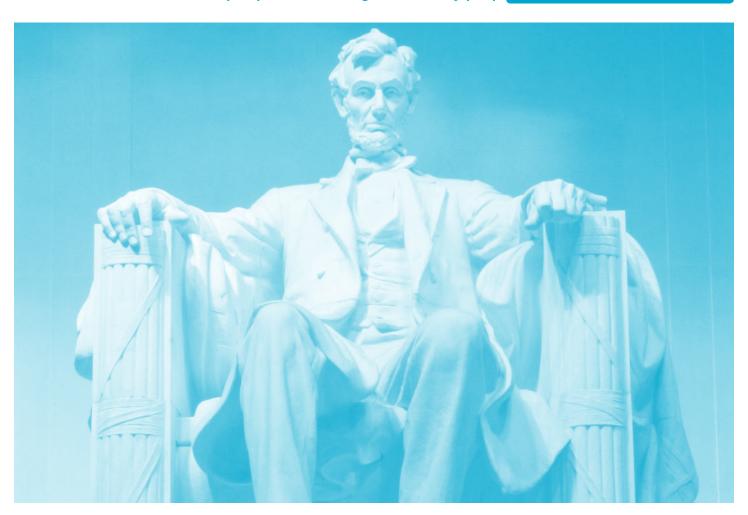


# 6/4.4

# 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 (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.

TaxSlayer® is a copyrighted software program owned by Rhodes Computer Services. All screen shots that appear throughout the official Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) training materials are used with the permission of Rhodes Computer Services.

### **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.

# Form 6744 - 2018 VITA/TCE Test

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# Form 6744 - 2018 VITA/TCE Test

### **Preface**

# **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, or e-mail your comments to partner@irs.gov.

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

# **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 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 or at 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.

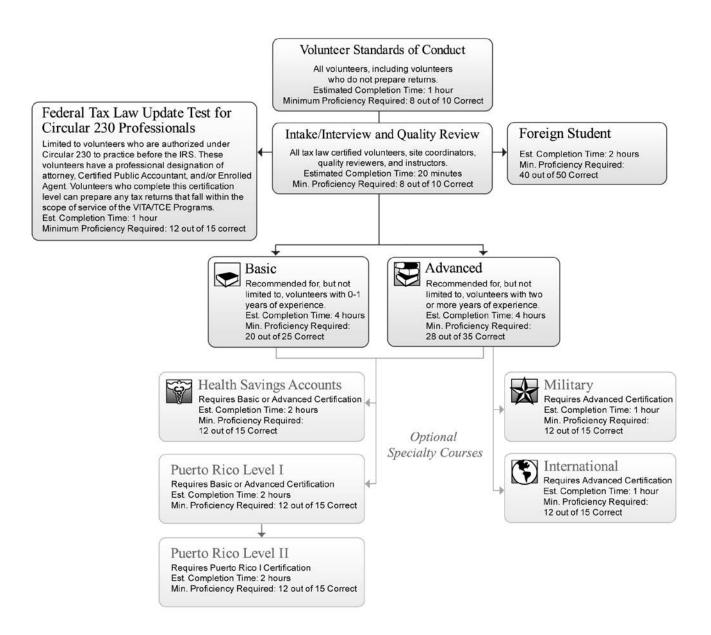
If you submit your paper test answer sheet to your instructor, he or she will advise you of your test results. Your signed Volunteer Standards of Conduct Agreement will be maintained by your Site Coordinator or other VITA/TCE volunteer contact.

### 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 ar	e entering your	test answers in	Link & Learn	Taxes,	do not use this	answer	sheet.	Use th

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

Quality Review	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.		
13.		
Basic	Scenario 7	
14.		
15.		
16.		
17.		
18.		
19.		
Basic	Scenario 8	
20.		
21.		
22.		
23.		
24.		
25.		
Total A	nswers Correct:	
	uestions: 25	
Passin	g Score: 20 of 25	

Question	Answer
Advanc	ed Scenario 1
1.	
2.	
Advanc	ed Scenario 2
3.	
4.	
5.	
Advanc	ed Scenario 3
6.	
7.	
Advanc	ed Scenario 4
8.	
9.	
Advanc	ed Scenario 5
10.	
11.	
12.	
13.	
14.	
15.	
16.	
17.	
Advanc	ed Scenario 6
18.	
19.	
20.	
21.	
22.	
23.	
24.	
Advanc	ed Scenario 7
25.	
26.	
27.	
28.	
29.	
30.	
31.	
Advanc	ed Scenario 8
32.	
33.	
34.	
35.	
Total An	swers Correct:

Total Questions:

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 An	swers Correct:
Total Qu	estions: 15
Passing	Score: 12 of 15
Question	
	tional Scenario 1
1.	
2.	
3.	
4.	
	tional Scenario 2
5.	
6.	
	tional Scenario 3
7.	
8.	
9.	
10.	
11.	
12.	
13.	
14.	
15.	aurana Carris ati
	swers Correct:
Total Qu	estions: 15
Passing	Score: 12 of 15

35

# 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.

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.

Question Answer

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
HSA S	cenario 1
1.	
2.	
3.	
HSA S	cenario 2
4.	
5.	
HSA S	cenario 3
6.	
7.	
8.	
HSA S	cenario 4
9.	
10.	
11.	
HSA S	cenario 5
12.	
13.	
14.	
15.	_
Total An	swers Correct:

**Total Questions:** 

Passing Score:

Question	Answer		
Federal Tax Law Update Test for Circular 230 Professionals			
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			
Total Answers Correct:			
Total Q	Total Questions: 15		

**Passing Score:** 

15

12 of 15

Foreign Student Residency Status, Form 8843, and Filing Status		
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		
13.		
Foreig Scena	n Student rio 1	
14.		
15.		
16.		
17.		
Taxabi	n Student lity of Income, and Credits	
18.		
19.		
20.		
21.		
22.		
23.		
24.		
	n Student	
Scena	rio 2	
25.		
26.		
27.		

Foreig Scena	n Student rio 3
30.	
31.	
32.	
33.	
34.	
Scena	n Student rio 4
35.	
36.	
37.	
38.	
Refun	gn Student ds, Deductions, se Best Form to Us
Refun	
Refun and th	ds, Deductions,
Refun and th 39. 40.	ds, Deductions,
Refun and th 39. 40. 41.	ds, Deductions,
Refun and th 39. 40. 41. 42.	ds, Deductions,
Refun and th 39. 40. 41. 42. 43.	ds, Deductions,
Refun and th 39. 40. 41. 42. 43. 44.	ds, Deductions,
Refun and th 39. 40. 41. 42. 43. 44. 45.	ds, Deductions,
Refun and th 39. 40. 41. 42. 43. 44. 45. 46.	ds, Deductions,
Refun and th 39. 40. 41. 42. 43. 44. 45. 46.	ds, Deductions,
Refun and th 39. 40. 41. 42. 43. 44. 45. 46. 47.	ds, Deductions,
Refun and th 39. 40. 41. 42. 43. 44. 45. 46. 47. 48.	ds, Deductions,
Refun and th 39. 40. 41. 42. 43. 44. 45. 46. 47.	ds, Deductions,
Refun and th 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50.	ds, Deductions,
Refun and th 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50.	ds, Deductions, ne Best Form to Us

# **Retest Answer Sheet**

N	b	m	Δ		

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		
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

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

Total Answers Correct: \_\_\_\_\_
Total Questions: 10
Passing Score: 8 of 10

Question	Answei

Basic Scenario 1		
1.		
2.		
Basic Scenario 2		

# Basic Scenario 3 5.

4.

6.	
Basic (	Scenario 4

<u> </u>	
Basic :	Scenario 5

10.	
Basic :	Scenario 6
11.	
12.	

Basic	Scenario 7
14.	

13.

19.

15.	
16.	
17.	
18.	

Basic	Scenario 8

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		
Advanc	ed Scenario 2	
Advanc 3.	ed Scenario 2	
	ed Scenario 2	

# Advanced Scenario 3

8.

15.

16.

Advanced Scenario 4	
7.	
6.	

# 9. Advanced Scenario 5

10.	
11.	
12.	
13.	
11	

# 17. Advanced Scenario 6

18.	
19.	
20.	
21.	
22.	
23	

# **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 2		
	2.	
	1.	

Military Scenario 1

# 4. Military Scenario 3

5.	
6.	
7.	
8.	

# Military Scenario 4

10.	
11.	
12.	
13.	
14.	

# Total Answers Correct:\_\_\_

# Total Questions: 15 Passing Score: 12 of 15

### Question Answer

International Scenario		
1.		
2.		
3.		
4.		

# International Scenario 2 5.

	6.	
į	Internat	tional 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 Retest Answer Sheet**

N	а	n	16	

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.

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
HSA S	cenario 1
1.	
2.	
3.	
HSA S	cenario 2
4.	
5.	
HSA S	cenario 3
6.	
7.	
8.	
HSA S	cenario 4
9.	
10.	
11.	
HSA S	cenario 5
12.	
13.	
14.	
15.	
Total Ar	nswers Correct:

**Total Questions:** 

**Passing Score:** 

15

12 of 15

Question Answer Federal Tax Law Update Test for Circular 230 Professionals										
1.										
2.										
3.										
4.										
5.										
6.										
7.										
8.										
9.										
10.										
11.										
12.										
13.										
14.										
15.										
Total An	swers Corr	ect:								
Total Q	uestions:	15								
Passin	g Score:	12 of 15								

# **Volunteer Standards of Conduct Test**

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**

# **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?
  - 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.
  - 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?
  - a. Bob, the tax law-certified volunteer who prepared the return.
  - b. Jim, the designated quality reviewer who was unaware of the cash income when he reviewed the return.
  - c. Betty, the site coordinator.
  - d. 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. Did Sue take appropriate actions as the site coordinator?
  - a. Yes
  - b. 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?
  - a. Form 13614-C, Intake/Interview & Quality Review Sheet, must be completed prior to having the return prepared.
  - b. You will be interviewed by the return preparer and asked additional questions as needed.
  - c. You need to participate in a quality review of your tax return by someone other than the return preparer.
  - d. 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.
  - a. True
  - b. 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.
  - 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)?
  - a. Yes, it is a violation of the VSC for Pat to solicit business from any taxpayer at the VITA/TCE site.
  - b. No, it is not a violation since the return cannot be prepared at the site.
  - c. 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?
  - a. Yes
  - b. 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?
  - a. Make an announcement to the taxpayers in the waiting room to ignore Jim if he tries to sell them insurance.
  - b. 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.
  - c. 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:
  - a. Have a completed Form 13614-C, Intake/Interview & Quality Review Sheet, prior to having the return prepared.
  - b. Answer the tax preparer's additional questions during the interview.
  - c. Participate in the quality review of their tax return.
  - d. 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

Form **13615** (October 2018)

# 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:

- 1) Follow the Quality Site Requirements (QSR).
- Not accept payment, solicit donations, or accept refund payments for federal or state tax return preparation from customers.
- 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.
- 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.

**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.

Catalog Number 38847H www.irs.gov Form **13615** (Rev. 10-2018)

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By signing this form, I dec comply with the standards														
Full name (please print)						Vol	unte	er po	esition(s)		į	☐ IRS	S Employee	
Home address (street, city,	state and ZIP code)													
Email address			Daytime tele	ephone	е		Sponsoring partner name/site name							
Number of years voluntee	red (including this ye	ar)	Volunteer s	gnatu	re						Date			
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Standards of Conduct (Required for ALL)				Coordinator Training Basic A			Mili	tary	International	HSA	Puerto 1	Rico 2	Foreign Students	
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Volunteer:

# Intake / Interview and Quality Review Test Questions

# **Directions**

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

- 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:
  - 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**

# **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

# **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**

- 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

# **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**

- 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

# **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**

- 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**

# **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**

- 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**

### **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**

- 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

# **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**

- **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.

# **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		16.00			nt of the Treas	4000 - Jan 1980			<b>.</b>				Number
(October 2018)	Intake/Interview & Quality Review Shee								Sheet			1545	-1964
You will need:  • Tax Information such as  • Social security cards or  • Picture ID (such as valid	ITIN letters fo	or all perso	ns on yo	our tax ur spo	return. ouse.	You ar comple	e respone	nsible for accurate	1-3 of this f r the informa information please ask tl	ition on you			
	Volunteers								ighest ethica ax@irs.gov	l standards	<b>3.</b>		
Part I - Your Personal Inform	ation (If you a	are filing a jo	oint return	, ente	r your name	es in the s	ame ord	er as last	year's return,	)	410		
Your first name     JACOB		M.I.	Last na						Oaytime telep		Are y	ou a U.S. ci	tizen? ] No
2. Your spouse's first name MARTHA		M.I.	Last na					1	Daytime telep	hone numbe	er Is you  X Ye		U.S. citizen? ] No
3. Mailing address 5001 LAUREL ST							City OUR CI	TY			State YS	1.7	ZIP code YOUR ZIP
4. Your Date of Birth 09/21/1953	5. Your job ti RETIRED	itle			i. Last year i. Totally an			abled [	☐ Yes 🔀 1		-time stud ally blind	dent 🗌 \	
7. Your spouse's Date of Birth 03/03/1953	8. Your spou	use's job titl	е	100	9. Last year, was your spouse: b. Totally and permanently disabled				∵Yes 🔀 1	100	-time stud	dent 🔲 \	
10. Can anyone claim you or yo	our spouse as	a depende	nt?	] Yes	S ⊠ No	☐ Unsu	ire						
11. Have you, your spouse, or	dependents be	een a victim	of tax rel	ated id	dentity theft	or been is	ssued ar	ldentity I	Protection PII	٧?			res ⊠ No
Part II - Marital Status and	Household	Informati	on										
As of December 31, 2018, w was your marital status?	Ma □ Div	ever Married arried vorced gally Separ	a. If ` b. Di Da ated Da	Yes, Dodge of the contract of	olid you get live with you final decree separate m	married in our spouse e aintenance	2018? during a	any part o	civil unions,			Yes 🛛 N	No
	☐ Wie	dowed	Ye	ear of s	spouse's de	eath							
List the names below of:     everyone who lived with your contents.	ou last year (ot	ther than yo	ur spouse	e)				If a	dditional spa	ce is needed	d check h	ere 🗌 and I	list on page 3
anyone you supported but	did not live wit	th you last y	ear						To be co	ompleted by	a Certif	ied Volunte	eer Preparer
Name (first, last) Do not enter your name or spouse's name below	(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	c) Canada, or Mexico last year (yes/no)		Full-time Student last year (yes/no)	Permanen Disabled (yes/no)		person provide more than 50% of his/ her own support?	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)	half the cost of maintaining a home for this person?
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)		(yes/no)			(yes/no)
DANIEL MILLS	01/17/1995	SON	12	YES	YES	S	YES	NO					
					1		+						
												100	

Racic Scenarios

႘

											Page 3
Check ap	propriate	box for each	question in ea	ch section							
Yes No	Unsure	Part VI - Hea	alth Care Cover	age - Last yea	ar, did you,	your spouse,	or dep	endent(s	3)		
		1. (B) Have	health care cove	erage?							
	t 🗆 🖠	2. (B) Rece	ive one or more	of these forms	? (Check the	e box) 🗌 Fo	rm 1095	5-B □	Form 1095-C		
		3. (A) Have	coverage through	gh the Marketp	lace (Excha	nge)? [Provide	Form 1	1095-A]			
		3a. (A) If	yes, were adva	nce credit payr	ments made	to help you pa	ay your l	nealth ca	re premiums?		
		3b. (A) If	yes, Is everyone	e listed on you	r Form 1095	-A being claim	ned on the	nis tax re	turn?		
		4. (B) Have	an exemption g	ranted by the N	Marketplace	?					
To be Co	mpleted by	a Certified Vo	lunteer Preparer	(Use Publication	4012 and che	eck the appropri	ate box(e	s) indicatin	ng Minimum Essential Covera	age (MEC) for everyor	ne listed on the return.
	Name		MEC All Year	No MEC	Mor	nths with MEC		Moi	nths with Exemption	Exempt All Year	Notes
Taxpayer	r			*	JFMA	MJJASO	DND	JFM	AMJJASOND		
Spouse					JFMA	MJJASO	DND	JFM	AMJJASOND		
Depende	ent	T T			JFMA	MJJASO	DND	JFM	AMJJASOND		
Depende	ent	The state of the s			JFMA	MJJASO	DND	JFM	AMJJASOND		
Depende	ent				JFMA	MJJASO	DND	JFM	AMJJASOND		
Part VII -	- Additiona	I Information	and Questions	s Related to th	ne Preparat	ion of Your R	eturn				
1. Provide	e an email a	address (option	nal) (this email	address will no	t be used fo	r contacts fror	n the Int	ernal Rev	venue Service)		
2. Preside	ential Electi	on Campaign	Fund (If you che	eck a box, you	r tax or refui	nd will not cha	nge)				
Check	here if you,	or your spou	se if filing jointly,	, want \$3 to go	to this fund	⊠ Yo	u	☐ Spe	ouse		
3. If you a	are due a re	fund, would y		Direct deposit ☑ Yes	□ No	b. To pu □ Ye		U.S. Savi	ings Bonds c. To split ye ⊠ Yes	our refund betweer	different accounts
4. If you h	nave a bala	nce due, wou	ld you like to ma	ke a payment	directly from	your bank ac	count?	Yes	s 🗌 No		
			operate by rece for statistical p		oney. The	data from the	followi	ng quest	tions may be used by th	is site to apply fo	r these grants.
		100	10	0.0740	th understar	nding & speaki	ng? 🛛	Very we	ell 🗌 Well 🔲 Not well	☐ Not at all ☐ P	refer not to answer
	3	7.7	newspaper or bo			▼ Very we		Well	☐ Not well ☐ No		refer not to answer
7. Do you	or any me	mber of your	household have	a disability?		☐ Yes	$\boxtimes$	No	☐ Prefer not to answe	er	
			an from the U.S.		s?	☐ Yes	-	No	☐ Prefer not to answe	er	
Additiona	I comments	5									
				Pri	ivacy Act and	d Paperwork R	eduction	Act Notic	ce		
do not recei you relative yolunteer re do not provi nformation	ve it, and whe to your interesturn preparation de the request requests. The	ther your respons st and/or participa on sites or outrea ted information, t OMB Control Nu	se is voluntary, requestion in the IRS volunted activities. The information and the IRS may not be author for this study in the IRS may not be author for this study in the IRS may not be author for this study in the IRS may not be author for this study in the IRS may not be author for this study in the IRS may not be author for this study in the IRS may not be author for this study in the IRS may not be author for this study in the IRS may not be author for this study in the IRS may not be author for the IRS ma	ired to obtain a be nteer income tax p formation may also able to use your as is 1545-1964. Also	nefit, or manda preparation and o be used to es ssistance in the o, if you have ar	atory. Our legal rig l outreach program tablish effective co se programs. The ny comments rega	ht to ask f ns. The in ontrols, se Paperwo arding the	or informati formation yend corresport rk Reduction time estima	ing for it, and how it will be used ton is 5 U.S.C. 301. We are ask ou provide may be furnished to ondence and recognize volunte in Act requires that the IRS dispates associated with this study of IW, Washington, DC 20224	ing for this information to others who coordinate a ers. Your response is vollay an OMB control nur	o assist us in contacting activities and staffing at oluntary. However, if you onber on all public
Catalog Nur	mher 52121F		The second secon			www.irs.gov			The second secon	Form 13	614-C (Rev. 10-2018

аЕ	mployee's social security number 132-00-XXXX	OMB No. 154	5-0008	Safe, accurate, FAST! Use	Visit the IRS website www.irs.gov/efile			
b Employer identification number (EIN) 35-500XXXX			1 Wa	nges, tips, other compensation 7,500.00	2 Federal income tax withheld 750.00			
c Employer's name, address, and ZIP co	ode		3 Sc	7,500.00	4 Social security 465.0			
RICH'S BOOK STORE 1225 OVERVIEW AVE			5 Me	edicare wages and tips 7,500.00	6 Medicare tax w 108.	2 (0.000)		
YOUR CITY, STATE ZIP			7 Sc	cial security tips	8 Allocated tips			
d Control number			9 Ve	erification code	10 Dependent care	benefits		
e Employee's first name and initial L	ast name	Suff.	11 No	onqualified plans	12a See instruction	s for box 12		
MARTHA MILLS 5001 LAUREL ST			13 Sta	stutory Retirement Third-party playee plan sick pay	12b			
YOUR CITY, STATE ZIP			14 Ot	her	12c			
f Employee's address and ZIP code					12d			
15 State Employer's state ID number YS 35-500XXXX	17 State incor 350.00	ne tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality nam			
						The Person Strain Control		
W-2 Wage and Ta	ix -	0074	ι .	Department	of the Treasury-Interna	l Revenue Servic		
Copy B – To Be Filed With Employe	_		J					

PAYER'S name, street address country, and ZIP or foreign pos GILMER CORP 2250 DELTA AVE YOUR CITY, STATE ZI	stal code	tal code			on D ut	20 <b>18</b>		Distributions From Retirement Plans Insurance Contracts, etc.	
			2b	Taxable amour not determined			Total distribution	Copy B Report this	
PAYER'S TIN	RECIPIENT'S TIN		3	Capital gain (in in box 2a)	cluded		Federal income tax withheld	federal tax return. If this form shows	
34-600XXXX	131-00-XXXX	F	\$	A-07 (3-0)		\$	2,000.00	federal income	
JACOB MILLS	ua				contributions/ I Roth ns or premiums		Net unrealized appreciation in employer's securities	tax withheld in box 4, attach this copy to your return.	
Street address (including apt. a 5001 LAUREL ST	10.)	- J	7	Distribution code(s)	IRA/ SEP/ SIMPLE	8 (	Other	This information is being furnished to	
City or town, state or province, or YOUR CITY, STATE ZI		untry, and ZIP or foreign postal code			of total	100	otal employee contribution	the IRS	
10 Amount allocable to IRR within 5 years	11 1st year of desig. Roth contrib.	FATCA filing requirement	12 \$	State tax withhe	ld	13 5	State/Payer's state no	State distribution	
\$			\$			0.000.000		\$	
Account number (see instruction	s)		15 \$	Local tax withhe	ld	16 1	Name of locality	17 Local distribution \$	
			\$		- 2			\$	
Form 1099-R	www.irs.	gov/Form1099R				Dep	partment of the Treasury	y - Internal Revenue Service	

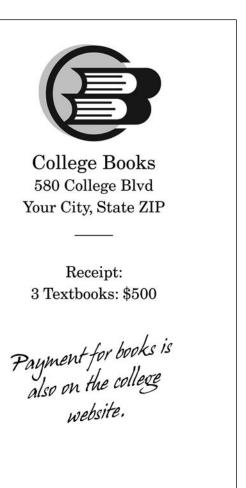
2018 · PART OF	YOUR SOCIAL SECURITY E	BENEFITS S	BENEFIT STATEMENT SHOWN IN BOX 5 MAY BE TAXABLE INCOME.
30x 1. Name JACOB MI		1	eneficiary's Social Security Number
30x 3. Benefits Paid in 2018	Box 4. Benefits Repaid to SS	A in 2018	Box 5. Net Benefits for 2018 (Box 3 minus Box 4) \$16,000.00
Paid by check or di \$14,692 Medicare Part B pro from your benefits: \$1,308 Medicare Prescript (Part D) deducted f \$0	rect deposit: emiums deducted ion Drug premiums	Box 6. Vo	Juntary Federal Income Tax Withholding
Total Additions:		5001	ldress
Benefits for 2018: \$16,000		Your	City, State Zip
Doction of here of	2040 Oubinet to O		airn Number (Use this number if you need to contact SSA.)
Draft as of June 21 orm SSA-1099-SM (6-2018)	, 2018 - Subject to C DO NOT		THIS FORM TO SSA OR IRS

2018 : SEE THI	E REVERSE FOR MORE INFO		SHOWN IN BOX 5 MAY BE TAXABLE INCOME.				
Box 1. Name MARTHA	MILLS	Box 2. Beneficiary's Social Security Number 132-00-XXXX					
Box 3. Benefits Paid in 2018 \$15,000.00	Box 4. Benefits Repaid to SSA	A in 2018	Box 5. Net Benefits for 2018 (Box 3 minus Box 4) \$15,000.00				
Paid by check or d \$12,188 Medicare Part B pr from your benefits \$1,312 Medicare Prescript (Part D) deducted f \$0	emiums deducted	\$1,50	C.7.0/8 //				
Total Additions:		5001 I	dress Laurel St.				
Benefits for 2018: \$15,000		Your	City, State Zip				

PAYER'S name, street addres or foreign postal code, and tel COUNTY BANK	s, city or town, state or province, co aphone no.	ountry, ZIP	Payer's RTN (optional)		MB No. 1545-0112	Interes		
2400 MILFORD AVE YOUR CITY, STATE	Augustion -		1 Interest income \$ 375.00	Income				
			2 Early withdrawal penalty			Сору		
PAYER'S TIN	RECIPIENT'S TIN		\$			Fau Basinia		
39-400XXXX	131-00-XXXX		3 Interest on U.S. Savings Bo	reas, obligations	- For Recipient			
RECIPIENT'S name	to the second se		4 Federal income tax withheld	5 Inves	tment expenses	This is important tax		
JACOB MILLS			\$	\$		being furnished to the		
Street address (including apt.			6 Foreign tax paid	7 Foreign country or U.S. possession		IRS. If you ar		
5001 LAUREL ST.	10.)		8 Tax-exempt interest	9 Specifinteres	fied private activity bond st	return, a negligen penalty or oth sanction may		
City or town, state or province	country, and ZIP or foreign postal	code	\$	\$		imposed on you		
YOUR CITY, STATE	E ZIP		10 Market discount	11 Bond	d premium	this income taxable and the IF determines that it ha		
		ATCA filing	T	\$		not been reporte		
	12 Bond premium on Treasury obligations \$	13 Bond premium on tax-exempt bond \$						
Account number (see instruction	ons)		14 Tax-exempt and tax credit bond CUSIP no.	15 State	16 State identification no.	17 State tax withheld \$		
						\$		

PAYER'S name, street address, city of ZIP or foreign postal code	r town, province or state, country, and	1 Reportable winnings	2 Date won	OMB No. 1545-023	
<u> </u>		s 2,000.00	5/28/2018	2018 Form W-2G Certain	
RIDGETOP CASINO 777 CREST ROAD		3 Type of wager RAFFLE	4 Federal income tax withheld \$ 500.00		
YOUR CITY, STATE ZIP		5 Transaction	6 Race	Gambling	
PAYER'S federal identification number	PAYER'S telephone number	7 Winnings from identical wagers \$	8 Cashier VP	Winning	
38-600XXXX	YOUR PHONE #	9 Winner's taxpayer identification no.	10 Window	This information is being furnishe to the Internation	
WINNER'S name		11 First I.D.	12 Second I.D.	Revenue Servic	
JACOB MILLS		YS987654	YS 316-00-XXXX		
Street address (including apt. no.)		13 State/Payer's state identification no.	14 State winnings	Copy B Report this income on your federal tax	
5001 LAUREL ST			\$		
City or town, province or state, country, and ZIP or foreign postal		15 State income tax withheld	16 Local winnings	return. If this form	
YOUR CITY, STATE ZIP		\$	\$	incom	
		17 Local income tax withheld	18 Name of locality	tax withheld i box 4, attach thi copy to your return	
		\$			
	that, to the best of my knowledge are of this payment and any payments from				
Signature ▶		Date ▶			

FILER'S name, street address, city or t foreign postal code, and telephone nur		Payments received for qualified tuition and related expenses	OMB No. 1545-1574	
<b>BUCKEYE COLLEGE</b>		\$ 7,000.00	2018	Tuitio
575 COLLEGE BLVD YOUR CITY, STATE ZIP		2	Form 1098-T	Statemer
FILER'S employer identification no.	STUDENT'S TIN	3 If this box is checked, your e		Сору
33-700XXXX	133-00-XXXX	its reporting method for 2018	·	For Studer
STUDENT'S name  DANIEL MILLS		4 Adjustments made for a prior year	5 Scholarships or grants \$ 5,500.00	This is importa tax informatio and is beir furnished to th
Street address (including apt. no.) 5001 LAUREL ST.		6 Adjustments to scholarships or grants for a prior year	7 Checked if the amount in box 1 includes amounts for an	IRS. This for must be used complete Form 886
City or town, state or province, country YOUR CITY, STATE ZIP		\$	academic period beginning January — March 2019	to claim education credits. Give it to the
Service Provider/Acct. No. (see instr.)	8 Check if at least half-time student	9 Checked if a graduate student	10 Ins. contract reimb./refund	tax preparer or use it prepare the tax retur



# **Basic Scenario 7: Test Questions**

tax return?

	a.	\$0
	b.	\$1,300
	C.	\$2,000
	d.	\$2,500
15.		cob and Martha can claim \$2,000 of qualified education expenses to calculate niel's American opportunity credit.
	a.	True
	b.	False
16.	Ho	w much of Martha and Jacob's Social Security is taxable?
	a.	\$0
	b.	\$6,851
	C.	\$7,169
	d.	\$26,350
17.	The	e amount of Martha and Jacob's standard deduction is \$
18.		rich of the following items are included in the total payments on Jacob and
	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.	Wh	at 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.

14. What is the amount of gambling winnings claimed on Jacob's and Martha's 2018

## **Basic Scenario 8: Emily Clark**

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.



Ba	
sic Sce	
narios	

You will need:  • Tax Information such as Forms W-2, 1099, • Social security cards or ITIN letters for all p • Picture ID (such as valid driver's license) for the second security cards or ITIN letters for all p • Picture ID (such as valid driver's license) for the second security of the second security of the second	1098, person or you trained repor M.I.	1095. ns on yo ı and you d to prov rt unethio	ur tax i ir spou ide hig cal beh , enter j ame	return. ıse. ıh quality avior to t	You are comple     If you h     service a he IRS, en	comple e respone te and a nave quo nd upho mail us a	te pages nsible for accurate estions, old the hi at <u>wi.vol</u> t	1-3 of this for the information. information. please ask th	tion on your e IRS-certifi	ed volur		
Part I – Your Personal Information (If you are filing 1. Your first name EMILY 2. Your spouse's first name 3. Mailing address 129 PENNINGTON PLACE 4. Your Date of Birth	mg a jon M.I.	rt unethio int return, Last na CLARI	eal beh	avior to t	he IRS, en	nail us a	at <u>wi.volt</u>		l standards.			
1. Your first name  EMILY  2. Your spouse's first name  3. Mailing address  129 PENNINGTON PLACE  4. Your Date of Birth  04/29/1978  7. Your spouse's Date of Birth  10. Can anyone claim you or your spouse as a depoint of the depoin	M.I.	Last na	ame <b>K</b>	your name	es in the sa	ame orde						
1. Your first name  EMILY 2. Your spouse's first name 3. Mailing address 129 PENNINGTON PLACE 4. Your Date of Birth 04/29/1978 7. Your spouse's Date of Birth 10. Can anyone claim you or your spouse as a depoint of the depoint of th	M.I.	Last na	ame <b>K</b>			41110 0140	er as last	year's return)				
3. Mailing address  129 PENNINGTON PLACE  4. Your Date of Birth  04/29/1978  7. Your spouse's Date of Birth  10. Can anyone claim you or your spouse as a depoint and the spouse of the		Last na	ame				1	Daytime teleph		Are yo	u a U.S. citi	zen? No
129 PENNINGTON PLACE 4. Your Date of Birth 04/29/1978  7. Your spouse's Date of Birth 10. Can anyone claim you or your spouse as a depoint of the dependents been as a part II — Marital Status and Household Inform 1. As of December 31, 2018, what was your marital status?  □ Divorced □ Legally S□ Widowed  2. List the names below of: • everyone who lived with you last year (other the anyone you supported but did not live with you son, daughte parent, none, e							1	Daytime teleph	none number	Is your	spouse a U	J.S. citizen? No
7. Your spouse's Date of Birth  7. Your spouse's Date of Birth  8. Your spouse's jour spouse as a deput of Birth  10. Can anyone claim you or your spouse as a deput of Birth						ity OUR CI	TY			State YS		P code <b>DUR ZIP</b>
7. Your spouse's Date of Birth 8. Your spouse's jour spouse's jour spouse as a deput 10. Can anyone claim you or your spouse as a deput 11. Have you, your spouse, or dependents been a separt II – Marital Status and Household Information 1. As of December 31, 2018, what was your marital status? Never Married Divorced Legally Same Widowed 2. List the names below of:  • everyone who lived with you last year (other the anyone you supported but did not live with you Name (first, last) Do not enter your name or spouse's name below Relation to you (example son, daughte parent, none, e			6.	Last year	were you:	:			a. Full-t	ime stud	ent 🗌 Ye	es 🛛 No
10. Can anyone claim you or your spouse as a depondent spouse. The spouse are a spouse as a depondent spouse. The spouse are a spouse as a depondent spouse. The spouse are a spouse as a depondent spouse. The spouse are a spouse are a spouse are a spouse spouse. The spouse are a spouse spouse spouse. The spouse are a spouse spouse are a spouse spouse. The spouse are a spouse spouse spouse. The spouse are a spouse spouse spouse. The spouse are a spouse spouse are a spouse spouse. The spouse are a spouse spouse spouse are a spouse spouse are a spouse are a spouse spouse. The spouse are a spouse spouse are a spouse are			b.	Totally an	d permane	ently disa	abled [	☐ Yes 🔀 N	o c. Lega	lly blind	□ Yee	es 🛛 No
11. Have you, your spouse, or dependents been a very series of the part II — Marital Status and Household Information 1. As of December 31, 2018, what was your marital status?    Divorced   Legally S   Widowed	ob title	;	9.	Last year	, was your	spouse:			a. Full-t	ime stud	ent 🗌 Ye	es 🗌 No
11. Have you, your spouse, or dependents been a very series of the part II – Marital Status and Household Information 1. As of December 31, 2018, what was your marital status?  Divorced Legally S Widowed 2. List the names below of:  • everyone who lived with you last year (other the anyone you supported but did not live with you Name (first, last) Do not enter your name or spouse's name below  Relation to you (example son, daughte parent, none, e			b.	Totally an	d permane	ently disa	abled [	☐ Yes ☐ N	lo c. Lega	lly blind	□ Yee	es 🗌 No
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192											Page 3
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Part VII -	Addition	al Information	n and Questions	Related to th	ne Preparatio	n of Your Retu	n			N	
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Your ansv	vers will	aration sites be used only	for statistical p	urposes.	ioney. The da	ita irom the for	OWIN	g questio	ns may be used by t	ilis site to apply to	r these grants.
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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

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EMILY CLARK	IIAK		contributions or insurance premiums	employer's securiti	box 4, attac
EMILY CLARK			insurance premiums	s	your return
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City or town, state or province, country YOUR CITY, STATE ZIP		\$	academic period beginning January — March 2019	to claim education credits. Give it to the
Service Provider/Acct. No. (see instr.)	8 Check if at least half-time student	9 Checked if a graduate student	10 Ins. contract reimb./refund	tax preparer or use it to prepare the tax return
Form 1098-T (k	eep 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

Emily Clark 129 Pennington Place Your City, State 00000	1234
PAY TO THE ORDER OF	
ONDERVOI	DOLLARS
Adelphi Bank and Trust Anytown, State 00000 For	
:111000025 : 123456789	1234

# **Basic Scenario 8: Test Questions**

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**

### **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

### **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**

- 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

- 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**

- 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

- 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**

- **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**

### **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**

- **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**

- **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**

## **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
<b>15.</b> 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
<b>18.</b> 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

## **Directions**

Read the information for Emily Clark beginning on page 40.

20.		nily can claim an exemption on her 2018 tax return for not having healthcare verage for 2 months of the year.
	a.	True
	b.	False
21.	Em	nily qualifies for the American opportunity credit.
	a.	True
	b.	False
22.	Wh	nat 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.		nat is Emily's total credit amount shown on Form 2441, Child and Dependent re Expenses? \$
24.	Em	nily does NOT qualify for the child tax credit.
	a.	True
	b.	False
25.		nily must pay a 10% additional tax of \$ on her early distribution from 401(k).

## **Advanced Course Scenarios and Test Questions**

### **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

### **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

- 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.

- 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.

- 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 a 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**

- 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

### **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.



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Department of the Treasury - Internal Revenue Service Form 13614-C **OMB Number** Intake/Interview & Quality Review Sheet 1545-1964 (October 2018) · Please complete pages 1-3 of this form. You will need: Tax Information such as Forms W-2, 1099, 1098, 1095. You are responsible for the information on your return. Please provide · Social security cards or ITIN letters for all persons on your tax return. complete and accurate information. · Picture ID (such as valid driver's license) for you and your spouse. · 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 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 M.I. Daytime telephone number Are you a U.S. citizen? Last name X Yes **EMERSON** FRAN YOUR PHONE # □ No 2. Your spouse's first name M.I. Last name Daytime telephone number Is your spouse a U.S. citizen? Yes ☐ No 3. Mailing address Apt # City State ZIP code YOUR CITY YS YOUR ZIP 300 DAKOTA CIRCLE 5. Your job title 6. Last year, were you: a. Full-time student ☐ Yes ☒ No 4. Your Date of Birth 04/15/1975 MANGEMENT ASSISTANT b. Totally and permanently disabled ☐ Yes 💢 No c. Legally blind X No ☐ Yes 7. Your spouse's Date of Birth 8. Your spouse's job title 9. Last year, was your spouse: a. Full-time student ☐ Yes □ No b. Totally and permanently disabled c. Legally blind ☐ Yes ☐ No ☐ Yes ☐ No 10. Can anyone claim you or your spouse as a dependent? ☐ Yes ☒ No ☐ Unsure 11. Have you, your spouse, or dependents been a victim of tax related identity theft or been issued an Identity Protection PIN? ☐ Yes ☒ No Part II - Marital Status and Household Information 1. As of December 31, 2018, what **Never Married** (This includes registered domestic partnerships, civil unions, or other formal relationships under state law) was your marital status? 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 Date of final decree Divorced Date of separate maintenance agreement Legally Separated Year of spouse's death 2017 2. List the names below of: If additional space is needed check here  $\square$  and list on page 3 • everyone who lived with you last year (other than your spouse) · anyone you supported but did not live with you last year To be completed by a Certified Volunteer Preparer Name (first, last) Do not enter your Date of Birth Relationship Number of US Full-time Totally and Is this Did this Did this Did the Did the Resident | Single or (mm/dd/yy) to you (for Citizen Married as name or spouse's name below months of US. Student Permanently person a person person taxpayer(s) taxpayer(s) (ves/no) example: lived in Canada, of 12/31/18 last year Disabled qualifying provide have less provide more pay more than or Mexico (S/M) child/relative than \$4,150 than 50% of half the cost of son. your home (ves/no) (ves/no) more than 50% of his/ maintaining a daughter last year last year of any other of income? support for home for this parent (yes/no) person? her own (yes/no) this person? (yes/no) support? (ves/no/N/A) person? none, etc. (a) (b) (h) (yes/no) (yes/no) (c) (d) (e) (f) (g) (i) 08/01/98 DAUGHTER S MEREDITH EMERSON 12 YES YES YES NO **OLIVER EMERSON** 04/06/10 SON YES S NO 12 YES YES HOWARD BOLIVAR 10/27/72 12 YES YES **BROTHER** YES S NO

		-		The state of the s
Ad	Yes	No	Unsure	Part V - Life Events - Last Year, Did You (or Your Spouse)
Advanced		×		1. (HSA) Have a Health Savings Account? (Forms 5498-SA, 1099-SA, W-2
ced	$\bowtie$			2. (A) Have credit card or mortgage debt cancelled/forgiven by a lender or
Sc		$\boxtimes$		3. (A) Adopt a child?
Scenarios		$\square$		4. (B) Have Earned Income Credit, Child Tax Credit or American Opportuni
rios		×		5. (A) Purchase and install energy-efficient home items? (such as windows
0,		X		6. (B) Live in an area that was declared a Federal disaster area? If yes, w
		×		7. (A) Receive the First Time Homebuyers Credit in 2008?
		×		8. (B) Make estimated tax payments or apply last year's refund to this year'
		×		9. (A) File a federal return last year containing a "capital loss carryover" on
		X		10. Receive a letter from the IRS?

Yes       No       Unsure       Part III – Income – Last Year, Did You (or Your Spouse) Receive         □       □       1. (B) Wages or Salary? (Form W-2)       If yes, how many jobs did you have last year?	
□       2. (A) Tip Income?         □       3. (B) Scholarships? (Forms W-2, 1098-T)         □       4. (B) Interest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV)         □       5. (B) Refund of state/local income taxes? (Form 1099-G)         □       6. (B) Alimony income or separate maintenance payments?         □       7. (A) Self-Employment income? (Form 1099-MISC, cash)         □       8. (A) Cash/check payments for any work performed not reported on Forms W-2 or 1099?         □       9. (A) Income (or loss) from the sale of Stocks, Bonds or Real Estate? (including your home) (Forms 1099-S,1099-B)         □       9. (A) Income? (such as payments from insurance, or workers compensation) (Forms 1099-R, W-2)         □       10. (B) Disability income? (such as payments from Pensions. Annuities, and or IRA? (Form 1099-R)         □       11. (A) Retirement income or payments from Pensions. Annuities, and or IRA? (Form 1099-R)         □       12. (B) Unemployment Compensation? (Form 1099G)         □       13. (B) Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099)         □       14. (M) Income (or loss) from Rental Property?	
⊠       □       3. (B) Scholarships? (Forms W-2, 1098-T)         □       W       □       4. (B) Interest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV)         □       S. (B) Refund of state/local income taxes? (Form 1099-G)         □       6. (B) Alimony income or separate maintenance payments?         □       7. (A) Self-Employment income? (Form 1099-MISC, cash)         □       8. (A) Cash/check payments for any work performed not reported on Forms W-2 or 1099?         □       9. (A) Income (or loss) from the sale of Stocks, Bonds or Real Estate? (including your home) (Forms 1099-S,1099-B)         □       □       10. (B) Disability income? (such as payments from insurance, or workers compensation) (Forms 1099-R, W-2)         □       □       11. (A) Retirement income or payments from Pensions. Annuities, and or IRA? (Form 1099-R)         □       □       12. (B) Unemployment Compensation? (Form 1099G)         □       □       13. (B) Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099)         □       14. (M) Income (or loss) from Rental Property?	
□       4. (B) Interest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV)         □       5. (B) Refund of state/local income taxes? (Form 1099-G)         □       6. (B) Alimony income or separate maintenance payments?         □       7. (A) Self-Employment income? (Form 1099-MISC, cash)         □       8. (A) Cash/check payments for any work performed not reported on Forms W-2 or 1099?         □       9. (A) Income (or loss) from the sale of Stocks, Bonds or Real Estate? (including your home) (Forms 1099-S,1099-B)         □       9. (B) Disability income? (such as payments from insurance, or workers compensation) (Forms 1099-R, W-2)         □       10. (B) Disability income? (such as payments from Pensions. Annuities, and or IRA? (Form 1099-R)         □       11. (A) Retirement income or payments from Pensions. Annuities, and or IRA? (Form 1099-R)         □       12. (B) Unemployment Compensation? (Form 1099G)         □       13. (B) Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099)         □       14. (M) Income (or loss) from Rental Property?	
□       S. (B) Refund of state/local income taxes? (Form 1099-G)         □       S. (B) Alimony income or separate maintenance payments?         □       7. (A) Self-Employment income? (Form 1099-MISC, cash)         □       8. (A) Cash/check payments for any work performed not reported on Forms W-2 or 1099?         □       9. (A) Income (or loss) from the sale of Stocks, Bonds or Real Estate? (including your home) (Forms 1099-S,1099-B)         □       10. (B) Disability income? (such as payments from insurance, or workers compensation) (Forms 1099-R, W-2)         □       11. (A) Retirement income or payments from Pensions. Annuities, and or IRA? (Form 1099-R)         □       12. (B) Unemployment Compensation? (Form 1099G)         □       13. (B) Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099)         □       14. (M) Income (or loss) from Rental Property?	
S	
□       X       □       7. (A) Self-Employment income? (Form 1099-MISC, cash)         □       X       □       8. (A) Cash/check payments for any work performed not reported on Forms W-2 or 1099?         □       Y       □       9. (A) Income (or loss) from the sale of Stocks, Bonds or Real Estate? (including your home) (Forms 1099-S,1099-B)         □       Y       □       10. (B) Disability income? (such as payments from insurance, or workers compensation) (Forms 1099-R, W-2)         X       □       11. (A) Retirement income or payments from Pensions. Annuities, and or IRA? (Form 1099-R)         □       X       □       12. (B) Unemployment Compensation? (Form 1099G)         □       X       □       13. (B) Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099)         □       X       □       14. (M) Income (or loss) from Rental Property?	
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☑       ☐       11. (A) Retirement income or payments from Pensions. Annuities, and or IRA? (Form 1099-R)         ☐       ☒       ☐       12. (B) Unemployment Compensation? (Form 1099G)         ☐       ☒       ☐       13. (B) Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099)         ☐       ☒       ☐       14. (M) Income (or loss) from Rental Property?	
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□ □ □ 13. (B) Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099) □ □ □ 14. (M) Income (or loss) from Rental Property?	
□ 🖂 □ 14. (M) Income (or loss) from Rental Property?	
_   _	
☑ ☐ ☐ 15. (B) Other income? (gambling, lottery, prizes, awards, jury duty, Sch K-1, royalties, foreign income, etc.) Specify FORM 1099-C	
res No Unsure Part IV - Expenses - Last Year, Did You (or Your Spouse) Pay	
□ 🗵 □ 1. (B) Alimony or separate maintenance payments? If yes, do you have the recipient's SSN? □ Yes □ No	
□ ☑ □ 2. Contributions to a retirement account? □ IRA (A) □ 401K (B) □ Roth IRA (B) □ Other	
☑ ☐ ☐ 3. (B) College or post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T)	
□ 🗵 □ 4. (A) Deductions: □ Medical & Dental (including insurance premiums) □ Mortgage Interest (Form 1098)	
☐ Taxes (State, Real Estate, Personal Property, Sales) ☐ Charitable Contributions	
☑ ☐ ☐ 5. (B) Child or dependent care expenses such as daycare?	
☐ ☐ 6. (B) For supplies used as an eligible educator such as a teacher, teacher's aide, counselor, etc.?	
☐ X   ☐ 7. (A) Expenses related to self-employment income or any other income you received?	
□ 図 □ 8. (B) Student loan interest? (Form 1098-E)	
Yes No Unsure Part V - Life Events - Last Year, Did You (or Your Spouse)	
□ 🗵 □ 1. (HSA) Have a Health Savings Account? (Forms 5498-SA, 1099-SA, W-2 with code W in box 12)	
☑ ☐ ☐ 2. (A) Have credit card or mortgage debt cancelled/forgiven by a lender or have a home foreclosure? (Forms 1099-C, 1099-A)	
□ □ 3. (A) Adopt a child?	
□ 😡 □ 4. (B) Have Earned Income Credit, Child Tax Credit or American Opportunity Credit disallowed in a prior year? If yes, for which tax y	/ear?
□ □ □ 5. (A) Purchase and install energy-efficient home items? (such as windows, furnace, insulation, etc.)	100 C
□ ☑ □ 6. (B) Live in an area that was declared a Federal disaster area? If yes, where?	
□ ☑	
□ 図 □ 8. (B) Make estimated tax payments or apply last year's refund to this year's tax? If so how much?	
□ 図 □ 9. (A) File a federal return last year containing a "capital loss carryover" on Form 1040 Schedule D?	
Catalog Number 521215	

											Page 3	
_				question in each	Misser Marin Desposations							
Yes		Unsure				ar, did you,	your spouse, or	dependent	(s)			
	X		(B) Have health care coverage?									
	X		2. (B) Rece	2. (B) Receive one or more of these forms? (Check the box)								
	X		3. (A) Have	3. (A) Have coverage through the Marketplace (Exchange)? [Provide Form 1095-A]								
				3a. (A) If yes, were advance credit payments made to help you pay your health care premiums?								
			3b. (A) If	3b. (A) If yes, Is everyone listed on your Form 1095-A being claimed on this tax return?								
	×		4. (B) Have	an exemption gr	ranted by the I	Marketplace	?					
To b	e Com	pleted by	a Certified Vo	lunteer Preparer	(Use Publication	1 4012 and ch	eck the appropriate	box(es) indica	iting Minimum Essential Covera	age (MEC) for everyo	ne listed on the return.)	
		Name		MEC All Year	No MEC	Мо	nths with MEC	M	Ionths with Exemption	Exempt All Year	Notes	
Тахр	ayer					JFMA	MJJASOI	ND JFN	MAMJJASOND			
Spou	se					JFMA	MJJASOI	ND JFN	MAMJJASOND			
Depe	endent	t				JFMA	MJJASOI	VD JFN	MAMJJASOND			
Depe	endent	t				JFMA	MJJASOI	ND JFN	MAMJJASOND			
Depe	endent	t				JFMA	MJJASOI	ND JFN	MAMJJASOND			
Part '	VII – A	Addition	al Information	and Questions	Related to t	he Preparat	tion of Your Retu	ırn				
2. Pre Ch 3. If y 4. If y Many Your 5. Wo 6. Wo 7. Do 8. Are	esidente eck he ou are ou ha free answould you could you	ntial Elect ere if you e due a re ve a bala tax prep vers will ou say yo ou say yo or any me	ion Campaign i, or your spou efund, would y ance due, wou aration sites be used only ou can carry or ou can read a ember of your pouse a Veter	Fund (If you che se if filing jointly, you like: a.  Id you like to ma operate by rece for statistical p	want \$3 to go Direct deposit Yes ke a payment viring grant n urposes. in English, bo ook in English? a disability?	r tax or refu to this func t \( \sum \text{No}\) directly from noney. The	nd will not change You b. To purch Yes n your bank accordata from the fo	e)  Shase U.S. Sa  Nunt? Y  Illowing que		Mo No is site to apply fo  □ Not at all □ F t at all □ F er	or these grants.	
do not you rel volunte do not informa	receive ative to er retu provide ation re	e it, and who your intere rn preparate the reques quests. The	ether your respon est and/or participa- tion sites or outrea sted information, to e OMB Control Nu	se is voluntary, requi ation in the IRS volur ach activities. The inf he IRS may not be a amber for this study is	tion we tell you ou ired to obtain a be nteer income tax p ormation may als able to use your as s 1545-1964. Also	ir legal right to enefit, or manda preparation and o be used to es ssistance in the o, if you have a	atory. Our legal right to doutreach programs. stablish effective contr ese programs. The Pa ny comments regardi	n, why we are a c ask for inform The information ols, send corres perwork Reduc ng the time estin	sking for it, and how it will be used ation is 5 U.S.C. 301. We are ask it you provide may be furnished to spondence and recognize volunte tion Act requires that the IRS disp mates associated with this study of NW, Washington, DC 20224	ing for this information others who coordinate ers. Your response is valay an OMB control nurer suggestion on making	to assist us in contacting activities and staffing at oluntary. However, if you mber on all public g this process simpler,	
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Catalog Number 52121E www.irs.gov Form **13614-C** (Rev. 10-2018)

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b Employer identification number (EIN) 34-600XXXX				1 Wa	ges, tips, other compensation 36.300.00	2 Federal income tax withheld 2.200.00		
	name, address, and ZIP code			3 50	cial security wages	4 Social security tax withheld		
C Lilipioyei si	laile, address, and Zir code			<b>3</b> 50	36,300.00	2,250		
<b>GILMER</b>	CORP		-	5 Me	edicare wages and tips	6 Medicare tax		
2250 DE	LTA AVENUE				36,300.00	526.35 8 Allocated tips		
YOUR C	ITY, STATE ZIP			7 So	cial security tips			
d Control num	ber			9 Ve	rification code	10 Dependent ca	re benefits	
e Employee's	first name and initial Last	name	Suff.	11 No	onqualified plans	12a See instructions for box 12		
FRANC	MERSON			13 Sta	tutory Retirement Third-party	12b		
	MERSON (OTA CIRCLE			13 Star emp	plan sick pay	120		
	ITY, STATE ZIP		1	14 Oth				
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467.000 (CARD)	oloyer's state ID number	16 State wages, tips, etc. 36,300.00	17 State incom 1,472.00	e tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name	
1								
141	2 Wage and Tax Statement	_	0 7 0		Department of	f the Treasury-Interr	al Revenue Servic	
W-1	Wage and Tax	_	2018	r e	Dopartinont	Title Trododity Intoli	ai moronao com	

PAYER'S name, street address, city or town, state or province, country, and ZIP or foreign postal code  PRAIRIE BANK 1727 OSAGE WAY		ovince,	1	1 Gross distribution 3,200.00 Taxable amount		OMB No. 1545-0119		Distributions From Retirement Plans, Insurance Contracts, etc.	
		2	2a					Contracts, etc.	
YOUR CITY, STATE Z	P	9	\$ 3,200.00		)	Form 1099-R			
		[2	0.00	Taxable amoun not determined			Total distribution	Copy B Report this	
PAYER'S TIN	RECIPIENT'S TIN			Capital gain (inc in box 2a)	cluded	4	Federal income tax withheld	income on your federal tax return. If this	
30-600XXXX	601-00-XXXX	\$	5			\$	320.00	form shows federal income	
FRAN EMERSON	uar		5	Employee contril Designated Roth contributions or insurance premi	1	\$	Net unrealized appreciation in employer's securitie	tax withheld in box 4, attach this copy to your return.	
Street address (including apt. 300 DAKOTA CIRCLE	no.)			Distribution code(s)	IRA/ SEP/ SIMPLE		Other	This information is being furnished to	
City or town, state or province, or YOUR CITY, STATE Z		postal code	9a	Your percentage of distribution			Total employee contribution		
10 Amount allocable to IRR within 5 years		ATCA filing aquirement	12	State tax withhel	ld	13	State/Payer's state n	o. 14 State distribution \$	
3		\$	5			100000		\$	
Account number (see instruction	ns)	\$	15	Local tax withhel	ld	16	Name of locality	17 Local distribution \$	
		19	6					\$	

CREDITOR'S name, street address, city or town, state or province, country ZIP or foreign postal code, and telephone no.  PRAIRIE BANK 1727 OSAGE WAY		1 Date of identifiable event 06/15/18	OMB No. 1545-1424	Cancellation of Deb	
		2 Amount of debt discharged \$ 600.00	2018		
YOUR CITY, STATE	: ZIP	3 Interest if included in box 2 \$	Form 1099-C	52 2550	
CREDITOR'S TIN 30-600XXXX  DEBTOR'S TIN 601-00-XXXX  DEBTOR'S name  FRAN EMERSON  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		4 Debt description  CREDIT CARD	Copy I For Debto		
			This is important ta information and is beir furnished to the IRS. you are required to file		
		5 If checked, the debtor was prepayment of the debt .	return, a negligeno penalty or othe sanction may b imposed on you		
			from this transaction and the IRS determine		
Account number (see instruction	ns)	6 Identifiable event code G	7 Fair market value of proper \$	that it has not bee	
Form 1099-C	(keep for your records)	www.irs.gov/Form1099C	Department of the Treasur	ry - Internal Revenue Service	

filter's name, street address, city or foreign postal code, and telephone nu	town, state or province, country, ZIP oumber	or 1 Payments received for qualified tuition and related expenses	OMB No. 1545-1574	
YUMA COLLEGE 10 COLLEGE AVE YOUR CITY, STATE ZIP		\$ 6,800.00	2018	Tuitior Statemen
100 to 0 th 100 to 0			Form 1098-T	
TILER'S employer identification no. STUDENT'S TIN  37-700XXXX STUDENT'S TIN  602-00-XXXX		3 If this box is checked, your its reporting method for 201	educational institution changed 8	Copy E For Studen
STUDENT'S name  MEREDITH EMERSON		4 Adjustments made for a prior year	5 Scholarships or grants \$ 3,500.00	This is importan tax information and is bein furnished to th IRS. This form must be used to complete Form 886 to claim education credits. Give it to the
Street address (including apt. no.) 300 DAKOTA CIRCLE		6 Adjustments to scholarships or grants for a prior year	7 Checked if the amount in box 1 includes amounts for an	
City or town, state or province, count YOUR CITY, STATE ZIF	A TAMERIA PARAMERINA DE LA COMPANIONE DE LA COMPANIONE AND AND DE LA COMPANIONE DE LA COMPA	\$	academic period beginning January— March 2019	
Service Provider/Acct. No. (see instr.)	8 Check if at least half-time student x	9 Checked if a graduate student	10 Ins. contract reimb./refund	tax preparer or use it t prepare the tax return
Form <b>1098-T</b> (F	keep for your records)	www.irs.gov/Form1098T	Department of the Treasury	- Internal Revenue Servic



#### 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

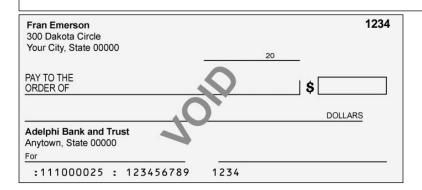
Received from Fran Emerson:

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

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

Ellen River

EIN: 35-900XXXX



# **Advanced Scenario 5: Test Questions**

10	. Wr	nich allowable filing status is most advantageous to Fran?
	a.	Qualifying Widow
	b.	Single
	С.	Married Filing Separately
	d.	Head of Household
11	. Ho	ward qualifies Fran for which of the following:
	a.	Credit for other dependents
	b.	·
	C.	Earned income credit
	d.	All of the above
12		nat is the amount of Fran's child and dependent care credit shown on Form 2441, ild and Dependent Care Expenses?
	a.	\$1,591
	b.	\$720
	C.	\$660
	d.	\$690
13		nat is the total amount of qualified educational expenses used in the calculation Fran's American opportunity credit? \$
14	. Wr	nat is the amount of Fran's individual shared responsibility payment?
	a.	\$0
	b.	\$695
	C.	\$1,295
	d.	\$1,390
15	. Ho	w much is Fran's federal withholding?
	a.	\$0
	b.	\$320
	C.	\$2,200
	d.	\$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.

### **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.



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Catalog Number 52121E

Form <b>13614-C</b> (October 2018)		Inta				ury - Internal			Sheet				1,000	Num 5-19	200	
You will need:  Tax Information such as Social security cards or Picture ID (such as valid	ITIN letters fo driver's licen	099, 1098 r all perso se) for yo	, 1095. Ins on you	ur tax ur spot	return. ıse.	Please You ar comple If you l	comple e respon ete and a have que	ete pages nsible for accurate estions, p	1-3 of this r the infor information please ask	mation on y on. the IRS-ce	rtified					
	Volunteers								ighest eth ax@irs.go		rds.					
Part I - Your Personal Informa	ation (If you ar	re filing a jo	oint return	, enter	your name	es in the sa	ame orde	er as last	year's retu	rn)	-					
1. Your first name MATTHEW		M.I.	Last n					200	Daytime tel	ephone num NE#	nber	Are you X Yes	Are you a U.S. citizen? ☑ Yes			
2. Your spouse's first name MARY		M.I.								ls your : ⊠ Yes	s your spouse a U.S. citizen?					
3. Mailing address 388 NOBLE CIRCLE							city OUR CI	TY				State <b>YS</b>			code JR ZII	
4. Your Date of Birth 01/11/1945	5. Your job tit RETIRED	le				were you d perman		abled [	☐ Yes 🔀		ull-tim egally	e stude blind		Yes Yes		No No
7. Your spouse's Date of Birth <b>06/26/1961</b>	se's job title r	9	250.00		, was your d perman	en service de la constitución de		☐ Yes 🔀		ull-tim egally	e stude blind		Yes Yes		No No	
10. Can anyone claim you or yo					⊠ No	☐ Unsu										
11. Have you, your spouse, or o	dependents be	en a victim	of tax rel	ated ide	entity thef	or been is	ssued an	ldentity I	Protection	PIN?				Yes	×	No
Part II - Marital Status and	Household I	nformation	on													
As of December 31, 2018, wi was your marital status?	⊠ Mar	ver Married rried orced ally Separa	a. If `b. Di	Yes, Did d you li ate of fir	d you get ve with yo nal decree	married in ur spouse	2018? during a	any part o		s, or other for months of		□ Y	′es ⊠		state I	aw)
		lowed		ar of sp	oouse's de	eath										
List the names below of:     everyone who lived with yo				e)				If a		pace is need						
anyone you supported but of		, ,	55-110						To be	completed	by a			teer	Prep	arer
name or spouse's name below	(mm/dd/yy) t	o you (for example: son,	Number of months lived in your home last year (d)	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)	Permanen		ive more than	than	on to person to	Did the laxpayer(s provide mother 50% of support for this person (yes/no/N//	tapre part had not had		er(s) re than cost of ning a or this
RYAN DONNELLY	02/02/00	SON	12	YES	YES	S	YES	NO								

www.irs.gov

Form **13614-C** (Rev. 10-2018)

				Page 2										
Check	appr	opriate be	ox for each question in each section											
Yes	No	Unsure	Part III - Income - Last Year, Did You (or Your Spouse) Receive											
$\boxtimes$			1. (B) Wages or Salary? (Form W-2) If yes, how many jobs did you have last year?											
	×		2. (A) Tip Income?											
	×		3. (B) Scholarships? (Forms W-2, 1098-T)											
$\boxtimes$			4. (B) Interest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV)											
	X		5. (B) Refund of state/local income taxes? (Form 1099-G)											
	X		6. (B) Alimony income or separate maintenance payments?											
	X		7. (A) Self-Employment income? (Form 1099-MISC, cash)											
	X		8. (A) Cash/check payments for any work performed not reported on Forms W-2 or 1099?											
$\boxtimes$			9. (A) Income (or loss) from the sale of Stocks, Bonds or Real Estate? (including your home) (Forms 1099-S,1099-B)											
	X		10. (B) Disability income? (such as payments from insurance, or workers compensation) (Forms 1099-R, W-2)											
×			(A) Retirement income or payments from Pensions. Annuities, and or IRA? (Form 1099-R)											
	X		12. (B) Unemployment Compensation? (Form 1099G)	사용을 보고 보는 이러를 하지만 보면 하면 함께 보고 프로그램을 보고 있는 것은 이름도 보고 보고 있는데 얼마를 받는데 그렇게 되었다. 그렇게 되었다고 보고 되었다고 보고 되었다. 그렇게 되었다고 보고 되었다.										
$\bowtie$			13. (B) Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099)											
	×		) Income (or loss) from Rental Property?											
	×		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											
	×		1. (B) Alimony or separate maintenance payments? If yes, do you have the recipient's SSN?   Yes   No	9										
$\boxtimes$			2. Contributions to a retirement account?      IRA (A)     X 401K (B)     Roth IRA (B)     Other											
	×		3. (B) College or post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T)											
	X		4. (A) Deductions:   Medical & Dental (including insurance premiums)  Mortgage Interest (Form 1098)											
			☐ Taxes (State, Real Estate, Personal Property, Sales) ☐ Charitable Contributions											
	X		5. (B) Child or dependent care expenses such as daycare?											
	X		6. (B) For supplies used as an eligible educator such as a teacher, teacher's aide, counselor, etc.?											
	X		7. (A) Expenses related to self-employment income or any other income you received?											
	×		8. (B) Student loan interest? (Form 1098-E)											
Yes	No	Unsure	Part V – Life Events – Last Year, Did You (or Your Spouse)											
	×		1. (HSA) Have a Health Savings Account? (Forms 5498-SA, 1099-SA, W-2 with code W in box 12)											
	×		2. (A) Have credit card or mortgage debt cancelled/forgiven by a lender or have a home foreclosure? (Forms 1099-C, 1099-A)											
	×		3. (A) Adopt a child?											
	×		4. (B) Have Earned Income Credit, Child Tax Credit or American Opportunity Credit disallowed in a prior year? If yes, for which tax year?											
	×		5. (A) Purchase and install energy-efficient home items? (such as windows, furnace, insulation, etc.)											
	×		6. (B) Live in an area that was declared a Federal disaster area? If yes, where?											
	X		7. (A) Receive the First Time Homebuyers Credit in 2008?											
	$\boxtimes$		8. (B) Make estimated tax payments or apply last year's refund to this year's tax? If so how much?											
	×		9. (A) File a federal return last year containing a "capital loss carryover" on Form 1040 Schedule D?											
	×		10. Receive a letter from the IRS?											
Catalor	a Numb	per 52121E	MANN ire gov 5000 13614-C /De	10 2019\										

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		•

								Page 3
Check appropriate box for each						,		
Yes No Unsure Part VI - H			ar, did you, y	our spouse, or d	ependent(s	5)		
	e health care cov	54.0						
				box) 🗌 Form 1		Form 1095-C		
				nge)? [Provide For				
□ □ □ 3a. (A)	If yes, were adva	ince credit payı	ments made	to help you pay yo	ır health ca	re premiums?		
□ □ □ 3b. (A)	If yes, Is everyon	e listed on you	r Form 1095	-A being claimed o	n this tax re	turn?		
□ 🗵 □ 4. (B) Hav	e an exemption g	ranted by the I	Marketplace?	•				
To be Completed by a Certified \	olunteer Preparer	(Use Publication	4012 and che	ck the appropriate bo	k(es) indicatir	ng Minimum Essential Cover	age (MEC) for everyone	e listed on the return.)
Name	MEC All Year	No MEC	Mon	ths with MEC	Mo	nths with Exemption	Exempt All Year	Notes
Taxpayer			JFMAN	MJJASON	JFM	AMJJASOND		
Spouse			JFMAN	MJJASON	JFM	AMJJASOND		
Dependent			JFMAN	MJJASON	JFM	AMJJASOND		
Dependent			JFMAN	MJJASON	JFM	AMJJASOND		
Dependent			JFMAN	MJJASON	JFM	AMJJASOND		
Part VII - Additional Information	on and Question	s Related to the	he Preparati	on of Your Return	-0. 121 122,000	THE PERSON NAMED AND ADDRESS OF THE PERSON		
1. Provide an email address (op	tional) (this email	address will no	ot be used for	r contacts from the	Internal Re	venue Service)		
2. Presidential Election Campaig	and the state of t							
Check here if you, or your spo				⊠ You	⊠ Sp	ouse		
3. If you are due a refund, would		. Direct deposit				ings Bonds c. To split y	our refund between	different accounts
4. If you have a balance due, wo	uld you like to ma	ake a payment	directly from	your bank accoun	?	s 🛮 No		
Many free tax preparation site	이 경기 중에 가지 하면 보다면서 되었다면 하는데 하고 있다.		noney. The c	lata from the follo	wing quest	tions may be used by th	nis site to apply for	these grants.
Your answers will be used on			th understan	ding 9 anaaking?	V Voncus	oll □ Well □ Netwell	□ Not at all □ D	ofor not to anawar
5. Would you say you can carry								
6. Would you say you can read		-		▼ Very well	☐ Well	(Fig. 1)		efer not to answer
7. Do you or any member of you			-	☐ Yes	⊠ No	☐ Prefer not to answ		
8. Are you or your spouse a Vet	eran from the U.S	. Armed Force	s?.	☐ Yes	⊠ No	☐ Prefer not to answer	er	
Additional comments								
<u> </u>								
-								
<b>a</b>					A - 1 M - 41			
The Privacy Act of 1974 requires that will do not receive it, and whether your resp you relative to your interest and/or particle.	onse is voluntary, requipation in the IRS volu	ation we tell you ou uired to obtain a be unteer income tax p	ir legal right to a enefit, or mandat preparation and	tory. Our legal right to a outreach programs. Th	hy we are ask sk for informati information y	ing for it, and how it will be use ion is 5 U.S.C. 301. We are ask ou provide may be furnished to	ing for this information to others who coordinate a	assist us in contacting ctivities and staffing at
volunteer return preparation sites or out do not provide the requested informatior information requests. The OMB Control please write to the Internal Revenue Ser	, the IRS may not be Number for this study	able to use your as is 1545-1964. Also	ssistance in thes o, if you have an	se programs. The Pape y comments regarding	work Reduction he time estimate	on Act requires that the IRS disp ates associated with this study of	olay an OMB control num or suggestion on making	ber on all public this process simpler,
Catalog Number 52121E				www.irs.gov			Form 136	14-C (Rev. 10-2018)

b Employ	ver identification number (EIN)			1	Wages, tips, other compensation	2 Federa	al income	tax withheld
10 4-7-10 P	00XXXX				14,050.00		620.0	
c Employ	ver's name, address, and ZIP code	•		3	Social security wages	4 Social		ax withheld
CON	WAY COMPANY			- 5	14,700.00 Medicare wages and tips	6 Medic	911.4	. 501
	PERIAL LANE			"	14.700.00	6 Wedic	213.1	
YOU	R CITY, STATE ZIP			7	Social security tips	8 Alloca	ted tips	NE/A
d Contro	number			9	Verification code	ndent care	dent care benefits	
MAR 388 I YOU	Y DONNELLY NOBLE CIRCLE R CITY, STATE ZIP	t name	Suff.	13	Nonqualified plans  Statutory Retrement plan slck pay    X   X   X   X   X   X	og D	65	s for box 12 10.00 60.00
f Employ 5 State	ee's address and ZIP code Employer's state ID number	16 State wages, tips, etc.	17 State incom		18 Local wages, tips, etc.	19 Local inco	me tev	20 Locality name
	34-500XXXX	14,050.00	127.90		To Local wages, tips, etc.	19 Local Inco	THE LAX	20 Locality name
W	I-2 Wage and Tax	7	018	<u> </u>	Department	l of the Treasury	/—Internal	Revenue Service

PAYER'S name, street addr country, and ZIP or foreign PINE CORPORATION 1809 GULF DRIVE	postal code	province,	1 \$ 2a	Gross distribution 19,350.00 Taxable amount	0.078888	18 No. 1545-0119	Distributions From Retirement Plans, Insurance Contracts, etc.							
YOUR CITY, STATE	ZIP		\$		F	orm 1099-R								
			2b	Taxable amount not determined		Total distribution	Copy B Report this							
PAYER'S TIN	RECIPIENT'S TIN	-1	3	Capital gain (included in box 2a)	4	Federal income tax withheld	income on your federal tax return. If this							
40-100XXXX	317-00-XXXX		\$		\$	1,935.00	form shows federal income							
	10 10010001							010110101			Employee contributions. Designated Roth contributions or insurance premiums	\$	Net unrealized appreciation in employer's securit	tax withheld in
Street address (including ap 388 NOBLE CIRCLE City or town, state or province	n postal code	7 9a	Distribution code(s) IRA/SEP/SIMPLE 7  Your percentage of total	\$	Other  Total employee contribut	This information is being furnished to the IRS.								
YOUR CITY, STATE	ZIP			distribution %	\$	13,500.00								
10 Amount allocable to IRR within 5 years	11 1st year of desig. Roth contrib.	FATCA filing requirement	12 \$	State tax withheld	13	State/Payer's state	no. 14 State distribution \$							
\$			\$		Ī		\$							
Account number (see instruct	ions)		15 \$	Local tax withheld	16	Name of locality	17 Local distribution \$							
			\$		T		\$							

PAYER'S name, street addre		r province,	1	Gross distribution	OMB No. 1545-0119	Distributions From Retirement Plan
ESSEX BANK, CUST	ODIAN		\$	4,500.00	2018	Insuranc Contracts, etc
FOR ROTH IRA OF M	NATTHEW DONNE	LLY	2a Taxable amount			And the control of th
300 MARIN STREET			0	0.00	Form 1099-R	
YOUR CITY, STATE	ZIP		2b	Taxable amount	Total	Copy I
			-	not determined	distribution	Report thi
PAYER'S TIN	RECIPIENT'S TIN	FΠ	3	Capital gain (included in box 2a)	4 Federal income tax withheld	
48-100XXXX	317-00-XXXX		\$		\$	federal income
MATTHEW DONNEL	IUa	rv	Designated Roth contributions or insurance premiums		appreciation in employer's secur	tax withheld in box 4, attack this copy to your return
Street address (including ap 388 NOBLE CIRCLE	t. no.)		7	code(s) SEP/ SIMPLE	8 Other	This information i
City or town, state or province YOUR CITY, STATE	1000	gn postal code	9a	Your percentage of total distribution %	9b Total employee contrib \$	utions the IRS
10 Amount allocable to IRR within 5 years	11 1st year of desig. Roth contrib.	FATCA filing requirement	12 \$	State tax withheld	13 State/Payer's stat	e no.   14 State distribution   \$
\$			\$			\$
Account number (see instructi	ons)		\$	Local tax withheld	16 Name of locality	17 Local distribution \$
			\$			\$

2018 : PART OF	REVERSE FOR MORE INFO	4	neficiary's Social Security Number
MATTHEY	DONNELLY	Box 2. Be	317-00-XXXX
Box 3. Benefits Paid in 2018 \$15,912.00	Box 4. Benefits Repaid to SSA	A in 2018	Box 5. Net Benefits for 2018 (Box 3 minus Box 4 \$15,912.00
경영경에 가면 없었다. 어린 이 집에 대한 이번 때문에 다른데요.	emiums deducted	Box 6. Vo	luntary Federal Income Tax Withholding
(Part D) deducted f \$0 Total Additions:	rom your benefits.	Box 7. Ad	
Benefits for 2018:		Your	City, State ZIP
\$15,912			

### **ABC INVESTMENTS**

**2018 TAX REPORTING STATEMENT** 

456 Pima Plaza Your City, YS ZIP 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

	m 1099-DIV* 2018 Dividends and Distributions B for Recipient (OMB NO. 1545-0110)	
1a	Total Ordinary Dividends	489.0
1b	Qualified Dividends	
2a	Total Capital Gain Distributions (Includes 2b- 2d)	
2b	Capital Gains that represent Unrecaptured 1250 Gain	0.0
2c	Capital Gains that represent Section 1202 Gain	0.0
2d	Capital Gains that represent Collectibles (28%) Gain	
3	Nondividend Distributions	
4	Federal Income Tax Withheld	
5	Investment Expenses	
6	Foreign Tax Paid	
7	Foreign Country or U.S. Possession.	
8	Cash Liquidation Distributions	
9	Non-Cash Liquidation Distributions.	
10	Exempt Interest Dividends	
11	Specified Private Activity Bond Interest Dividends	
12	State	
13	State Identification No.	
14	State Tax Withheld	
or opy	m 1099-MISC* 2018 Miscellaneous Income B for Recipient (OMB NO. 1545-0115)	
2	Royalties	0.0
4	Federal Income Tax Withheld	
8	Substitute Payments in Lieu of Dividends or Interest	
16	State Tax Withheld	
17	State/ Payer's State No	
18	State Income	0.0
or	m 1099-INT* 2018 Interest Income B for Recipient (OMB NO. 1545-0112)	
1	Interest Income	150.0
2	Early Withdrawal Penalty	40.0
3	Interest on U.S. Savings Bonds and Treas. Obligations	
4	Federal Income Tax Withheld	0.0
5	Investment Expenses	0.0
6	Foreign Tax Paid	0.0
7	Foreign Country or U.S. Possession	
8	Tax-Exempt Interest	
9	Specified Private Activity Bond Interest	
10	Tax-Exempt Bond CUSIP No	
	nmary of 2018 Proceeds From Broker and ter Exchange Transactions	
	s Price of Stocks, Bonds, etc	

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.

Page 1 of 2

### **ABC INVESTMENTS**

**2018 TAX REPORTING STATEMENT** 

456 Pima Plaza Your City, YS ZIP 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	<b>1b</b> 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
Dakot	a Co. Com	non Stock								
Sale	09/01/2018	03/01/2018	250.000	3,150.00	3,600.00	(450.00)				
TOTAL	.s			3,150.00	3,600.00					

## 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	<b>1a</b> Date of Sale or Exchange	<b>1b</b> Date of Acquisition	<b>1e</b> 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
lowa (	Co. Commo	n Stock								
Sale	02/01/2018	06/23/2005	200.000	3,300.00	2,212.00	1,088.00				
TOTAL	.s			3,300.00	2,212.00					

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.

Page 2 of 2

Matthew and Mary Donnelly 388 Noble Circle Your City, State 00000	<b>1234</b> 16-0000000000
PAY TO THE ORDER OF	\$
Anytown Bank and Trust Anytown, State 00000	DOLLARS
For	
:111000025 : 123456789	1234

# **Advanced Scenario 6: Test Questions**

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

### **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).

Form <b>13614-C</b> (October 2018)		Int			of the Treas	경기선택 - 기급리는 유지생각			Sheet				Number -1964
You will need:  • Tax Information such as  • Social security cards or  • Picture ID (such as valid	ITIN letters for	99, 1098 all perso	, 1095. ons on yo	ur tax	return.	Please     You a complete	e comple re respondent	ete page nsible fo accurate	s 1-3 of this for the information, please ask the	ation on you			
		are traine	d to prov	ide hig	h quality	service	and upho	old the I	nighest ethica Itax@irs.gov			, , , ,	
Part I – Your Personal Inform	ation (If you are	filing a jo	oint return	, enter	your nam	es in the s	same orde	er as las	t year's return,	)	400		
Your first name     AUSTIN		M.I.	Last na						Daytime telep		er Are yo	ou a U.S. ci	tizen? ] No
2. Your spouse's first name		M.I.	Last na	ame					Daytime telep	hone numb	er Is you ☐ Ye	your spouse a U.S. citizen? Yes  No	
3. Mailing address 1551 CONCORD CIRCLE			<i>1</i> 0.				City YOUR CI	TY			State YS	1.7	IP code OUR ZIP
4. Your Date of Birth 11/22/1981	5. Your job title SELF-EMPLO		VER		Last year Totally ar			abled	☐ Yes 🔀 N		l-time stud	dent 🔲 \	
7. Your spouse's Date of Birth	8. Your spous	e's job title	е	200000	Last year Totally ar	· in the second second			□ Yes □ N		l-time stud	dent 🗆 Y	
10. Can anyone claim you or yo	our spouse as a	depende	nt?	Yes		Uns				<u> </u>			
11. Have you, your spouse, or				ated ide		t or been	issued ar	dentity	Protection PII	N?			'es ⊠ No
Part II - Marital Status and	Household In	formati	on										
As of December 31, 2018, w was your marital status?	☐ Marr		a. If ' b. Di	Yes, Did d you li	d you get ve with yo	married ir ur spouse	2018?	any part	s, civil unions, of the last six r			Yes 🗆 N	lo
	Divo     □				nal decree		o agroon	2000	28/2008				
	☐ Lega	Ily Separ			eparate m oouse's de		e agreen	nent					
	U WIGO	wea	16	ai Ui S	Jouse's u	zaui							
<ol><li>List the names below of:</li><li>everyone who lived with yo</li></ol>	ou last year (othe	er than yo	ur spouse	e)				lf	additional spa	ce is needed	d check he	ere 🗌 and l	ist on page 3
<ul> <li>anyone you supported but</li> </ul>	did not live with	you last y	ear						To be co	ompleted by	y a Certifi	ied Volunte	er Preparer
Name (first, last) Do not enter your name or spouse's name below	(mm/dd/yy) to	you (for	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)	Student	Totally as Permane Disabled (yes/no)	ntly person a	Did this person provide more than 50% of his/ her own support?	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?
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)		(yes/no)			(yes/no)
Catalog Number 52121E					www.ir	s.gov					Fo	rm 13614-	C (Rev. 10-2018

			Page
Check	appr	opriate bo	ox for each question in each section
Yes	No	Unsure	Part III - Income - Last Year, Did You (or Your Spouse) Receive
	X		1. (B) Wages or Salary? (Form W-2) If yes, how many jobs did you have last year?
$\boxtimes$			2. (A) Tip Income?
	X		3. (B) Scholarships? (Forms W-2, 1098-T)
	X		4. (B) Interest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV)
	X		5. (B) Refund of state/local income taxes? (Form 1099-G)
	$\boxtimes$		6. (B) Alimony income or separate maintenance payments?
X			7. (A) Self-Employment income? (Form 1099-MISC, cash)
X			8. (A) Cash/check payments for any work performed not reported on Forms W-2 or 1099?
	X		9. (A) Income (or loss) from the sale of Stocks, Bonds or Real Estate? (including your home) (Forms 1099-S,1099-B)
	X		10. (B) Disability income? (such as payments from insurance, or workers compensation) (Forms 1099-R, W-2)
	×		11. (A) Retirement income or payments from Pensions. Annuities, and or IRA? (Form 1099-R)
	X		12. (B) Unemployment Compensation? (Form 1099G)
	X		13. (B) Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099)
	×		14. (M) Income (or loss) from Rental Property?
	×		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
	×		1. (B) Alimony or separate maintenance payments? If yes, do you have the recipient's SSN?   Yes   No
	$\boxtimes$		2. Contributions to a retirement account?
	X		<ol><li>(B) College or post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T)</li></ol>
	X		4. (A) Deductions:   Medical & Dental (including insurance premiums)  Mortgage Interest (Form 1098)
			☐ Taxes (State, Real Estate, Personal Property, Sales) ☐ Charitable Contributions
	X		5. (B) Child or dependent care expenses such as daycare?
	X		6. (B) For supplies used as an eligible educator such as a teacher, teacher's aide, counselor, etc.?
	$\boxtimes$		7. (A) Expenses related to self-employment income or any other income you received?
	X		8. (B) Student loan interest? (Form 1098-E)
Yes	No	Unsure	Part V – Life Events – Last Year, Did You (or Your Spouse)
	X		1. (HSA) Have a Health Savings Account? (Forms 5498-SA, 1099-SA, W-2 with code W in box 12)
	$\boxtimes$		2. (A) Have credit card or mortgage debt cancelled/forgiven by a lender or have a home foreclosure? (Forms 1099-C, 1099-A)
	$\boxtimes$		3. (A) Adopt a child?
	$\boxtimes$		4. (B) Have Earned Income Credit, Child Tax Credit or American Opportunity Credit disallowed in a prior year?  If yes, for which tax year?
	$\times$		5. (A) Purchase and install energy-efficient home items? (such as windows, furnace, insulation, etc.)
	X		6. (B) Live in an area that was declared a Federal disaster area? If yes, where?
	X		7. (A) Receive the First Time Homebuyers Credit in 2008?
	$\boxtimes$		8. (B) Make estimated tax payments or apply last year's refund to this year's tax? If so how much?
	X		9. (A) File a federal return last year containing a "capital loss carryover" on Form 1040 Schedule D?
	$\boxtimes$		10. Receive a letter from the IRS?
Catalog	Numb	er 52121E	www.irs.gov Form <b>13614-C</b> (Rev. 10-2018

-										Page 3
			question in ea							
	o Unsure				ar, did you,	your spouse, or o	ependent(s	3)		
$\boxtimes$			health care cove							
						e box) 🗌 Form 1		Form 1095-C		
		manufacture and the second				nge)? [Provide Fo				
						to help you pay yo				
		and the second s				-A being claimed of	n this tax ref	turn?		
		4. (B) Have	an exemption g	ranted by the	Marketplace'	?				
To be Co	ompleted by	a Certified Vo	lunteer Preparer	(Use Publication	1 4012 and che	eck the appropriate b	x(es) indicatin	ng Minimum Essential Cover	age (MEC) for everyone	e listed on the return.)
	Name	Ï	MEC All Year	No MEC	Mor	nths with MEC	Moi	nths with Exemption	Exempt All Year	Notes
Taxpaye	er							AMJJASOND		
Spouse					JFMAI	MJJASON	DJFM	AMJJASOND		
Depende	ent	i i						AMJJASOND		
Depende	ent	i			JFMAI	MJJASON	DJFM	AMJJASOND		
Depende	ent				JFMAI	MJJASON	DJFM	AMJJASOND		
Part VII -	<ul> <li>Additional</li> </ul>	l Information	and Questions	s Related to t	he Preparati	ion of Your Retur	1		-22	
1. Provid	e an email a	address (option	onal) (this email a	address will no	ot be used fo	r contacts from the	Internal Rev	venue Service)		
2. Presid	ential Electi	on Campaign	Fund (If you che	eck a box, you	ır tax or refur	nd will not change)				
	and the same of th		se if filing jointly,	, want \$3 to go	to this fund		☐ Spo			
3. If you	are due a re	efund, would y		Direct deposi				ings Bonds c. To split y		different accounts
. 16				☐ Yes	⊠ No	☐ Yes	⊠ No		⊠ No	
						your bank accour	_			
			for statistical p		noney. The o	data from the follo	wing quest	tions may be used by t	nis site to apply for	tnese grants.
				### <b>*</b> #################################	th understan	ding & speaking?	M Very we	ell 🗌 Well 🗎 Not well	□ Not at all □ Pr	efer not to answer
	. Ř		newspaper or bo			▼ Very well	☐ Well		Star I have been a second	efer not to answer
			household have			☐ Yes	No No	☐ Prefer not to answ		oror mor to anomor
	100		an from the U.S.		s?	☐ Yes	⊠ No	☐ Prefer not to answ		
TO VISUALEY	al comments		an monn and 0.0.		0.1		2, 110		011	
Additiona	ai comments	•								
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8				Pr	ivacy Act and	l Paperwork Reduc	ion Act Notic	ce		
do not rece you relative volunteer re do not prov information	eive it, and whe to your intere- eturn preparati- ride the reques requests. The	ether your respon st and/or particip on sites or outrea ted information, to OMB Control Nu	se is voluntary, requivation in the IRS voluitable activities. The infithe IRS may not be aumber for this study it	ired to obtain a bounteer income tax formation may also able to use your a is 1545-1964. Also	enefit, or manda preparation and o be used to es ssistance in the o, if you have ar	tory. Our legal right to outreach programs. The tablish effective control se programs. The Pape ny comments regarding	sk for informati e information ye s, send correspo rwork Reductio the time estima	ing for it, and how it will be use on is 5 U.S.C. 301. We are asl ou provide may be furnished to ondence and recognize volunte in Act requires that the IRS dis tes associated with this study IW, Washington, DC 20224	king for this information to to others who coordinate a eers. Your response is vo play an OMB control num	assist us in contacting ctivities and staffing at luntary. However, if you ber on all public
	mber 52121E					www.irs.gov		0.000,000,000,000,000,000,000,000,000,0	Farm 136	14-C (Rev. 10-2018

PAYER'S name, street address, or foreign postal code, and telept		state or province, country	, ZIP 1 Rents	OMB No. 1545-0115		
TOP CARS RIDE SHA	RE		\$	2018	Miscellaneous	
8009 PIKE CIR YOUR CITY, STATE 2	71D		2 Royalties	2010	Income	
TOOK CITT, STATE 2	-11		\$	Form 1099-MISC		
			3 Other income	4 Federal income tax withheld	0	
			\$	\$	Copy 1	
PAYER'S TIN 38-700XXXX	RECIP	227-00-XXXX	5 Fishing boat proceeds	6 Medical and health care payments	For State Tax Departmen	
			\$	\$		
AUSTIN DRAKE	a	usi	7 Nonemployee compensation	dividends or interest	of	
Street address (including apt. no.		$\mathbf{u} \mathbf{o} \mathbf{i}$	\$ 800.00	\$		
1551 CONCORD CIRC		ID or foreign postal code	9 Payer made direct sales of \$5,000 or more of consumer products to a buyer			
City or town, state or province, co		iP or foreign postal code	(recipient) for resale ► L	12	-	
YOUR CITY, STATE 2	IP		(   11)			
Account number (see inst	ructions)	FATCA filing requirement	13 Excess golden parachute payments	14 Gross proceeds paid to an attorney		
			\$	\$		
5a Section 409A deferrals	15b Se	ction 409A income	16 State tax withheld	17 State/Payer's state no.	18 State income	
	\$		\$		\$	
Φ.			1.36	1	1.75	

FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.	FILER'S TIN	OMB No. 1545-2205		
or foreign postal code, and telephone no.	38-700XXXX		Payment Card and	
TOP CARS RIDE SHARE	PAYEE'S TIN	2018	Third Party	
8009 PIKE CIR	227-00-XXXX		Network	
YOUR CITY, STATE ZIP	1a Gross amount of payment card/third party network transactions	40 Day 2000/0048	Transactions	
, and the second se	\$ 45,600	Form 1099-K	29	
	1b Card Not Present transactions	2 Merchant category of	code Copy B	
Check to indicate if FILER is a (an): Check to indicate transactions reported are:	\$		For Payee	
Payment settlement entity (PSE) Payment card	3 Number of payment	4 Federal income tax		
Electronic Payment Facilitator (EPF)/Other third party  Third party network	transactions	withheld \$	This is important tax information and is	
PAYEE'S name	5a January	5b February	being furnished to the IRS. If you are	
AUSTIN DRAKE	\$ 1,200		,800 required to file a	
	5c March	5d April	return, a negligence	
Street address (including apt. no.)	\$ 2,050		2,100 sanction may be	
4554 GONGODD GIDGI 5	5e May	5f June	imposed on you intaxable income	
1551 CONCORD CIRCLE	\$ 3,000 5g July	5h August	results from this transaction and the	
City or town, state or province, country, and ZIP or foreign postal code	\$ 8.800		IRS determines that i	
YOUR CITY, STATE ZIP	5i September	5i October	has not beer reported	
PSE'S name and telephone number	\$ 7.900		.000	
	5k November	5I December	1,000	
	\$ 700	\$ 1	,050	
Account number (see instructions)	6 State	7 State identification r	8 State income tax withheld	
			***************************************	

### **Advanced Scenario 7: Test Questions**

- **25.** What income must Austin report for his business on Schedule C, Profit or Loss From Business?
  - a. 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.
  - b. Only cash tip income from individual customers.
  - c. None. He must report all income from his ride share company as Other Income.
  - d. 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.)
  - a. \$12,263
  - b. \$14,753
  - c. \$15,979
  - d. \$20,274
- **27.** Which item(s) **can** be deducted by Austin as a business expense? (Select all that apply.)
  - a. Bottled water for customers
  - b. Safe driver fees
  - c. Lunch
  - d. GPS device fee
- 28. How does Austin's self-employment tax affect his tax return?
  - a. Austin's self-employment tax is not reported anywhere on Form 1040.
  - b. 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.
  - c. The self-employment tax is added to his other taxes and the full amount is deducted as an adjustment to income.
  - d. 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.
  - a. True
  - b. 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.

- 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**

- **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**

#### **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

### **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**

- **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

- 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**

- 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

- 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**

- **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

- 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 a 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**

- **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

## **Directions**

ns		
Rea	ad th	ne information for Fran Emerson beginning on page 61.
10.	Hea	ad of Household is Fran's most advantageous filing status.
	a.	True
	b.	False
11.	Но	w many qualifying persons does Fran have for the earned income credit?
	a.	0
	b.	1
	C.	2
	d.	3
12.		at is the amount of the child and dependent care credit Fran can claim on Form 1, Child and Dependent Care Expenses? \$
13.		e total amount of qualified educational expenses used in the calculation of Fran's 8 American opportunity credit is:
	a.	\$3,300
	b.	\$3,825
	C.	\$4,000
	d.	\$4,220
14.	Wh	at is the amount of Fran's individual shared responsibility payment? \$
15.	Wh	at is the amount of Fran's federal withholding? \$
16.		n's cancelled debt from Form 1099-C, Cancellation of Debt, must be included her federal income tax return as other income.
	a.	True
	b.	False
17.		n can use the higher education expenses exception to avoid the 10% addi- nal tax on the early distribution from her IRA on Form 5329, Additional Taxes on

a. Trueb. False

Qualified Plans (including IRAs) and Other Tax-Favored Accounts.

# **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
	ne 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
	ne net capital gain or loss reported on Schedule D, Capital Gains and Losses, is a $\sin 68$
a.	True
b.	False
	ne combined age used to calculate the taxable portion of the pension using the mplified Method is 129.
a.	True
b.	False
<b>22</b> . N	one of Matthew's Social Security income is taxable.
a.	True
b.	False
	ne Donnellys can split their refund using Form 8888, Allocation of Refund ncluding Savings Bond Purchases).
a.	True
b.	False
<b>24.</b> TI	ne total withholding on the tax return is \$4,146.
_	True
a.	

# **Advanced Scenario 7: Retest Questions**

# **Directions**

Ref	er to	the scenario information for Austin Drake, beginning on page 80.
25.	and	stin must report the income shown on Form 1099-MISC, Miscellaneous Income, I Form 1099-K, Payment Card and Third Party Network Transactions, and his h tip income from customers on Schedule C, Profit or Loss From Business.
	a.	True
	b.	False
26.		at is Austin's mileage expense deduction (at the standard mileage rate) for his iness as a ride share driver? \$ (Round to the nearest dollar.)
27.	Aus	stin <b>cannot</b> 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.		e Qualified Business Income (QBI) deduction does NOT reduce the income that sed to calculate self-employment taxes.
	a.	True
	b.	False
30.		f-employed health insurance deduction is claimed as an adjustment to income Schedule 1, Additional Income and Adjustments to Income.
	a.	True
	b.	False
31.	If A	ustin owes a balance due on his income tax return, he can pay with his credit d.
	a.	True
	b.	False

- 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

### **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

#### **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**

- 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

#### **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**

- **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

- 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

5.		w much can Marshall and Hope claim for mileage? \$ (Round to nearest dollar.)
6.	Ма	rshall 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.		w much can Marshall and Hope claim as their lodging expense?
8.	Wł	nich 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.		e cost for Marshall and Hope to ship their car falls into the category for moving usehold goods and personal effects.
	a.	True
	b.	False

### **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.



Form 13614-C

(October 2018)

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

Social security cards or ITIN letters for all persons on your tax return.

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

· Picture ID (such as valid driver's license) for you and your spouse.

You will need:

Department of the Treasury - Internal Revenue Service

Intake/Interview & Quality Review Sheet

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

· Please complete pages 1-3 of this form.

complete and accurate information.

You are responsible for the information on your return. Please provide

· If you have questions, please ask the IRS-certified volunteer preparer.

**OMB Number** 

1545-1964

□ No

□ No

ZIP code

☐ Yes ☒ No

☐ Yes ☒ No

☐ Yes 
☐ No

☐ Yes 
☐ No

Did the

taxpayer(s)

pay more than

half the cost of

maintaining a

home for this

person?

(yes/no)

☐ Yes

⊠ No

YOUR ZIP

Are you a U.S. citizen?

☐ Yes ☒ No

Did the

than \$4,150 than 50% of

taxpayer(s)

support for

this person? (yes/no/N/A)

provide more

Is your spouse a U.S. citizen?

X Yes

X Yes

State

YS

a. Full-time student

a. Full-time student

Did this

person

have less

of income?

(ves/no)

c. Legally blind

c. Legally blind

106

Chack		onriato ha	Page 2						
Yes	No		ox for each question in each section  Part III – Income – Last Year, Did You <i>(or Your Spouse)</i> Receive						
×			1. (B) Wages or Salary? (Form W-2) If yes, how many jobs did you have last year?						
	×		2. (A) Tip Income?						
	×		3. (B) Scholarships? (Forms W-2, 1098-T)						
	×		4. (B) Interest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV)						
	×		5. (B) Refund of state/local income taxes? (Form 1099-G)						
	X		6. (B) Alimony income or separate maintenance payments?						
	×		s) Self-Employment income? (Form 1099-MISC, cash)						
	×		8. (A) Cash/check payments for any work performed not reported on Forms W-2 or 1099?						
	×		(A) Income (or loss) from the sale of Stocks, Bonds or Real Estate? (including your home) (Forms 1099-S,1099-B)						
	×		D. (B) Disability income? (such as payments from insurance, or workers compensation) (Forms 1099-R, W-2)						
	×		11. (A) Retirement income or payments from Pensions. Annuities, and or IRA? (Form 1099-R)						
	X		12. (B) Unemployment Compensation? (Form 1099G)						
$\boxtimes$			13. (B) Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099)						
$\boxtimes$			14. (M) Income (or loss) from Rental Property?						
	×		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						
	X		1. (B) Alimony or separate maintenance payments? If yes, do you have the recipient's SSN?   Yes   No						
	X		2. Contributions to a retirement account?						
	$\boxtimes$		3. (B) College or post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T)						
	X		4. (A) Deductions:   Medical & Dental (including insurance premiums)  Mortgage Interest (Form 1098)						
			<ul> <li>☐ Taxes (State, Real Estate, Personal Property, Sales)</li> <li>☐ Charitable Contributions</li> </ul>						
	X		5. (B) Child or dependent care expenses such as daycare?						
	X		6. (B) For supplies used as an eligible educator such as a teacher, teacher's aide, counselor, etc.?						
	X		7. (A) Expenses related to self-employment income or any other income you received?						
	×		8. (B) Student loan interest? (Form 1098-E)						
Yes	No	Unsure	Part V - Life Events - Last Year, Did You (or Your Spouse)						
	X		1. (HSA) Have a Health Savings Account? (Forms 5498-SA, 1099-SA, W-2 with code W in box 12)						
	$\boxtimes$		2. (A) Have credit card or mortgage debt cancelled/forgiven by a lender or have a home foreclosure? (Forms 1099-C, 1099-A)						
	$\boxtimes$		3. (A) Adopt a child?						
	$\boxtimes$		4. (B) Have Earned Income Credit, Child Tax Credit or American Opportunity Credit disallowed in a prior year? If yes, for which tax year?						
	$\boxtimes$		5. (A) Purchase and install energy-efficient home items? (such as windows, furnace, insulation, etc.)						
	$\boxtimes$		6. (B) Live in an area that was declared a Federal disaster area? If yes, where?						
	X		7. (A) Receive the First Time Homebuyers Credit in 2008?						
	X		8. (B) Make estimated tax payments or apply last year's refund to this year's tax? If so how much?						
	×		9. (A) File a federal return last year containing a "capital loss carryover" on Form 1040 Schedule D?						
	$\boxtimes$		10. Receive a letter from the IRS?						
Catalor	a Niumb	per 52121E	www.irs.gov Form <b>13614-C</b> (Rev. 10-2018)						

								Page 3
Check appropriate box for each						~~		
Yes No Unsure Part VI - He			ar, did you, y	our spouse, or o	ependent(s	5)		
	health care cove	ŭ			-04/2-00-00			
	ive one or more of					Form 1095-C		
	coverage throug	(A)	8 85	5	0.70	CONTRACTOR CONTROL AND A CONTRACTOR		
	yes, were advan	10 .55				· ·		
	yes, Is everyone			A being claimed of	n this tax re	turn?		
□   🗵   □   4. (B) Have	an exemption gr	anted by the I	Marketplace?		S. 1201 S. 120	1 3 40 1961 1007 000000000	UMARON MARINO.	30 St 51 St 51
To be Completed by a Certified Vo	lunteer Preparer (	(Use Publication	4012 and ched	k the appropriate b	x(es) indicati	ng Minimum Essential Covera	age (MEC) for everyon	e listed on the return
Name	MEC All Year	No MEC	Mont	hs with MEC	Mo	nths with Exemption	Exempt All Year	Notes
Taxpayer			JFMAN	IJJASON	DJFM	AMJJASOND		
Spouse			JFMAN	IJJASON	DJFM	AMJJASOND		
Dependent			JFMAN	IJJASON	DJFM	AMJJASOND		
Dependent			JFMAN	JJASON	DJFM	AMJJASOND		
Dependent			JFMAN	JJASON	DJFM	AMJJASOND		
art VII – Additional Information	and Questions	Related to the	ne Preparation	n of Your Retur			30 H.	
If you are due a refund, would you life you have a balance due, wou lany free tax preparation sites our answers will be used only. Would you say you can carry or Would you say you can read a . Do you or any member of your . Are you or your spouse a Veter	Id you like to mak operate by rece for statistical pu n a conversation newspaper or boo household have a	iving grant murposes. in English, book in English? a disability?	⊠ No directly from y noney. The d	☐ Yes your bank accour ata from the follows:	⊠ No ? □ Ye wing ques	s ⊠ No tions may be used by the	⊠ No  is site to apply for  □ Not at all □ P  ot at all □ P  er	r these grants.
Additional comments		7		Д 100				
The Privacy Act of 1974 requires that whe do not receive it, and whether your respon	se is voluntary, requir	ion we tell you ou red to obtain a be	r legal right to as nefit, or mandato	ory. Our legal right to	hy we are ask	king for it, and how it will be used ion is 5 U.S.C. 301. We are ask	ing for this information to	assist us in contactin
rou relative to your interest and/or particip rolunteer return preparation sites or outrest to not provide the requested information, information requests. The OMB Control No please write to the Internal Revenue Servi	ach activities. The info the IRS may not be al umber for this study is	ormation may also ble to use your as s 1545-1964. Also	be used to esta ssistance in these o, if you have any	blish effective control e programs. The Pape comments regarding	, send corresp work Reduction the time estimate	ondence and recognize volunte on Act requires that the IRS disp ates associated with this study of	ers. Your response is vo lay an OMB control num or suggestion on making	luntary. However, if y ber on all public this process simpler,
Catalog Number 52121E				www.irs.gov			Form 136	614-C (Rev. 10-20)

	The second secon	's social security number	OMB No. 154	5-0008	Safe, accurate, FAST! Use	≁file		e IRS website at s.gov/efile
b Employer identification numb 40-600XXXX	oer (EIN)			1 Wa	ages, tips, other compensation 8,500.00	2 Federa	520.00	ax withheld
c Employer's name, address, a	ind ZIP code			547.000	8,500.00	4 Social	security to 527.0	ax withheld
DFAS P.O. BOX 9999	200.40				edicare wages and tips 8,500.00	6 Medic	123.2	
IOWA CITY, IOWA 5	2240				ocial security tips	8 Allocat		
d Control number					erification code	10 Depen		2012/00/00/2017/00
e Employee's first name and in		e	Suff.		onqualified plans	. Q		for box 12 250.00
902 ALLEN STREE	Ť			em	atutory Retirement Third-part sick pay	Code		
YOUR CITY, STATE	E ZIP			14 Ot	her	12c		
f Employee's address and ZIP	code					12d		
15 State Employer's state ID YS 40-600XXXX	SANTA SANTA	16 State wages, tips, etc. 8,500.00	17 State incom	ne tax	18 Local wages, tips, etc.	19 Local inco	me tax	20 Locality name
W_9 Wage								

FORM SSA-1099 - SOCIAL SECURITY BENEFIT STATEMENT • PART OF YOUR SOCIAL SECURITY BENEFITS SHOWN IN BOX 5 MAY BE TAXABLE INCOME. PART OF YOUR SOURL SEETHEREVERSE FOR MORE INFORMATION.

 SEE THE REVERSE FOR MORE INFORMATION.

 SEETHEREVERSE FOR MORE INFORMATION.

 SEETHERE FOR MORE INFORMATION.

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

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

# **Military Scenario 4: Test Questions**

<b>10.</b> Alvin a	and Kelly's 2018 return is due April 15, 2019.
a. Tri	ле
b. Fa	lse
<b>11.</b> Alvin's	rental income is reported on which schedule?
a. So	chedule C, Profit or Loss from Business or C-EZ, Net Profit from Business
b. Sc	hedule D, Capital Gains and Losses
c. Sc	hedule E, Supplemental Income and Loss
d. Sc	hedule F, Profit or Loss From Farming
	s the amount of rental expenses Alvin and Kelly can claim on their joint  ? \$
<b>13.</b> Comba	at pay is included in box 1 of Form W-2, Wage and Tax Statement.
a. Tro	Je
b. Fa	lse
	s the amount of earned income credit the Blackburns are eligible to claim?
<b>15.</b> Comba	at pay (Select all that apply.)
a. Is	reported on Form W-2, box 12a, Code Q
b. Ca	an be used to calculate the child tax credit
c. Ca	an be used to calculate the earned income credit
d. Is	taxable income

# **Military Course Retest Questions**

#### **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

## **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 1and 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**

- 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

#### **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**

- 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

- 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**

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

# **Directions**

Ref	er to	the scenario information for Alvin and Kelly Blackburn beginning on page 103.
10.	pay	ividuals serving in a combat zone receive an extension to file their return and their tax. The deadline is extended for 180 days plus the number of days left to e action when they entered the combat zone.
	a.	True
	b.	False
11.	and	e net rental income (rental income minus expenses) is figured using Schedule E d reported as rental income on Form 1040, Schedule 1, Additional Income and ustments to Income.
	a.	True
	b.	False
12.	Alv	in 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.		at is the correct amount reported as wages on Form 1040, U.S Individual ome Tax Return \$
14.	Wh	at is the amount of the Blackburn's earned income credit?
	a.	\$1,285
	b.	\$2,466
	C.	\$2,899
	d.	\$3,400
15.	Coı	mbat pay is never taxable to most soldiers.
	a.	True
	b.	False

# International Course Scenarios and Test Questions

# **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

- 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**

- 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

#### **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**

- **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

#### **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.

- 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 depart
      - ment 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.

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Form <b>13614-C</b> (October 2018)		Inta				ury - Interna Qualit			Sheet			OMB Number 1545-1964			
You will need:  Tax Information such a: Social security cards or Picture ID (such as valid	ITIN letters f	or all perso	ns on yo	ur tax r ur spou	eturn. ise.	You are complete.	re responete and	nsible fo	1-3 of this for the informa information. please ask th	tion on you					
	20000000 200000 1000	To repo	rt unethi	cal beh	avior to t	he IRS, e	mail us a	at <u>wi.volt</u>	ighest ethica ax@irs.gov	l standards	•				
Part I – Your Personal Inform	nation (If you				our name	es in the s	ame orde		<u> </u>						
Your first name     YOLANDA		M.I.	Last n					2.0	Daytime telepl OUR PHONE		r Are yo	ou a U.S. cit	izen? No		
2. Your spouse's first name		M.I.	Last n	S 10 M 14					Daytime telepl		-	ır spouse a l	J.S. citizen? No		
3. Mailing address							City				State		IP code		
491 WOLFRAMSTRASSE, 35				6	l aat waar	1.7	STUTTG	ARI		o Full	GERN		7600		
4. Your Date of Birth 11/15/1972	5. Your job	ille ENT EMPLO	YFF			, were you nd perman		abled [	☐ Yes 💢 N		time stud ally blind		es ⊠ No es ⊠ No		
7. Your spouse's Date of Birth						, was your			] 162 V		time stud		es 🗆 No		
7. Tour spouse a Bate of Birtin	o. rour spo	ase s job title	•	100		nd perman			Yes N		ally blind	.c □ Y			
10. Can anyone claim you or y	our spouse as	a depender	nt?	Yes	⊠ No	☐ Unsu	•	anica L	J 100 LJ 1		,				
11. Have you, your spouse, or								dentity	Protection PIN	1?		□ Y	es 🛭 No		
Part II - Marital Status and	Household	Information	on									1074724			
1. As of December 31, 2018, v	vhat ⊠ Ne	ever Married	(Th	is inclu	des regist	ered dom	estic parl	tnerships	civil unions,	or other form	al relatio	nships unde	er state law)		
was your marital status?	☐ Ma	arried	a. If	Yes, Did	d you get	married in	2018?					Yes 🗌 N	0		
				The second second			during a	any part o	f the last six n	nonths of 20	18?	Yes $\square$ N	0		
		vorced			al decree			10 ×							
		egally Separa				aintenanc	e agreen	nent							
	□ W	idowed	Υe	ear of sp	ouse's de	eath		-							
List the names below of:     everyone who lived with year.	ou last year (o	ther than yo	ur spouse	e)				If a	dditional spac	e is needed	check he	ere 🗌 and li	st on page 3		
anyone you supported but									TO A STATE OF THE PARTY OF THE				er Preparer		
Name (first, last) Do not enter your name or spouse's name below	Date of Birth (mm/dd/yy)	to you (for example: son,	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)	Student	Totally and Permanen Disabled (yes/no)		person provide more than 50% of his/	old this person pave 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?		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)		(yes/no)			(yes/no)		
-															
Catalog Number 52121E					www.ir	s.gov					Fo	rm 13614-0	(Rev. 10-2018		

	3		Page 2
-	• • •	•	ox for each question in each section
Yes			Part III - Income - Last Year, Did You (or Your Spouse) Receive
×			1. (B) Wages or Salary? (Form W-2) If yes, how many jobs did you have last year? (One W-2, and her foreign income)
	×		2. (A) Tip Income?
	×		3. (B) Scholarships? (Forms W-2, 1098-T)
×			4. (B) Interest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV)
	X		5. (B) Refund of state/local income taxes? (Form 1099-G)
	X		6. (B) Alimony income or separate maintenance payments?
	X		7. (A) Self-Employment income? (Form 1099-MISC, cash)
	×		8. (A) Cash/check payments for any work performed not reported on Forms W-2 or 1099?
	×		9. (A) Income (or loss) from the sale of Stocks, Bonds or Real Estate? (including your home) (Forms 1099-S,1099-B)
	×		10. (B) Disability income? (such as payments from insurance, or workers compensation) (Forms 1099-R, W-2)
	×		11. (A) Retirement income or payments from Pensions. Annuities, and or IRA? (Form 1099-R)
	X		12. (B) Unemployment Compensation? (Form 1099G)
	×		13. (B) Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099)
	×		14. (M) Income (or loss) from Rental Property?
<u>×</u>		🗆	15. (B) Other income? (gambling, lottery, prizes, awards, jury duty, Sch K-1, royalties, foreign income, etc.) Specify Foreign Income
Yes	No	Unsure	20 6 5 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6
	×		1. (B) Alimony or separate maintenance payments? If yes, do you have the recipient's SSN?
	X		2. Contributions to a retirement account?
	×		3. (B) College or post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T)
	×		4. (A) Deductions:   Medical & Dental (including insurance premiums)  Mortgage Interest (Form 1098)
			☐ Taxes (State, Real Estate, Personal Property, Sales) ☐ Charitable Contributions
	X		5. (B) Child or dependent care expenses such as daycare?
	X		6. (B) For supplies used as an eligible educator such as a teacher, teacher's aide, counselor, etc.?
	×		7. (A) Expenses related to self-employment income or any other income you received?
	×		8. (B) Student loan interest? (Form 1098-E)
Yes	No	Unsure	Part V – Life Events – Last Year, Did You (or Your Spouse)
	X		1. (HSA) Have a Health Savings Account? (Forms 5498-SA, 1099-SA, W-2 with code W in box 12)
	×		2. (A) Have credit card or mortgage debt cancelled/forgiven by a lender or have a home foreclosure? (Forms 1099-C, 1099-A)
	×		3. (A) Adopt a child?
	×		4. (B) Have Earned Income Credit, Child Tax Credit or American Opportunity Credit disallowed in a prior year? If yes, for which tax year?
	×		5. (A) Purchase and install energy-efficient home items? (such as windows, furnace, insulation, etc.)
	×		6. (B) Live in an area that was declared a Federal disaster area? If yes, where?
	×		7. (A) Receive the First Time Homebuyers Credit in 2008?
	×		8. (B) Make estimated tax payments or apply last year's refund to this year's tax? If so how much?
	×		9. (A) File a federal return last year containing a "capital loss carryover" on Form 1040 Schedule D?
			10. Receive a letter from the IRS?
Catalog	n Numb	er 52121E	www.irs.gov Form <b>13614-C</b> (Rev. 10-2018)

										Page 3
Check a	ppropriate	box for each	question in ea	ch section						
Yes N	o Unsure				ar, did you, yo	ur spouse, or d	ependent(	s)		
		1. (B) Have	health care cov	erage?						
	<b>⋈</b> □	2. (B) Recei	ve one or more	of these forms	s? (Check the b	ox) 🗌 Form 1	)95-B □	Form 1095-C		
	☑ □				,	e)? [Provide For				
		8.5	ā i	200		help you pay yo		*		
		32 - 42	.5			being claimed o	n this tax re	eturn?		
	✓ □	4. (B) Have	an exemption g	ranted by the	Marketplace?					
To be C	ompleted by	a Certified Vo	lunteer Preparer	(Use Publication	n 4012 and check	the appropriate bo	x(es) indicati	ng Minimum Essential Cover	age (MEC) for everyor	e listed on the return.
	Name	N.	MEC All Year	No MEC	Month	s with MEC	Mo	onths with Exemption	Exempt All Year	Notes
Taxpaye	er				JFMAM	JJASON	DJFM	AMJJASOND		
Spouse	)				JFMAM	JJASON	DJFM	AMJJASOND		
Depend	ent				JFMAM	JJASON	DJFM	AMJJASOND		
Depend	ent				JFMAM	JJASON	DJFM	AMJJASOND		
Depend	ent				JFMAM	JJASON	DJFM	AMJJASOND		
Part VII	<ul> <li>Additional</li> </ul>	al Information	and Question	s Related to t	he Preparation	of Your Return			X 2	
4. If you Many fre Your an 5. Would 6. Would 7. Do yo 8. Are yo	have a bala ee tax prep swers will l I you say yo I you say yo u or any me	aration sites be used only ou can carry or ou can read a r ember of your l pouse a Veter	ld you like to ma operate by reco for statistical p	eiving grant nourposes. In in English, book in English? In disability?	⊠ No     directly from you noney. The date oth understanding?	☐ Yes our bank account ta from the following & speaking?	⊠ No? ? □ Yewing ques	es 🗵 No stions may be used by t	Mo No No his site to apply fo  ☐ Not at all ☐ Pot at all ☐ Per	r these grants.
do not rece you relative volunteer r do not prov information	eive it, and whe e to your intere eturn preparativide the reques n requests. The	ether your responsest and/or participation sites or outrea sted information, to MB Control Nu	se is voluntary, requivation in the IRS volunch activities. The interest in the IRS may not be author for this study	tion we tell you or irred to obtain a be inteer income tax formation may als able to use your a is 1545-1964. Als	ur legal right to ask enefit, or mandaton preparation and ou to be used to estab essistance in these o, if you have any o	<ul> <li>Our legal right to a treach programs. Th ish effective controls programs. The Pape omments regarding</li> </ul>	thy we are as sk for informa e information y , send corresp work Reduction he time estime	ice  king for it, and how it will be use tion is 5 U.S.C. 301. We are as you provide may be furnished to condence and recognize volunt on Act requires that the IRS dis ates associated with this study NW, Washington, DC 20224	king for this information to o others who coordinate a eers. Your response is vo play an OMB control nun	o assist us in contacting activities and staffing at oluntary. However, if you ober on all public
	umber 52121E		Se, Tax Floducis Co	ordinating Collins		vw.irs.gov	stitution Ave. I	1111, 114311111gton, DC 20224	Form 13	614-C (Rev. 10-2018

	a Employee's social security number 510-00-XXXX	OMB No. 1545	-0008	Safe, accurate, FAST! Use		it the IRS website at w.irs.gov/efile
b Employer identification number ( 42-500XXXX			1 Wa	ges, tips, other compensation 60,000.00	2 Federal inco	me tax withheld 7,000.00
c Employer's name, address, and US CONSULATE 3000 BAHNHOFSTRAS				60,000.00 dicare wages and tips	4 Social secur  6 Medicare ta:	3,720.00
87600 KAUFBEUREN,			7 Soc	60,000.00 cial security tips	8 Allocated tip	870.00
d Control number			9 Ver	ification code	10 Dependent	care benefits
e Employee's first name and initial	Last name	Suff.		nqualified plans	12a See instruc	5,400.00
YOLANDA LAWSON 491 WOLFRAMSTRAS 35510 BAD CANNSTA STUTTGART, GERMAI	TT NY		14 Oth	loyée plan sick pay	12c	
15 State Employer's state ID num	ber 16 State wages, tips, etc.	17 State incom	e tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name
	d Tax nt  Dloyee's FEDERAL Tax Return. ed to the Internal Revenue Service.	2018		Department	of the Treasury – Inte	rnal Revenue Service

## **International Scenario 3: Test Questions**

- 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**

#### **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

- 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**

- 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

#### **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**

- **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

### **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**

#### **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**

#### **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**

- 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**

#### **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**

- 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

#### **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**

- **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

#### **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**

- **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

#### **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.

- 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.



Form <b>13614-C</b> (October 2018)		Int			iew &	일(경투) - 기업시장시합() (1)		Service view S	heet				Number 5-1964
You will need:  • Tax Information such as  • Social security cards or  • Picture ID (such as valid	ITIN letters for driver's lice	or all personse) for yo	ons on you	ur spo	use.	You are compl     If you	e respond ete and have qu	nsible for accurate in estions, pl	l-3 of this fo the informa nformation. ease ask th	tion on you	ified volu	10 STATE OF THE ST	
	35641037515103370	To repo	ort unethi	cal bel	navior to	the IRS, e	mail us	at wi.volta			s.		
Part I – Your Personal Inform	ation (If you a	are filing a j	oint return	, enter	your name	es in the s	ame ord	er as last y	ear's return)		34		
Your first name     PEGGY		M.I.	Last na						aytime telepi OUR PHONE		er Are yo	ou a U.S. c	itizen? ⊒ No
2. Your spouse's first name		M.I.	Last na	ame				Da	aytime telep	none numb	er Is you Ye		U.S. citizen? ☐ No
3. Mailing address 65421 SW 17TH ST		,					City OUR CI	TY			State YS	120	ZIP code YOUR ZIP
4. Your Date of Birth	5. Your job t	itle		6.	Last year	, were you	ı:			a. Ful	I-time stud	lent 🗆	Yes 🛛 No
05/20/1969	MANAGER			b.	Totally ar	nd perman	ently disa	abled 🗌	Yes X N	lo c. Leg	gally blind		Yes 🛛 No
7. Your spouse's Date of Birth	8. Your spou	ıse's job titl	le	9.	Last year	, was you	spouse	:		a. Ful	I-time stud	lent 🗌	Yes 🗌 No
2				b.	Totally ar	nd perman	ently disa	abled	Yes 🗆 N	lo c. Leg	gally blind		Yes 🗌 No
10. Can anyone claim you or yo	our spouse as	a depende	ent?	Yes	⊠ No	☐ Unst	ıre			MARKET MARKET	•		10. 10. 10. 10. 10. 10. 10. 10. 10. 10.
11. Have you, your spouse, or						t or been i	ssued ar	Identity P	rotection PIN	1?			Yes 🛛 No
Part II - Marital Status and										(5.82%)			
1. As of December 31, 2018, w	hat 🛛 Ne	ver Marrie	d (Th	is inclu	ides regist	ered dom	estic par	tnerships, o	ivil unions,	or other for	mal relatio	nships und	der state law)
was your marital status?	☐ Ma	rried	a. If	Yes, Di	id you get	married in	2018?	•				Yes 🗆	No
	1,							any part of t	he last six n	nonths of 20	018?	Yes	No
	☐ Div	orced			nal decree							denses s <del>i d</del> us	
	☐ Le	gally Separ	rated Da	ate of s	eparate m	aintenanc	e agreen	nent					
		dowed		ar of s	pouse's de	eath				7.5			
2. List the names below of:						PROMING.		96.21 120	100 M	)) 20. ASS 1	W CV III 2042		Approximation of the contract
everyone who lived with your	ou last vear (o	ther than vo	our spouse	e)				If ad	ditional spac	e is neede	d check he	ere 🗌 and	list on page 3
anyone you supported but				,					To be co	mpleted b	y a Certif	ied Volunt	eer Preparer
Name (first, last) Do not enter your name or spouse's name below	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, lived in your home						Full-time Student last year (yes/no)	Totally and Permanently Disabled (yes/no)	Is this	Did this person provide more than	Did this person have less than \$4,150 of income?	Did the taxpayer(s) provide mor	Did the taxpayer(s) pay more than
		daughter, parent, none, etc)	last year	500000	(yes/no)	£200000	10000	549.3.1	person? (yes/no)	her own support?	(yes/no)	this person? (yes/no/N/A	home for this
2500		(c)	(d)	(e)	(f)	(g)	(h)	(i)		(yes/no)			
(a)	(b)	- 100											(yes/no)
(a) MARCUS WALKER	(b) 01/18/2007	SON	12	YES	YES	S	YES	NO					(yes/no)
		- 100	12	YES	YES	S	YES	NO					(yes/no)
		- 100	12	YES	YES	S	YES	NO					(yes/no)

	ick cometate			age 2
Check	k appr	opriate b	ox for each question in each section	
Yes	No	Unsure	Part III - Income - Last Year, Did You (or Your Spouse) Receive	
×			1. (B) Wages or Salary? (Form W-2) If yes, how many jobs did you have last year? 1	
	X		2. (A) Tip Income?	
	X		3. (B) Scholarships? (Forms W-2, 1098-T)	
	X		4. (B) Interest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV)	
	X		5. (B) Refund of state/local income taxes? (Form 1099-G)	
	X		6. (B) Alimony income or separate maintenance payments?	
	X		7. (A) Self-Employment income? (Form 1099-MISC, cash)	
	×		8. (A) Cash/check payments for any work performed not reported on Forms W-2 or 1099?	
	×		9. (A) Income (or loss) from the sale of Stocks, Bonds or Real Estate? (including your home) (Forms 1099-S,1099-B)	
	X		10. (B) Disability income? (such as payments from insurance, or workers compensation) (Forms 1099-R, W-2)	
	×		11. (A) Retirement income or payments from Pensions. Annuities, and or IRA? (Form 1099-R)	
	X		12. (B) Unemployment Compensation? (Form 1099G)	
	×		13. (B) Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099)	
	×		14. (M) Income (or loss) from Rental Property?	
		×	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	7,5
	×		1. (B) Alimony or separate maintenance payments? If yes, do you have the recipient's SSN?	
	×		2. Contributions to a retirement account?   IRA (A)   Roth IRA (B)   Other	
	×		3. (B) College or post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T)	
	X		4. (A) Deductions:	
			☐ Taxes (State, Real Estate, Personal Property, Sales) ☐ Charitable Contributions	
	X		5. (B) Child or dependent care expenses such as daycare?	
	X		6. (B) For supplies used as an eligible educator such as a teacher, teacher's aide, counselor, etc.?	
	×		7. (A) Expenses related to self-employment income or any other income you received?	
	X		8. (B) Student loan interest? (Form 1098-E)	
Yes	No	Unsure	Part V – Life Events – Last Year, Did You (or Your Spouse)	
$\boxtimes$			1. (HSA) Have a Health Savings Account? (Forms 5498-SA, 1099-SA, W-2 with code W in box 12)	
	×		2. (A) Have credit card or mortgage debt cancelled/forgiven by a lender or have a home foreclosure? (Forms 1099-C, 1099-A)	
	X		3. (A) Adopt a child?	
	×		4. (B) Have Earned Income Credit, Child Tax Credit or American Opportunity Credit disallowed in a prior year? If yes, for which tax year?	
	×		5. (A) Purchase and install energy-efficient home items? (such as windows, furnace, insulation, etc.)	
	×		6. (B) Live in an area that was declared a Federal disaster area? If yes, where?	
	X		7. (A) Receive the First Time Homebuyers Credit in 2008?	
	$\boxtimes$		8. (B) Make estimated tax payments or apply last year's refund to this year's tax? If so how much?	
	×		9. (A) File a federal return last year containing a "capital loss carryover" on Form 1040 Schedule D?	
	×		10. Receive a letter from the IRS?	
Catalo		ber 52121E	www.irs.gov Form <b>13614-C</b> (Rev. 10-	-2018)

															Page 3
Chec	k app	ropriate	box for each	question in ea	ch section										
Yes	No	Unsure	Part VI - Hea	alth Care Cover	age - Last ye	ar, did yo	u, yo	ur spous	e, or de	endent	t(s)				
X			1. (B) Have	health care cove	erage?										
	X		2. (B) Rece	eive one or more	of these forms	? (Check	the b	ox)	Form 109	5-B [	☐ Form 1095-C				
	X		3. (A) Have	coverage throug	gh the Marketp	olace (Exc	hange	e)? [Prov	ide Form	1095-A]	]				
			3a. (A) If	f yes, were adva	nce credit pay	ments ma	de to	help you	pay your	health o	care premiums?				
			3b. (A) It	f yes, Is everyone	e listed on you	ir Form 10	95-A	being cla	imed on	this tax i	return?				
	X		4. (B) Have	an exemption g	ranted by the l	Marketpla	ce?								
To b	Com	pleted by	a Certified Vo	olunteer Preparer	(Use Publication	1 4012 and	check	the appro	oriate box(	es) indica	ating Minimum Esse	ntial Covera	ige (MEC) for ever	yone list	ted on the return.)
		Name		MEC All Year	No MEC	N.	1onths	s with ME	C	M	Nonths with Exem	otion	Exempt All Yea	ır	Notes
Тахр	ayer					J F M	A M	JJAS	OND	JFN	MAMJJAS	OND			
Spot	se					J F M	A M	JJAS	OND	JFN	MAMJJAS	OND			i i
Depe	Dependent JFMAMJJASOND JFMAMJJASOND														
Depe	Dependent JFMAMJJASOND JFMAMJJASOND														Î
Depe	ndent	t				J F M	A M	JJAS	OND	JFN	MAMJJAS	OND			Î
Part '	/II – <i>F</i>	Additiona	al Information	n and Questions	Related to t	he Prepa	ration	of Your	Return						165
1. Pro	vide a	an email	address (option	onal) (this email a	address will no	ot be used	for co	ontacts fi	om the Ir	ternal R	Revenue Service)				(5)
2. Pre	siden	itial Elect	ion Campaign	Fund (If you che	eck a box, you	ır tax or re	fund i	will not c	nange)						70
Ch	eck he	ere if you	, or your spou	ise if filing jointly,	want \$3 to go	to this fu	nd	$\bowtie$	You	□ S	Spouse				
3. If y	ou are	e due a re	efund, would y		Direct deposit  ☐ Yes	t ⊠ No			purchase Yes	U.S. Sa	avings Bonds c. No	To split yo	our refund betwe	en diffe	erent accounts
4. If y	ou ha	ve a bala	ince due, wou	ıld you like to ma	ke a payment	directly fr	om yo	our bank	account?	□ Y	′es ⊠ No				
				operate by rece for statistical p		noney. Th	e dat	a from t	ne follow	ing que	estions may be u	sed by th	is site to apply	for the	ese grants.
			- 5	1.5		th unders	tandir	ng & spea	aking?	Very v	well   Well	Not well	☐ Not at all ☐	Prefe	r not to answer
6. Wo	uld yo	ou say yo	u can read a	newspaper or bo	ook in English?	?		▼ Very	well [	Well	☐ Not well	☐ No	t at all	Prefe	r not to answer
7. Do	you c	or any me	mber of your	household have	a disability?			☐ Yes	D	No	☐ Prefer no	to answe	er		
8. Are	you	or your s	pouse a Veter	ran from the U.S.	Armed Force	s?		☐ Yes	D	No	☐ Prefer no	to answe	er		
Addit	onal o	comment	S												
=															
8															17
<u> </u>					Pr	ivacy Act	and Pa	aperwork	Reductio	n Act No	otice				***
do not you rel volunte do not informa	receive ative to er retur provide ation re	e it, and when your interest rn preparate the request quests. The	ether your respon est and/or particip ion sites or outrea sted information, e OMB Control No	nse is voluntary, requivation in the IRS volunted activities. The infection the IRS may not be a sumber for this study is	ired to obtain a be nteer income tax p formation may als able to use your a s 1545-1964. Also	enefit, or ma preparation o be used to ssistance in o, if you have	ndatory and out establ these p e any c	r. Our legal treach prog ish effective programs. To omments re	right to ask rams. The i e controls, s he Paperw egarding the	for inform nformation end corre- ork Reduc time estin	asking for it, and how in ation is 5 U.S.C. 301. In you provide may be spondence and recognition Act requires that mates associated with . NW, Washington, Do	We are aski furnished to nize volunte the IRS disp this study o	ing for this information others who coordinates. Your response it lay an OMB controlor or suggestion on male	on to assi te activit s volunta number c	ist us in contacting ies and staffing at ary. However, if you on all public process simpler,

	а Етр	loyee's social security number 441-00-XXXX	OMB No. 1545	-0008	Safe, accurate, FAST! Use		t the IRS website at w.irs.gov/efile						
b Employer identification number (EIN)			1 Wages, tips, other compensation		2 Federal income tax withheld								
44-100XXXX				34,620.00		2,369.00							
c Emplo	oyer's name, address, and ZIP code			3 Social security wages 34,620.00 5 Medicare wages and tips 34,620.00		4 Social security tax withheld 2,146.44							
WILL	IAMS MANUFACTURIN	G											
2520	AUSTIN BLVD					6 Medicare tax	6 Medicare tax withheld						
YOU	R CITY, STATE ZIP					501.99							
	5,9			7 So	cial security tips	8 Allocated tip	S						
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							
						§ w	600.00						
PEGGY WALKER 65421 SW 17TH ST YOUR CITY, STATE ZIP				13 Statutory employee plan sick pay  14 Other		12b							
								000	000				
								12d					
												000	
						f Emplo	yee's address and ZIP code						2000
15 State	Employer's state ID number 44-100XXXX	16 State wages, tips, etc. 34,620.00	17 State incom	e tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name						
		*****	-										
V	V-2 Wage and Tax Statement	7	ם ז. ם כ		Department of	of the Treasury-Inte	rnal Revenue Servic						
orm =	- Statement			200									

country, ZIP or foreign postal	ISTEE OF AMERICA		OMB No. 1545-1517  2018  Form 1099-SA	Distributions From an HSA Archer MSA, o Medicare Advantage MSA
PAYER'S TIN 44-400XXXX	RECIPIENT'S TIN 441-00-XXXX	1 Gross distribution \$ 1,480.00	2 Earnings on excess o	cont. Copy E
RECIPIENT'S name  PEGGY WALKER  Street address (including apt. no.)  65421 SW 17TH STREET  City or town, state or province, country, and ZIP or foreign postal code  YOUR CITY, STATE ZIP  Account number (see instructions)		3 Distribution code  1 5 HSA X Archer MSA	4 FMV on date of death	This information
		MA MSA		is being furnished to the IRS
	WAR.			
Form <b>1099-SA</b>	(keep for your records)	www.irs.gov/Form1099SA	Department of the Tre	asury - Internal Revenue Service

	a.	True
	b.	False
13.	Но	w much of Peggy's HSA distribution is taxable?
	a.	\$0
	b.	\$125
	C.	\$140
	d.	\$200
14.	The	e amount of qualified medical expenses reported on Form 8889, line 15 is
15.	Wh	at is the amount of the additional 20% tax reported on Form 8889, line 17b?
	a.	\$0
	b.	\$40
	C.	\$108
	d.	\$188

**12.** The amount of Peggy Walker's HSA deduction on Form 8889, line 13 is \$2,500.

# **Health Savings Accounts – Retest Questions**

#### **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**

#### **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**

- **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**

### **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**

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 \$

#### **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**

- 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

#### **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**

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

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

## **HSA Scenario 5: Retest Questions**

- 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**

•		
1.		te and Shirley are filing a joint return. They have two dependent children. What is total amount of their exemptions for tax year 2018?
	a.	\$0
	b.	\$4,050
	C.	\$8,100
	d.	\$16,200
2.		and Martha are filing a joint return. They are both over 65 years old. Neither of em are blind. What is their standard deduction?
	a.	\$0
	b.	\$12,000
	C.	\$24,000
	d.	\$26,600
3.	Sa	rah's divorce was finalized on March 4, 2018. As ordered in the divorce decree, rah received \$14,000 in alimony for the year. Sarah is not required to include any the alimony income on her tax return.
	a.	True
	b.	False
4.		Ns that have not been used on a federal tax return at least once in the lastnsecutive 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)?
  - a. The deduction changes the calculation of self-employment tax.
  - b. Taxable income is not reduced below zero by the deduction.
  - c. The deduction is limited for higher incomes and for specified service trades or businesses.
  - d. 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.

		verage is considered unaffordable if the individual's <b>required contribution</b> is re than of household income.
	a.	8.05%
	b.	8.12%
	C.	8.16%
	d.	8.20%
7.		spayers who itemize their deductions for tax year 2018 are subject to a AGI eshold for medical and dental expenses.
	a.	0%
	b.	2%
	C.	7.5%
	d.	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.

#### **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.



Form <b>13614-C</b> (October 2018)	Department of the Treasury - Internal Revenue Ser							Sheet	8		OMB Number 1545-1964				
You will need:  • Tax Information such as  • Social security cards or  • Picture ID (such as valid	ITIN letters i d driver's lice	for all pers ense) for y	ons on you	ur spot	ıse.	You are comple     If you i	e responence responence end and and and and and and and and and a	ete pages nsible for accurate i estions, p	the info nformat lease as	rmati tion. sk the	on on yo	tified vo			
			ort unethi	cal beh	avior to	he IRS, er	nail us a	at <u>wi.volta</u>	x@irs.g	jov	standard	ds.			
Part I – Your Personal Inform	nation (If you			-	your nam	es in the sa	ame orde								
Your first name  FRAN		M.I.	ROLL					200	aytime to		one numl #		you a Yes	U.S. citiz	zen? No
2. Your spouse's first name		M.I.	Last n	ame				D	aytime to	elepho	one numl		Is your spouse a U.S. citizen?  Yes No		
3. Mailing address 300 DAKOTA CIRCLE			-				ity OUR CI	TY				Sta YS	ite	7777	our zip
4. Your Date of Birth	5. Your job	title		6.	Last year	, were you	:				a. Fu	ıll-time s	tudent	☐ Ye	s 🛭 No
04/15/1975	MANAGEM	ENT ASSIS	STANT	b.	Totally ar	nd permane	ently disa	abled [	Yes )	⊠ No	c. Le	gally blir	nd	☐ Ye	s 🛛 No
7. Your spouse's Date of Birth	8. Your spo	use's job tit	le	9.	Last year	, was your	spouse:				a. Fu	ıll-time s	tudent	☐ Ye	s 🗌 No
				b.	Totally ar	nd permane	ently disa	abled [	Yes	□ No	c. Le	gally blir	nd	☐ Ye	s 🗆 No
10. Can anyone claim you or yo	our spouse as	s a depende	ent?	Yes	⊠ No	Unsu	re								
11. Have you, your spouse, or	dependents b	een a victir				t or been is	sued an	Identity F	rotection	PIN?	>			☐ Ye	s 🛭 No
Part II - Marital Status and			THE RESERVE OF THE PROPERTY OF THE PARTY OF	***************************************											
Part II – Marital Status and 1. As of December 31, 2018, w	Household		ion		300 11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1			tnerships,			other fo	rmal rela	ationshi	ps under	
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								Page 3
Check appropriate box for each								
Yes No Unsure Part VI - He			ar, did you, y	our spouse, or	lependent	(s)		
	health care cov	(574)						
, , ,				box)   Form		☐ Form 1095-C		
				ge)? [Provide Fo				
				o help you pay y				
				A being claimed	on this tax r	eturn?		
□ X □ 4. (B) Have	an exemption g	ranted by the I	Marketplace?					
To be Completed by a Certified Vo	olunteer Preparer	(Use Publication	4012 and che	ck the appropriate b	ox(es) indica	ting Minimum Essential Covera	age (MEC) for everyon	e listed on the return.
Name	MEC All Year	No MEC		hs with MEC		onths with Exemption	Exempt All Year	Notes
Taxpayer			JFMAN	IJJASON	DJFN	M A M J J A S O N D		
Spouse			JFMAN	IJJASON	DJFN	1 A M J J A S O N D		
Dependent			JFMAN	IJJASON	DJFN	1 A M J J A S O N D	ľ	
Dependent		î l	JFMAN	IJJASON	DJFN	1 A M J J A S O N D		
Dependent			JFMAN	IJJASON	DJFN	1 A M J J A S O N D		
Part VII – Additional Information	n and Question	s Related to the	ne Preparation	on of Your Retu	n		*	
4. If you have a balance due, wou Many free tax preparation sites Your answers will be used only 5. Would you say you can carry o 6. Would you say you can read a 7. Do you or any member of your 8. Are you or your spouse a Veter	operate by reco for statistical p n a conversation newspaper or bo household have	eiving grant mourposes. In in English, book in English? In disability?	noney. The d	ata from the fol	owing que	es ⊠ No stions may be used by the	☐ Not at all ☐ P ot at all ☐ P er	
Additional comments						4155		
TL D		930130		Paperwork Reduc				
The Privacy Act of 1974 requires that whe do not receive it, and whether your respon you relative to your interest and/or particip volunteer return preparation sites or outre- do not provide the requested information, information requests. The OMB Control No please write to the Internal Revenue Servi	ase is voluntary, requestion in the IRS volused activities. The interest the IRS may not be a tumber for this study	uired to obtain a be inteer income tax p formation may also able to use your as is 1545-1964. Also	nefit, or mandate preparation and co to be used to esta ssistance in these o, if you have any	ory. Our legal right to outreach programs. T ablish effective contro e programs. The Pap o comments regarding	ask for information in the information is, send correstrivork Reduction the time esting	ation is 5 U.S.C. 301. We are ask you provide may be furnished to spondence and recognize volunte tion Act requires that the IRS disp mates associated with this study of	king for this information to others who coordinate a eers. Your response is vo olay an OMB control num	o assist us in contacting activities and staffing at oluntary. However, if yo nber on all public
Catalog Number 52121E				www.irs.gov			Form 136	614-C (Rev. 10-2018

		a Employee's s	ocial security number	OMB No. 1545	-0008	Safe, accurate, FAST! Use		ne IRS website at irs.gov/efile	
350	loyer identification number (	EIN)		•	1 Wa	ges, tips, other compensation	2 Federal income 2.200.		
	loyer's name, address, and	ZIP code			3 Sc	36,300.00	4 Social security		
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100	JR CITT, STATE ZI				7 Sc	cial security tips	8 Allocated tips		
d Cont	rol number				9 Ve	rification code	10 Dependent care	e benefits	
FR. 300 YO	AN ROLLINS DAKOTA CIRCLE UR CITY, STATE Z	IP		Suff.	11 No.		12a See instruction	s for box 12	
15 State	Employer's state ID num	ber 16	State wages, tips, etc. 36,300.00	17 State incom	e tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name	
	N-2 Wage an	d Tax		2018	Ì	Department of	of the Treasury—Interna	Revenue Service	

PAYER'S name, street address, city or town, state or province, country, and ZIP or foreign postal code  PRAIRIE BANK CUSTODIAN FOR THE IRA OF FRAN ROLLINS 1727 OSAGE WAY			\$	3,200.00 Taxable amount	OMB No. 1545-0119	Distributions From Retirement Plans, Insurance Contracts, etc.
YOUR CITY, STATE ZI	P		\$ 2b	3,200.00 Taxable amount	Form 1099-R	
			20	not determined	distribution	Copy B Report this
PAYER'S TIN	RECIPIENT'S TIN		3	Capital gain (included in box 2a)	4 Federal income to withheld	income on your federal tax return. If this
30-600XXXX	601-00-XXXX	_	\$		\$ 320.00	form shows federal income
FRAN ROLLINS	ua	rv	\$	Employee contributions/ Designated Roth contributions or insurance premiums	6 Net unrealized appreciation in employer's sec	
Street address (including apt.	no.)		7	Distribution Code(s) IRA/ SEP/ SIMPLE	8 Other	This information is
300 DAKOTA CIRCLE		1 40		1 X	\$	% being furnished to
City or town, state or province, or YOUR CITY, STATE ZI	90	gn postal code	9a	Your percentage of total	9b Total employee cont	tributions the IRS.
10 Amount allocable to IRR within 5 years	11 1st year of desig. Roth contrib.	FATCA filing requirement	12	State tax withheld	13 State/Payer's st	ate no. 14 State distribution \$
;			\$			\$
Account number (see instruction	s)		15 \$	Local tax withheld	16 Name of locality	y 17 Local distribution \$
			\$			\$

CREDITOR'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.  PRAIRIE BANK 1727 OSAGE WAY YOUR CITY, STATE ZIP		1 Date of identifiable event 06/15/18 2 Amount of debt discharged \$ 600.00 3 Interest if included in box 2 \$	OMB No. 1545-1424 2018 Form 1099-C	Cancellation of Debt		
CREDITOR'S TIN  30-600XXXX  DEBTOR'S Name  FRAN ROLLINS		4 Debt description  CREDIT CARD	, s.m. 1000 0	Copy B For Debtor This is important tay information and is being furnished to the IRS. If you are required to file a		
Street address (including apt. I 300 DAKOTA CIRC City or town, state or province YOUR CITY, STATE	LE country, and ZIP or foreign postal code	5 if checked, the debtor was prepayment of the debt .	imposed on you if taxable income results from this transaction			
Account number (see instructions)		6 Identifiable event code	7 Fair market value of pro	and the IRS determin that it has not be reporte		

FILER'S name, street address, city or town foreign postal code, and telephone number		Payments received for qualified tuition and related expenses	OMB No. 1545-1574		
YUMA COLLEGE		\$ 6,800.00	2018	Tuitio	
10 COLLEGE AVE YOUR CITY, STATE ZIP		2	Form 1098-T	Statemen	
FILER'S employer identification no. STU	JDENT'S TIN	3 If this box is checked, your e		Copy I	
37-700XXXX 6	02-00-XXXX	its reporting method for 2018	3	For Studen	
STUDENT'S name MARY ROLLINS		Adjustments made for a prior year	5 Scholarships or grants \$ 3,500.00	This is importar tax informatio and is bein	
Street address (including apt. no.) 300 DAKOTA CIRCLE		6 Adjustments to scholarships or grants for a prior year	7 Checked if the amount in box 1 includes amounts for an	furnished to the IRS. This form must be used to	
City or town, state or province, country, ar YOUR CITY, STATE ZIP	nd ZIP or foreign postal code	\$	academic period beginning January — March 2019	complete Form 886 to claim educatio credits. Give it to th	
Service Provider/Acct. No. (see instr.)	8 Check if at least half-time student	9 Checked if a graduate student	10 Ins. contract reimb./refunc	tax preparer or use it t prepare the tax return	



## **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

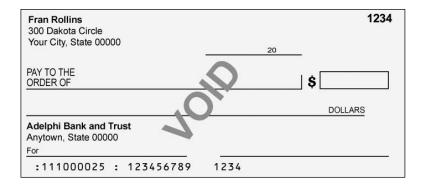
Received from Fran Rollins:

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

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

Ellen River

EIN: 35-900XXXX



## **Return Preparation Scenario: Test Questions**

a. Qualifying Widow

Married Filing Separately  Head of Household  enry is Fran's qualifying person for which of the following?
enry is Fran's qualifying person for which of the following?
Credit for other dependents
Child tax credit
Earned income credit
All of the above
hat is the total amount of qualified educational expenses used in the calculation of an's American opportunity credit? \$
hat is the amount of Fran's shared responsibility payment?
\$0
\$695
\$1,295
\$1,390
ary 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
hich exception can Fran use to avoid the 10% additional tax on the early stribution 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

10. Which allowable filing status is most advantageous to Fran?

## 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**

ns	
113	
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 <b>true</b> 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.

d. A sole proprietor may be able to deduct up to 20% of QBI.

c. The deduction is not limited by income or service trade or business.

6.	Tax	cpayers are eligible for the afforda	bility exemption if the individual's required
	cor	ntribution is more than	of household income for 2018.
	a.	8.05%	
	b.	8.12%	
	C.	8.16%	
	d.	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.
  - a. True
  - b. 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.
  - 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 no longer qualify for the child tax credit or the additional child tax credit.

## **Return Preparation Scenario: Retest Questions**

## **Directions**

Re	ead 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 fron 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.

#### 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.

- 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.

Form **8843** 

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

OMB No. 1545-0074 2018

► Go to www.irs.gov/Form8843 for the latest information.

rou are filing this form by itself and not with your tax eturn  Part I General Information  1a Type of U.S. visa (for example, F, J, M, Q, etc.) and date you entered the Unit b Current nonimmigrant status. If your status has changed, also enter date of c What country or countries were you a citizen during the tax year?  What country or countries issued you a passport?  b Enter your passport number of days you were present in the United States during 2018 2017 2016  b 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 Part II Teachers and Trainees  5 For teachers, enter the name, address, and telephone number of the academ of the during 2018 10 2015 2016 2017 2014 2015 2016 2017 2014 2015 2016 2017 2014 2015 2016 2017 2017 2014 2015 2016 2017 2017 2014 2015 2016 2017 2017 2018 Were you present in the United States as a teacher, trainee, or student for calendar years (2012 through 2017)?  If you checked the "Yes" box on line 8, you cannot exclude days of presence you meet the Exception explained in the instructions.  Part III Students  9 Enter the name, address, and telephone number of the academic institution you checked the "Yes" box on line 8, you cannot exclude days of presence you meet the Exception explained in the instructions.  Part III Students  9 Enter the name, address, and telephone number of the academic institution you checked the "Yes" box on line 12, you must provide sufficient for an years?  If you checked the "Yes" box on line 12, you must provide sufficient facts establish that you do not intend to reside permanenty in the United States.  During 2018, did you apply for, or take other affirmative steps to apply for, lain the United States or have an application pending to change your status in the United States or have an application pending to change your status.	her tax year . 20 .	Sequence No. 102
Address in country of residence    Address   Address	Your U.S. taxpayer identi	ification number, if any
Type of U.S. visa (for example, F, J, M, Q, etc.) and date you entered the Unit b Current nonimmigrant status. If your status has changed, also enter date of c Current nonimmigrant status. If your status has changed, also enter date of c 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 Part II Teachers and Trainees  5 For teachers, enter the name, address, and telephone number of the academ of these years changed, attach a statement showing the new visa type and the Were you present in the United States as a teacher, trainee, or student for calendar years (2012 through 2017)?  If you checked the "Yes" box on line 8, you cannot exclude days of presence you meet the Exception explained in the instructions.  art III Students  9 Enter the name, address, and telephone number of the academic institution you can exclude the indiving 2018 ►  11 Enter the type of U.S. visa (F, J, M, or Q) you held during: ► 2012 2014 2015 2016 2017 of these years changed, attach a statement showing the new visa type and the calendar years?  12 Enter the name, address, and telephone number of the director of the academic induring 2018 ►  13 Enter the type of U.S. visa (F, J, M, or Q) you held during: ► 2012 2014 2015 2016 2017 of these years changed, attach a statement showing the new visa type and the Vere you present in the United States as a teacher, trainee, or student for an years?  14 You checked the "Yes" box on line 12, you must provide sufficient facts establish that you do not intend to reside permanently in the United States or have an application pending to change your status in the United States or have an application pending to change your status in the United States or have an application pending to change your status	in the United States	-
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in the United States or have an application pending to change your status	on an attached statement	i to
resident of the United States?	to that of a lawful perman	ent
If you checked the "Yes" box on line 13, explain ▶		
or Paperwork Reduction Act Notice, see instructions. Cat. N	o. 17227H	Form <b>8843</b> (2018

Form 8843 (2018) Page 2 Part IV Professional Athletes Enter the name of the charitable sports event(s) in the United States in which you competed during 2018 and the dates of Enter the name(s) and employer identification number(s) of the charitable organization(s) that benefited from the sports 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 c Enter the date you actually left the United States 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 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. Sign here only if you are filing this form by itself and not with your tax return Your signature Form 8843 (2018)

## **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.

b Employer identification number	er (EIN)			1 Wa	ges, tips, other compensation 7,500.00	2 Federal income tax withheld 750.00		
c Employer's name, address, ar	nd ZIP code		3 So	cial security wages	4 Social se	curity tax with	held	
STATE UNIVERSITY		5 Me	dicare wages and tips	6 Medicare tax withheld				
TOWN, NY 14200		7 So	cial security tips	8 Allocated tips				
d Control number		9 Ver	ification code	10 Dependent care benefits				
MAY MONTRI 125 COLLEGE DRIV INTERNATIONAL H TOWN, NY 14200  f Employee's address and ZIP of	ZE ALL		Suff.	13 Star erns	er	12b	ructions for bo	
5 State Employer's state ID n	umber 16 State wages 7,500		75.00	e tax	18 Local wages, tips, etc.	19 Local income	tax 20 L	ocality name
W-2 Wage a	and Tax	2	018	)	Department	of the Treasury—	Internal Reven	ue Service

Department	042-S t of the Treasury	► Go to www.irs.	.gov/Form10		and the latest informati	on.	2018	- 1		py A for	
Internal Revenue Service UNIQUE FORM IDENTIF					13e Recipient's U.S. TI		NDMENT NO			Revenue Service	
code	2 Gross income	3 Chapter indica			VVV VV VVVV			13f Ch. 3 s	200220000	277)	
20	2 000 00	3a Exemption co		Exemption code 04	(0.000)			13g Ch. 4 s			
20	3,000.00	3b Tax rate	. 4b	Tax rate .	13h Recipient's GIIN	<ul> <li>Recipient's number, if</li> </ul>		identifica	tion 13j LOB code		
- 1	ding allowance										
6 Net inco	110										
	l tax withheld	7,010,000 500,000			13k Recipient's accour	nt numbe					
7b Check	if federal tax with	neld was not depos applied (see instru	sited with the	IRS because							
escion	v procedures were	131 Recipient's date of birth (YYYYMMDD)									
	held by other age										
9 Overwith	held tax repaid to rec	pient pursuant to ad	justment proce	dures (see instructions)							
		14a Primary Withholding	Agent's N	ame (if applic	cable)						
10 Total withholding credit (combine boxes 7a, 8, and 9)											
					14b Primary Withholdin	g Agent'		5 Check if	nro-rata	basis reporting	
11 Tax pa	id by withholding	agent (amounts no	t withheld) (se	e instructions)							
					15a Intermediary or flow-t	hrough en	tity's EIN, if a	ny 15b Ch.:	3 status co	de 15c Ch. 4 status code	
12a Withholding agent's EIN 12b Ch. 3 status code 12c Ch. 4 status code											
	XX-XXXXXX				15d Intermediary or flow-	through e	ntity's name				
	olding agent's nar										
STATE	UNIVERSIT	Y		į.	15e Intermediary or flow	-through	entity's GIIN	I			
12e Withh	olding agent's Glo	bal Intermediary Id	dentification N	lumber (GIIN)	15f Country code	code 15g Foreign tax identification number, if any					
12f Count	ry code 12	g Foreign taxpaye	r identificatio	n number, if any	15h Address (number a	nd street	t)				
					and the state of t						
12h Addre	ess (number and s	treet)			15i City or town, state	or provinc	ce, country.	ZIP or fore	ign post	tal code	
	IN STREET	**************************************									
12i City or	r town, state or pro	ovince, country, ZIF	or foreign p	ostal code	16a Payer's name			T	16b Pa	yer's TIN	
A CONTRACTOR	NY 14200							1		5000-00000	
	ient's name		13b Recipi	ent's country code	16c Payer's GIIN		T.	16d Ch. 3 sta	itus code	16e Ch. 4 status code	
MAY M			W.		8						
	ss (number and stre	et)			17a State income tax v	rithheld	17b Paye	er's state ta	x no. 1	I7c Name of state	
	LLEGE DRIV		0.00	A 100 (0.00)	XXXXX	2022	NY				
		rovince, country, ZI					7011		-	.,,	
y -	orang or bi	y,y,									

## Form 1040NR-EZ

## U.S. Income Tax Return for Certain Nonresident Aliens With No Dependents

OMB No. 1545-0074

2018

Department of th Internal Revenue		ıry	► Go to www.irs.gov/Form1040NREZ for instructions and the latest information.							2010					
		first name	and initial				Last nan						ing number	(see instru	uctions)
Please print or type.	Prese	ent home a	iddress (num	ber, stree	et, and a	pt. no., or i	rural route). If y	ou have a P.O	). box, see	e instructions	S	_	_		
See separate instructions.	100	town or po	ost office, sta	ite, and Zi	IP code.	If you have	e a foreign add	ress, also con	nplete sp	aces below.	See instruc	tions.			
instructions.	Foreig	gn country	name	. //			Foreign	province/state	/county		V	Foreig	n postal co	ode	
Filing Status Check only one box	100	Sing	gle nonres	sident al	lien		2   Mai	rried nonre	sident a	alien					_
	3	Wage	s, salaries	, tips, e	tc. Att	ach Forr	n(s) W-2 ,	1.1				3			
- 4	4	Taxab	le refunds	s, credit	s, or o	ffsets of	state and le	ocal incom	e taxes	. /	. ( )	4			
_	5	Schol	arship and	d fellows	ship gr	rants. At	tach Form(s	) 1042-S o	r requir	ed statem	ent	5			
	6	Total i	ncome exe	empt by	a treat	ty from p	age 2, Item	J(1)(e) .	6						
Attach	7	Add li	nes 3, 4, a	and 5								7			
Form(s)	8	Schola	arship and	fellows	hip gra	nts excl	uded		8						
W-2 or	9	Stude	nt loan int	terest de	educti	on			9	_					1
1042-S	10	Subtra	ct the sum	n of line	8 and	line 9 from	m line 7. This	s is your ad	justed o	gross inco	me .	10			
here.	11						ctions for lin					11			
Also	12						line 10. If li					12			
attach	13						he instruction					13			
Form(s) 1099-R if	14						are tax fron			 37 <b>h</b> □	8919	14			
tax was	15						I tax			J, D_	_0010	15			
withheld.	16a						n(s) W-2 and		16a	5 5 5		10			
with in icia.	b						m(s) 1042-5		16b			-0			
	0.000000								17			-			1
	17						applied from					-8			
	18						0-C		18			40			
	19						our total p					19			_
Refund	20						15 from line					20			_
	21a				ant refu	inded to	you. If Form	7	_		- 1	21a			_
	b		ng numbei		$\rightarrow$	$\rightarrow$		c Type:	L Che	ecking L	Savings	5			
Direct	d		ınt number		$\perp$										
deposit?	е						d to an add	ress outsid	de the I	United Sta	ates not				
See		show	n above, e	enter tha	at addr	ess here	):								
nstructions.															
	22	Amour	t of line 20	you wan	t applie	ed to your	2019 estima	ted tax ▶	22						1
Amount	23	Amou	nt you owe	. Subtra	ct line	19 from li	ne 15. For de	tails on how	to pay,	see instruc	tions >	23			
You Owe	24	Estima	ated tax pe	enalty (se	ee instr	ructions)			24						
Third	Do vo	ou want te	o allow anot	ther pers	on to di	scuss this	return with th	ne IRS? See i	instructio	ons. 🗆 🗅	Yes. Com	olete the	following	a. $\Box$	1 No
Party				and point										ъ	
Designee	Desig	nee's					Phon	e		Per	sonal ide	ntificatio	n		
o congrico	name	-					no.	<b>&gt;</b>			nber (PIN		<u>. LL</u>		
Sign	Unde	r penalties	of perjury,	I declare	that I ha	ave examin	ed this return all amounts an	and accompa	nying sch	hedules and	statements	s, and to	the best o	of my know	wledge
Here	prepa	rer (other	than taxpaye	er) is base	d on all	information	of which prep	arer has any k	knowledg	e.	received	during ti	ie tax yea	r. Deciara	tion of
	90														
Keep a copy of this return for	1	Your sign:	ature				Date	Your occ	cupation i	in the United	States	If the IRS s	sent you an le	dentity Prot	ection
your records.	1											here (see i			
Paid	Print/Ty	pe prepar	er's name			Preparer's	signature			Date	C	heck 🗍	if PTIN		
Preparer												olf-employ			
	Firm's n	ame ►			-				11-17	Firm's Ell	V Þ				
	Firm's a	ddress ►	£							Phone no					
For Disclosure	, Priva	cy Act, a	and Paperv	work Re	duction	n Act Not	tice, see inst	ructions.	3	Cat. No. 215	534N	For	rm <b>1040</b>	NR-EZ	(2018)

		Sc		er Information (see i wer all questions	instructions)	
86	Of what country or	countries were y	ou a citizen or natio	onal during the tax year	?	
	In what country die	l you claim reside	ence for tax purpose	es during the tax year?		
	Have you ever app	lied to be a greer	n card holder (lawful	permanent resident) o	of the United States? .	🗆 Yes 🗆 N
	Were you ever:  1. A U.S. citizer  2. A green card	? holder (lawful pe		the United States?	111010	Yes N
	If you answer "Yes	" to (1) or (2), see	Pub. 519, chapter	4, for expatriation rule	s that may apply to you.	18
	If you had a visa status on the last of		r			enter your U.S. immigrati
	Have you ever cha If "Yes," indicate the	nged your visa ty ne date and natur	pe (nonimmigrant street of the change.	tatus) or U.S. immigrat	ion status?	Yes N
	Note: If you are a	resident of Canad	da or Mexico AND o		e United States at freque	ent · ☐ Canada ☐ Mexi
65	Date entered United mm/dd/yy		parted United States mm/dd/yy	Date er	ntered United States Date mm/dd/yy	departed United States mm/dd/yy
250						
33						
					were present in the Uni	
	Did you file a U.S.	income tax returr	n for any prior year?			🗌 Yes 🗎 N
				on from income tax un information on tax trea	ider a U.S. income tax tr ities.	eaty with a foreign coun
					number of months in p Attach Form 8833 if requ	
		(a) Country	<i>y</i>	(b) Tax treaty article	(c) Number of months claimed in prior tax years	(d) Amount of exempt income in current tax year
				700074701 10074		
				line 6. Do not enter it of the income shown	on line 3 or line 5	🗆 Yes 🗆 N
			,	npetent Authority dete	rmination?	Tes . N
	요요요요 - 1615일(50) 1616일(1616)	ch a copy of the 0	Competent Authority	determination letter to	o your return.	

## **Scenario 2: May Montri Test Questions**

## **Directions**

		er the following multiple choice questions, refer to the Form 1040NR-EZ yed for May Montri.
25.	Wh	nat amount is entered for wages, salaries, tips, etc. on Form 1040NR-EZ?
	a.	\$7,500
	b.	\$750
	C.	\$75
26.	Wh	nat is the Adjusted Gross Income (AGI) on Form 1040NR-EZ?
	a.	\$0
	b.	\$75
	C.	\$750
	d.	\$7,500
27.	Wh	nat is the net taxable income on Form 1040NR-EZ?
	a.	\$7,425
	b.	\$7,500
	C.	\$75
	d.	\$3,000
28.	Wh	nat is the amount of total payments on Form 1040NR-EZ?
	a.	\$0
	b.	\$75
	C.	\$750

- **29.** Does May have a balance due (tax owed)?
  - a. Yes

d. \$4,050

b. No

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 with-holding 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.

		nployee's social security number	OMB No. 1545	-0008	Safe, accurate, FAST! Use		e IRS website at s.gov/efile		
350	oyer identification number (EIN)			1 Wa	tax withheld				
c Emplo	oyer's name, address, and ZIP coo	de		3 So	cial security wages	4 Social security t	ax withheld		
	ST UNIVERSITY MAIN STREET		,	5 Me	edicare wages and tips	6 Medicare tax wi	6 Medicare tax withheld		
TOV	/N, NY 14200			7 So	cial security tips	8 Allocated tips			
d Contr	ol number			9 Ve	rification code	10 Dependent care benefits			
SAI	SINGH	st name	11 No	onqualified plans tutory Retirement Third-party bloyee plan sick pay	0 0 0				
- TOTAL	NDIA BLVD VN, NY 14200		5	14 Oth	ner	12c	C od e		
f Emplo	yee's address and ZIP code					8			
15 State NY	Employer's state ID number  XX-XXXXXXX	16 State wages, tips, etc. 27,200.00	17 State incom 900.00	e tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name		
	V-2 Wage and Ta	×	. U J G		Department of	of the Treasury—Interna	Revenue Servic		

## Form 1040NR-EZ

## U.S. Income Tax Return for Certain Nonresident Aliens With No Dependent

OMB No. 1545-0074

Nonresident Aliens With No Dependents 2018 Department of the Treasury Internal Revenue Service ► Go to www.irs.gov/Form1040NREZ for instructions and the latest information. Your first name and initial Last name Identifying number (see instructions) Please print Present home address (number, street, and apt. no., or rural route). If you have a P.O. box, see instructions. or type. See City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below. See instructions. separate instructions. Foreign province/state/county Foreign country name Foreign postal code **Filing Status** ☐ Single nonresident alien 2 Married nonresident alien Check only one box 3 Wages, salaries, tips, etc. Attach Form(s) W-2 3 Taxable refunds, credits, or offsets of state and local income taxes . 4 4 5 Scholarship and fellowship grants. Attach Form(s) 1042-S or required statement. 5 Total income exempt by a treaty from page 2, Item J(1)(e) . Attach Add lines 3, 4, and 5 . . . 7 7 Form(s) 8 Scholarship and fellowship grants excluded W-2 or 9 Student loan interest deduction . . . 9 1042-S Subtract the sum of line 8 and line 9 from line 7. This is your adjusted gross income . 10 10 here. 11 Itemized deductions. See the instructions for limitation Also 12 Taxable income. Subtract line 11 from line 10. If line 11 is more than line 10, enter -0-12 attach Tax. Find your tax in the tax table in the instructions . . . 13 13 Form(s) 1099-R if 14 Unreported social security and Medicare tax from Form: a 4137 **b** 8919 14 tax was 15 Add lines 13 and 14. This is your total tax . . . . . 15 withheld. 16a Federal income tax withheld from Form(s) W-2 and 1099-R 16a Federal income tax withheld from Form(s) 1042-S . . . 17 2018 estimated tax payments and amount applied from 2017 return 17 18 Credit for amount paid with Form 1040-C . . . . . 18 19 Add lines 16a through 18. These are your total payments . 20 If line 19 is more than line 15, subtract line 15 from line 19. This is the amount you overpaid 20 Refund 21a Amount of line 20 you want refunded to you. If Form 8888 is attached, check here 21a b Routing number ☐ Savings d Account number Direct If you want your refund check mailed to an address outside the United States not deposit? shown above, enter that address here: See instructions. Amount of line 20 you want applied to your 2019 estimated tax ▶ 22 Amount Amount you owe. Subtract line 19 from line 15. For details on how to pay, see instructions 23 You Owe Estimated tax penalty (see instructions) . 24 Third Do you want to allow another person to discuss this return with the IRS? See instructions. 

Yes. Complete the following. ☐ No **Party** Designee Designee's Phone Personal identification name no. number (PIN) 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. Sign Here Your signature Date If the IRS sent you an Identity Protection PIN, enter it here (see inst.) Keep a copy of this return for Your occupation in the United States your records Print/Type preparer's name Preparer's signature Date Check [ if Paid self-employed Preparer Firm's EIN ▶ Firm's name Use Only Firm's address ▶ Phone no. Form 1040NR-EZ (2018) For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see instructions. Cat. No. 21534N

Form 1040NR-EZ (2018)

			Schedule OI – Othe Answ	r Information (see i ver all questions	instructions)	
	Of w	hat country or countri	es were you a citizen or nation	nal during the tax year	?	
ı	n wi	hat country did you cla	aim residence for tax purpose	s during the tax year?		
	Have	e you ever applied to b	pe a green card holder (lawful	permanent resident) o	of the United States?	) Yes 🗆 N
	1. 2.	A green card holder (	lawful permanent resident) of or (2), see Pub. 519, chapter 4	the United States?	s that may apply to y	Yes N
		u had a visa on the last on the last day of the	ast day of the tax year, enter e tax year.		pr .	a, enter your U.S. immigrat
1	Have	e you ever changed yo es," indicate the date	our visa type (nonimmigrant stand nature of the change.	atus) or U.S. immigrat	ion status?	Yes D
1	Note	e: If you are a resident	and left the United States durit of Canada or Mexico AND co or Canada or Mexico and ski	ommute to work in the	United States at fre	quent · · □ Canada □ Mexi
	Dat	e entered United States mm/dd/yy	Date departed United States mm/dd/yy	Date er	ntered United States [mm/dd/yy	Date departed United States mm/dd/yy
9					-	
į						
	Give 2016		ding vacation, non-workdays			
			tax return for any prior year? ar and form number you filed			Yes
			-If you are claiming exemptio elow. See Pub. 901 for more in			x treaty with a foreign coun
	1.		he country, the applicable ta e amount of exempt income in			
		(a	) Country	(b) Tax treaty article	(c) Number of month claimed in prior tax yes	
			mount on Form 1040NR-EZ,			
	2. 3.	Are you claiming trea	tax in a foreign country on any ty benefits pursuant to a Com	petent Authority dete	rmination?	Yes
		ii res, attach a cop	y of the Competent Authority	determination letter to	o your return.	Form 1040NR-EZ (20
						TOTAL LE LE

## **Directions**

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

Oui	Ciligin.						
30	What amount is entered for wages	salaries	tins	etc	on Form	1040NR-	F7?

- 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

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.

		XX-XX-XXXX	OMB No. 1545				rs.gov/efile	
	oyer identification number (EIN)			1 Wa	ges, tips, other compensation	2 Federal income tax withheld		
- 35-00-0	-XXXXXXX			0.0-	11,560.00	780.00		
c Empl	oyer's name, address, and ZIP code	•		3 50	cial security wages	4 Social security t	ax withheld	
200	LEGE TOWN UNIVERSI	TY		5 Me	edicare wages and tips	6 Medicare tax wi	thheld	
COL	LEGE TOWN, VA 23000	(		7 So	cial security tips	8 Allocated tips  10 Dependent care benefits		
d Contr	rol number			9 Ve	rification code			
SUI 10 I INT COI	MON AZIM MAIN STREET ERNATIONAL STUDENT LLEGE TOWN, VA 23000		Suff.	13 Stat	plan sick pay	12a See instruction	s for box 12	
15 State	Employer's state ID number	16 State wages, tips, etc.	17 State incom	e tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name	
VA	xx-xxxxxxx	11,560.00	110.00					
	<b>V-2</b> Wage and Tax Statement	s FEDERAL Tax Return.	2019	1	Department of	 of the Treasury—Interna	Revenue Service	

## Form 1040NR-EZ

## U.S. Income Tax Return for Certain Nonresident Aliens With No Dependents

OMB	No	15/	15-nr	17/

Department of the Treasury Internal Revenue Service ► Go to www.irs.gov/Form1040NREZ for instructions and the latest information. Your first name and initial Identifying number (see instructions) Last name Please print Present home address (number, street, and apt. no., or rural route). If you have a P.O. box, see instructions. or type. See City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below. See instructions. separate instructions. Foreign country name Foreign province/state/county Foreign postal code Filing Status ☐ Single nonresident alien 2 Married nonresident alien Check only one box 3 Wages, salaries, tips, etc. Attach Form(s) W-2 3 4 Taxable refunds, credits, or offsets of state and local income taxes . 4 Scholarship and fellowship grants. Attach Form(s) 1042-S or required statement. 5 5 6 Total income exempt by a treaty from page 2, Item J(1)(e) . 6 Attach 7 Add lines 3, 4, and 5 . 7 Form(s) Scholarship and fellowship grants excluded 8 8 W-2 or 9 Student loan interest deduction . . 9 1042-S 10 Subtract the sum of line 8 and line 9 from line 7. This is your adjusted gross income 10 here. 11 Itemized deductions. See the instructions for limitation 11 Also Taxable income. Subtract line 11 from line 10. If line 11 is more than line 10, enter -0attach Tax. Find your tax in the tax table in the instructions . . . Form(s) 13 13 Unreported social security and Medicare tax from Form: a 4137 14 **b** 8919 14 1099-R if tax was 15 Add lines 13 and 14. This is your total tax . . . 15 withheld. Federal income tax withheld from Form(s) W-2 and 1099-R 16a b Federal income tax withheld from Form(s) 1042-S . . . 16b 17 2018 estimated tax payments and amount applied from 2017 return 17 Credit for amount paid with Form 1040-C . . . . . 18 18 Add lines 16a through 18. These are your total payments . 19 If line 19 is more than line 15, subtract line 15 from line 19. This is the amount you overpaid 20 Refund 21a Amount of line 20 you want refunded to you. If Form 8888 is attached, check here 21a b Routing number c Type: ☐ Checking ☐ Savings d Account number Direct If you want your refund check mailed to an address outside the United States not deposit? shown above, enter that address here: instructions. Amount of line 20 you want applied to your 2019 estimated tax ▶ 22 Amount Amount you owe. Subtract line 19 from line 15. For details on how to pay, see instructions ▶ 23

Designee Sian

Designee's

You Owe

Third

Party

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.

Do you want to allow another person to discuss this return with the IRS? See instructions. 

Yes. Complete the following.

Phone

24

Keep a copy of this return for your records. Paid

Your signature Your occupation in the United States If the IRS sent you an Identity Protection PIN, enter it here (see inst. Print/Type preparer's name reparer's signature Check [] if

Preparer Firm's name ▶ Firm's EIN ▶ **Use Only** For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see instructions. Cat. No. 21534N

Estimated tax penalty (see instructions) .

Form 1040NR-EZ (2018)

number (PIN)

☐ No

		Schedule OI – Other Answ	r Information (see i ver all questions	instructions)				
Of w	f what country or countries were you a citizen or national during the tax year?							
ln w	what country did you claim residence for tax purposes during the tax year?							
Hav	re you ever applied to be a green card holder (lawful permanent resident) of the United States?							
1. 2.	A U.S. citizen?							
	ou had a visa on the la us on the last day of th	ast day of the tax year, enter e tax year.			enter your U.S. immigratio			
	ve you ever changed your visa type (nonimmigrant status) or U.S. immigration status?							
Note	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 entervals, check the box for Canada or Mexico and skip to item H							
Dat	te entered United States mm/dd/yy	Date departed United States mm/dd/yy	Date e	ntered United States Dat mm/dd/yy	e departed United States mm/dd/yy			
Give		ding vacation, non-workdays,						
Did If "Y	you file a U.S. income 'es," give the latest yea	tax return for any prior year? or and form number you filed	·		Yes 🗆 No			
		If you are claiming exemptions. See Pub. 901 for more in			treaty with a foreign countr			
1.	Enter the name of the	he country, the applicable ta e amount of exempt income in	ax treaty article, the	number of months in	집에 되었다면 하다. 프라이어 집안하다 없다. 특히 그리고 있는 데 아이어 아이스 없는 아니다 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그			
	(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 a	mount on Form 1040NR-EZ, I	ine 6. Do not enter it	on line 3 or line 5				
2. 3.	Were you subject to t Are you claiming trea If "Yes," attach a cop	Yes   No						

## **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

#### 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?
  - a. Form 843
  - b. Form 8233
  - c. Form 8880
  - d. 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.
  - a. True
  - b. 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?
  - a. Form 1040
  - b. Form 1040NR
  - c. Form 1040NR-EZ
  - d. 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?

- a. Form 843
- b. Form 1040
- c. Form 1040NR
- d. 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?
  - a. Ask for an extension of time to pay or an installment agreement.
  - b. Pay the entire balance by the due date for the return.
  - c. Put the balance on a credit card.
  - d. 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.
  - a. True
  - b. 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.
  - a. True
  - b. 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.
  - a. True
  - b. 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 <u>www.irs.gov</u>, 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.





## 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