



# **SAVE**FIRST

**Helpful Tips**  
for  
**Out of Scope Topics**  
on the  
**2014 IRS Basic**  
**Certification Exam**





# SAVEFIRST

## HELPFUL TIPS FOR OUT OF SCOPE TOPICS ON 2014 IRS BASIC CERTIFICATION EXAM

(Out Of Scope For Savefirst Basic Volunteer Preparation At Site)

*Some topics on the IRS's VITA Volunteer Basic Certification will remain **out of scope** for SaveFirst Basic volunteers.*

*The certification exam is open-book and open-note. **You should consult the information below to aid you in responding to questions and scenarios in the IRS Basic Certification exam.***

*As a reminder, a SaveFirst Intermediate or Advanced certified volunteer or Impact Alabama Staff member will prepare the topics below at the SaveFirst tax sites.*

### **RETIREMENT INCOME: IRAS AND PENSIONS**

Taxpayers who received income during the tax year from a retirement account (IRA, pension, etc.) will receive a Form 1099-R to report on their tax return. Most taxpayers receive this after they retire, but some taxpayers may have made an early withdrawal from a retirement account.

#### **How to enter into TaxWise:**

Enter all information in TaxWise exactly as it appears on the taxpayer's 1099-R.

- From Form 1040, link from Line 16 Pension to a Form 1099-R
- Enter the following information (if provided on the taxpayer's 1099-R form) into the 1099-R on TaxWise
  - Gross Distribution
  - Taxable Amount
  - Boxes in line 2b (check in TaxWise if checked on taxpayer form)
    - Taxable Amount Not Determined
    - Total Distribution
  - Federal Income Tax Withheld
  - Distribution Code(s)
  - Total Employee Contributions
- Check on the 1040 in TaxWise to make sure that the amount pulled through to Line 16.

**Form W4-P:** Withholding Certificate for Pension or Annuity Payments. The form allows taxpayers to tell payers the correct amount of federal income tax to withhold from payments.

**Additional Tax on IRAs, Other Qualified Retirement Plans, etc.** can be found in the Other Taxes section of the Form 1040, Page 2 on Line 59. A taxpayer who makes an early withdrawal from a 401(k) may have an additional tax penalty that will appear here.

## Practice Exercise 1: Sarah Brown

Sarah Brown is single with no dependents. In December 2013, she lost her job. Since she was unemployed, Sarah cashed in her 401(k) savings from her previous employer and used the money for household expenses. She received the following 1099-R. Since she is before retirement age, this is considered an early distribution, indicated by the Code 1 in Box 7 of the 1099-R. Sarah does not qualify for any exception to the additional tax on early distributions.

Enter the basic taxpayer information into TaxWise and create the 1099-R for Sarah.

PAYER'S name, street address, city or town, province or state, country, and ZIP or foreign postal code		1 Gross distribution		OMB No. 1545-0119	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
BEST RETIREMENT COMPANY (401K) 1352 MONEY BOULEVARD YOUR CITY, STATE ZIP		\$ 1,500		2014	
PAYER'S federal identification number 38-2XXXXXX		2a Taxable amount \$ 1,500		Form 1099-R	<b>Copy B</b> Report this income on your federal tax return. If this form shows federal income tax withheld in box 4, attach this copy to your return.  This information is being furnished to the Internal Revenue Service.
RECIPIENT'S identification number 259-XX-XXXX		2b Taxable amount not determined <input type="checkbox"/>		Total distribution <input checked="" type="checkbox"/>	
RECIPIENT'S name SARAH BROWN		3 Capital gain (included in box 2a) \$		4 Federal income tax withheld \$ 300	
Street address (including apt. no.) 28 MERRY ROAD APT 3A City or town, province or state, country, and ZIP or foreign postal code YOUR CITY, STATE ZIP		5 Employee contributions / Designated Roth contributions or insurance premiums \$		6 Net unrealized appreciation in employer's securities \$	
		7 Distribution code(s) 1		8 Other \$ %	
10 Amount allocable to IRR within 5 years \$		9a Your percentage of total distribution %		9b Total employee contributions \$ 1,200	
11 1st year of desig. Roth contrib.		12 State tax withheld \$		13 State/Payer's state no.	14 State distribution \$
Account number (see instructions)		15 Local tax withheld \$		16 Name of locality	17 Local distribution \$

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

### Practice Questions for Exercise 1 Sarah Brown Scenario:

- 1.1) What is the amount that appears on Form 1040 Line 16b Taxable Amount? \_\_\_\_\_
- 1.2) What is the amount of Total Earned Income on Form 1040 page 1? \_\_\_\_\_
- 1.3) What is the amount of Total Income on Form 1040 Line 22? \_\_\_\_\_
- 1.4) What is the amount of additional tax on IRAs, other qualified retirement plans, etc. on Form 1040 Line 59? \_\_\_\_\_
- 1.5) What is the amount of Federal income tax withheld on Form 1040 Line 64? \_\_\_\_\_
- 1.6) Sarah must pay a 10% additional tax on the distribution from her 401(k) because she is under 59 ½ years old and does not qualify for an exception.  
**Circle one:** True or False

### Additional Practice Exercise for 1099-R Review:

- 2.1) Sarah's sister, Kerry, receives an annual distribution from her retirement account but does not have any tax withheld so she always has a balance due every year. Kerry can submit a Form W4-P to have tax withheld on her pension.  
**Circle one:** True or False



## ENTERING INTO TAXWISE:

**Refund Monitor**

Current AGI: \$1,500  
**\$150**  
 Current Refund  
[Check Return Status](#)

**Loaded Forms**

Add Print Form Delete

- 1040 Pg 1
- 1040 Pg 2
- Sch A
- A Detail
- Sch B
- Interest Stmt
- Dividend Stmt
- Sch C Pg 1
- Sch C Pg 2
- 1099 MISC (TP-)
- Sch EIC Wkt
- W2 (TP-)
- 1099R (TP-)
- 2210 Pg 1
- 2210 Pg 2
- 2210 Pg 3
- 2210 Pg 4
- 5329 TP 1

**Income**

7 Wages, salaries, tips, etc. AB ☐ FB ☐ DCB ☐ SNE ☐ SSHIP ☐ 0

Taxable scholarship not on Form W2 0

Household employee income not on Form W2 0

8a Taxable interest 0

b Tax-exempt interest 0

9a Ordinary dividends including qualified dividends from Forms 8814, listed on Schedule B 0

b Qualified dividends including qualified dividends from Forms 8814, listed on Schedule B 0

Qualified dividends from Schedules K-1 are included on line 9b. Do NOT list these amounts on Schedule B 0

Did you itemize deductions last year and receive state or local tax refunds, credits, or offsets? Answer "No" if you deducted state sales tax instead of state income tax ☐ Yes ☒ No

10 Taxable refunds, credits, or offsets of state and local income taxes. F9 for worksheet 0

11 Alimony received 0

12 Business income or (loss) 0

13 Capital gain or (loss) 0

14 Other gains or (losses) 0

15a IRA distributions Total 0

b Taxable amount Check if rollover: ☐ and 59 to explain: ☐ 0

16a Pensions and annuities Total 0

b Taxable amount Check if any amounts were rolled over: ☐ 1500

Form 1040 → Line 16 → Link to Form 1099-R

Enter information into 1099-R in TaxWise exactly as it appears on the taxpayer's 1099-R form.

Payer's ID: \_\_\_\_\_

Name code: \_\_\_\_\_

Payer's name \_\_\_\_\_

Payer's U.S. address \_\_\_\_\_

Payer's Zip code, city, and state \_\_\_\_\_

Payer's foreign address \_\_\_\_\_

Payer's foreign city \_\_\_\_\_

Payer's foreign province / state \_\_\_\_\_

Payer's Zip code and country code \_\_\_\_\_

Account number (optional) \_\_\_\_\_

1 Gross (RRB line 7) 1500

2 Taxable amount 1500

3 Capital gain in line 2 0

4 Federal tax withheld 300

5 Employee contributions, designated Roth contributions or insurance premiums 0

6 Net unrealized appreciation in employer's securities 0

7 Codes 1 IRA / SEP / Simple ☐

8 Other 0

9a Percentage of total distribution 0 %

9b Total employee contributions 1200

10 Amount allocable to IRR within 5 years

11 1st year of designated Roth

## **ITEMIZED DEDUCTIONS**

The following items are eligible as part of an itemized deduction. You should include these on the taxpayer's return if they choose to itemize.

- Unreimbursed doctor bills for the taxpayer, spouse, and dependents
- Unreimbursed prescription drugs for the taxpayer, spouse, and dependents
- Donations to a church or eligible nonprofit
- The fair market value (FMV) of non-cash items donated to charity
- Home mortgage interest from a Form 1098
- Real estate taxes from a Form 1098

The following items are not eligible as part of an itemized deduction. You cannot include these on the tax return if a taxpayer chooses to itemize.

- Medical expenses that have already been reimbursed
- Donations to political candidates
- Homeowner's insurance

## **HIGHER EDUCATION EXPENSES:** **EDUCATION CREDITS AND TUITION & FEES DEDUCTION**

Taxpayers with higher education expenses (POST-high school only) may be eligible for either a deduction of their tuition and fees or one of two education credits.

- A taxpayer may only claim one of these tax benefits (Lifetime Learning Credit or American Opportunity Credit)
- Only out-of-pocket expenses can be claimed as eligible expenses.
  - Amounts paid with scholarships and grants are not eligible expenses (since the taxpayer is not actually paying those expenses).
  - Expenses paid with loans or savings do count as out-of-pocket expenses.
- Room and board are not eligible expenses for any of these benefits
- If not required for course enrollment, a parking permit is not an eligible expense for any of these benefits

<b>American Opportunity Credit</b>	<b>Lifetime Learning Credit</b>
Up to \$2,500 credit per <b>eligible student</b>	Up to \$2,000 credit <b>per return</b>
Available for the 1 <sup>st</sup> 4 years of college	Available for all years
Student must be pursuing a degree or recognized education credential	Student does <u>not</u> need to be pursuing a degree or credential
Student must be enrolled <u>at least half time</u>	Available for one or more courses
<u>No felony drug conviction</u> on student's record	Felony drug conviction does not factor
Expenses include tuition, fees, and required course materials (includes required books)	Expenses include only tuition and fees (no books)

## Practice Exercise 2: Marsha Brady Scenario

### Interview Notes

- Marsha is single and employed as a clerk.
- Marsha earned \$35,000 in wages, and had no other income.
- In 2014, she took a computer class at the community college to improve her job skills.
- She has receipts showing she paid \$1,250 for tuition, \$250 for a course book, and \$75 for a parking permit. Marsha paid all expenses from her savings. She did not receive any assistance or reimbursement. She received a Form 1098-T showing \$1,250 in box 1.
- She ordered her course book from an online bookseller.
- The parking permit was not a requirement of enrollment.
- Marsha does not have enough deductions to itemize.
- Marsha is a U.S. citizen with a valid social security number.

### Practice Exercise 2: Marsha Brady Scenario Questions

- 2.1) Which education benefit is Marsha eligible to take?
- a . American opportunity credit
  - b . Lifetime learning credit
  - c . Both the American opportunity credit and lifetime learning credit
  - d . She does not qualify for any education benefit
- 2.2) Which of the following are Marsha's qualified educational expenses for the lifetime learning credit?
- a . \$1,250 in tuition
  - b . \$250 for course book
  - c . \$75 parking permit
  - d . \$1,500 for tuition and course book

## Practice Exercise 3: Ewan McGregor Scenario

### Interview Notes

- Ewan McGregor's wife moved out in 2013. Ewan will not file a joint return with his wife.
- Ewan has paid all the costs of keeping up the home. His son, Carl, did not work and provided less than 50% of his own support.
- Ewan has never taken a distribution from a retirement account and is not a student.
- In 2014, Carl was a first year student at Brown College, an eligible educational institution. He is pursuing a degree in Computer Science. Carl used the proceeds of a student loan to purchase course-related books for \$1,500, pay \$9,000 for room and board, and pay the \$1,000 tuition not covered by his scholarship. Carl does not have a felony drug conviction.
- Carl lived in a dorm on campus during the school year. Carl lived with Ewan before he started attending college and during school breaks.
- The terms of Carl's scholarship state that it must be used to pay qualified tuition.
- Ewan wants to know if he has enough deductions to itemize. He gives you receipts and statements for the following items he would like to deduct:
  - Unreimbursed doctor bills for Ewan: \$600
  - Unreimbursed prescription drugs: \$1,100
  - A statement received through his church showing donations made throughout the year totaling \$1,450
  - Receipt for donation of furniture in good, used condition to Goodwill. The estimated fair market value is \$270
  - Online receipt for a \$150 donation to the local candidate for governor
  - Ewan paid \$1,400 for homeowner's insurance
  - Home mortgage interest (on Form 1098)
  - Real estate taxes (on Form 1098)
- Ewan is repaying a student loan from his technical school education. The loan was for qualified education expenses at an eligible institution.
- Ewan and Carl were covered all year under a health care plan through Ewan's employer.
- Ewan did not itemize deductions last year.

Form 13614-C

(October 2014)

Department of the Treasury - Internal Revenue Service

Intake/Interview & Quality Review Sheet

OMB Number

1545-1964

You will need:

- Tax Information such as Forms W-2, 1099, 1098.
- Social security cards or ITIN letters for all persons on your tax return.
- Picture ID (such as valid driver's license) for you and your spouse.

Please complete pages 1-3 of this form.

- You are responsible for the information on your return. Please provide complete and accurate information.
- If you have questions, please ask the IRS certified volunteer preparer.

Part I - Your Personal Information

1. Your first name

Ewan

2. Your spouse's first name

3. Mailing address

847 Mesa Ave

4. Telephone number(s)

(205) 901-0322

5. Your Date of Birth

08/10/1962

6. Your job title

Electrician

7. Last year, were you:

a. Fully and permanently disabled

☐ Yes ☒ No

b. Totally and permanently disabled

☐ Yes ☒ No

8. Your spouse's Date of Birth

9. Your spouse's job title

10. Last year, was your spouse:

a. Fully and permanently disabled

☐ Yes ☒ No

b. Fully and permanently disabled

☐ Yes ☒ No

11. Can anyone claim you or your spouse on their tax return?

☐ Yes ☒ No

12. Have you or your spouse:

a. Been a victim of identity theft?

☐ Yes ☒ No

b. Adopted a child?

☐ Yes ☒ No

Part II - Marital Status and Household Information

1. As of December 31 of last year, were you:

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

☐ Married

☒ Divorced or Legally Separated

☐ Widowed

2. List the names below of:

• everyone who lived with you last year (other than you or your spouse)

• anyone you supported but did not live with you last year

Name (first, last) Do not enter your name or spouse's name below

Carl McGregor

Date of Birth (mm/dd/yy)

06/09/95

Relationship to you (for example: son, daughter, parent, none, etc)

Son

Number of months lived in your home last year

12

US Citizen (yes/no)

Yes

Resident of US, Canada, or Mexico last year (yes/no)

Yes

Single or Married as of 12/31/14 (S/M)

S

Full-time Student last year (yes/no)

Yes

Totally and Permanently Disabled (yes/no)

No

Can this person be claimed by someone else as a dependent on their return? (yes/no)

No

Did this person provide more than 50% of support? (yes/no)

No

Did this person have less than \$3950 of income? (yes/no)

No

Did the taxpayer(s) provide more than 50% of support for maintaining a home for this person? (yes/no)

No

Volunteers are trained to provide high quality service and uphold the highest ethical standards.

To report unethical behavior to the IRS, email us at [wi.voltax@irs.gov](mailto:wi.voltax@irs.gov) or call toll free 1-877-330-1205

Catalog Number 52121E

www.irs.gov

Form 13614-C (Rev. 10-2014)

HELPFUL TIPS FOR OUT OF SCOPE TOPICS ON 2014 IRS CERTIFICATION EXAM

7

Yes	No	Unsure	Check appropriate box for each question in each section
<b>Part III – Income – Last Year, Did You (or Your Spouse) Receive</b>			
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. (B) Wages or Salary? (Form W-2) If yes, how many jobs did you have last year? 1
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2. (A) Tip Income?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3. (B) Scholarships? (Forms W-2, 1098-T)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4. (B) Interest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5. (B) Refund of state/local income taxes? (Form 1099-G)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6. (B) Alimony income?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. (A) Self-Employment income? (Form 1099-MISC, cash)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. (A) Cash/check payments for any work performed not reported on Forms W-2 or 1099?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. (A) Income (or loss) from the sale of Stocks, Bonds or Real Estate? (including your home) (Forms 1099-S, 1099-B)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10. (B) Disability income? (such as payments from insurance, or workers compensation) (Forms 1099-R, W-2)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11. (A) Distribution from Pensions, Annuities, and/or IRA? (Form 1099-R)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12. (B) Unemployment compensation? (Form 1099-G)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13. (B) Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14. (M) Income (or loss) from Rental Property?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15. (B) Other income? (gambling, lottery, prizes, awards, jury duty, Sch K-1, etc.) (Forms W-2G) Specify
<b>Part IV – Expenses – Last Year, Did You (or Your Spouse) Pay</b>			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. (B) Alimony? If yes, do you have the recipient's SSN? <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2. Contributions to a retirement account? IRA (A) <input type="checkbox"/> x 401K (B) <input type="checkbox"/> Roth IRA (B) <input type="checkbox"/> Other <input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3. (B) Post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4. (B) Unreimbursed employee business expenses? (such as uniforms or mileage)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5. (B) Medical expenses? (including health insurance premiums)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6. (B) Home mortgage interest? (Form 1098)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. (B) Real estate taxes for your home or personal property taxes for your vehicle? (Form 1098)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. (B) Charitable contributions?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. (B) Child or dependent care expenses such as daycare?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10. (B) For supplies used as an eligible educator such as a teacher, teacher's aide, counselor, etc.?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11. (A) Expenses related to self-employment income or any other income you received?
<b>Part V – Life Events – Last Year, Did You (or Your Spouse)</b>			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. (HSA) Have a Health Savings Account? (Forms 5498-SA, 1099-SA, W-2 with code W in box 12)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2. (COD) Have debt from a mortgage or credit card cancelled/forgiven by a commercial lender? (Forms 1099-C, 1099-A)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3. (A) Buy, sell or have a foreclosure (COD) of your home? (Form 1099-A)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4. (B) Have Earned Income Credit (EIC) disallowed in a prior year? If yes, for which tax year?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5. (A) Purchase and install energy-efficient home items? (such as windows, furnace, insulation, etc.)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6. (B) Live in an area that was affected by a natural disaster? If yes, where?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. (A) Receive the First Time Homebuyers Credit in 2008?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. (B) Pay any student loan interest? (Form 1098-E)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. (B) Make estimated tax payments or apply last year's refund to this year's tax? If so how much?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10. (A) File a federal return last year containing a "capital loss carryover" on Form 1040 Schedule D?

Catalog Number 52121E

www.irs.gov

Form 13614-C (Rev. 10-2014)



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

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

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

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

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

To be completed by a Certified Volunteer Preparer (Use Publication 4012 and check the appropriate box(es) indicating the health care coverage status for everyone listed on the return)			
	Had Health Care Coverage	(B) For the Entire year (12 months)	(B) For part of the year (Less than 12 months)
Taxpayer			(B) No Health Care Coverage at all
Spouse			
Dependent number 1 (page 1)			
Dependent number 2 (page 1)			
Dependent number 3 (page 1)			
Dependent number 4 (page 1)			

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

1. Presidential Election Campaign Fund (If you check a box, your tax or refund will not change)

Check here if you, or your spouse if filing jointly, want \$3 to go to this fund ☐ You ☐ Spouse

2. If you are due a refund, would you like:

a. Direct deposit ☐ Yes ☒ No

b. To purchase U.S. Savings Bonds ☐ Yes ☒ No

c. To split your refund between different accounts ☐ Yes ☒ No

3. If you have a balance due, would you like to make a payment directly from your bank account? ☐ Yes ☒ No ☐ Prefer not to answer

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

4. Other than English, what language is spoken in your home? None ☐ Yes ☒ No ☐ Prefer not to answer

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

Additional comments

Catalog Number 52121E

www.irs.gov

Form **13614-C** (Rev. 10-2014)



<b>a</b> Employee's social security number xxx-xx-0196		OMB No. 1545-0008		Safe, accurate, <b>FAST! Use</b>		Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a>	
<b>b</b> Employer identification number (EIN) 37-5555555		<b>1</b> Wages, tips, other compensation \$30,000.00		<b>2</b> Federal income tax withheld \$2,653.00			
<b>c</b> Employer's name, address, and ZIP code  Pace Construction 3604 Forrest Trail Birmingham, AL 35205		<b>3</b> Social security wages \$32,000.00		<b>4</b> Social security tax withheld \$1,997.00			
		<b>5</b> Medicare wages and tips \$32,000.00		<b>6</b> Medicare tax withheld \$598.00			
		<b>7</b> Social security tips		<b>8</b> Allocated tips			
<b>d</b> Control number		<b>9</b>		<b>10</b> Dependent care benefits			
<b>e</b> Employee's first name and initial      Last name      Suff.  Ewan McGregor 847 Mesa Ave Birmingham, AL 35205		<b>11</b> Nonqualified plans		<b>12a</b> See instructions for box 12 D      \$1,800.00			
		<b>13</b> Statutory employee      Retirement plan      Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		<b>12b</b> DD      \$3,758			
		<b>14</b> Other		<b>12c</b>			
				<b>12d</b>			
<b>f</b> Employee's address and ZIP code		<b>15</b> State      Employer's state ID number AL      37-5555555		<b>16</b> State wages, tips, etc. \$30,000.00		<b>17</b> State income tax \$1,600.00	
				<b>18</b> Local wages, tips, etc.		<b>19</b> Local income tax	
						<b>20</b> Locality name	

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

2014

Department of the Treasury—Internal Revenue Service



<input type="checkbox"/> CORRECTED		OMB No. 1545-1574		<b>2014</b>	<b>Tuition Statement</b>
FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number  Brown College 10 College Ave Birmingham, AL 35205		1 Payments received for qualified tuition and related expenses \$ 6,000.00			
FILER'S federal identification no. 25-7777688		STUDENT'S social security number 209-xx-xxxx		3 If this box is checked, your educational institution has changed its reporting method for 2014 <input type="checkbox"/>	
STUDENT'S name Carl McGregor		4 Adjustments made for a prior year \$		5 Scholarships or grants \$ 5000.00	
Street address (including apt. no.) 347 Mesa Ave		6 Adjustments to scholarships or grants for a prior year \$		7 Checked if the amount in box 1 or 2 includes amounts for an academic period beginning January - March 2015 <input type="checkbox"/>	
City or town, state or province, country, and ZIP or foreign postal code Birmingham, AL 35205		9 Checked if a graduate student <input type="checkbox"/>		10 Ins. contract reimb./refund \$	
Service Provider/Acct. No. (see instr.)		8 Check if at least half-time student <input checked="" type="checkbox"/>			
Form <b>1098-T</b>		(keep for your records)		www.irs.gov/form1098t Department of the Treasury - Internal Revenue Service	

<input type="checkbox"/> CORRECTED (if checked)		OMB No. 1545-0901		<b>2014</b>	<b>Mortgage Interest Statement</b>
RECIPIENT'S/LENDER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number  Highland Mortgage Company 2140 11th Ave S Birmingham, AL 35205		* Caution: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.			
RECIPIENT'S federal identification no. 23-4445555		PAYER'S social security number 208-xx-xxxx		1 Mortgage interest received from payer(s)/borrower(s)* \$ \$6,552.00	
PAYER'S/BORROWER'S name Ewan McGregor		2 Points paid on purchase of principal residence \$		The information in boxes 1, 2, 3, and 4 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points or because you did not report this refund of interest on your return.	
Street address (including apt. no.) 347 Mesa Ave		3 Refund of overpaid interest \$			
City or town, state or province, country, and ZIP or foreign postal code Birmingham, AL 35205		4			
Account number (see instructions)		5 Real estate taxes \$1,954.00			
Form <b>1098</b>		(keep for your records)		www.irs.gov/form1098 Department of the Treasury - Internal Revenue Service	

<input type="checkbox"/> CORRECTED (if checked)		OMB No. 1545-1576		<b>2014</b>	<b>Student Loan Interest Statement</b>
RECIPIENT'S/LENDER'S name, address, city or town, state or province, country, ZIP or foreign postal code, and telephone number  FINANCIAL AID PARTNERS 655 LINCOLN STREET BIRMINGHAM, AL 35205					
RECIPIENT'S federal identification no.		BORROWER'S social security number		1 Student loan interest received by lender \$ 800	
BORROWER'S name EWAN MCGREGOR		2 If checked, box 1 does not include loan origination fees and/or capitalized interest for loans made before September 1, 2004 <input type="checkbox"/>		This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for student loan interest.	
Street address (including apt. no.) 847 MESA AVE					
City or town, state or province, country, and ZIP or foreign postal code BIRMINGHAM, AL 35205					
Account number (see instructions)					
Form <b>1098-E</b>		(keep for your records)		www.irs.gov/form1098e Department of the Treasury - Internal Revenue Service	

First, enter the taxpayer information in the Interview section; answer questions on the Schedule EIC and Dependents worksheet; and enter all income from Ewan during the year.

#### Carl's Higher Education Expenses:

- Since Carl is Ewan's Qualifying Child, Ewan can claim the educational expenses paid for Carl at Brown College.
- Carl is attending an eligible institution, is enrolled at least half-time, is in his first year of college, is pursuing a degree, and does not have a felony conviction. Thus, Ewan can claim the American Opportunity Credit for Carl's qualifying expenses.

#### Which of Carl's expenses are qualifying expenses for the American Opportunity Credit?

- **Course-Related Books:** \$1,500
- **Room and Board:** \$9,000
- **Tuition and Fees from Form 1098-T:** \$6,000
  - Carl received scholarship or grant money. You must subtract the scholarship/grant amount from the tuition and fees amount to determine how much was paid **out of pocket**.
  - $\$6,000 - \$5,000 = \$1,000$
  - **Out of Pocket Tuition and Fees: \$1,000 qualifying expense for Education Credit**

Add up Carl's total qualified expenses for the American Opportunity Credit: \_\_\_\_\_

#### Entering Information for American Opportunity Credit into TaxWise:

Link from 1040 Page 2, Line 50 Education Credits → Form 8863

Line	Description	Amount
45	Alternative minimum tax. Attach Form 6251	0
46	Excess advance premium tax credit repayment. Form 8962	0
47	Add lines 44, 45, and 46	948
<b>Nonrefundable Credits</b>		
48	Foreign tax credit. Form 1116, if required	0
49	Credit for child and dependent care expenses. Form 2441	0
50	Education credits. Form 8863	360
51	Retirement savings contributions credit. Form 8880	0
52	Child tax credit. Schedule 8812	0
53	Residential energy credits. Form 5695	0
54	Other credits from Form 3800 8801	0
55	Total credits. Add lines 48 through 54	360
56	Subtract line 55 from line 47	588

Go to Page 2 of the 8863 and complete the student and educational institution information from the 1098-T, as shown below.

Refund Monitor		US 8863 (2014)		Page 2																																				
EWAN MCGREGOR Current AGI: \$29,200 <b>\$3,421</b> Current Refund <a href="#">Check Return Status</a>		Name: EWAN MCGREGOR		SSN: 555-55-0196																																				
<b>Loaded Forms</b> Add Print Form Delete		<b>Caution:</b> Complete Part III for each student for whom you are claiming either the American opportunity credit or lifetime learning credit. If you need to list additional students, press Shift F10 to duplicate this form.																																						
US Main Info 1040 Wkt2 1040 Wkt3 1040 Wkt8 1040 Pg 1 1040 Pg 2 Sch A Sales Tax (AL) + x A Detail x Sch EIC Sch EIC Wkt W2 (TP-PACE CO...) + x 6251 Pg 1 6251 Pg 2 8863 Pg 1 <b>8863 Pg 2 (CARL MCGRE...) + x</b> 8880 8879 Prep Use x RES/NR Wkt Summary		<b>Part III: Student and Educational Institution Information</b>  <table border="0"> <tr> <td>20</td> <td>Student's name as shown on page 1 of this tax return</td> <td>CARL</td> <td>MCGREGOR</td> </tr> <tr> <td>21</td> <td>Student's social security number</td> <td colspan="2">444-54-0196</td> </tr> <tr> <td>22</td> <td>Educational institution information</td> <td colspan="2"></td> </tr> <tr> <td>a</td> <td>Name of first educational institution</td> <td colspan="2">BROWN COLLEGE</td> </tr> <tr> <td>1</td> <td>Address</td> <td colspan="2">10 COLLEGE AVE</td> </tr> <tr> <td></td> <td>Zip code, city, and state</td> <td>35205-</td> <td>BIRMINGHAM AL</td> </tr> <tr> <td>2</td> <td>Did the student receive Form 1098-T from this institution for 2014?</td> <td colspan="2"><input checked="" type="radio"/> Yes <input type="radio"/> No</td> </tr> <tr> <td>3</td> <td>Did the student receive Form 1098-T from this institution for 2013 with Box 2 filled in and Box 7 checked?</td> <td colspan="2"><input type="radio"/> Yes <input checked="" type="radio"/> No</td> </tr> <tr> <td>4</td> <td>If you checked "Yes" in 2 or 3, enter the institution's EIN from Form 1098-T</td> <td colspan="2">25-7777688</td> </tr> </table>			20	Student's name as shown on page 1 of this tax return	CARL	MCGREGOR	21	Student's social security number	444-54-0196		22	Educational institution information			a	Name of first educational institution	BROWN COLLEGE		1	Address	10 COLLEGE AVE			Zip code, city, and state	35205-	BIRMINGHAM AL	2	Did the student receive Form 1098-T from this institution for 2014?	<input checked="" type="radio"/> Yes <input type="radio"/> No		3	Did the student receive Form 1098-T from this institution for 2013 with Box 2 filled in and Box 7 checked?	<input type="radio"/> Yes <input checked="" type="radio"/> No		4	If you checked "Yes" in 2 or 3, enter the institution's EIN from Form 1098-T	25-7777688	
20	Student's name as shown on page 1 of this tax return	CARL	MCGREGOR																																					
21	Student's social security number	444-54-0196																																						
22	Educational institution information																																							
a	Name of first educational institution	BROWN COLLEGE																																						
1	Address	10 COLLEGE AVE																																						
	Zip code, city, and state	35205-	BIRMINGHAM AL																																					
2	Did the student receive Form 1098-T from this institution for 2014?	<input checked="" type="radio"/> Yes <input type="radio"/> No																																						
3	Did the student receive Form 1098-T from this institution for 2013 with Box 2 filled in and Box 7 checked?	<input type="radio"/> Yes <input checked="" type="radio"/> No																																						
4	If you checked "Yes" in 2 or 3, enter the institution's EIN from Form 1098-T	25-7777688																																						

Answer questions 23 through 26. In Line 27, enter the total qualified expenses (as we calculated above in our notes.) TaxWise will now calculate everything else automatically.

Refund Monitor		23		24		25		26													
EWAN MCGREGOR Current AGI: \$29,200 <b>\$4,859</b> Current Refund <a href="#">Check Return Status</a>		Has the Hope Scholarship Credit or American opportunity credit been claimed for this student for any 4 tax years before 2014? <input type="radio"/> Yes <input checked="" type="radio"/> No		Was the student enrolled at least half-time for at least one academic period that began or is treated as having begun in 2014 at an eligible educational institution in a program leading towards a postsecondary degree, certificate, or other recognized post-secondary educational credential? See instructions <input checked="" type="radio"/> Yes <input type="radio"/> No		Did the student complete the first 4 years of post-secondary education before 2014? <input type="radio"/> Yes <input checked="" type="radio"/> No		Was the student convicted, before the end of 2014, of a felony for possession or distribution of a controlled substance? <input type="radio"/> Yes <input checked="" type="radio"/> No													
<b>Loaded Forms</b> Add Print Form Delete		If "Yes", go to line 31 for this student. If "No", go to line 24. If "Yes", go to line 25. If "No", go to line 31 for this student. If "Yes", go to line 31 for this student. If "No", go to line 26. If "Yes", go to line 31. If "No", complete lines 27 through 30 for this student.																			
US Main Info 1040 Wkt2 1040 Wkt3 1040 Wkt8 1040 Pg 1 1040 Pg 2 Sch A Sales Tax (AL) + x A Detail x Sch EIC Sch EIC Wkt W2 (TP-PACE CO...) + x 6251 Pg 1 6251 Pg 2 8863 Pg 1 <b>8863 Pg 2 (CARL MCGRE...) + x</b> 8880 8879 Prep Use x RES/NR Wkt Summary		<b>American Opportunity Credit</b>  <table border="0"> <tr> <td>27</td> <td>Adjusted qualified education expenses. See instructions - do not enter more than \$4,000</td> <td>2500</td> </tr> <tr> <td>28</td> <td>Subtract \$2,000 from line 27, but not less than -0-</td> <td>500</td> </tr> <tr> <td>29</td> <td>Multiply line 28 by 25%</td> <td>125</td> </tr> <tr> <td>30</td> <td>If line 28 is -0-, amount from line 27. Otherwise, add \$2,000 to the amount on line 29. Skip line 31</td> <td>2125</td> </tr> </table>								27	Adjusted qualified education expenses. See instructions - do not enter more than \$4,000	2500	28	Subtract \$2,000 from line 27, but not less than -0-	500	29	Multiply line 28 by 25%	125	30	If line 28 is -0-, amount from line 27. Otherwise, add \$2,000 to the amount on line 29. Skip line 31	2125
27	Adjusted qualified education expenses. See instructions - do not enter more than \$4,000	2500																			
28	Subtract \$2,000 from line 27, but not less than -0-	500																			
29	Multiply line 28 by 25%	125																			
30	If line 28 is -0-, amount from line 27. Otherwise, add \$2,000 to the amount on line 29. Skip line 31	2125																			
		<b>Lifetime Learning Credit</b>																			

Return to the 1040 Page 2 and see where TaxWise calculated the Nonrefundable portion of the Education credit on Line 50.

Loaded Forms		Nonrefundable Credits	
Add	Print Form	Delete	
US	Main Info		
	1040 Wkt2		
	1040 Wkt3		
	1040 Wkt8		
	1040 Pg 1		
	1040 Pg 2		
	Sch A		
	Sales Tax (AL) + x		
	A Detail x		
	Sch EIC		
	Sch EIC Wkt		
	W2 (TP-PACE CO...) + x		
	6251 Pg 1		
	6251 Pg 2		
	8863 Pg 1		
	8863 Pg 2 (CARL MCGRE...) + x		
	8880		
		48 Foreign tax credit. Form 1116, if required	0
		49 Credit for child and dependent care expenses. Form 2441	0
		50 Education credits. Form 8863	948
		51 Retirement savings contributions credit. Form 8880	0
		52 Child tax credit. Schedule 8812	0
		53 Residential energy credits. Form 5695	0
		54 Other credits from Form <input type="checkbox"/> 3800 <input type="checkbox"/> 8801 <input type="checkbox"/>	0
		55 <b>Total credits.</b> Add lines 48 through 54	948
		56 Subtract line 55 from line 47	0
		<b>Other Taxes</b>	

And then scroll down to see the refundable portion of the education credit in the Payments section of the 1040 Page 2 on Line 68.

Loaded Forms		Payments	
Add	Print Form	Delete	
US	Main Info		
	1040 Wkt2		
	1040 Wkt3		
	1040 Wkt8		
	1040 Pg 1		
	1040 Pg 2		
	Sch A		
	Sales Tax (AL) + x		
	A Detail x		
	Sch EIC		
	Sch EIC Wkt		
	W2 (TP-PACE CO...) + x		
	6251 Pg 1		
	6251 Pg 2		
	8863 Pg 1		
	8863 Pg 2 (CARL MCGRE...) + x		
	8880		
	8879		
	Prep Use x		
	RES/NR Wkt		
	Summary		
		64 Federal income tax withheld	2653
		Enter Federal withholding from 1099s (1099B, etc)	0
		65 2014 estimated tax payments and amount applied from 2013 return	0
		If estimated tax was paid in joint names and you are now divorced, enter ex-spouse's SSN: <input type="text"/> and check here <input type="checkbox"/>	
		66a Earned income credit	1356
		b Nontaxable combat pay election <input type="checkbox"/> No: <input type="checkbox"/>	0
		67 Additional child tax credit. Schedule 8812	0
		68 American opportunity credit. Form 8863	850
		69 Net premium tax credit. Form 8962	0
		70 Amount paid with request for extension of time to file	0
		71 Excess social security and tier 1 RRTA tax withheld	0
		72 Credit for Federal tax on fuels. Form 4136	0
		73 Credits from Form <input type="checkbox"/> 2439 <input type="checkbox"/> Reserved <input type="checkbox"/> Reserved <input type="checkbox"/>	0
		I.R.C. Section 1341 credit	0
		From Form 8689	0
		74 <b>Total payments.</b> Add lines 64, 65, 66a and 67 through 73	4859

Ewan is also paying a student loan for qualified education expenses at an eligible institution, found on his 1098-E. This amount can be taken as an adjustment to income

Link From 1040 Pg. 1, Line 33 Student loan interest deduction → 1040 Wkt2

Loaded Forms			
Add	Print Form	Delete	
1040 Wkt8			
1040 Pg 1			
1040 Pg 2			
Sch EIC			
Sch EIC Wkt			
W2 (SP-JEFFERS...) + x			
W2 (Copy 2; TP...) + x			
2441 Pg 1			
2441 Pg 2			
6251 Pg 1			
6251 Pg 2			
8812 Pg 1			
8812 Pg 2			
8880			
8962 Pg 1			
8962 Pg 2			
		28 Self-employed SEP, SIMPLE, and qualified plans	0
		29 Self-employed health insurance deduction	0
		30 Penalty on early withdrawal of savings	0
		31 Alimony paid.	
		Recipient's SSN: <input type="text"/> and amount <input type="text"/>	0
		32 IRA deduction	0
		33 Student loan interest deduction	0
		34 Tuition and fees deduction	0
		35 Domestic production activities deduction. Form 8903	0
		Other: Reforestation	0

In the first section, *Student Loan Interest (Postsecondary Education)*, enter \$800 (from box 1 of Ewan's 1098-E) on line 1 in the Taxpayer column.

**Refund Monitor**  
**EWAN MCGREGOR**  
 Current AGI: (\$800)  
 Current Refund: \$0  
[Check Return Status](#)

**Loaded Forms**  
 Add Print Form Delete  
 US  
 Main Info  
 1040 Wkt2  
 1040 Wkt3  
 1040 Wkt8  
 1040 Pg 1  
 1040 Pg 2  
 6251 Pg 1  
 6251 Pg 2  
 8879  
 Prep Use X  
 RES/NR Wkt  
 Summary

**US Student Loan Interest, Coverdell ESA and QTP, Tuition and Fees 2014**  
 Name: EWAN MCGREGOR SSN: 555-55-0196

Student Loan Interest (Postsecondary Education)	Taxpayer	Spouse	Total
<b>1</b> Amount paid in 2014. See instructions for limitations and definition of qualified student loan interest. Total column is limited to \$2,500  Modified AGI for this computation including excluded income from Form 555 (EZ) and 4563, excluded income from Puerto Rico, and excluded adoption benefits from Form 8839, line 30 Married filing separately and a dependent of another cannot take this deduction. The interest deduction phases out when modified AGI exceeds \$65,000 (\$130,000 married filing jointly) and is -0- when AGI exceeds \$80,000 (\$160,000 married filing jointly).	800	0	800
<b>2</b> Student loan interest deduction	800	0	800

Return to the Form 1040 Pg 1 and scroll down to line 33 to see the student loan interest adjustment on line 33.

<b>30</b> Penalty on early withdrawal of savings		0
<b>31</b> Alimony paid. Recipient's SSN: _____ and amount _____	0	0
<b>32</b> IRA deduction		0
<b>33</b> Student loan interest deduction		800
<b>34</b> Tuition and fees deduction		0
<b>35</b> Domestic production activities deduction. Form 8903 Other: Reforestation		0
Sub-pay (Trade Act)		0
Jury duty pay you gave to your employer		0

Now, let's enter Ewan's Itemized Deductions.

Which of the following can Ewan itemize?

- Unreimbursed doctor bills for Ewan: \$600
- Unreimbursed prescription drugs: \$1,100
- A statement received through his church showing donations made throughout the year totaling \$1,450
- Receipt for donation of furniture in good, used condition to Goodwill. The estimated fair market value is \$270
- Online receipt for a \$150 donation to the local candidate for governor
- Ewan paid \$1,400 for homeowner's insurance
- Mortgage Interest from Form 1098: \$6,552
- Real estate taxes from Form 1098: \$1,954



To Enter Itemization in TaxWise, go to "A Detail" on the left-hand navigator.

Here you will enter qualified medical expenses.

**Refund Monitor**

**EWAN MCGREGOR**  
Current AGI: \$30,000  
**\$4,396**  
Current Refund  
[Check Return Status](#)

**Loaded Forms**

Add Print Form Delete

US

- Main Info
- Cap Gn Wkt
- Interview
- 1040 Wkt1
- 1040 Wkt3
- 1040 Pg 1
- 1040 Pg 2
- 1040V
- Sch A
- A Detail**
- Sch B
- Interest Stmt
- Dividend Stmt
- Sch C Pg 1
- Sch C Pg 2
- 1099 MISC (TP-)
- Sch EIC
- Sch EIC Wkt

**Medical Expenses** Prescription medicines, legally obtained drugs, insulin, doctors, dentists, nurses, eyeglasses, health insurance premiums, transportation for medical treatment, and nonprescription medical supplies, such as crutches. Do not list any amounts paid with pre-tax dollars or reimbursed by insurance, HSA, MSA. Use the \* field to indicate ownership. T for taxpayer, S for spouse, J for joint.

Medical miles: Taxpayer: 0  
Spouse: 0  
Total: 0 x .23 = 0

Insurance premiums paid (not pre-tax) health, dental, cancer. Omit amounts used on Form 8885.		Medicare from 1040 worksheet	0
Taxpayer	0	Remainder from worksheets	
Spouse	0	Self-employed health insurance	
Qualified long term care contracts		Taxpayer	0
Enter the amount before limitation.		Spouse	0
Taxpayer	0	Self-employed long term care	
Spouse	0	Taxpayer	0
Taxpayer - limited	0	Spouse	0
Spouse - limited	0		
Other medical expenses *			
DOCTOR BILLS	600		0
PRESCRIPTION DRUGS	1100		0
	0		0
	0		0
	0	F9 for additional worksheets	0
	0	<b>Total</b>	1700

Then scroll down to enter qualified charitable cash contributions.

**Refund Monitor**

**EWAN MCGREGOR**  
Current AGI: \$30,000  
**\$4,396**  
Current Refund  
[Check Return Status](#)

**Loaded Forms**

Add Print Form Delete

US

- Main Info
- Cap Gn Wkt
- Interview
- 1040 Wkt1
- 1040 Wkt3
- 1040 Pg 1
- 1040 Pg 2
- 1040V
- Sch A
- A Detail**
- Sch B
- Interest Stmt
- Dividend Stmt
- Sch C Pg 1
- Sch C Pg 2
- 1099 MISC (TP-)
- Sch EIC
- Sch EIC Wkt

**Contributions to Charity** If contributions exceed 20% of the AGI: 6000, list each contribution in the proper category below (50%, 30%, etc). Otherwise, the only sort required is cash and other than cash contributions. Use the \* field to indicate ownership. T for taxpayer, S for spouse, J for joint. All gifts must be receipted.

**Cash Contributions**

50% Limit Organizations Charitable miles: Taxpayer: 0  
Spouse: 0  
Total: 0 x .14 = 0

Name of charity	*	Amount	Name of charity	*	Amount
CHURCH		1450			0
		0			0
		0			0
		0			0
		0	From Schedules K-1		0
		0	F9 for additional worksheets		0
		0	<b>Total</b>		1450

30% Limit Organizations Charitable miles: Taxpayer: 0  
Spouse: 0  
Total: 0 x .14 = 0

Name of charity	*	Amount	Amount
		0	0
		0	0
		0	0

Then scroll down further to enter qualified **NON-cash contributions** (in the **Other Than Cash Contributions** section)

**Other Than Cash Contributions** Use Form 8283 if this total is more than \$500. 0

50% Limit Organizations Not capital gain property and the FMV is equal to or less than the cost.

Name of charity	* Amount	Amount
GOODWILL	270	
	0	
From Schedules K-1	0	
		From Forms 8283 0
		F9 for additional worksheets 0
		<b>Total</b> 0

30% Limit Capital gain property donated to 50% limit organizations.

	0	From Forms 8283 0
From Schedules K-1	0	<b>Total</b> 0

30% Limit Not capital gain property donated to 30% limit organizations.

Now, go to “Sch A” on the left-hand navigator.

Here, we will enter real estate taxes from Form 1098. Scroll to the “Taxes You Paid” section and enter on line 6.

**Taxes You Paid**

5 State and local taxes. Only one box can be checked.

a ☒ Income taxes 1600

b ☐ General sales tax 968 1600

6 Real estate tax remainder from Form 8829 0

Real estate tax remainder from part rental worksheets 0

Real estate taxes on your principal residence, not listed above TSJ: 0

Other real estate taxes you paid, not listed elsewhere in this tax return TSJ: 1954 1954

7 Personal property tax remainder from business vehicle worksheet 0

Personal property taxes, not listed above TSJ: 0 0

8 Other taxes 0

Type 0

9 Add lines 5 through 8 3554

Now, scroll down to the “Interest You Paid” section, and enter home mortgage interest from Form 1098 on line 10.

Line	Description	TSJ	Value	Total
10	Home mortgage interest remainder from Form 8829		0	
	Home mortgage interest remainder from part rental worksheets		0	
	Form 8396 credit, if applicable	TSJ:	0	
	Home mortgage interest and points from Form 1098, not listed above	TSJ:	6552	6552
11	Home mortgage interest not reported on Form 1098. If paid to an individual, show the person's name, ID number, and address.			
	Individual's name			
	ID number			
	Address			
	Amount	TSJ:	0	0
12	Points not reported on Form 1098	TSJ:	0	0
13	Total mortgage insurance premiums	TSJ:	0	0
	Allowed mortgage insurance premiums		0	0
14	Investment interest. Attach Form 4952, if required	TSJ:	0	0
15	Add lines 10 through 14			6552

### Exercise 3 Questions for Ewan McGregor Scenario

- 3.1) What is Ewan's total tax deduction on Schedule A, line 9? \$\_\_\_\_\_
- 3.2) What is Ewan's total deduction for charitable contributions on Schedule A, line 19? \$\_\_\_\_\_.
- 3.3) To compute the American opportunity credit, which of Carl's following expenses qualify?
  - a . Tuition and fees paid by the scholarship
  - b . Room and board
  - c . Course-related books
  - d . All of the above
- 3.4) What is the amount of Evan's student loan interest deduction from Form 1040, page 1? \$\_\_\_\_\_