Notes

- Roberta Wilson is 63 years old and single.
- Her grandson, Jacob, is 9 years old and lived with her all year. Roberta paid all household expenses and Jacob qualifies as her dependent.
- Roberta and Jacob are both U.S. citizens and have valid Social Security numbers.
- Roberta claimed EIC for Jacob 2 years ago, but he only lived with her for 2 months and the credit was disallowed.
- Roberta had wage income of \$45,000 in 2018.
- She is not sure if she should itemize or take the standard deduction.
- Roberta paid the following:
  - \$7,200 mortgage interest for a qualified home purchased in 2010.
  - In 2018, she took out a home equity loan for \$8,000 to pay off her credit cards. She paid interest in the amount of \$650 on this loan.
  - \$9,010 for real estate taxes.
  - \$1,762 for state income taxes withheld in 2018.
  - Unreimbursed doctor bills in the amount of \$2,200.
  - Unreimbursed prescription drugs for \$250.
  - Health club dues of \$600.
  - A statement received from her church showing donations made throughout the year totaling \$4,500.
  - Receipts for donations of furniture and clothing in good, used condition to Goodwill. The total estimated fair market value is \$500.
  - \$50 donated to a friend in need via their Go-Fund-Me account.
  - \$45 paid in 2018 on her 2017 balance due state income tax return.

### Advanced Scenario 8: Retest Questions

---

32. If Roberta chooses to itemize her deductions, she is able to take a deduction of \$10,772 for state income and real estate taxes.
- a. True
  - b. False
33. If Roberta chooses not to itemize, her standard deduction is \$19,600.
- a. True
  - b. False

- 34.** Roberta is able to deduct interest paid on her home equity loan and the donation she made to a friend in need.
- a. True
  - b. False
- 35.** Roberta must file Form 8862, Information To Claim Earned Income Credit After Disallowance, to claim the earned income tax credit after the disallowance.
- a. True
  - b. False







## Military Course Scenarios and Test Questions

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### Directions

The first three scenarios do not require you to prepare a tax return. **Read the interview notes for the scenario carefully and use your training and resource materials to answer the questions.**

### Military Scenario 1: Sam Wagner

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#### Interview Notes

- Sam Wagner is a retired member of the U.S. Armed Forces.
- He received Form 1099-R from the Defense Finance & Accounting Service.
- Form 1099-R indicates \$22,000 in box 1 and box 2a.
- Sam is considered 100% disabled and received a letter of determination from the Department of Veterans Affairs (VA).
- He received a payment in the amount of \$6,000 from the VA for disability.

### Military Scenario 1: Test Questions

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1. The payment Sam received from VA is taxable.
  - a. True
  - b. False
2. Which of the following documents are issued by VA for disability payments?
  - a. Form W-2, Wage and Tax Statement
  - b. Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
  - c. Forms W-2 or 1099-R, depending on the type of disability
  - d. No form is required to be issued

## Military Scenario 2: Sandy Samford

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### Interview Notes

- Sandy Samford is single.
- Sandy is a supply specialist in the National Guard. She attended training drills one weekend a month for 8 months in 2018.
- Sandy only owns one vehicle. She placed her vehicle in service on September 3, 2016.
- Sandy's total mileage in 2018 was 18,500 miles. Her average daily roundtrip commuting distance was 45 miles.
- Sandy's duty station is 153 miles away from her residence. She drove 2,448 miles based on her travel log.
- Sandy paid \$1,920 for lodging and \$1,042 for meals. Lodging and meals were within federal per diem rate for the area.
- Sandy paid \$215 for the cost and upkeep of her uniforms. She is permitted to perform civilian activities while wearing her uniform.
- Sandy did not receive reimbursement for any of her out-of-pocket expenses.

## Military Scenario 2: Test Questions

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3. Sandy is able to deduct her travel expenses when she attends her training drills.
  - a. True
  - b. False
4. Which expenses are allowable as an adjustment to income?
  - a. Lodging and meals
  - b. Lodging, meals and travel (to/from duty station)
  - c. Lodging, meals, travel (to/from duty station) and uniforms
  - d. None of the above

## Military Scenario 3: Marshall and Hope Smith

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### Interview Notes

- Marshall and Hope lived in Little Rock, AR where Marshall was stationed in the Air Force for five years. He received new orders to move to Arnold Air Force Base in Tullahoma, TN. This is a permanent change of station (PCS).
- They decided to make a Personally Procured Move (PPM) and save the money.
- Marshall traveled to Tullahoma, TN in September to find a home to rent. They wanted to find a place with a good school district for their three kids. He spent \$1,000 on round-trip airfare, hotel, food and rental car.
- Marshall and Hope spent \$150 on boxes, tape, bubble wrap, and mattress bags. They paid \$550 for the rental truck.
- Hope is afraid to drive long distances so they spent \$625 to ship their second car.
- On December 15, 2018 Marshall and Hope packed their belongings and began driving from Little Rock, AR to Tullahoma, TN. On the way, they made a side trip to Memphis, TN and to visit family in Mississippi. Their trip took them a total of three days and two nights instead of the authorized one day for travel.
- The Smiths drove their rental truck a total of 600 miles. The shortest, most direct route from Little Rock, AR to Tullahoma, TN is 413 miles.
- They spent a total of \$200 for tickets to an attraction. They spent one night at a hotel for \$250 and one night with family.
- Marshall and Hope spent \$550 on food and \$375 on souvenirs.
- They also spent \$200 on storage fees in Tullahoma, TN for items that would not fit in their new home because it was smaller.
- Their move was estimated to cost \$1,600 and the Air Force provided \$1,520 in advance.
- Marshall and Hope are U.S. citizens and have valid Social Security numbers.

### Military Scenario 3: Test Questions

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5. How much can Marshall and Hope claim for mileage? \$ \_\_\_\_\_ (Round to the nearest dollar.)
6. Marshall and Hope's net financial profit from the move will be reported on:
  - a. Form W-2, Wage and Tax Statement
  - b. Form 1040 Schedule C, Profit or Loss from Business, or Schedule C-EZ, Net Profit from Business
  - c. Form 1040, Schedule 1, Additional Income and Adjustments to Income
  - d. Does not need to be reported
7. How much can Marshall and Hope claim as their lodging expense?  
\$ \_\_\_\_\_
8. Which of the following are NOT qualified moving expenses for Marshall and Hope?
  - a. Expenses that are reasonable for the circumstances of a move.
  - b. Moving household goods and personal effects.
  - c. Traveling expenses for shortest, most direct route available from the former home to the new home.
  - d. Expenses for stopovers, side trips, or pre-move house hunting.
9. The cost for Marshall and Hope to ship their car falls into the category for moving household goods and personal effects.
  - a. True
  - b. False

## Military Scenario 4: Alvin and Kelly Blackburn

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### Directions

Using the tax software, complete the tax return, including Form 1040 and all appropriate forms, schedules, or worksheets. Answer the questions following the scenario.

*Note: When entering Social Security numbers (SSNs) or Employer Identification Numbers (EINs), replace the Xs as directed, or with any four digits of your choice.*

### Interview Notes

- Alvin and Kelly are married and want to file a joint return.
- Alvin and Kelly have a seven-year-old son named Connor. Connor lived with his parents the entire year.
- Alvin, Kelly, and Connor have valid Social Security numbers that allow them to work and were issued by the due date of the return.
- Alvin and Kelly are not qualifying children of any other person.
- Alvin was deployed to Syria and entered a combat zone on April 20, 2018 and returned to the U.S on March 3, 2019.
- Alvin and Kelly elect NOT to include combat pay in the calculation of their earned income credit.
- Alvin has rental property, which he placed into service in 2016
- Rental property:
  - Alvin is an active participant.
  - Single family residence, 3571 Oak Street, Your City, Your State.
  - Purchased property: 06/03/2009.
  - Rented: 1/1/2018 - 12/31/2018.
  - Annual rental income: \$12,000.
  - Insurance: \$1,000.
  - Management fees: \$1,200.
  - Alvin paid \$450 to replace a broken doorbell, shower head, leaky faucet and unclog drains. He learned how to complete these repairs after watching Do-It-Yourself videos on the internet. He estimates his time for completing the repairs is worth \$1,000, which is equivalent to professional electrician and plumber labor cost.
  - Real estate property tax: \$1,500.
  - Mortgage Interest: \$3,840.
  - Depreciation: \$2,200.
  - Alvin did not make any payments that would require him to file Form 1099.

- Alvin and Kelly did not itemize last year and do not have enough deductions to itemize this year.
- Each member of the Blackburn family had health insurance for the entire year through a TRICARE plan that meets the Affordable Care Act requirement for minimum essential coverage.





**You will need:**

- Tax Information such as Forms W-2, 1099, 1098, 1095.
- 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.

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](mailto:wi.voltax@irs.gov)

**Part I – Your Personal Information** (If you are filing a joint return, enter your names in the same order as last year's return)

1. Your first name <b>ALVIN</b>	M.I.	Last name <b>BLACKBURN</b>	Daytime telephone number <b>YOUR PHONE #</b>	Are you a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. Your spouse's first name <b>KELLY</b>	M.I.	Last name <b>BLACKBURN</b>	Daytime telephone number	Is your spouse a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3. Mailing address <b>902 ALLEN STREET</b>		Apt #	City <b>YOUR CITY</b>	State <b>YS</b> ZIP code <b>YOUR ZIP</b>
4. Your Date of Birth <b>05/09/1972</b>	5. Your job title <b>SOLDIER</b>		6. 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	
7. Your spouse's Date of Birth <b>08/02/1976</b>	8. Your spouse's job title <b>DISABLED</b>		9. Last year, was your spouse:	
			a. Full-time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
			b. Totally and permanently disabled <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
			c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
10. Can anyone claim you or your spouse as a dependent? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure				
11. Have you, your spouse, or dependents been a victim of tax related identity theft or been issued an Identity Protection PIN? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				

**Part II – Marital Status and Household Information**

1. As of December 31, 2018, what was your marital status?  Never Married (This includes registered domestic partnerships, civil unions, or other formal relationships under state law)  Married a. If Yes, Did you get married in 2018?  Yes  No

Divorced b. Did you live with your spouse during any part of the last six months of 2018?  Yes  No

Legally Separated Date of final decree \_\_\_\_\_

Widowed Date of separate maintenance agreement \_\_\_\_\_

Year of spouse's death \_\_\_\_\_

2. List the names below of:

- **everyone** who lived with you last year (other than 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 (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 12/31/18 (S/M)	Full-time Student last year (yes/no)	Totally and Permanently Disabled (yes/no)	Is this person a qualifying child/relative of any other person? (yes/no)	Did this person provide more than 50% of his/her own support? (yes/no)	Did this person have less than \$4,150 of income? (yes/no)	Did the taxpayer(s) provide more than 50% of support for this person? (yes/no/N/A)	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)						
<b>CONNOR BLACKBURN</b>	<b>02/01/2011</b>	<b>SON</b>	<b>12</b>	<b>YES</b>	<b>YES</b>	<b>S</b>	<b>YES</b>	<b>NO</b>						

Check appropriate box for each question in each section

Yes	No	Unsure	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 or separate maintenance payments?
<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) Retirement income or payments from Pensions, Annuities, and or IRA? (Form 1099-R)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	12. (B) Unemployment Compensation? (Form 1099G)
<input checked="" type="checkbox"/>	<input 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, royalties, foreign income, etc.) Specify _____

Yes	No	Unsure	Part IV – Expenses – Last Year, Did You (or Your Spouse) Pay
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. (B) Alimony or separate maintenance payments? 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) College or post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (A) Deductions: <input type="checkbox"/> Medical & Dental (including insurance premiums) <input type="checkbox"/> Mortgage Interest (Form 1098) <input type="checkbox"/> Taxes (State, Real Estate, Personal Property, Sales) <input type="checkbox"/> Charitable Contributions
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. (B) Child or dependent care expenses such as daycare?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. (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"/>	7. (A) Expenses related to self-employment income or any other income you received?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. (B) Student loan interest? (Form 1098-E)

Yes	No	Unsure	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. (A) Have credit card or mortgage debt cancelled/forgiven by a lender or have a home foreclosure? (Forms 1099-C, 1099-A)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. (A) Adopt a child?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (B) Have Earned Income Credit, Child Tax Credit or American Opportunity Credit 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 declared a Federal disaster area? 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) 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"/>	9. (A) File a federal return last year containing a "capital loss carryover" on Form 1040 Schedule D?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	10. Receive a letter from the IRS?



**Check appropriate box for each question in each section**

Yes	No	Unsure	Part VI - Health Care Coverage - Last year, did you, your spouse, or dependent(s)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. (B) Have health care coverage?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. (B) Receive one or more of these forms? (Check the box) <input type="checkbox"/> Form 1095-B <input type="checkbox"/> Form 1095-C
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. (A) Have coverage through the Marketplace (Exchange)? [Provide Form 1095-A]
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3a. (A) If yes, were advance credit payments made to help you pay your health care premiums?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3b. (A) If yes, Is everyone listed on your Form 1095-A being claimed on this tax return?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (B) Have an exemption granted by the Marketplace?

**To be Completed by a Certified Volunteer Preparer** (Use Publication 4012 and check the appropriate box(es) indicating Minimum Essential Coverage (MEC) for everyone listed on the return.)

Name	MEC All Year	No MEC	Months with MEC	Months with Exemption	Exempt All Year	Notes
Taxpayer			J F M A M J J A S O N D	J F M A M J J A S O N D		
Spouse			J F M A M J J A S O N D	J F M A M J J A S O N D		
Dependent			J F M A M J J A S O N D	J F M A M J J A S O N D		
Dependent			J F M A M J J A S O N D	J F M A M J J A S O N D		
Dependent			J F M A M J J A S O N D	J F M A M J J A S O N D		

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

1. Provide an email address (optional) (this email address will not be used for contacts from the Internal Revenue Service) \_\_\_\_\_

2. 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

3. 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

4. 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.**

5. Would you say you can carry on a conversation in English, both understanding & speaking?  Very well  Well  Not well  Not at all  Prefer not to answer

6. Would you say you can read a newspaper or book in English?  Very well  Well  Not well  Not at all  Prefer not to answer

7. Do you or any member of your household have a disability?  Yes  No  Prefer not to answer

8. Are you or your spouse a Veteran from the U.S. Armed Forces?  Yes  No  Prefer not to answer

Additional comments

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**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 1545-1964. 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

a Employee's social security number <b>283-00-XXXX</b>		Safe, accurate, FAST! Use 		Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a>	
b Employer identification number (EIN) <b>40-600XXXX</b>		1 Wages, tips, other compensation <b>8,500.00</b>	2 Federal income tax withheld <b>520.00</b>		
c Employer's name, address, and ZIP code  <b>DFAS P.O. BOX 9999 IOWA CITY, IOWA 52240</b>		3 Social security wages <b>8,500.00</b>	4 Social security tax withheld <b>527.00</b>		
		5 Medicare wages and tips <b>8,500.00</b>	6 Medicare tax withheld <b>123.25</b>		
		7 Social security tips	8 Allocated tips		
d Control number		9 Verification code	10 Dependent care benefits		
e Employee's first name and initial Last name Suff.		11 Nonqualified plans		12a See instructions for box 12 <b>Q 21,250.00</b>	
f Employee's address and ZIP code  <b>ALVIN BLACKBURN 902 ALLEN STREET YOUR CITY, STATE ZIP</b>		13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	12b		
		14 Other	12c		
			12d		
15 State Employer's state ID number <b>YS 40-600XXXX</b>	16 State wages, tips, etc. <b>8,500.00</b>	17 State income tax <b>300.00</b>	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

Form **W-2 Wage and Tax Statement** **2018** Department of the Treasury—Internal Revenue Service  
 Copy B—To Be Filed With Employee's FEDERAL Tax Return.  
 This information is being furnished to the Internal Revenue Service.

FORM SSA-1099 – SOCIAL SECURITY BENEFIT STATEMENT		
<b>2018</b> • PART OF YOUR SOCIAL SECURITY BENEFITS SHOWN IN BOX 5 MAY BE TAXABLE INCOME. • SEE THE REVERSE FOR MORE INFORMATION.		
Box 1. Name <b>KELLY BLACKBURN</b>	Box 2. Beneficiary's Social Security Number <b>251-00-XXXX</b>	
Box 3. Benefits Paid in 2018 <b>\$9,600.00</b>	Box 4. Benefits Repaid to SSA in 2018	Box 5. Net Benefits for 2018 (Box 3 minus Box 4) <b>\$9,600.00</b>
DESCRIPTION OF AMOUNT IN BOX 3		DESCRIPTION OF AMOUNT IN BOX 4
Paid by check or direct deposit: <b>\$9,024.00</b>		Box 6. Voluntary Federal Income Tax Withholding
Medicare Part B premiums deducted from your benefits: <b>\$576.00</b>		
Medicare Prescription Drug premiums (Part D) deducted from your benefits: <b>\$0</b>		Box 7. Address <b>902 ALLEN STREET Your City, State Zip</b>
Total Additions:		Box 8. Claim Number (Use this number if you need to contact SSA.)
Benefits for 2018: <b>\$9,600</b>		
Draft as of June 21, 2018 - Subject to Change		
Form SSA-1099-SM (6-2018) <b>DO NOT RETURN THIS FORM TO SSA OR IRS</b>		

## Military Scenario 4: Test Questions

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10. Alvin and Kelly's 2018 return is due April 15, 2019.
- True
  - False
11. Alvin's rental income is reported on which schedule?
- Schedule C, Profit or Loss from Business or C-EZ, Net Profit from Business
  - Schedule D, Capital Gains and Losses
  - Schedule E, Supplemental Income and Loss
  - Schedule F, Profit or Loss From Farming
12. What is the amount of rental expenses Alvin and Kelly can claim on their joint return? \$\_\_\_\_\_
13. Combat pay is included in box 1 of Form W-2, Wage and Tax Statement.
- True
  - False
14. What is the amount of earned income credit the Blackburns are eligible to claim? \$\_\_\_\_\_
15. Combat pay \_\_\_\_\_. (Select all that apply.)
- Is reported on Form W-2, box 12a, Code Q
  - Can be used to calculate the child tax credit
  - Can be used to calculate the earned income credit
  - Is taxable income



## Military Course Retest Questions

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### Directions

The first three scenarios do not require you to prepare a tax return. **Read the interview notes for the scenario carefully and use your training and resource materials to answer the questions.**

### Military Scenario 1: Sam Wagner

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#### Interview Notes

- Sam Wagner is a retired member of the U.S. Armed Forces.
- He received Form 1099-R from the Defense Finance & Accounting Service.
- Form 1099-R indicates \$22,000 in box 1 and box 2a.
- Sam is considered 100% disabled and received a letter of determination from the Department of Veterans Affairs (VA).
- He received a payment in the amount of \$6,000 from the VA for disability.

### Military Scenario 1: Retest Questions

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1. The payment Sam received from the VA is subject to which type of tax?
  - a. Federal tax
  - b. State tax
  - c. Federal and state taxes
  - d. None of the above
  
2. The VA issues Form 1099-R for disability payments.
  - a. True
  - b. False



## Military Scenario 2: Sandy Samford

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### Interview Notes

- Sandy Samford is single.
- Sandy is a supply specialist in the National Guard. She attended training drills one weekend a month for 8 months in 2018.
- Sandy only owns one vehicle. She placed her vehicle in service on September 3, 2016.
- Sandy's total mileage in 2018 was 18,500 miles. Her average daily roundtrip commuting distance was 45 miles.
- Sandy's duty station is 153 miles away from her residence. She drove 2,448 miles based on her travel log.
- Sandy paid \$1,920 for lodging and \$1,042 for meals. Lodging and meals were within federal per diem rate for the area.
- Sandy paid \$215 for the cost and upkeep of her uniforms. She is permitted to perform civilian activities while wearing her uniform.
- Sandy did not receive reimbursement for any of her out-of-pocket expenses.

## Military Scenario 2: Retest Questions

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3. What number of miles qualify as a deductible travel expense?
  - a. 0
  - b. 384
  - c. 2,448
  - d. 18,500
4. Sandy is able to take an adjustment to income for lodging, meals, travel (to/from duty station) and uniforms.
  - a. True
  - b. False

## Military Scenario 3: Marshall and Hope Smith

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### Interview Notes

- Marshall and Hope lived in Little Rock, AR where Marshall was stationed in the Air Force for five years. He received new orders to move to Arnold Air Force Base in Tullahoma, TN. This is a permanent change of station (PCS).
- They decided to make a Personally Procured Move (PPM) and save the money.
- Marshall traveled to Tullahoma, TN in September to find a home to rent. They wanted to find a place with a good school district for their three kids. He spent \$1,000 on round-trip airfare, hotel, food and rental car.
- Marshall and Hope spent \$150 on boxes, tape, bubble wrap, and mattress bags. They paid \$550 for the rental truck.
- Hope is afraid to drive long distances so they spent \$625 to ship their second car.
- On December 15, 2018 Marshall and Hope packed their belongings and began driving from Little Rock, AR to Tullahoma, TN. On the way, they made a side trip to Memphis, TN and to visit family in Mississippi. Their trip took them a total of three days and two nights instead of the authorized one day for travel.
- The Smiths drove their rental truck a total of 600 miles. The shortest, most direct route from Little Rock, AR to Tullahoma, TN is 413 miles.
- They spent a total of \$200 for tickets to an attraction. They spent one night at a hotel for \$250 and one night with family.
- Marshall and Hope spent \$550 on food and \$375 on souvenirs.
- They also spent \$200 on storage fees in Tullahoma, TN for items that would not fit in their new home because it was smaller.
- Their move was estimated to cost \$1,600 and the Air Force provided \$1,520 in advance.
- Marshall and Hope are U.S. citizens and have valid Social Security numbers.

### Military Scenario 3: Retest Questions

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5. How many miles can Marshall and Hope use to calculate their qualified moving expenses? \_\_\_\_\_ miles.
6. The net financial gain from Marshall and Hope's move is included as wages on Form 1040, U.S. Individual Income Tax Return.
  - a. True
  - b. False
7. How much can Marshall and Hope claim as qualified lodging expenses?
  - a. \$0
  - b. \$125
  - c. \$250
  - d. \$500
8. The Smiths can deduct the cost of their side trip and house hunting trip as qualified moving expenses.
  - a. True
  - b. False
9. Marshall and Hope can claim their \$200 storage expense as a qualified moving expense.
  - a. True
  - b. False

## Military Scenario 4: Retest Questions

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### Directions

Refer to the scenario information for Alvin and Kelly Blackburn beginning on page 103.

10. Individuals serving in a combat zone receive an extension to file their return and pay their tax. The deadline is extended for 180 days plus the number of days left to take action when they entered the combat zone.
  - a. True
  - b. False
  
11. The net rental income (rental income minus expenses) is figured using Schedule E and reported as rental income on Form 1040, Schedule 1, Additional Income and Adjustments to Income.
  - a. True
  - b. False
  
12. Alvin **cannot** take a rental expense deduction for which of the following items?
  - a. Depreciation
  - b. Repairs
  - c. Value of his labor
  - d. Management fees
  
13. What is the correct amount reported as wages on Form 1040, U.S Individual Income Tax Return \$\_\_\_\_\_.
  
14. What is the amount of the Blackburn's earned income credit?
  - a. \$1,285
  - b. \$2,466
  - c. \$2,899
  - d. \$3,400
  
15. Combat pay is never taxable to most soldiers.
  - a. True
  - b. False



## International Course Scenarios and Test Questions

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### Directions

The first two scenarios do not require you to prepare a tax return. **Read the interview notes for each scenario carefully and use your training and resource materials to answer the questions after the scenarios.**

### International Scenario 1: Luke and Laura Emerson

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#### Interview Notes

- Luke and Laura are married and live in Switzerland.
- Luke is a U.S. citizen and has a valid Social Security number. Laura is a citizen of Switzerland.
- Laura's daughter from a previous marriage, Melanie, is 3 years old. Melanie lived with Luke and Laura all year. Luke began the process of adoption after he and Laura married in 2016. The adoption was final in 2018. Melanie is now a U.S. citizen and has a valid Social Security number issued by the due date of the return, including extensions.
- Luke and Laura have a son, Simon, who was born on July 4, 2018. Simon is a U.S. citizen and has a valid Social Security number issued by the due date of the return, including extensions.
- Luke is employed by a Fortune 500 company and earned \$50,000.
- Laura has been out of the workforce for two years and decided to go back to work when Simon was 3 months old. She earned the equivalent of \$4,000 in U.S. dollars.
- Luke and Laura provide all the financial support for Melanie and Simon.
- Melanie and Simon attend the Child Development Center (CDC) while Luke and Laura work. Luke paid the CDC \$2,400 for childcare in 2018. CDC has an employer identification number.
- During the interview, Laura mentions that she has never filed a joint return with Luke. She asks the volunteer what is required to file a joint return with Luke. Based on the information provided, Laura decides she does not want to be treated as a resident alien for U.S. tax filing purposes this year.

## International Scenario 1: Test Questions

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1. Luke has qualifying children for which tax credit(s)? (Select all that apply.)
  - a. Child tax credit
  - b. Credit for other dependents
  - c. Child and dependent care
  - d. None of the above
  
2. Since Laura does not want to file a joint return, Luke must use Married Filing Separately as his filing status.
  - a. True
  - b. False
  
3. Laura's income is not included on the return because she does not choose to be treated as a resident alien.
  - a. True
  - b. False
  
4. In the future, if Laura and Luke choose to file Married Filing Jointly and treat Laura as a resident alien for tax purposes, this election can be terminated by:
  - a. Revoking the election in a written statement
  - b. The death of either spouse
  - c. The IRS, due to insufficient records
  - d. All of the above



## International Scenario 2: Drew and Sierra Hillsdale

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### Interview Notes

- Drew and Sierra currently live in Sydney, Australia.
- They moved there on March 3, 2017 and currently rent a 2-bedroom condo in Sydney, Australia. Sierra was transferred there for an indefinite period of time. Drew and Sierra intend to eventually return to the United States.
- Their son attends college in the U.S. and is finishing up his bachelor's degree.
- Drew and Sierra are both employed by the same U.S.-based Fortune 500 company.
- Drew and Sierra returned to the U.S. for five days to attend their son's college graduation in May of 2018. They also took a 2-week vacation throughout Australia hiking the Outback and taking diving excursions at the Great Barrier Reef in August 2018.
- Drew and Sierra are U.S. citizens and have valid Social Security numbers.
- Neither Drew nor Sierra work for the U.S. government.
- Drew and Sierra own a home in the U.S. It is vacant while they are overseas, but Sierra's sister checks on it for them.

## International Scenario 2: Test Questions

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5. The trip to the U.S. disqualifies Drew and Sierra from meeting the bona fide residence test in order to exclude their foreign earned income.
  - a. True
  - b. False
6. Drew and Sierra meet the physical presence test.
  - a. True
  - b. False

## International Scenario 3: Yolanda Lawson

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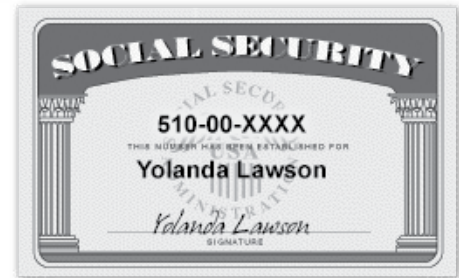
### Directions

Using the tax software, complete the tax return, including Form 1040 and all appropriate forms, schedules, or worksheets. Answer the questions following the scenario.

*Note: When entering Social Security numbers (SSNs) or Employer Identification Numbers (EINs), replace the Xs as directed, or with any four digits of your choice.*

### Interview Notes

- Yolanda is a U.S. citizen, single and has no children. She has lived and worked in Germany since February 1, 2016. She loves her life in Germany and did not return to the U.S. since she moved there. She has no intentions of returning to the U.S. Therefore, she does not maintain an address in the U.S.
- She considers herself a resident of Germany. She shares a two-bedroom apartment with her roommate at 491 Wolframstrasse, 35510 Bad Cannstatt, a city district of Stuttgart, Germany.
- Income:
  - Yolanda’s visa type: Unlimited.
    - Yolanda works at the U.S. Consulate and has a Form W-2 for her salary. She earned \$60,000 in wages and paid \$7,000 in withholding.
    - Yolanda loves to shop. In 2018, she decided to get a part-time job at a department store on the weekends so she could use the employee discount on her purchases. Her part-time job with the department store was located at 27-29 Konigstrasse, 70173 Stuttgart, Germany.
    - Yolanda earned an equivalent of \$3,000 in wages and paid taxes totaling \$600 when converted to U.S. dollars. Her taxes were paid to Germany as she earned her income.
    - Yolanda opened a checking and savings account at a German bank. She earned \$150 of interest (converted to U.S. dollars) at the Bank of Stuttgart. She paid foreign tax to Germany on this interest income in the amount of 38.5 euro. The exchange rate on the date she paid the tax was 1 U.S. Dollar (USD) = 1.17 Euro.
    - Yolanda was not required to file FinCen Form 114 and she did not receive a distribution, was not a grantor of, nor was she a transferor to a foreign trust.
- Yolanda did not itemize in 2017 and does not have enough deductions to itemize in 2018.
- Yolanda was covered under a health care plan the entire year that was purchased through her job with the U.S. Consulate.



## Intake/Interview & Quality Review Sheet

**You will need:**

- Tax Information such as Forms W-2, 1099, 1098, 1095.
- 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.

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](mailto:wi.voltax@irs.gov)

**Part I – Your Personal Information** (If you are filing a joint return, enter your names in the same order as last year's return)

1. Your first name <b>YOLANDA</b>	M.I.	Last name <b>LAWSON</b>	Daytime telephone number <b>YOUR PHONE #</b>	Are you a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. Your spouse's first name	M.I.	Last name	Daytime telephone number	Is your spouse a U.S. citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No
3. Mailing address <b>491 WOLFRAMSTRASSE, 35510 BAD CANNSTATT</b>			Apt #	City <b>STUTT GART</b>
		State <b>GERMANY</b>	ZIP code <b>87600</b>	
4. Your Date of Birth <b>11/15/1972</b>	5. Your job title <b>GOVERNMENT EMPLOYEE</b>		6. Last year, were you:	
		b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		a. Full-time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
7. Your spouse's Date of Birth	8. Your spouse's job title		9. Last year, was your spouse:	
		b. Totally and permanently disabled <input type="checkbox"/> Yes <input type="checkbox"/> No		a. Full-time student <input type="checkbox"/> Yes <input type="checkbox"/> No
				c. Legally blind <input type="checkbox"/> Yes <input type="checkbox"/> No
10. Can anyone claim you or your spouse as a dependent? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure				
11. Have you, your spouse, or dependents been a victim of tax related identity theft or been issued an Identity Protection PIN? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				

**Part II – Marital Status and Household Information**

1. As of December 31, 2018, what was your marital status?

Never Married (This includes registered domestic partnerships, civil unions, or other formal relationships under state law)

Married a. If Yes, Did you get married in 2018?  Yes  No

Divorced Date of final decree \_\_\_\_\_

Legally Separated Date of separate maintenance agreement \_\_\_\_\_

Widowed Year of spouse's death \_\_\_\_\_

2. List the names below of:

- everyone who lived with you last year (other than 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 (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 12/31/18 (S/M)	Full-time Student last year (yes/no)	Totally and Permanently Disabled (yes/no)	Is this person a qualifying child/relative of any other person? (yes/no)	Did this person provide more than 50% of his/her own support? (yes/no)	Did this person have less than \$4,150 of income? (yes/no)	Did the taxpayer(s) provide more than 50% of support for this person? (yes/no/N/A)	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)					

**Check appropriate box for each question in each section**

Yes	No	Unsure	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) <b>If yes, how many jobs did you have last year? <u>2</u> (One W-2, and her foreign income)</b>
<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 or separate maintenance payments?
<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) Retirement income or payments from Pensions, Annuities, and or IRA? (Form 1099-R)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	12. (B) Unemployment Compensation? (Form 1099G)
<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, royalties, foreign income, etc.) Specify <b>Foreign Income</b> _____
Yes	No	Unsure	Part IV – Expenses – Last Year, Did You (or Your Spouse) Pay
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. (B) Alimony or separate maintenance payments? <b>If yes, do you have the recipient's SSN?</b> <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) College or post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (A) Deductions: <input type="checkbox"/> Medical & Dental (including insurance premiums) <input type="checkbox"/> Mortgage Interest (Form 1098) <input type="checkbox"/> Taxes (State, Real Estate, Personal Property, Sales) <input type="checkbox"/> Charitable Contributions
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. (B) Child or dependent care expenses such as daycare?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. (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"/>	7. (A) Expenses related to self-employment income or any other income you received?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. (B) Student loan interest? (Form 1098-E)
Yes	No	Unsure	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. (A) Have credit card or mortgage debt cancelled/forgiven by a lender or have a home foreclosure? (Forms 1099-C, 1099-A)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. (A) Adopt a child?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (B) Have Earned Income Credit, Child Tax Credit or American Opportunity Credit disallowed in a prior year? <b>If yes, for which tax year?</b> _____
<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 declared a Federal disaster area? <b>If yes, where?</b> _____
<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) Make estimated tax payments or apply last year's refund to this year's tax? <b>If so how much?</b> _____
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	9. (A) File a federal return last year containing a "capital loss carryover" on Form 1040 Schedule D?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	10. Receive a letter from the IRS?



**Check appropriate box for each question in each section**

Yes	No	Unsure	Part VI - Health Care Coverage - Last year, did you, your spouse, or dependent(s)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. (B) Have health care coverage?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. (B) Receive one or more of these forms? (Check the box) <input type="checkbox"/> Form 1095-B <input type="checkbox"/> Form 1095-C
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. (A) Have coverage through the Marketplace (Exchange)? [Provide Form 1095-A]
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3a. (A) If yes, were advance credit payments made to help you pay your health care premiums?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3b. (A) If yes, Is everyone listed on your Form 1095-A being claimed on this tax return?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (B) Have an exemption granted by the Marketplace?

**To be Completed by a Certified Volunteer Preparer** (Use Publication 4012 and check the appropriate box(es) indicating Minimum Essential Coverage (MEC) for everyone listed on the return.)

Name	MEC All Year	No MEC	Months with MEC	Months with Exemption	Exempt All Year	Notes
Taxpayer			J F M A M J J A S O N D	J F M A M J J A S O N D		
Spouse			J F M A M J J A S O N D	J F M A M J J A S O N D		
Dependent			J F M A M J J A S O N D	J F M A M J J A S O N D		
Dependent			J F M A M J J A S O N D	J F M A M J J A S O N D		
Dependent			J F M A M J J A S O N D	J F M A M J J A S O N D		

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

- Provide an email address (optional) (this email address will not be used for contacts from the Internal Revenue Service) \_\_\_\_\_
- 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
- If you are due a refund, would you like:
  - Direct deposit  Yes  No
  - To purchase U.S. Savings Bonds  Yes  No
  - To split your refund between different accounts  Yes  No
- 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.**

- Would you say you can carry on a conversation in English, both understanding & speaking?  Very well  Well  Not well  Not at all  Prefer not to answer
- Would you say you can read a newspaper or book in English?  Very well  Well  Not well  Not at all  Prefer not to answer
- Do you or any member of your household have a disability?  Yes  No  Prefer not to answer
- Are you or your spouse a Veteran from the U.S. Armed Forces?  Yes  No  Prefer not to answer

Additional comments


\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**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 1545-1964. 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

		a Employee's social security number <b>510-00-XXXX</b>		Safe, accurate, FAST! Use				Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a>							
b Employer identification number (EIN) <b>42-500XXXX</b>				1 Wages, tips, other compensation <b>60,000.00</b>		2 Federal income tax withheld <b>7,000.00</b>									
c Employer's name, address, and ZIP code <b>US CONSULATE 3000 BAHNHOFSTRASSE 87600 KAUFBEUREN, GERMANY</b>				3 Social security wages <b>60,000.00</b>		4 Social security tax withheld <b>3,720.00</b>									
				5 Medicare wages and tips <b>60,000.00</b>		6 Medicare tax withheld <b>870.00</b>									
				7 Social security tips		8 Allocated tips									
d Control number				9 Verification code		10 Dependent care benefits									
e Employee's first name and initial Last name Suff. <b>YOLANDA LAWSON 491 WOLFRAMSTRASSE 35510 BAD CANNSTATT STUTTGART, GERMANY</b>				11 Nonqualified plans		12a See instructions for box 12 <b>DD</b> <b>5,400.00</b>									
				13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input 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	

**Form W-2 Wage and Tax Statement** **2018** Department of the Treasury—Internal Revenue Service

**Copy B—To Be Filed With Employee's FEDERAL Tax Return.**  
 This information is being furnished to the Internal Revenue Service.



## International Scenario 3: Test Questions

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7. Which of the following statements is true?
- a. The foreign earned income exclusion is voluntary.
  - b. The election for foreign earned income exclusion is made by completing Form 2555 or Form 2555-EZ.
  - c. Once the election is made to exclude foreign earned income, that choice remains in effect for that year and all later years until it is revoked.
  - d. All of the above.
8. Yolanda meets the requirements of the bona fide residence test and can exclude her foreign earned income.
- a. True
  - b. False
9. Which of the following statements is true? Yolanda does not have to report her interest income from the Bank of Stuttgart because:
- a. Form 1099-INT was not issued.
  - b. Taxes were already paid on the income.
  - c. It qualifies for foreign earned income exclusion.
  - d. None of the above. She must report her worldwide income, which includes her interest income.
10. What is the amount of foreign taxes paid on interest income, converted to U.S. dollars? \$\_\_\_\_\_ (Round to the nearest dollar. Refer to Exchange Rates in Publication 4491, Chapter 16, Income - Other Income.)
11. Which sources of Yolanda's income do NOT qualify for the foreign earned income exclusion? (Select all that apply.)
- a. Interest income from Bank of Stuttgart
  - b. Wages from the department store
  - c. Wages from U.S. Consulate
  - d. All of the above.
12. Which sources of Yolanda's income are classified as Passive Category Income?
- a. Interest income from the Bank of Stuttgart
  - b. Wages from the department store
  - c. Wages from U.S. Consulate
  - d. None of the above.

13. The correct amount of foreign earned income excluded from Yolanda's tax return is \$\_\_\_\_\_.
14. Which of the following statements is NOT true?
- a. Yolanda can take the foreign tax credit for the income taxes paid on her interest income from the Bank of Stuttgart and has to file Form 1116.
  - b. Yolanda can claim the foreign earned income exclusion of \$3,000 from her part-time job at the department store. Therefore, she cannot take the foreign tax credit for the \$600 income taxes from her part-time job at the department store.
  - c. Yolanda can claim both the foreign tax credit for the \$600 paid to Germany and exclude the \$3,000 foreign earned income from her part-time job at the department store.
15. Yolanda must include the amount of foreign tax paid to Germany as withheld federal income taxes.
- a. True
  - b. False



## International Course Retest Questions

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### Directions

The first two scenarios do not require you to prepare a tax return. **Read the interview notes for each scenario carefully and use your training and resource materials to answer the questions after the scenarios.**

### International Scenario 1: Luke and Laura Emerson

---

#### Interview Notes

- Luke and Laura are married and live in Switzerland.
- Luke is a U.S. citizen and has a valid Social Security number. Laura is a citizen of Switzerland.
- Laura's daughter from a previous marriage, Melanie, is 3 years old. Melanie lived with Luke and Laura all year. Luke began the process of adoption after he and Laura married in 2016. The adoption was final in 2018. Melanie is now a U.S. citizen and has a valid Social Security number issued by the due date of the return, including extensions.
- Luke and Laura have a son, Simon, who was born on July 4, 2018. Simon is a U.S. citizen and has a valid Social Security number issued by the due date of the return, including extensions.
- Luke is employed by a Fortune 500 company and earned \$50,000.
- Laura has been out of the workforce for two years and decided to go back to work when Simon was 3 months old. She earned the equivalent of \$4,000 in U.S. dollars.
- Luke and Laura provide all the financial support for Melanie and Simon.
- Melanie and Simon attend the Child Development Center (CDC) while Luke and Laura work. Luke paid the CDC \$2,400 for childcare in 2018. CDC has an employer identification number.
- During the interview, Laura mentions that she has never filed a joint return with Luke. She asks the volunteer what is required to file a joint return with Luke. Based on the information provided, Laura decides she does not want to be treated as a resident alien for U.S. tax filing purposes this year.

## International Scenario 1: Retest Questions

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1. Luke can claim child tax credit and child and dependent care credit for Melanie and Simon.
  - a. True
  - b. False
  
2. Laura does not want to be treated as a resident alien for U.S. tax purposes. What is the most advantageous filing status for Luke?
  - a. Single
  - b. Married Filing Separately
  - c. Head of Household
  - d. Qualifying Widower
  
3. Should Laura's income be included on Luke's return:
  - a. Yes, because she is married to a U.S. citizen.
  - b. No, because she is a nonresident alien and chooses not to file Married Filing Jointly.
  - c. Yes, because both Luke and Laura must report their worldwide income.
  
4. In the future, if Luke and Laura choose to file Married Filing Jointly and treat Laura as a resident alien for tax purposes, the election is permanent and can never be suspended or ended.
  - a. True
  - b. False

## International Scenario 2: Drew and Sierra Hillsdale

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### Interview Notes

- Drew and Sierra currently live in Sydney, Australia.
- They moved there on March 3, 2017 and currently rent a 2-bedroom condo in Sydney, Australia. Sierra was transferred there for an indefinite period of time. Drew and Sierra intend to eventually return to the United States.
- Their son attends college in the U.S. and is finishing up his bachelor's degree.
- Drew and Sierra are both employed by the same U.S.-based Fortune 500 company.
- Drew and Sierra returned to the U.S. for five days to attend their son's college graduation in May of 2018. They also took a 2-week vacation throughout Australia hiking the Outback and taking diving excursions at the Great Barrier Reef in August 2018.
- Drew and Sierra are U.S. citizens and have valid Social Security numbers.
- Neither Drew nor Sierra work for the U.S. government.
- Drew and Sierra own a home in the U.S. It is vacant while they are overseas, but Sierra's sister checks on it for them.

## International Scenario 2: Retest Questions

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5. Drew and Sierra are eligible to exclude their foreign earned income because they meet the physical presence test.
  - a. True
  - b. False
6. Simply going to Australia to work for a year or more is enough for Drew and Sierra to meet the bona fide residence test.
  - a. True
  - b. False

## International Scenario 3: Retest Questions

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### Directions

Refer to the scenario information for Yolanda Lawson, beginning on page 118.

7. If Yolanda qualifies to exclude her foreign earned income, she must declare the election each year she meets the criteria.
  - a. True
  - b. False
8. What eligibility requirements must Yolanda meet in order to be eligible to exclude her foreign earned income?
  - a. Her home must be in a foreign country.
  - b. She must meet the bona fide residence test or physical presence test.
  - c. She must have income that qualifies as foreign earned income.
  - d. All of the above.
9. Yolanda is not required to report the \$150 of interest from the Bank of Stuttgart because it was earned in a German bank.
  - a. True
  - b. False
10. To convert a sum of money into U.S. dollars, divide the amount of foreign currency by the exchange rate for the foreign currency for one U.S. dollar.
  - a. True
  - b. False
11. Yolanda is able to exclude her wages from the U.S. Consulate and the department store because she earned them in a foreign country.
  - a. True
  - b. False
12. General category income consists of wages earned in a foreign country that an individual does not exclude, or excludes only part of, under the foreign earned income exclusion.
  - a. True
  - b. False



- 13.** What is the correct amount of foreign earned income excluded from Yolanda's tax return?
- a. \$0
  - b. \$63,000
  - c. \$60,000
  - d. \$3,000
- 14.** Yolanda must file Form 1116 to take the foreign tax credit unless she qualifies for the election to report foreign tax credit directly on Form 1040, Schedule 3.
- a. True
  - b. False
- 15.** What is the amount of federal income tax withheld on Yolanda's Form 1040?
- a. \$7,633
  - b. \$7,600
  - c. \$7,000
  - d. \$6,367





## Health Savings Accounts – Test Questions

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### Directions

The first four scenarios do not require you to prepare a tax return. Read the interview notes for each scenario and use your training and resource materials to answer the questions.

### HSA Scenario 1: Leo Williams

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#### Interview Notes

- Leo Williams is single and 45 years old.
- Leo works as an IT manager and his Form W-2 shows wages of \$47,250.
- Leo participated in his employer's self-only coverage High Deductible Health Plan (HDHP) all year.
- Leo does not have any other health coverage.
- Leo has had an HSA for two years.
- Leo's employer contributed \$1,500 in 2018 to Leo's HSA.
- In 2018, Leo's aunt contributed \$1,900 to Leo's HSA.
- Leo is a U.S. citizen and has a valid Social Security number.

### HSA Scenario 1: Test Questions

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1. Is Leo an eligible individual for HSA purposes even though he did not make his own contributions?
  - a. Yes
  - b. No
2. What amount will Leo use to compute his HSA deduction on Form 1040, Schedule 1, line 25?
  - a. \$0
  - b. \$1,500
  - c. \$1,900
  - d. \$3,400
3. Employer contributions to Leo's HSA are reported on his Form W-2, box 12, code W.
  - a. True
  - b. False

## HSA Scenario 2: Ed and Christine Martinez

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### Interview Notes

- Ed and Christine are married and will file a joint return.
- Ed is 47 years old, and Christine is 56 years old.
- Both were enrolled in self-only coverage High Deductible Health Plans (HDHPs) through their employers for the entire year of 2018.
- Ed and Christine each have an HSA.
- Both have contributed the maximum amounts to their HSAs in 2018.
- Ed and Christine are both U.S. citizens and have valid Social Security numbers.

### HSA Scenario 2: Test Questions

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4. The amount that can be contributed to an HSA depends on the following:
  - a. Taxpayer's age and type of HDHP coverage
  - b. Date the taxpayer became eligible
  - c. Date taxpayer ceases to be eligible
  - d. All of the above
5. Ed and Christine are both eligible to make catch-up contributions to their individual HSAs.
  - a. True
  - b. False

## HSA Scenario 3: Judy Young

---

### Interview Notes

- Judy Young is 58 years old.
- Judy is single, is not disabled, and has no dependents.
- In 2018, she had earnings from her job of \$24,300.
- Judy has participated in her employer's self-only HDHP coverage since June 1, 2018 when she started a new job.
- Judy was an eligible individual all year.
- Judy asked the HSA trustee from her previous job to rollover the balance of \$2,000 into the HSA at her new job.
- In 2018, Judy contributed \$975 to her HSA.
- In 2018, Judy took funds from her HSA to pay the following expenses:
  - Insulin \$275
  - Doctor visit \$185
  - Yoga classes \$480
  - Prescription medicine \$225
  - Premiums for COBRA coverage \$1,425
- Judy is a U.S. citizen and has a valid Social Security number.

### HSA Scenario 3: Test Questions

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6. The amount of Judy's HSA contribution reported on Form 8889, line 2 is \$975.
  - a. True
  - b. False
7. The amount of **total** distributions reported on Form 8889, line 14a is:
  - a. \$685
  - b. \$1,165
  - c. \$2,110
  - d. \$2,590
8. What is the amount reported on Form 8889, line 15?
  - a. \$460
  - b. \$685
  - c. \$2,110
  - d. \$2,590

## HSA Scenario 4: Carl and Monica Smith

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### Interview Notes

- Carl, age 46, and Monica, age 42, are married and will file a joint return.
- They have two children, Adriane and Robert, whom they will claim as dependents on their joint return.
- Monica's cousin, Michael (age 29), came to live with them in July 2018. Michael does not qualify as their dependent, but they paid \$500 of Michael's medical bills in November 2018.
- Carl was enrolled all year in an HDHP with family coverage.
- Carl has had an HSA for four years. He has no other health insurance.
- In 2018, Carl made regular contributions to his HSA totaling \$4,000.
- In 2018, Carl took \$1,800 from his HSA to pay the following medical expenses:
  - \$300 to purchase Monica's eyeglasses (needed for medical reasons).
  - \$725 health club membership for Carl.
  - \$250 for over-the-counter eye medicine for their son, Robert (no prescription from doctor).
  - \$525 for Adriane's physical therapy sessions.
- Carl, Monica, Adriane, Robert, and cousin Michael are all U.S. citizens and have valid Social Security numbers.

### HSA Scenario 4: Test Questions

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9. The adjustment to income on Form 1040, Schedule 1, line 25 for Carl's HSA deduction is:
- a. \$1,800
  - b. \$3,400
  - c. \$4,000
  - d. \$6,750
10. Whose qualified medical expenses can Carl include for HSA purposes?
- a. Carl
  - b. Adriane and Robert
  - c. Carl, Monica, Adriane, and Robert
  - d. Carl, Monica, Adriane, Robert, and Michael
11. On his Form 8889, Carl can include the \$300 to purchase Monica's eyeglasses as a qualifying medical expense for HSA purposes.
- a. True
  - b. False



## HSA Scenario 5: Peggy Walker

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### Directions

Use the interview notes, taxpayer documents, and reference materials needed for this scenario. **Please complete Form 1040 through line 15**, and the appropriate forms (including Form 8889), schedules, or worksheets. Answer the questions following the scenario.

*Note: When entering Social Security numbers (SSNs) or Employer Identification Numbers (EINs), replace the Xs as directed, or with any four digits of your choice.*

### Interview Notes

- Peggy Walker, age 48, is a single parent raising her son, Marcus.
- Marcus is a full-time student and had no income.
- Peggy qualifies to file as Head of Household.
- Peggy does not have enough deductions to itemize.
- For the last five years, Peggy has had family health coverage through a High Deductible Health Plan (HDHP) from her employer.
- Peggy has had an HSA for several years.
- In 2018, she contributed \$1,500 to her HSA.
- Peggy's grandmother helped her out and contributed \$1,000 to her HSA in 2018.
- Peggy's employer also contributed \$600 to her HSA in 2018.
- Peggy paid the following expenses in 2018 using money from her HSA:
  - Urgent care bill for Peggy - \$615
  - Prescription medicine for Peggy - \$125
  - Insulin for Marcus - \$140
  - Dancing lessons for Peggy - \$200
  - Doctor visits for Marcus - \$400
- Peggy and Marcus are U.S. citizens and have valid Social Security numbers.



**You will need:**

- Tax Information such as Forms W-2, 1099, 1098, 1095.
- 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.

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](mailto:wi.voltax@irs.gov)

**Part I – Your Personal Information** (If you are filing a joint return, enter your names in the same order as last year's return)

1. Your first name <b>PEGGY</b>	M.I.	Last name <b>WALKER</b>	Daytime telephone number <b>YOUR PHONE #</b>	Are you a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. Your spouse's first name	M.I.	Last name	Daytime telephone number	Is your spouse a U.S. citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No
3. Mailing address <b>65421 SW 17TH ST</b>			Apt #	City <b>YOUR CITY</b>
4. Your Date of Birth <b>05/20/1969</b>	5. Your job title <b>MANAGER</b>		6. Last year, were you:	
7. Your spouse's Date of Birth		8. Your spouse's job title		9. 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
				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
10. Can anyone claim you or your spouse as a dependent? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure				
11. Have you, your spouse, or dependents been a victim of tax related identity theft or been issued an Identity Protection PIN? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				

**Part II – Marital Status and Household Information**

1. As of December 31, 2018, what was your marital status?

Never Married (This includes registered domestic partnerships, civil unions, or other formal relationships under state law)

Married a. If Yes, Did you get married in 2018?  Yes  No

Divorced b. Did you live with your spouse during any part of the last six months of 2018?  Yes  No

Legally Separated Date of final decree \_\_\_\_\_

Widowed Date of separate maintenance agreement \_\_\_\_\_

Year of spouse's death \_\_\_\_\_

2. List the names below of:

- **everyone** who lived with you last year (other than 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 (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 12/31/18 (S/M)	Full-time Student last year (yes/no)	Totally and Permanently Disabled (yes/no)	Is this person a qualifying child/relative of any other person? (yes/no)	Did this person provide more than 50% of his/her own support? (yes/no)	Did this person have less than \$4,150 of income? (yes/no)	Did the taxpayer(s) provide more than 50% of support for this person? (yes/no/N/A)	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)					
<b>MARCUS WALKER</b>	<b>01/18/2007</b>	<b>SON</b>	<b>12</b>	<b>YES</b>	<b>YES</b>	<b>S</b>	<b>YES</b>	<b>NO</b>					

Check appropriate box for each question in each section

Yes	No	Unsure	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 or separate maintenance payments?
<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) Retirement income or payments from Pensions, Annuities, and or IRA? (Form 1099-R)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	12. (B) Unemployment Compensation? (Form 1099G)
<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 type="checkbox"/>	<input checked="" type="checkbox"/>	15. (B) Other income? (gambling, lottery, prizes, awards, jury duty, Sch K-1, royalties, foreign income, etc.) Specify _____

Yes	No	Unsure	Part IV – Expenses – Last Year, Did You (or Your Spouse) Pay
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. (B) Alimony or separate maintenance payments? 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) College or post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (A) Deductions: <input type="checkbox"/> Medical & Dental (including insurance premiums) <input type="checkbox"/> Mortgage Interest (Form 1098) <input type="checkbox"/> Taxes (State, Real Estate, Personal Property, Sales) <input type="checkbox"/> Charitable Contributions
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. (B) Child or dependent care expenses such as daycare?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. (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"/>	7. (A) Expenses related to self-employment income or any other income you received?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. (B) Student loan interest? (Form 1098-E)

Yes	No	Unsure	Part V – Life Events – Last Year, Did You (or Your Spouse)
<input checked="" type="checkbox"/>	<input 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. (A) Have credit card or mortgage debt cancelled/forgiven by a lender or have a home foreclosure? (Forms 1099-C, 1099-A)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. (A) Adopt a child?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (B) Have Earned Income Credit, Child Tax Credit or American Opportunity Credit 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 declared a Federal disaster area? 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) 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"/>	9. (A) File a federal return last year containing a "capital loss carryover" on Form 1040 Schedule D?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	10. Receive a letter from the IRS?



Check appropriate box for each question in each section

Yes	No	Unsure	Part VI - Health Care Coverage - Last year, did you, your spouse, or dependent(s)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. (B) Have health care coverage?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. (B) Receive one or more of these forms? (Check the box) <input type="checkbox"/> Form 1095-B <input type="checkbox"/> Form 1095-C
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. (A) Have coverage through the Marketplace (Exchange)? [Provide Form 1095-A]
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3a. (A) If yes, were advance credit payments made to help you pay your health care premiums?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3b. (A) If yes, Is everyone listed on your Form 1095-A being claimed on this tax return?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (B) Have an exemption granted by the Marketplace?

To be Completed by a Certified Volunteer Preparer (Use Publication 4012 and check the appropriate box(es) indicating Minimum Essential Coverage (MEC) for everyone listed on the return.)

Name	MEC All Year	No MEC	Months with MEC	Months with Exemption	Exempt All Year	Notes
Taxpayer			J F M A M J J A S O N D	J F M A M J J A S O N D		
Spouse			J F M A M J J A S O N D	J F M A M J J A S O N D		
Dependent			J F M A M J J A S O N D	J F M A M J J A S O N D		
Dependent			J F M A M J J A S O N D	J F M A M J J A S O N D		
Dependent			J F M A M J J A S O N D	J F M A M J J A S O N D		

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

- Provide an email address (optional) (this email address will not be used for contacts from the Internal Revenue Service) \_\_\_\_\_
  - 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
  - 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
  - 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.**
- Would you say you can carry on a conversation in English, both understanding & speaking?  Very well  Well  Not well  Not at all  Prefer not to answer
  - Would you say you can read a newspaper or book in English?  Very well  Well  Not well  Not at all  Prefer not to answer
  - Do you or any member of your household have a disability?  Yes  No  Prefer not to answer
  - Are you or your spouse a Veteran from the U.S. Armed Forces?  Yes  No  Prefer not to answer

Additional comments

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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 1545-1964. 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

a Employee's social security number <b>441-00-XXXX</b>		Safe, accurate, FAST! Use 		Visit the IRS website at www.irs.gov/efile	
b Employer identification number (EIN) <b>44-100XXXX</b>		1 Wages, tips, other compensation <b>34,620.00</b>	2 Federal income tax withheld <b>2,369.00</b>		
c Employer's name, address, and ZIP code <b>WILLIAMS MANUFACTURING 2520 AUSTIN BLVD YOUR CITY, STATE ZIP</b>		3 Social security wages <b>34,620.00</b>	4 Social security tax withheld <b>2,146.44</b>		
		5 Medicare wages and tips <b>34,620.00</b>	6 Medicare tax withheld <b>501.99</b>		
		7 Social security tips	8 Allocated tips		
d Control number		9 Verification code	10 Dependent care benefits		
e Employee's first name and initial Last name Suff. <b>PEGGY WALKER 65421 SW 17TH ST YOUR CITY, STATE ZIP</b>		11 Nonqualified plans		12a See instructions for box 12 <b>W 600.00</b>	
		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					
15 State Employer's state ID number <b>YS 44-100XXXX</b>	16 State wages, tips, etc. <b>34,620.00</b>	17 State income tax <b>456.00</b>	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

Form **W-2** Wage and Tax Statement **2018** Department of the Treasury—Internal Revenue Service  
 Copy B—To Be Filed With Employee's FEDERAL Tax Return.  
 This information is being furnished to the Internal Revenue Service.

CORRECTED (if checked)

TRUSTEE'S/PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number <b>HEALTHCARE TRUSTEE OF AMERICA 123 MAIN STREET YOUR CITY, STATE ZIP</b>		OMB No. 1545-1517 <b>2018</b> Form <b>1099-SA</b>		Distributions From an HSA, Archer MSA, or Medicare Advantage MSA  Copy B For Recipient  This information is being furnished to the IRS.
PAYER'S TIN <b>44-400XXXX</b>	RECIPIENT'S TIN <b>441-00-XXXX</b>	1 Gross distribution <b>\$ 1,480.00</b>	2 Earnings on excess cont. \$	
RECIPIENT'S name <b>PEGGY WALKER</b>  Street address (including apt. no.) <b>65421 SW 17TH STREET</b> City or town, state or province, country, and ZIP or foreign postal code <b>YOUR CITY, STATE ZIP</b>		3 Distribution code <b>1</b>	4 FMV on date of death \$	
Account number (see instructions)		5 HSA <input checked="" type="checkbox"/> Archer MSA <input type="checkbox"/> MA MSA <input type="checkbox"/>		

Form **1099-SA** (keep for your records) www.irs.gov/Form1099SA Department of the Treasury - Internal Revenue Service

## HSA Scenario 5: Test Questions

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12. The amount of Peggy Walker's HSA deduction on Form 8889, line 13 is \$2,500.
- a. True
  - b. False
13. How much of Peggy's HSA distribution is taxable?
- a. \$0
  - b. \$125
  - c. \$140
  - d. \$200
14. The amount of qualified medical expenses reported on Form 8889, line 15 is \$\_\_\_\_\_.
15. What is the amount of the additional 20% tax reported on Form 8889, line 17b?
- a. \$0
  - b. \$40
  - c. \$108
  - d. \$188



## Health Savings Accounts – Retest Questions

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### Directions

These first four scenarios do not require you to prepare a tax return. Read the interview notes for each scenario and use your training and resource materials to answer the questions.

### HSA Scenario 1: Leo Williams

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#### Interview Notes

- Leo Williams is single and 45 years old.
- Leo works as an IT manager and his Form W-2 shows wages of \$47,250.
- Leo participated in his employer's self-only coverage High Deductible Health Plan (HDHP) all year.
- Leo does not have any other health coverage.
- Leo has had an HSA for two years.
- Leo's employer contributed \$1,500 in 2018 to Leo's HSA.
- In 2018, Leo's aunt contributed \$1,900 to Leo's HSA.
- Leo is a U.S. citizen and has a valid Social Security number.

### HSA Scenario 1: Retest Questions

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1. For Leo to be an eligible individual and qualify for an HSA, which of the following must be true?
  - a. He cannot be claimed as a dependent on someone else's return.
  - b. He must have an HDHP and cannot be enrolled in Medicare
  - c. He cannot have any other health coverage.
  - d. All of the above
2. Where on Form 1040, Schedule 1, would Leo report his HSA deduction?
  - a. Additional income section
  - b. Adjustments to income section
  - c. None of the above
3. Employer contributions to an HSA are reported on an employee's Form W-2.
  - a. True
  - b. False



## HSA Scenario 2: Ed and Christine Martinez

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### Interview Notes

- Ed and Christine are married and will file a joint return.
- Ed is 47 years old, and Christine is 56 years old.
- Both were enrolled in self-only coverage High Deductible Health Plans (HDHPs) through their employers for the entire year of 2018.
- Ed and Christine each have an HSA.
- Both have contributed the maximum amounts to their HSAs in 2018.
- Ed and Christine are both U.S. citizens and have valid Social Security numbers.

### HSA Scenario 2: Retest Questions

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4. Ed and Christine can have a joint HSA.
  - a. True
  - b. False
5. Because Christine is age 55 or older, she is eligible to increase her HSA contribution by \$\_\_\_\_\_.

## HSA Scenario 3: Judy Young

---

### Interview Notes

- Judy Young is 58 years old.
- Judy is single, is not disabled, and has no dependents.
- In 2018, she had earnings from her job of \$24,300.
- Judy has participated in her employer's self-only HDHP coverage since June 1, 2018 when she started a new job.
- Judy was an eligible individual all year.
- Judy asked the HSA trustee from her previous job to rollover the balance of \$2,000 into the HSA at her new job.
- In 2018, Judy contributed \$975 to her HSA.
- In 2018, Judy took funds from her HSA to pay the following expenses:
  - Insulin \$275
  - Doctor visit \$185
  - Yoga classes \$480
  - Prescription medicine \$225
  - Premiums for COBRA coverage \$1,425
- Judy is a U.S. citizen and has a valid Social Security number.

### HSA Scenario 3: Retest Questions

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6. Judy will report her HSA contribution on Form 8889, line 2.
  - a. True
  - b. False
7. Judy will receive Form 1099-SA that reports her HSA distribution.
  - a. True
  - b. False
8. Which of the following expenses will not be included on Judy's Form 8889, line 15?
  - a. Insulin
  - b. Doctor visit
  - c. Premiums for COBRA coverage
  - d. Yoga classes

## HSA Scenario 4: Carl and Monica Smith

---

### Interview Notes

- Carl, age 46, and Monica, age 42, are married and will file a joint return.
- They have two children, Adriane and Robert, whom they will claim as dependents on their joint return.
- Monica's cousin, Michael (age 29), came to live with them in July 2018. Michael does not qualify as their dependent, but they paid \$500 of Michael's medical bills in November 2018.
- Carl was enrolled all year in an HDHP with family coverage.
- Carl has had an HSA for four years. He has no other health insurance.
- In 2018, Carl made regular contributions to his HSA totaling \$4,000.
- In 2018, Carl took \$1,800 from his HSA to pay the following medical expenses:
  - \$300 to purchase Monica's eyeglasses (needed for medical reasons).
  - \$725 for a health club membership for Carl.
  - \$250 for over-the-counter eye medicine for their son, Robert (no prescription from doctor).
  - \$525 for Adriane's physical therapy sessions.
- Carl, Monica, Adriane, Robert, and cousin Michael are all U.S. citizens and have valid Social Security numbers.

### HSA Scenario 4: Retest Questions

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9. Carl's HSA deduction amount on Form 1040, Schedule 1, line 25, is \$\_\_\_\_\_.
10. The amount Carl paid for his health club membership is a qualified medical expense for HSA purposes.
  - a. True
  - b. False
11. What is the total amount of **unqualified** medical expenses paid by Carl for HSA purposes?
  - a. \$250
  - b. \$975
  - c. \$1,075
  - d. \$1,325

## HSA Scenario 5: Peggy Walker

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Refer to the scenario information for Peggy Walker beginning on page 135.

### HSA Scenario 5: Retest Questions

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12. The amount Peggy Walker will report on her Form 8889, line 13 is:
  - a. \$600
  - b. \$1,500
  - c. \$2,500
  - d. \$3,100
  
13. Peggy Walker's total income includes a taxable HSA distribution of \$200.
  - a. True
  - b. False
  
14. Which expense is not reported on Form 8889, line 15?
  - a. Insulin
  - b. Doctor's visit
  - c. Dancing lessons
  - d. Prescription medicine
  
15. Peggy must pay an additional 20% tax on the portion of her HSA distribution that was not used for unreimbursed qualified medical expenses.
  - a. True
  - b. False





## Federal Tax Law Update Test for Circular 230 Professionals

### Directions

Read each question carefully and use your training and resource materials to answer the questions. All questions are based on calendar-year taxpayers.

### Test Questions

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1. Pete and Shirley are filing a joint return. They have two dependent children. What is the total amount of their exemptions for tax year 2018?
  - a. \$0
  - b. \$4,050
  - c. \$8,100
  - d. \$16,200
  
2. Bill and Martha are filing a joint return. They are both over 65 years old. Neither of them are blind. What is their standard deduction?
  - a. \$0
  - b. \$12,000
  - c. \$24,000
  - d. \$26,600
  
3. Sarah's divorce was finalized on March 4, 2018. As ordered in the divorce decree, Sarah received \$14,000 in alimony for the year. Sarah is not required to include any of the alimony income on her tax return.
  - a. True
  - b. False
  
4. ITINs that have not been used on a federal tax return at least once in the last \_\_\_\_\_ consecutive years will expire.
  - a. Two
  - b. Three
  - c. Four
  - d. Five



5. Which of the following statements is **false** regarding the deduction for qualified business income (QBI)?
- The deduction changes the calculation of self-employment tax.
  - Taxable income is not reduced below zero by the deduction.
  - The deduction is limited for higher incomes and for specified service trades or businesses.
  - A sole proprietor may be able to deduct up to 20% of QBI.
6. A taxpayer can claim a coverage exemption for him/herself or another member of the tax household for any month in which:
- The individual is eligible for coverage under an employer plan and that coverage is considered unaffordable, or
  - The individual isn't eligible for coverage under an employer plan and the coverage available for that individual through the Marketplace is considered unaffordable.

Coverage is considered unaffordable if the individual's **required contribution** is more than \_\_\_\_\_ of household income.

- 8.05%
  - 8.12%
  - 8.16%
  - 8.20%
7. Taxpayers who itemize their deductions for tax year 2018 are subject to a \_\_\_\_\_ AGI threshold for medical and dental expenses.
- 0%
  - 2%
  - 7.5%
  - 10%

8. Ed is single with no dependents. He has receipts for the expenses listed below that he paid in 2018. His AGI is \$100,000. Under the Tax Cuts and Jobs Act, what are his total itemized deductions for 2018?
- \$8,000 in unreimbursed medical expenses
  - \$5,400 in state and local income taxes
  - \$6,000 in real estate taxes
  - \$400 in ad valorem personal property taxes
  - \$4,300 in mortgage interest
  - \$1,800 in interest from a home equity loan used to pay credit card debt
  - \$2,000 in charitable contributions
  - \$600 in dues to professional organizations
  - \$180 for a safe deposit box rental
  - \$200 for subscriptions to professional journals
  - \$225 in tax preparation fees
  - \$1,000 in union dues
- a. \$16,300  
b. \$16,800  
c. \$17,005  
d. \$18,600  
e. \$20,605
9. Which of the following statements are **false**? (Select all that apply)
- a. The maximum nonrefundable amount of the child tax credit is \$1,000 per qualifying child.
  - b. The maximum nonrefundable amount of the new credit for other dependents is \$500 per qualifying dependent.
  - c. The amount of the refundable additional child tax credit is limited to \$1,400 per qualifying child.
  - d. Children with an ITIN qualify for the child tax credit and the additional child tax credit.

## Return Preparation: Fran Rollins

### Directions

Using the tax software, complete the tax return, including Form 1040 and all appropriate forms, schedules, or worksheets. Answer the questions following the scenario.

*Note: When entering Social Security numbers (SSNs) or Employer Identification Numbers (EINs), replace the Xs as directed, or with any four digits of your choice.*

### Interview Notes

- Fran's husband died in March 2015. Fran filed a joint return with her husband for 2015. She has not remarried.
- Fran provided the entire cost of maintaining the household and all the support for her children, Mary and Oliver, in 2018.
- Fran's older brother, Henry, lives with her and is permanently and totally disabled. He received disability income which he used to provide more than half of his own support.
- Fran paid for Oliver to attend daycare while Fran worked.
- In September 2018, Fran's daughter, Mary, enrolled in college to pursue a bachelor's degree. She had no previous post-secondary education and does not have a felony drug conviction. Yuma College is a qualified educational institution.
- Fran brought a Form 1098-T and an account statement from the college. The terms of Mary's scholarship require that it be used to pay for tuition. Mary's purchases at the college bookstore were for course-related books.
- Fran took a distribution from her IRA and used all of the distribution to pay for some of Mary's education expenses. All her IRA contributions were deductible in the year she made them.
- Fran received a Form 1099-C for cancelled credit card debt. Using the insolvency determination worksheet in Publication 4012, you helped Fran determine the value of her assets exceeded her liabilities and that she was solvent at the time the credit card debt was cancelled.
- Fran did not have minimum essential health care coverage (MEC) all year. Mary, Oliver, and Henry had MEC all year. For the purposes of this scenario, assume Fran does not qualify for any exemption.



**You will need:**

- Tax Information such as Forms W-2, 1099, 1098, 1095.
- 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.

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](mailto:wi.voltax@irs.gov)

**Part I – Your Personal Information** (If you are filing a joint return, enter your names in the same order as last year's return)

1. Your first name <b>FRAN</b>	M.I.	Last name <b>ROLLINS</b>	Daytime telephone number <b>YOUR PHONE #</b>	Are you a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. Your spouse's first name	M.I.	Last name	Daytime telephone number	Is your spouse a U.S. citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No
3. Mailing address <b>300 DAKOTA CIRCLE</b>		Apt #	City <b>YOUR CITY</b>	State <b>YS</b> ZIP code <b>YOUR ZIP</b>
4. Your Date of Birth <b>04/15/1975</b>	5. Your job title <b>MANAGEMENT ASSISTANT</b>		6. Last year, were you:	
		b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		a. Full-time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
				c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
7. Your spouse's Date of Birth	8. Your spouse's job title		9. Last year, was your spouse:	
		b. Totally and permanently disabled <input type="checkbox"/> Yes <input type="checkbox"/> No		a. Full-time student <input type="checkbox"/> Yes <input type="checkbox"/> No
				c. Legally blind <input type="checkbox"/> Yes <input type="checkbox"/> No
10. Can anyone claim you or your spouse as a dependent? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure				
11. Have you, your spouse, or dependents been a victim of tax related identity theft or been issued an Identity Protection PIN? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				

**Part II – Marital Status and Household Information**

1. As of December 31, 2018, what was your marital status?  Never Married (This includes registered domestic partnerships, civil unions, or other formal relationships under state law)  Married a. If Yes, Did you get married in 2018?  Yes  No  Divorced Date of final decree \_\_\_\_\_ b. Did you live with your spouse during any part of the last six months of 2018?  Yes  No  Legally Separated Date of separate maintenance agreement \_\_\_\_\_  Widowed Year of spouse's death **2015**

2. List the names below of:

- everyone who lived with you last year (other than 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 (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 12/31/18 (S/M)	Full-time Student last year (yes/no)	Totally and Permanently Disabled (yes/no)	Is this person a qualifying child/relative of any other person? (yes/no)	Did this person provide more than 50% of his/her own support? (yes/no)	Did this person have less than \$4,150 of income? (yes/no)	Did the taxpayer(s) provide more than 50% of support for this person? (yes/no/N/A)	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)						
MARY ROLLINS	08/01/98	DAUGHTER	12	YES	YES	S	YES	NO						
OLIVER ROLLINS	04/06/10	SON	12	YES	YES	S	YES	NO						
HENRY BOLIVAR	10/27/72	BROTHER	12	YES	YES	S	NO	YES						



Check appropriate box for each question in each section

Yes	No	Unsure	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 checked="" type="checkbox"/>	<input 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 or separate maintenance payments?
<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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11. (A) Retirement income or payments from Pensions, Annuities, and or IRA? (Form 1099-R)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	12. (B) Unemployment Compensation? (Form 1099G)
<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, royalties, foreign income, etc.) Specify <b>FORM 1099-C</b>
Yes	No	Unsure	Part IV – Expenses – Last Year, Did You (or Your Spouse) Pay
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. (B) Alimony or separate maintenance payments? 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3. (B) College or post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (A) Deductions: <input type="checkbox"/> Medical & Dental (including insurance premiums) <input type="checkbox"/> Mortgage Interest (Form 1098) <input type="checkbox"/> Taxes (State, Real Estate, Personal Property, Sales) <input type="checkbox"/> Charitable Contributions
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5. (B) Child or dependent care expenses such as daycare?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. (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"/>	7. (A) Expenses related to self-employment income or any other income you received?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. (B) Student loan interest? (Form 1098-E)
Yes	No	Unsure	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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2. (A) Have credit card or mortgage debt cancelled/forgiven by a lender or have a home foreclosure? (Forms 1099-C, 1099-A)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. (A) Adopt a child?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (B) Have Earned Income Credit, Child Tax Credit or American Opportunity Credit 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 declared a Federal disaster area? 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) 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"/>	9. (A) File a federal return last year containing a "capital loss carryover" on Form 1040 Schedule D?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	10. Receive a letter from the IRS?

**Check appropriate box for each question in each section**

Yes	No	Unsure	Part VI - Health Care Coverage - Last year, did you, your spouse, or dependent(s)
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1. (B) Have health care coverage?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. (B) Receive one or more of these forms? (Check the box) <input type="checkbox"/> Form 1095-B <input type="checkbox"/> Form 1095-C
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. (A) Have coverage through the Marketplace (Exchange)? [Provide Form 1095-A]
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3a. (A) If yes, were advance credit payments made to help you pay your health care premiums?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3b. (A) If yes, Is everyone listed on your Form 1095-A being claimed on this tax return?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (B) Have an exemption granted by the Marketplace?

**To be Completed by a Certified Volunteer Preparer** (Use Publication 4012 and check the appropriate box(es) indicating Minimum Essential Coverage (MEC) for everyone listed on the return.)

Name	MEC All Year	No MEC	Months with MEC	Months with Exemption	Exempt All Year	Notes
Taxpayer			J F M A M J J A S O N D	J F M A M J J A S O N D		
Spouse			J F M A M J J A S O N D	J F M A M J J A S O N D		
Dependent			J F M A M J J A S O N D	J F M A M J J A S O N D		
Dependent			J F M A M J J A S O N D	J F M A M J J A S O N D		
Dependent			J F M A M J J A S O N D	J F M A M J J A S O N D		

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

1. Provide an email address (optional) (this email address will not be used for contacts from the Internal Revenue Service) \_\_\_\_\_
2. 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
3. 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
4. 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.**

5. Would you say you can carry on a conversation in English, both understanding & speaking?  Very well  Well  Not well  Not at all  Prefer not to answer
6. Would you say you can read a newspaper or book in English?  Very well  Well  Not well  Not at all  Prefer not to answer
7. Do you or any member of your household have a disability?  Yes  No  Prefer not to answer
8. Are you or your spouse a Veteran from the U.S. Armed Forces?  Yes  No  Prefer not to answer

Additional comments

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**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 1545-1964. 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



a Employee's social security number <b>601-00-XXXX</b>		Safe, accurate, FAST! Use		Visit the IRS website at www.irs.gov/efile		
b Employer identification number (EIN) <b>34-600XXXX</b>		1 Wages, tips, other compensation <b>36,300.00</b>	2 Federal income tax withheld <b>2,200.00</b>			
c Employer's name, address, and ZIP code  <b>GILMER CORP 2250 DELTA AVENUE YOUR CITY, STATE ZIP</b>		3 Social security wages <b>36,300.00</b>	4 Social security tax withheld <b>2,250.60</b>			
		5 Medicare wages and tips <b>36,300.00</b>	6 Medicare tax withheld <b>526.35</b>			
		7 Social security tips	8 Allocated tips			
d Control number		9 Verification code	10 Dependent care benefits			
e Employee's first name and initial Last name Suff.  <b>FRAN ROLLINS 300 DAKOTA CIRCLE YOUR CITY, STATE ZIP</b>		11 Nonqualified plans		12a See instructions for box 12		
		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 <b>YS 34-600XXXX</b>	16 State wages, tips, etc. <b>36,300.00</b>	17 State income tax <b>1,472.00</b>	18 Local wages, tips, etc.	19 Local income tax	20 Locality name	

Form **W-2** Wage and Tax Statement **2018** Department of the Treasury—Internal Revenue Service  
 Copy B—To Be Filed With Employee's FEDERAL Tax Return.  
 This information is being furnished to the Internal Revenue Service.

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, and ZIP or foreign postal code  <b>PRAIRIE BANK CUSTODIAN FOR THE IRA OF FRAN ROLLINS 1727 OSAGE WAY YOUR CITY, STATE ZIP</b>		1 Gross distribution <b>\$ 3,200.00</b>	OMB No. 1545-0119 <b>2018</b>		Distributions From Retirement Plans, Insurance Contracts, etc.
PAYER'S TIN <b>30-600XXXX</b>		2a Taxable amount <b>\$ 3,200.00</b>	Form 1099-R		
RECIPIENT'S TIN <b>601-00-XXXX</b>		2b Taxable amount not determined <input type="checkbox"/>	Total distribution <input type="checkbox"/>		Copy B Report this income on your federal tax return. If this form shows federal income tax withheld in box 4, attach this copy to your return.  This information is being furnished to the IRS.
RECIPIENT'S name <b>FRAN ROLLINS</b>		3 Capital gain (included in box 2a) <b>\$</b>	4 Federal income tax withheld <b>\$ 320.00</b>		
Street address (including apt. no.) <b>300 DAKOTA CIRCLE</b>		5 Employee contributions/ Designated Roth contributions or insurance premiums <b>\$</b>	6 Net unrealized appreciation in employer's securities <b>\$</b>		
City or town, state or province, country, and ZIP or foreign postal code <b>YOUR CITY, STATE ZIP</b>		7 Distribution code(s) <b>1</b>	IRA/SEP/SIMPLE <input checked="" type="checkbox"/>	8 Other <b>\$ %</b>	
10 Amount allocable to IRR within 5 years <b>\$</b>		9a Your percentage of total distribution <b>%</b>		9b Total employee contributions <b>\$</b>	
11 1st year of desig. Roth contrib. <input type="checkbox"/>		12 State tax withheld <b>\$</b>		13 State/Payer's state no. <b>\$</b>	
14 State distribution <b>\$</b>		15 Local tax withheld <b>\$</b>		16 Name of locality <b>\$</b>	
17 Local distribution <b>\$</b>		18 State/Payer's state no. <b>\$</b>		19 State distribution <b>\$</b>	
Account number (see instructions)		20 Local tax withheld <b>\$</b>		21 Name of locality <b>\$</b>	
22 Local distribution <b>\$</b>		23 State/Payer's state no. <b>\$</b>		24 State distribution <b>\$</b>	

Form 1099-R www.irs.gov/Form1099R Department of the Treasury - Internal Revenue Service



CORRECTED (if checked)

CREDITOR'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. <b>PRAIRIE BANK 1727 OSAGE WAY YOUR CITY, STATE ZIP</b>		1 Date of identifiable event <b>06/15/18</b>	OMB No. 1545-1424  <b>2018</b>  Form 1099-C	<b>Cancellation of Debt</b>
		2 Amount of debt discharged \$ <b>600.00</b>		
		3 Interest if included in box 2 \$		
CREDITOR'S TIN <b>30-600XXXX</b>	DEBTOR'S TIN <b>601-00-XXXX</b>	4 Debt description <b>CREDIT CARD</b>		<b>Copy B For Debtor</b>  This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if taxable income results from this transaction and the IRS determines that it has not been reported.
DEBTOR'S name <b>FRAN ROLLINS</b>		5 If checked, the debtor was personally liable for repayment of the debt <input checked="" type="checkbox"/>		
Street address (including apt. no.) <b>300 DAKOTA CIRCLE</b>		6 Identifiable event code <b>G</b>		
City or town, state or province, country, and ZIP or foreign postal code <b>YOUR CITY, STATE ZIP</b>		7 Fair market value of property \$		
Account number (see instructions)		Form <b>1099-C</b> (keep for your records) <a href="http://www.irs.gov/Form1099C">www.irs.gov/Form1099C</a> Department of the Treasury - Internal Revenue Service		

CORRECTED

FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number <b>YUMA COLLEGE 10 COLLEGE AVE YOUR CITY, STATE ZIP</b>		1 Payments received for qualified tuition and related expenses \$ <b>6,800.00</b>	OMB No. 1545-1574  <b>2018</b>  Form 1098-T	<b>Tuition Statement</b>
		2		
FILER'S employer identification no. <b>37-700XXXX</b>	STUDENT'S TIN <b>602-00-XXXX</b>	3 If this box is checked, your educational institution changed its reporting method for 2018 <input type="checkbox"/>		<b>Copy B For Student</b>  This is important tax information and is being furnished to the IRS. This form must be used to complete Form 8863 to claim education credits. Give it to the tax preparer or use it to prepare the tax return.
STUDENT'S name <b>MARY ROLLINS</b>		4 Adjustments made for a prior year \$	5 Scholarships or grants \$ <b>3,500.00</b>	
Street address (including apt. no.) <b>300 DAKOTA CIRCLE</b>		6 Adjustments to scholarships or grants for a prior year \$		
City or town, state or province, country, and ZIP or foreign postal code <b>YOUR CITY, STATE ZIP</b>		7 Checked if the amount in box 1 includes amounts for an academic period beginning January—March 2019 <input type="checkbox"/>		
Service Provider/Acct. No. (see instr.)	8 Check if at least half-time student <input checked="" type="checkbox"/>	9 Checked if a graduate student <input type="checkbox"/>	10 Ins. contract reimb./refund \$	
Form <b>1098-T</b> (keep for your records) <a href="http://www.irs.gov/Form1098T">www.irs.gov/Form1098T</a> Department of the Treasury - Internal Revenue Service				



# Yuma College

## Statement of Account

December 31, 2018

Mary Rollins

Student ID 602-00-XXXX

Date	Transaction	Amount Billed	Amount Paid
08/30/2018	Tuition – Fall Semester 2018	+\$6,800.00	
08/30/2018	Scholarship		-\$3,500.00
09/03/2018	Meal plan	+\$ 320.00	
09/03/2018	Parking pass	+\$ 75.00	
09/04/2018	Campus Bookstore charge to student account	+\$ 525.00	
09/05/2018	Payment – check #1234		-\$4,220.00

12/31/2018 Account Balance.....\$0.00

**River's Child Care**

303 Twiggs Trail  
Your City, Your State Your Zip  
Ph: (555) 555-5555

December 31, 2018

Received from Fran Rollins:

\$4,000 for after-school care for Oliver Rollins

\$4,000 Total amount received for child care in 2018

Ellen River

EIN: 35-900XXXX

<b>Fran Rollins</b> 300 Dakota Circle Your City, State 00000	<b>1234</b>
_____ 20 _____	
PAY TO THE ORDER OF _____	\$ <input type="text"/>
_____ DOLLARS	
<b>Adelphi Bank and Trust</b> Anytown, State 00000	
For _____	
: 111000025 : 123456789 1234	

## Return Preparation Scenario: Test Questions

---

10. Which allowable filing status is most advantageous to Fran?
- Qualifying Widow
  - Single
  - Married Filing Separately
  - Head of Household
11. Henry is Fran's qualifying person for which of the following?
- Credit for other dependents
  - Child tax credit
  - Earned income credit
  - All of the above
12. What is the total amount of qualified educational expenses used in the calculation of Fran's American opportunity credit? \$\_\_\_\_\_.
13. What is the amount of Fran's shared responsibility payment?
- \$0
  - \$695
  - \$1,295
  - \$1,390
14. Mary and Oliver are Fran's qualifying children for which of the following?
- Child tax credit for both Mary and Oliver
  - The credit for other dependents for both Mary and Oliver
  - Child tax credit for Oliver and the credit for other dependents for Mary
  - The child tax credit for Oliver and no other credits for Mary
15. Which exception can Fran use to avoid the 10% additional tax on the early distribution from her IRA on Form 5329?
- She does not qualify for an exception
  - Distribution made for higher education expenses
  - Distribution made for purchase of a first home
  - Distribution due to total and permanent disability



## Federal Tax Law Update Retest for Circular 230 Professionals

### Directions

Read each question carefully and use your training and resource materials to answer the questions. All questions are based on calendar-year taxpayers.

### Retest Questions

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1. Pete and Shirley are filing a joint return. They have two dependent children. The total amount of their exemptions for tax year 2018 is \$16,600.
  - a. True
  - b. False
  
2. Bill and Martha are filing a joint return. They are both over 65 years old. Neither of them are blind. What is their standard deduction? \$\_\_\_\_\_.
  
3. Sarah's divorce was finalized on March 4, 2018. As ordered in the divorce decree, Sarah received \$14,000 in alimony for the year. How much of the alimony income must be included on Form 1040?
  - a. \$0
  - b. \$7,000
  - c. \$11,900
  - d. \$14,000
  
4. An ITIN will expire if not used on at least one tax return for a period of two consecutive taxable years.
  - a. True
  - b. False
  
5. Which of the following statements is **true** regarding the deduction for qualified business income (QBI)?
  - a. The deduction changes the calculation of self-employment tax.
  - b. Taxable income is reduced below zero by the deduction.
  - c. The deduction is not limited by income or service trade or business.
  - d. A sole proprietor may be able to deduct up to 20% of QBI.

6. Taxpayers are eligible for the affordability exemption if the individual's required contribution is more than \_\_\_\_\_ of household income for 2018.
- 8.05%
  - 8.12%
  - 8.16%
  - 8.20%
7. When itemizing deductions for tax year 2018, the 7.5% threshold for medical and dental expenses for taxpayers who have attained the age of 65 has expired. All taxpayers are now subject to a 10% AGI threshold.
- True
  - False
8. Ed is single with no dependents. He has receipts for the expenses listed below that he paid in 2018. His AGI is \$100,000. What are his total itemized deductions?  
\$ \_\_\_\_\_
- \$8,000 in unreimbursed medical expenses
  - \$5,400 in state and local income taxes
  - \$6,000 in real estate taxes
  - \$400 in ad valorem personal property taxes
  - \$4,300 in mortgage interest
  - \$1,800 in interest from a home equity loan used to pay credit card debt
  - \$2,000 in charitable contributions
  - \$600 in dues to professional organizations
  - \$180 for a safe deposit box rental
  - \$200 for subscriptions to professional journals
  - \$225 in tax preparation fees
  - \$1,000 in union dues
9. Which of the following statements are **true**? (Select all that apply)
- The maximum nonrefundable amount of the child tax credit is \$1,000 per qualifying child.
  - The maximum nonrefundable amount of the new credit for other dependents is \$500 per qualifying dependent.
  - The amount of the refundable additional child tax credit is limited to \$1,400 per qualifying child.
  - Children with an ITIN no longer qualify for the child tax credit or the additional child tax credit.



## Return Preparation Scenario: Retest Questions

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### Directions

Read the information for Fran Rollins beginning on page 150.

10. Head of Household is the most advantageous allowable filing status Fran can use.
  - a. True
  - b. False
  
11. How many qualifying persons does Fran have for the earned income credit?
  - a. 0
  - b. 1
  - c. 2
  - d. 3
  
12. The total amount of qualified educational expenses used in the calculation of Fran's 2018 American opportunity credit is:
  - a. \$3,300
  - b. \$3,825
  - c. \$4,000
  - d. \$4,220
  
13. What is the amount of Fran's shared responsibility payment? \$\_\_\_\_\_.
  
14. Mary is a qualifying child for the credit for other dependents and Oliver is a qualifying child for the child tax credit.
  - a. True
  - b. False
  
15. Fran qualifies for an exception to the 10% additional tax on the early distribution from her IRA.
  - a. True
  - b. False





## 2018 VITA/TCE Foreign Student Test for Volunteers

Welcome to the Link & Learn Taxes Foreign Student Test. The test requires you to prepare four tax returns using Form 1040NR-EZ and/or Form 8843 and then answer 50 online questions. You must successfully complete the test at an overall 80% proficiency to earn VITA/TCE certification.

Please complete this test on your own for an accurate assessment of your skills and knowledge. You may use any reference materials available to you as a volunteer to complete this test.

*Volunteers who use tax preparation software to complete the test need to make sure they are using the final 2018 version.*

## Residency Status, Form 8843, and Filing Status

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### Introduction

This section of the VITA/TCE certification Foreign Student test covers determining residency status, the use of Form 8843, and filing status. It consists of 13 true/false questions and 4 scenario-based multiple choice questions.

Allow approximately 20 minutes to complete this segment.

1. Hans entered the U.S. on December 15, 2013 in F-1 immigration status. He had never been to the United States before and he did not change immigration status during 2018. For federal income tax purposes, Hans is a nonresident alien for 2018.
  - a. True
  - b. False
  
2. Abshir is a visiting professor at the local university. Abshir was a graduate student from August 2012 to July 2014 in F-1 immigration status. He re-entered the United States on December 20, 2018 in J-1 immigration status. For federal income tax purposes, Abshir is a resident alien for 2018.
  - a. True
  - b. False
  
3. Juan served as a visiting scholar in F-1 immigration status from December 2012 through June 2015. In January of 2017, Juan returned to the United States as a graduate student. For federal income tax purposes, Juan is a nonresident alien for 2018.
  - a. True
  - b. False
  
4. Emil came to the United States in F-2 immigration status with his wife on August 20, 2017. He has not changed his immigration status. For federal income tax purposes, Emil is a resident alien for 2018.
  - a. True
  - b. False
  
5. Tamera lived with her parents in F-2 immigration status in the United States from August 2010 to June 2012. She returned to the U.S. to attend college in F-1 immigration status on May 1, 2017. Tamera does not need to file Form 8843 for 2018.
  - a. True
  - b. False

6. Monica entered the United States on August 10, 2012 in J-1 student immigration status. On December 2, 2016, her husband Aaden joined her in J-2 immigration status. He is not electing to file jointly with his spouse. Aaden must file Form 8843 for 2018.
- a. True
  - b. False
7. Monica and Aaden from Question 6 had a child while here in the U.S. on July 4, 2018. Monica and Aaden need to file Form 8843 for their child for 2018.
- a. True
  - b. False
8. Flora and Tomas have been in the U.S. in F-1 immigration status, since August 2017. Their son, Lorenzo, joined them under F-2 status in May 2018. Flora and Tomas must file Form 8843 for Lorenzo for 2018.
- a. True
  - b. False
9. Lukas is from Austria and is a Ph.D. student in astrophysics who is going to defend his dissertation in June. He arrived in the U.S. as a student on May 28, 2017. Lukas is a nonresident alien for tax purposes in 2018.
- a. True
  - b. False
10. Aarav is a junior majoring in marine biology. He is in the U.S. in F-1 immigration status from India. He transferred from an Indian school and arrived in the U.S. on September 1, 2016. Aarav worked in a lab on campus and as a summer intern for a company in New York. He will graduate in May, 2019. The company issued him Form 1099-MISC.
- For tax purposes, Aarav is required to be a resident alien since the company issued him a Form 1099-MISC.
- a. True
  - b. False
11. Mai is a nursing student from Singapore who first arrived in F-1 immigration status on April 10, 2017. She does not have a TIN and she did not work or receive a scholarship in 2018.
- Mai must file Form 8843. Since she is only required to file Form 8843, she has until June 17, 2019 to file the form.
- a. True
  - b. False

12. Alex entered the U.S. in J-1 immigration status in August 2017, and lives alone. His wife, Maria, could not accompany him because she had to care for her ailing parents. Alex can file as Single because he did not live with his spouse at all during 2018.
- a. True
  - b. False
13. Ev and Valda were married in June 2016, and they both entered the U.S. in J-1 immigration status to complete their graduate work. They had a daughter, Bonnie, in October 2017. Currently, Ev and Bonnie live in Omaha, where he is completing his graduate work. However, Valda left the family and moved to Atlanta in November 2017, and has not been heard from since. Because Ev and Valda are still married, he can file using a Single filing status.
- a. True
  - b. False

### Scenario 1: De Lores Alvarez

---

Use the following information to prepare Form 8843.

De Lores Alvarez came to the U.S. to study on August 1, 2017, in F-1 immigration status. Her passport number is 4682936 and it was issued by her home country, Peru. Her home address is 46 Primero Calle, Lima, Peru. Her address at school is Firestone University, 222 Tread Blvd., Lauderdale, MN 55000. Her U.S. taxpayer identification number is XXX-XX-XXXX.

De Lores is attending Firestone University, 222 Tread Blvd., Lauderdale, MN 55000, telephone 612-555-XXXX. Her specialized program is Alternative Fuel Systems and the director is Professor Marri M. Young, also at 222 Tread Blvd., Lauderdale, MN 55000, telephone 612-555-XXXX ext. 1267.

De Lores has not taken steps to apply for permanent residency. De Lores had no income, so she is not required to file any other tax forms.

After completing the required tax form, review the scenario and resource materials, and answer each of the test questions.



**Statement for Exempt Individuals and Individuals With a Medical Condition**  
For use by alien individuals only.

Department of the Treasury  
Internal Revenue Service

▶ Go to [www.irs.gov/Form8843](http://www.irs.gov/Form8843) for the latest information.

For the year January 1—December 31, 2018, or other tax year

Attachment  
Sequence No. **102**

beginning \_\_\_\_\_, 2018, and ending \_\_\_\_\_, 20\_\_\_\_\_.

Your first name and initial \_\_\_\_\_ Last name \_\_\_\_\_ Your U.S. taxpayer identification number, if any \_\_\_\_\_

**Fill in your addresses only if you are filing this form by itself and not with your tax return**

Address in country of residence \_\_\_\_\_

Address in the United States \_\_\_\_\_

**Part I General Information**

- 1a Type of U.S. visa (for example, F, J, M, Q, etc.) and date you entered the United States ▶ \_\_\_\_\_
- b Current nonimmigrant status. If your status has changed, also enter date of change and previous status. See instructions. \_\_\_\_\_
- 2 Of what country or countries were you a citizen during the tax year? \_\_\_\_\_
- 3a What country or countries issued you a passport? \_\_\_\_\_
- b Enter your passport number(s) ▶ \_\_\_\_\_
- 4a Enter the actual number of days you were present in the United States during:  
2018 \_\_\_\_\_ 2017 \_\_\_\_\_ 2016 \_\_\_\_\_
- b Enter the number of days in 2018 you claim you can exclude for purposes of the substantial presence test ▶ \_\_\_\_\_

**Part II Teachers and Trainees**

- 5 For teachers, enter the name, address, and telephone number of the academic institution where you taught in 2018 ▶ \_\_\_\_\_
- 6 For trainees, enter the name, address, and telephone number of the director of the academic or other specialized program you participated in during 2018 ▶ \_\_\_\_\_
- 7 Enter the type of U.S. visa (J or Q) you held during: ▶ 2012 \_\_\_\_\_ 2013 \_\_\_\_\_  
2014 \_\_\_\_\_ 2015 \_\_\_\_\_ 2016 \_\_\_\_\_ 2017 \_\_\_\_\_. If the type of visa you held during any of these years changed, attach a statement showing the new visa type and the date it was acquired.
- 8 Were you present in the United States as a teacher, trainee, or student for any part of 2 of the 6 prior calendar years (2012 through 2017)? . . . . .  Yes  No  
If you checked the "Yes" box on line 8, you cannot exclude days of presence as a teacher or trainee unless you meet the *Exception* explained in the instructions.

**Part III Students**

- 9 Enter the name, address, and telephone number of the academic institution you attended during 2018 ▶ \_\_\_\_\_
- 10 Enter the name, address, and telephone number of the director of the academic or other specialized program you participated in during 2018 ▶ \_\_\_\_\_
- 11 Enter the type of U.S. visa (F, J, M, or Q) you held during: ▶ 2012 \_\_\_\_\_ 2013 \_\_\_\_\_  
2014 \_\_\_\_\_ 2015 \_\_\_\_\_ 2016 \_\_\_\_\_ 2017 \_\_\_\_\_. If the type of visa you held during any of these years changed, attach a statement showing the new visa type and the date it was acquired.
- 12 Were you present in the United States as a teacher, trainee, or student for any part of more than 5 calendar years? . . . . .  Yes  No  
If you checked the "Yes" box on line 12, you must provide sufficient facts on an attached statement to establish that you do not intend to reside permanently in the United States.
- 13 During 2018, did you apply for, or take other affirmative steps to apply for, lawful permanent resident status in the United States or have an application pending to change your status to that of a lawful permanent resident of the United States? . . . . .  Yes  No
- 14 If you checked the "Yes" box on line 13, explain ▶ \_\_\_\_\_



**Part IV Professional Athletes**

**15** Enter the name of the charitable sports event(s) in the United States in which you competed during 2018 and the dates of competition ▶ \_\_\_\_\_  
\_\_\_\_\_

**16** Enter the name(s) and employer identification number(s) of the charitable organization(s) that benefited from the sports event(s) ▶ \_\_\_\_\_  
\_\_\_\_\_

**Note:** You must attach a statement to verify that all of the net proceeds of the sports event(s) were contributed to the charitable organization(s) listed on line 16.

**Part V Individuals With a Medical Condition or Medical Problem**

**17a** Describe the medical condition or medical problem that prevented you from leaving the United States ▶ \_\_\_\_\_  
\_\_\_\_\_

**b** Enter the date you intended to leave the United States prior to the onset of the medical condition or medical problem described on line 17a ▶ \_\_\_\_\_

**c** Enter the date you actually left the United States ▶ \_\_\_\_\_

**18 Physician's Statement:**

I certify that \_\_\_\_\_  
Name of taxpayer

was unable to leave the United States on the date shown on line 17b because of the medical condition or medical problem described on line 17a and there was no indication that his or her condition or problem was preexisting.

\_\_\_\_\_  
Name of physician or other medical official

\_\_\_\_\_  
Physician's or other medical official's address and telephone number

\_\_\_\_\_  
Physician's or other medical official's signature

\_\_\_\_\_  
Date

**Sign here 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 form and the accompanying attachments, and, to the best of my knowledge and belief, they are true, correct, and complete.

▶ \_\_\_\_\_  
Your signature

▶ \_\_\_\_\_  
Date

## Scenario 1: De Lores Alvarez Test Questions

---

### Directions

To answer the following multiple choice questions, refer to the Form 8843 you completed for De Lores Alvarez.

14. On what line should De Lores report her most current immigration status?
  - a. Line 1b
  - b. Line 2
  - c. Line 3a only
  
15. On line 4b, how many days of exempted presence did De Lores have for 2018?
  - a. 0
  - b. 153
  - c. 365
  
16. What sections will De Lores need to complete?
  - a. Part I only
  - b. Parts I and III
  - c. Parts I, II, and III
  - d. Part III only
  
17. What is the due date of De Lores's Form 8843 for tax year 2018?
  - a. April 15, 2019
  - b. June 17, 2019
  - c. October 15, 2019
  - d. December 31, 2019

### Introduction

This segment of the VITA/TCE certification test includes 7 true/false and 14 scenario-based multiple choice questions on taxability of income, ITINs, and credits.

Allow approximately 45 minutes to complete this segment.

- 18.** Monica, who is a nonresident alien and is in the United States in J-1 immigration status, spent \$4,000 on qualifying tuition and educational expenses. She is eligible to claim an education credit on her tax return.

  - a. True
  - b. False
  
- 19.** Ron received \$492 of interest on his personal bank account. He is an international student from Ireland in F-1 immigration status. He arrived in the United States in 2017. Ron's interest income is nontaxable in the U.S.

  - a. True
  - b. False
  
- 20.** Suzan and Jeffrey are a married nonresident alien couple from Ireland. Both are in the U.S. in F-1 immigration status and arrived in 2018. They paid \$1,500 in child care expenses for their child who was born in the United States and is a U.S. citizen. They will not be able to claim these expenses on a U.S. tax return.

  - a. True
  - b. False
  
- 21.** Li is in J-1 student immigration status from the People's Republic of China. She earned \$4,995 in wages in 2018. Her wages are reported to her on Form 1042-S (box 1, Income Code 20). Li will not have to report these as taxable wages.

  - a. True
  - b. False
  
- 22.** Ron is here in J-1 student immigration status as of August 1, 2018. Under the terms of his visa, he is permitted to work in the U.S. Ron must request an ITIN to report his income from wages.

  - a. True
  - b. False

23. Vedad, in F-1 student immigration status from Bosnia, is on the basketball team. He arrived in the U.S. on June 18, 2018 on a full athletic scholarship that includes payments for his room and board. The amount of his scholarship for room and board is taxable.
- a. True
  - b. False
24. Hiro is in the U.S. in F-1 immigration status. He arrived from Japan on August 6, 2015. Hiro worked in the library and earned \$2,400 in wages and had income tax withholding of \$50. Hiro does not need to file Form 1040NR-EZ, only Form 8843.
- a. True
  - b. False

## Scenario 2: May Montri

---

Use the following information to prepare Form 1040NR-EZ.

May Montri, a citizen of Israel, came to the United States in F-1 immigration status (number 3344123344) on August 1, 2016.


She has remained in the country since then and is a full-time student at the local university. May, born September 25, 1999, is single. She began working at the university on January 10, 2018. She filed the proper withholding and treaty forms with the university payroll office before beginning her job. May has not filed a U.S. tax return in any prior year.

May's address in Israel is 240 Main St., Tel Aviv, Israel. If she is entitled to a refund, she wants a direct deposit to her checking account. The routing number is 123456789 and the account number is 98765432100. She doesn't want to designate anyone to discuss her return with the IRS. She did not take any affirmative steps to apply for permanent residence in the U.S. May's U.S. income will not be taxed in her home country.

Using the following information (Form 1042-S and Form W-2), complete May's federal income tax return. (May would also need to file Form 8843, but assume that she has already completed that on her own.)

After completing the required tax form, review the scenario and resource materials, and answer each of the test questions.



a Employee's social security number <b>XXX-XX-XXXX</b>		OMB No. 1545-0008		Safe, accurate, FAST! Use  Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a>	
b Employer identification number (EIN) <b>XX-XXXXXXX</b>		1 Wages, tips, other compensation <b>7,500.00</b>	2 Federal income tax withheld <b>750.00</b>		
c Employer's name, address, and ZIP code  <b>STATE UNIVERSITY 122 MAIN STREET TOWN, NY 14200</b>		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 Verification code	10 Dependent care benefits		
e Employee's first name and initial Last name  <b>MAY MONTRI 125 COLLEGE DRIVE INTERNATIONAL HALL TOWN, NY 14200</b>		Suff. 11 Nonqualified plans	12a See instructions for box 12		
f Employee's address and ZIP code		13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>	12b		
		14 Other	12c		
15 State Employer's state ID number <b>NY XX-XXXXXXX</b>		16 State wages, tips, etc. <b>7,500.00</b>	17 State income tax <b>75.00</b>	18 Local wages, tips, etc.	19 Local income tax
				20 Locality name	

Form **W-2** Wage and Tax Statement **2018** Department of the Treasury—Internal Revenue Service  
 Copy B—To Be Filed With Employee's FEDERAL Tax Return.  
 This information is being furnished to the Internal Revenue Service.

Form <b>1042-S</b> Foreign Person's U.S. Source Income Subject to Withholding <b>2018</b>		OMB No. 1545-0096	
Department of the Treasury Internal Revenue Service		Copy A for Internal Revenue Service	
UNIQUE FORM IDENTIFIER <input type="checkbox"/> AMENDED <input type="checkbox"/> AMENDMENT NO.			
1 Income code <b>20</b>	2 Gross income <b>3,000.00</b>	3 Chapter indicator. Enter "3" or "4" <b>04</b>	13e Recipient's U.S. TIN, if any <b>XXX-XX-XXXX</b>
3a Exemption code	4a Exemption code	13h Recipient's GIIN	13i Recipient's foreign tax identification number, if any
3b Tax rate	4b Tax rate	13j LOB code	
5 Withholding allowance	6 Net income	13k Recipient's account number	
7a Federal tax withheld	7b Check if federal tax withheld was not deposited with the IRS because escrow procedures were applied (see instructions) <input type="checkbox"/>	13l Recipient's date of birth (YYYYMMDD)	
8 Tax withheld by other agents	9 Overwithheld tax repaid to recipient pursuant to adjustment procedures (see instructions) ( )	14a Primary Withholding Agent's Name (if applicable)	
10 Total withholding credit (combine boxes 7a, 8, and 9)	11 Tax paid by withholding agent (amounts not withheld) (see instructions)	14b Primary Withholding Agent's EIN	15 Check if pro-rata basis reporting <input type="checkbox"/>
12a Withholding agent's EIN <b>XX-XXXXXX</b>	12b Ch. 3 status code	15a Intermediary or flow-through entity's EIN, if any	15b Ch. 3 status code
12c Ch. 4 status code	12d Withholding agent's name <b>STATE UNIVERSITY</b>	15c Ch. 4 status code	15d Intermediary or flow-through entity's name
12e Withholding agent's Global Intermediary Identification Number (GIIN)	12f Country code	15e Intermediary or flow-through entity's GIIN	15f Country code
12g Foreign taxpayer identification number, if any	12h Address (number and street) <b>122 MAIN STREET</b>	15g Foreign tax identification number, if any	15h Address (number and street)
12i City or town, state or province, country, ZIP or foreign postal code <b>TOWN, NY 14200</b>	12j City or town, state or province, country, ZIP or foreign postal code <b>TOWN, NY 14200</b>	15i City or town, state or province, country, ZIP or foreign postal code	16a Payer's name
13a Recipient's name <b>MAY MONTRI</b>	13b Recipient's country code	16b Payer's TIN	16c Payer's GIIN
13c Address (number and street) <b>125 COLLEGE DRIVE, INTERNATIONAL HALL</b>	13d City or town, state or province, country, ZIP or foreign postal code <b>TOWN, NY 14200</b>	16d Ch. 3 status code	16e Ch. 4 status code
17a State income tax withheld <b>0.00</b>	17b Payer's state tax no. <b>XX-XXXXXX</b>	17c Name of state <b>NY</b>	

For Privacy Act and Paperwork Reduction Act Notice, see instructions. Cat. No. 11386R Form **1042-S** (2018)





**Schedule OI—Other Information** (see instructions)  
Answer all questions

- A** Of what country or countries were you a citizen or national during the tax year? .....
- B** In what country did you claim residence for tax purposes during the tax year? .....
- C** Have you ever applied to be a green card holder (lawful permanent resident) of the United States? . . . . .  **Yes**  **No**
- D** Were you ever:
1. A U.S. citizen? . . . . .  **Yes**  **No**
2. A green card holder (lawful permanent resident) of the United States? . . . . .  **Yes**  **No**
- If you answer "Yes" to (1) or (2), see Pub. 519, chapter 4, for expatriation rules that may apply to you.
- E** If you had a visa on the last day of the tax year, enter your visa type. If you did not have a visa, enter your U.S. immigration status on the last day of the tax year. ....
- F** Have you ever changed your visa type (nonimmigrant status) or U.S. immigration status? . . . . .  **Yes**  **No**  
If "Yes," indicate the date and nature of the change. ▶ .....
- G** List all dates you entered and left the United States during 2018. See instructions.  
**Note:** If you are a resident of Canada or Mexico AND commute to work in the United States at frequent intervals, **check the box for Canada or Mexico** and skip to item H . . . . .  **Canada**  **Mexico**

Date entered United States mm/dd/yy	Date departed United States mm/dd/yy

Date entered United States mm/dd/yy	Date departed United States mm/dd/yy

- H** Give number of days (including vacation, non-workdays, and partial days) you were present in the United States during:  
2016 \_\_\_\_\_, 2017 \_\_\_\_\_, and 2018 \_\_\_\_\_.
- I** Did you file a U.S. income tax return for any prior year? . . . . .  **Yes**  **No**  
If "Yes," give the latest year and form number you filed ▶ .....
- J** Income Exempt from Tax—If you are claiming exemption from income tax under a U.S. income tax treaty with a foreign country, complete (1) through (3) below. See Pub. 901 for more information on tax treaties.

1. Enter the name of the country, the applicable tax treaty article, the number of months in prior years you claimed the treaty benefit, and the amount of exempt income in the columns below. Attach Form 8833 if required. See instructions.

(a) Country	(b) Tax treaty article	(c) Number of months claimed in prior tax years	(d) Amount of exempt income in current tax year

**(e) Total.** Enter this amount on Form 1040NR-EZ, line 6. Do not enter it on line 3 or line 5 . . . . .

2. Were you subject to tax in a foreign country on any of the income shown in 1(d) above? . . . . .  **Yes**  **No**
3. Are you claiming treaty benefits pursuant to a Competent Authority determination? . . . . .  **Yes**  **No**  
If "Yes," attach a copy of the Competent Authority determination letter to your return.

## Scenario 2: May Montri Test Questions

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### Directions

To answer the following multiple choice questions, refer to the Form 1040NR-EZ you completed for May Montri.

- 25.** What amount is entered for wages, salaries, tips, etc. on Form 1040NR-EZ?
- a. \$7,500
  - b. \$750
  - c. \$75
- 26.** What is the Adjusted Gross Income (AGI) on Form 1040NR-EZ?
- a. \$0
  - b. \$75
  - c. \$750
  - d. \$7,500
- 27.** What is the net taxable income on Form 1040NR-EZ?
- a. \$7,425
  - b. \$7,500
  - c. \$75
  - d. \$3,000
- 28.** What is the amount of total payments on Form 1040NR-EZ?
- a. \$0
  - b. \$75
  - c. \$750
  - d. \$4,050
- 29.** Does May have a balance due (tax owed)?
- a. Yes
  - b. No

### Scenario 3: Sai Singh

Use the following information to prepare Form 1040NR-EZ.


Sai Singh, a citizen of India, came to the United States as a student. He entered in F-1 immigration status (visa number 88779914) on August 3, 2014. He has remained in the country since then and is a full-time student at the local university.

Sai was born on September 25, 1993, and is single. He filed the proper treaty and withholding forms with the university payroll office before beginning as a graduate research assistant in 2018. Sai has not filed a U.S. tax return in any prior year. His address in India is 900 Dali Road, Delhi, India.

If he is entitled to a refund, he wants it mailed to him. He doesn't want to designate anyone else to discuss his return with the IRS. Sai has not taken any steps to apply for permanent residence in the U.S.

He will not be taxed in his home country on the income he has from the U.S. Using the following Form W-2, prepare Sai's federal income tax return. (He has already completed his Form 8843.)

After completing the required tax form, review the scenario and resource materials, and answer each of the test questions.

a Employee's social security number <b>XXX-XX-XXXX</b>		Safe, accurate, FAST! Use 		Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a>	
b Employer identification number (EIN) <b>XX-XXXXXX</b>		1 Wages, tips, other compensation <b>27,200.00</b>	2 Federal income tax withheld <b>2,900.00</b>		
c Employer's name, address, and ZIP code  <b>FIRST UNIVERSITY 486 MAIN STREET TOWN, NY 14200</b>		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 Verification code		10 Dependent care benefits	
e Employee's first name and initial Last name Suff.  <b>SAI SINGH 23 INDIA BLVD TOWN, NY 14200</b>		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 <b>NY XX-XXXXXX</b>	16 State wages, tips, etc. <b>27,200.00</b>	17 State income tax <b>900.00</b>	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

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

**2018**

Department of the Treasury—Internal Revenue Service

Copy B—To Be Filed With Employee's FEDERAL Tax Return.  
This information is being furnished to the Internal Revenue Service.

Department of the Treasury  
Internal Revenue Service

Go to [www.irs.gov/Form1040NREZ](http://www.irs.gov/Form1040NREZ) for instructions and the latest information.

Please print or type. See separate instructions.

Your first name and initial	Last name	Identifying number (see instructions)
Present home address (number, street, and apt. no., or rural route). If you have a P.O. box, see instructions.		
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below. See instructions.		
Foreign country name	Foreign province/state/county	Foreign postal code

**Filing Status**  
Check only one box.

1  Single nonresident alien      2  Married nonresident alien

<b>3</b> Wages, salaries, tips, etc. Attach Form(s) W-2	<b>3</b>
<b>4</b> Taxable refunds, credits, or offsets of state and local income taxes	<b>4</b>
<b>5</b> Scholarship and fellowship grants. Attach Form(s) 1042-S or required statement.	<b>5</b>
<b>6</b> Total income exempt by a treaty from page 2, Item J(1)(e)	<b>6</b>
<b>7</b> Add lines 3, 4, and 5	<b>7</b>
<b>8</b> Scholarship and fellowship grants excluded	<b>8</b>
<b>9</b> Student loan interest deduction	<b>9</b>
<b>10</b> Subtract the sum of line 8 and line 9 from line 7. This is your <b>adjusted gross income</b>	<b>10</b>
<b>11</b> <b>Itemized deductions.</b> See the instructions for limitation	<b>11</b>
<b>12</b> <b>Taxable income.</b> Subtract line 11 from line 10. If line 11 is more than line 10, enter -0-	<b>12</b>
<b>13</b> <b>Tax.</b> Find your tax in the tax table in the instructions	<b>13</b>
<b>14</b> Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137    b <input type="checkbox"/> 8919	<b>14</b>
<b>15</b> Add lines 13 and 14. This is your <b>total tax</b>	<b>15</b>
<b>16a</b> Federal income tax withheld from Form(s) W-2 and 1099-R	<b>16a</b>
<b>b</b> Federal income tax withheld from Form(s) 1042-S	<b>16b</b>
<b>17</b> 2018 estimated tax payments and amount applied from 2017 return	<b>17</b>
<b>18</b> Credit for amount paid with Form 1040-C	<b>18</b>
<b>19</b> Add lines 16a through 18. These are your <b>total payments</b>	<b>19</b>
<b>20</b> If line 19 is more than line 15, subtract line 15 from line 19. This is the amount you <b>overpaid</b>	<b>20</b>
<b>21a</b> Amount of line 20 you want <b>refunded to you</b> . If Form 8888 is attached, check here <input type="checkbox"/>	<b>21a</b>
<b>b</b> Routing number	<b>c</b> Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings
<b>d</b> Account number	
<b>e</b> If you want your refund check mailed to an address outside the United States not shown above, enter that address here:	
<b>22</b> Amount of line 20 you want <b>applied to your 2019 estimated tax</b>	<b>22</b>
<b>23</b> <b>Amount you owe.</b> Subtract line 19 from line 15. For details on how to pay, see instructions	<b>23</b>
<b>24</b> Estimated tax penalty (see instructions)	<b>24</b>

**Refund**

**21a** Amount of line 20 you want refunded to you. If Form 8888 is attached, check here

**b** Routing number

**c** Type:  Checking     Savings

**d** Account number

**e** If you want your refund check mailed to an address outside the United States not shown above, enter that address here:

**22** Amount of line 20 you want applied to your 2019 estimated tax

**23** Amount you owe. Subtract line 19 from line 15. For details on how to pay, see instructions

**24** Estimated tax penalty (see instructions)

**Third Party Designee**

Do you want to allow another person to discuss this return with the IRS? See instructions.  Yes. Complete the following.     No

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

**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 accurately list all amounts and sources of U.S. source income I received during the tax year. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature      Date      Your occupation in the United States      If the IRS sent you an Identity Protection PIN, enter it here (see inst.)

**Paid Preparer Use Only**

Print/Type preparer's name      Preparer's signature      Date      Check  if self-employed      PTIN

Firm's name      Firm's EIN

Firm's address      Phone no.



**Schedule OI—Other Information** (see instructions)  
Answer all questions

- A** Of what country or countries were you a citizen or national during the tax year? .....
- B** In what country did you claim residence for tax purposes during the tax year? .....
- C** Have you ever applied to be a green card holder (lawful permanent resident) of the United States? . . . . .  **Yes**  **No**
- D** Were you ever:
- 1.** A U.S. citizen? . . . . .  **Yes**  **No**
- 2.** A green card holder (lawful permanent resident) of the United States? . . . . .  **Yes**  **No**
- If you answer "Yes" to **(1)** or **(2)**, see Pub. 519, chapter 4, for expatriation rules that may apply to you.
- E** If you had a visa on the last day of the tax year, enter your visa type. If you did not have a visa, enter your U.S. immigration status on the last day of the tax year. ....
- F** Have you ever changed your visa type (nonimmigrant status) or U.S. immigration status? . . . . .  **Yes**  **No**  
If "Yes," indicate the date and nature of the change. ▶ .....
- G** List all dates you entered and left the United States during 2018. See instructions.  
**Note:** If you are a resident of Canada or Mexico AND commute to work in the United States at frequent intervals, **check the box for Canada or Mexico** and skip to item H . . . . .  **Canada**  **Mexico**

Date entered United States mm/dd/yy	Date departed United States mm/dd/yy

Date entered United States mm/dd/yy	Date departed United States mm/dd/yy

- H** Give number of days (including vacation, non-workdays, and partial days) you were present in the United States during:  
2016 ....., 2017 ....., and 2018 .....
- I** Did you file a U.S. income tax return for any prior year? . . . . .  **Yes**  **No**  
If "Yes," give the latest year and form number you filed ▶ .....
- J** Income Exempt from Tax—If you are claiming exemption from income tax under a U.S. income tax treaty with a foreign country, complete (1) through (3) below. See Pub. 901 for more information on tax treaties.

**1.** Enter the name of the country, the applicable tax treaty article, the number of months in prior years you claimed the treaty benefit, and the amount of exempt income in the columns below. Attach Form 8833 if required. See instructions.

(a) Country	(b) Tax treaty article	(c) Number of months claimed in prior tax years	(d) Amount of exempt income in current tax year

**(e) Total.** Enter this amount on Form 1040NR-EZ, line 6. Do not enter it on line 3 or line 5 . . .

- 2.** Were you subject to tax in a foreign country on any of the income shown in 1(d) above? . . . . .  **Yes**  **No**
- 3.** Are you claiming treaty benefits pursuant to a Competent Authority determination? . . . . .  **Yes**  **No**  
If "Yes," attach a copy of the Competent Authority determination letter to your return.

## Scenario 3: Sai Singh Test Questions

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### Directions

To answer the following questions, refer to the Form 1040NR-EZ you completed for Sai Singh.

- 30.** What amount is entered for wages, salaries, tips, etc. on Form 1040NR-EZ?
- a. \$0
  - b. \$20,100
  - c. \$21,000
  - d. \$27,200
- 31.** What amount is entered as itemized deductions on Form 1040NR-EZ?
- a. \$12,000
  - b. \$900
  - c. \$3,000
  - d. \$24,000
- 32.** What is the amount for the personal exemption on Form 1040NR-EZ?
- a. \$6,350
  - b. \$4,050
  - c. \$8,100
  - d. \$0
- 33.** What is the amount of federal income tax withheld on Form 1040NR-EZ?
- a. \$0
  - b. \$900
  - c. \$2,900
  - d. \$3,800
- 34.** What is the amount of the refund on Form 1040NR-EZ?
- a. \$1,263
  - b. \$1,056
  - c. \$2,720
  - d. \$2,900



## Scenario 4: Sumon Azim


Use the following information to prepare Form 1040NR-EZ.

Sumon Azim is a resident of Bangladesh (visa number 987654321). He arrived in the United States in F-1 immigration status on September 1, 2017 as a full-time student. Sumon is 27 years old and single. His address in Bangladesh is 15 Charity Street, Bhola.

Sumon has not taken any affirmative steps to apply for permanent residence in the United States. Sumon filed a Form 1040NR-EZ for tax year 2017.

If he is entitled to a refund, he wants a direct deposit to his checking account. The routing number is 987654321 and the account number is 12345678910. He will not be taxed by the Bangladesh government on the income he has earned in the United States. Assume Sumon has already completed his Form 8843, and prepare his federal income tax return with the following Form W-2. College Town University reports all student income on Form W-2. Mr. Azim failed to respond to the university in time for them to properly issue Form 1042-S for his treaty-exempt income. However, he is still entitled to his treaty benefit.

After completing the required tax form, review the scenario and resource materials, and answer each of the test questions.

a Employee's social security number <b>XXX-XX-XXXX</b>		OMB No. 1545-0008		Safe, accurate, FAST! Use				Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a>						
b Employer identification number (EIN) <b>XX-XXXXXX</b>			1 Wages, tips, other compensation <b>11,560.00</b>		2 Federal income tax withheld <b>780.00</b>									
c Employer's name, address, and ZIP code  <b>COLLEGE TOWN UNIVERSITY 23 SOUTHWEST STREET COLLEGE TOWN, VA 23000</b>			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 Verification code		10 Dependent care benefits									
e Employee's first name and initial Last name Suff.  <b>SUMON AZIM 10 MAIN STREET INTERNATIONAL STUDENT HALL COLLEGE TOWN, VA 23000</b>			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									
					12d									
f Employee's address and ZIP code			15 State Employer's state ID number <b>VA XX-XXXXXXX</b>		16 State wages, tips, etc. <b>11,560.00</b>		17 State income tax <b>110.00</b>		18 Local wages, tips, etc.		19 Local income tax		20 Locality name	

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

**2018**

Department of the Treasury—Internal Revenue Service

Copy B—To Be Filed With Employee's FEDERAL Tax Return.  
This information is being furnished to the Internal Revenue Service.



**Schedule OI—Other Information** (see instructions)  
Answer all questions

- A** Of what country or countries were you a citizen or national during the tax year? .....
- B** In what country did you claim residence for tax purposes during the tax year? .....
- C** Have you ever applied to be a green card holder (lawful permanent resident) of the United States? . . . . .  **Yes**  **No**
- D** Were you ever:
- 1.** A U.S. citizen? . . . . .  **Yes**  **No**
  - 2.** A green card holder (lawful permanent resident) of the United States? . . . . .  **Yes**  **No**
- If you answer "Yes" to **(1)** or **(2)**, see Pub. 519, chapter 4, for expatriation rules that may apply to you.
- E** If you had a visa on the last day of the tax year, enter your visa type. If you did not have a visa, enter your U.S. immigration status on the last day of the tax year. ....
- F** Have you ever changed your visa type (nonimmigrant status) or U.S. immigration status? . . . . .  **Yes**  **No**  
If "Yes," indicate the date and nature of the change. ▶ .....
- G** List all dates you entered and left the United States during 2018. See instructions.  
**Note:** If you are a resident of Canada or Mexico AND commute to work in the United States at frequent intervals, **check the box for Canada or Mexico** and skip to item H . . . . .  **Canada**  **Mexico**

Date entered United States mm/dd/yy	Date departed United States mm/dd/yy

Date entered United States mm/dd/yy	Date departed United States mm/dd/yy

- H** Give number of days (including vacation, non-workdays, and partial days) you were present in the United States during:  
2016 ....., 2017 ....., and 2018 .....
- I** Did you file a U.S. income tax return for any prior year? . . . . .  **Yes**  **No**  
If "Yes," give the latest year and form number you filed ▶ .....
- J** Income Exempt from Tax—If you are claiming exemption from income tax under a U.S. income tax treaty with a foreign country, complete (1) through (3) below. See Pub. 901 for more information on tax treaties.

**1.** Enter the name of the country, the applicable tax treaty article, the number of months in prior years you claimed the treaty benefit, and the amount of exempt income in the columns below. Attach Form 8833 if required. See instructions.

(a) Country	(b) Tax treaty article	(c) Number of months claimed in prior tax years	(d) Amount of exempt income in current tax year

**(e) Total.** Enter this amount on Form 1040NR-EZ, line 6. Do not enter it on line 3 or line 5 . . .

- 2.** Were you subject to tax in a foreign country on any of the income shown in 1(d) above? . . . . .  **Yes**  **No**
- 3.** Are you claiming treaty benefits pursuant to a Competent Authority determination? . . . . .  **Yes**  **No**  
If "Yes," attach a copy of the Competent Authority determination letter to your return.

## Scenario 4: Sumon Azim Test Questions

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### Directions

To answer the following multiple choice questions, refer to the Form 1040NR-EZ you completed for Sumon Azim.

- 35.** What amount is entered on Form 1040NR-EZ on the line for wages, salaries, tips, etc.?
- a. \$3,560
  - b. \$7,510
  - c. \$11,560
- 36.** What is the taxable income?
- a. \$0
  - b. \$3,450
  - c. \$11,450
  - d. \$11,560
- 37.** On which line will Sumon enter his treaty benefits information?
- a. Line I
  - b. Line J
  - c. No treaty amounts are allowed without Form 1042-S.
  - d. Treaty benefits are only subtracted from wages, salaries, tips, etc. and listed nowhere else.
- 38.** Can Sumon claim a standard deduction rather than itemizing his state income taxes?
- a. Yes
  - b. No

## Refunds, Deductions, and the Best Form to Use

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### Introduction

This part of the VITA/TCE certification test includes 12 true/false or multiple choice questions.

Allow approximately 20 minutes to complete this segment.

- 39.** Liam, an international student from Ireland, has a Form W-2 that shows amounts withheld for Social Security and Medicare taxes. Liam is an F-1 nonresident alien for tax purposes. Which form should he file to receive a refund of these taxes once attempts to obtain a refund through his employer have failed?
- Form 843
  - Form 8233
  - Form 8880
  - Form 8962
- 40.** Carlos and Sophia are from Mexico. Carlos is a scholar at a local university in J-1 scholar immigration status and Sophia is in J-2 immigration status. Sophia worked at a local boutique in 2018. Her Form W-2 shows Social Security and Medicare withholding. Sophia found out her spouse does not have to pay Social Security or Medicare taxes. Sophia is eligible for a refund of her Social Security and Medicare taxes withheld.
- True
  - False
- 41.** Wei, an international student from People's Republic of China, received \$10,563 of interest income in 2018 from accounts he opened when he first arrived in the U.S. on August 27, 2015. What type of federal income tax return does he need to file?
- Form 1040
  - Form 1040NR
  - Form 1040NR-EZ
  - He does not need to file a return
- 42.** Harold, his wife and son entered the United States for the first time in 2017. They are all residents of France, and Harold is in F-1 immigration status. Harold won \$500 at the local casino.
- Which federal income tax return does Harold use to report this income?
- Form 843
  - Form 1040
  - Form 1040NR
  - Form 1040NR-EZ

- 43.** William Cambridge is a visiting scholar from England. He arrived in the U.S. on August 28, 2017 in a J-1 immigration status and was accompanied by his wife Kathryn and his son George. Since his arrival, his second child, Charlotte, was born in the U.S. William earned \$70,000 in 2018 from State University. When he files his federal tax return, can he claim the exemptions for his wife and children?
- a. Yes
  - b. No
- 44.** Staffan, a graduate student of physics from Sweden, is in F-1 immigration status. He first arrived in the U.S. on April 18, 2015. Staffan needs help preparing his tax return. He has receipts for his donations to a local charity and wants to know where to claim them. Staffan cannot claim charitable contributions on Form 1040NR-EZ.
- a. True
  - b. False
- 45.** Adi is in F-1 immigration status from Indonesia. He entered the United States in September 2016 and enrolled as a full time undergraduate student. Adi is pursuing his first degree in mathematics.
- Adi cannot claim an education credit on his tax return.
- a. True
  - b. False
- 46.** Siobhan is a single, nonresident alien who began studying in the U.S. in 2017 in F-1 immigration status from South Africa. She has wages of \$6,700, interest income from her savings account of \$230, and sold a few U.S. shares of stock that her aunt left to her for \$6,000. She donated \$2,000 of the proceeds to a local charity. Which tax form must Siobhan use to report her income?
- a. Form 8843
  - b. Form 1040
  - c. Form 1040NR
  - d. Form 1040NR-EZ



47. Some students and scholars may owe money with their tax return. Nonresidents have which of the following payment options?
- Ask for an extension of time to pay or an installment agreement.
  - Pay the entire balance by the due date for the return.
  - Put the balance on a credit card.
  - All of the above.
48. Gariagdy, who is from Turkmenistan, earned \$9,248 in 2017. He had \$195 withheld for state income taxes. He listed the taxes as a deduction on his federal return for 2017, and it lowered his taxable income for 2017. Gariagdy received a state refund of \$117 in 2018 from the 2017 tax return. He would include this refund on his 2018 federal return.
- True
  - False
49. Teresa came to the U.S. in 2014 for postgraduate study. She took out a student loan to help pay the tuition. Teresa graduated in December 2017, but remained in the U.S. for one year of practical training. She began repaying the loan on July 1, 2018 and paid \$49 in interest during 2018. Teresa cannot claim this interest as a deduction.
- True
  - False
50. Frederick, a student from Malta, had \$8,785 in wages reported to him on Form W-2. Although all of his wages are excluded from tax by treaty, he is required to file a tax return.
- True
  - False

# Link & Learn Taxes

**Link & Learn Taxes** is web-based training designed specifically for VITA/TCE volunteers. Each volunteer's ability to prepare complete and accurate returns is vital to the credibility and integrity of the program. Link & Learn Taxes, as part of the complete volunteer training kit, provides the path to achieving this high level of quality service.

Link & Learn Taxes and the printed technical training kit, Publication 4480, work together to help volunteers learn and practice.

## Link & Learn Taxes for 2018 includes:

- Access to all VITA/TCE courses
- Easy identification of the VITA/TCE courses with the course icons
  - As you progress through a lesson, the content for Basic, Advanced, Military, or International will display, depending on the level of certification you selected
- PowerPoint presentations that can be customized to fit your classroom needs
- VITA/TCE Central to provide centralized access for training materials and reference links
- The Practice Lab
  - Gives volunteers practice with an early version of the IRS-provided tax preparation software
  - Lets volunteers complete test practice problems
  - Lets volunteers prepare test scenario returns for the test/retest



Go to [www.irs.gov](http://www.irs.gov), type “Link & Learn” in the Keyword field and click Search. You’ll find a detailed overview and links to the courses.

**FSA (Facilitated Self Assistance)** empowers taxpayers to prepare their own returns with the assistance of a certified volunteer. Taxpayers complete their own returns using interview-based software supplied by leaders in the tax preparation industry. Volunteers assist taxpayers with tax law and software questions.

**Virtual VITA** allows partners to initiate the intake process for taxpayers in one location, while utilizing a certified volunteer to prepare the return in an entirely different location. By incorporating this flexibility, partners can provide taxpayers with more convenient locations to file their taxes.

**For more information contact your SPEC Relationship Manager to see if you should start a FSA or Virtual VITA site in your community.**



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

## Your online resource for volunteer and taxpayer assistance

### Partner and Volunteer Resource Center

<https://www.irs.gov/Individuals/Partner-and-Volunteer-Resource-Center>

- What's Hot!
- Site Coordinator's Corner

### Quality and Tax Alerts for IRS Volunteer Programs

<https://www.irs.gov/individuals/quality-and-tax-alerts-for-irs-volunteer-programs>

- Volunteer Tax Alerts

### Volunteer Training Resources

<https://www.irs.gov/Individuals/Volunteer-Training-Resources>

### Outreach Corner

<https://www.irs.gov/Individuals/Outreach-Corner>

### Tax Trails for Answers to Common Tax Questions

<https://www.irs.gov/Individuals/Tax-Trails-Main-Menu>

### Online Services and Tax Information for Individuals

<https://www.irs.gov/Individuals>

#### After You File

- Where's My Refund?
- Refund reductions
- Understanding Your IRS Notice or Letter
- Withholding Calculator
- Keep a copy of your return
- Changing your name or address

#### File Your Return

- Validating your electronically filed return
- Need to renew your ITIN?
- Answers to your tax questions
- Find a mailing address for paper returns
- Tax relief in disaster situations

#### Make a Payment

- IRS Direct Pay – pay online directly from your bank account
- Other ways you can pay
- Can't pay? Set up a payment agreement
- Do I have to pay estimated taxes?

#### Manage Your Tax Info

- Get Transcript
- View your tax account
- Life events can affect your taxes
- Protect your identity
- IRS2Go mobile app

### eBooks

Want to view our training products on your mobile or tablet devices? Click here to access our eBooks: <https://www.irs.gov/Individuals/Site-Coordinator-Corner>.

### Mobile App

Another device to use for additional information is IRS2Go. Click here to download IRS2Go mobile app: <https://www.irs.gov/uac/irs2goapp>.

### and much more!

Your direct link to tax information 24/7: [www.irs.gov](https://www.irs.gov)