



Basic Course Scenarios and Test Questions

Directions

The first five 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: Olivia Otis

Interview Notes

- Olivia is single, 66 years old, and not blind.
- She paid all the cost of keeping up her home. She earned \$55,000 in wages for 2019.
- Olivia provided all the support for her two grandchildren who lived with her all year. Cora is 11 years old and Jack is 15 years old.
- She does not have enough deductions to itemize.
- Olivia, Cora, and Jack are all U.S. citizens with valid Social Security numbers.

Basic Scenario 1: Test Questions

1. What is the amount of Olivia's standard deduction?
 - a. \$18,350
 - b. \$20,000
 - c. \$24,400
 - d. \$25,700
2. The maximum amount of child tax credit that Olivia is able to claim per qualifying child for 2019 is:
 - a. \$500
 - b. \$1,000
 - c. \$1,400
 - d. \$2,000

Basic Scenario 2: Felix and Isabella Franklin

Interview Notes

- Felix and Isabella Franklin have been married since 2016. Felix is a U.S. citizen with a valid Social Security number. Isabella is a resident alien with an Individual Taxpayer Identification Number (ITIN). They elect to file Married Filing Jointly.
- Felix worked in 2019 and earned wages of \$40,000. Isabella worked part-time and earned \$10,000.
- They have two children: Rose, who is 3 years old, and Iris, who is 8 years old. Both children were supported by their parents all year. Rose is a U.S. citizen and has a valid Social Security number. Iris is a resident alien and has an ITIN.
- Felix and Isabella paid \$5,000 in daycare for Rose and Iris. The statement from the daycare provider includes the provider's name, address, valid Employer Identification Number, and the amount paid for Rose and Iris's care.
- Felix, Isabella, Rose, and Iris lived together in the U.S. all year.

Basic Scenario 2: Test Questions

3. Are the Franklins eligible to claim the earned income credit?
 - a. Yes, because everyone has a taxpayer identification number.
 - b. Yes, because Felix has a Social Security number.
 - c. No, because Isabella has an ITIN.
 - d. No, because their income is too high.
4. Which credit(s) can the Franklins claim on their 2019 tax return?
 - a. Child and dependent care credit for both Rose and Iris
 - b. Child tax credit for Rose
 - c. Credit for other dependents for Iris
 - d. All of the above

Basic Scenario 3: Henry Howard and Charlotte Criswell

Interview Notes

- Henry and Charlotte are both 28 years old.
- Henry and Charlotte separated in 2018 and their divorce was finalized in January 2019. During 2019, Charlotte paid Henry alimony payments of \$12,000.
- Charlotte earned \$85,000 in wages during 2019. Henry earned \$13,000 in wages.
- Henry has two children from a previous relationship. Ethan is 9 and James is 6 years old and they lived with Henry for all of 2019. Ethan and James did not provide over half of their own support.
- Henry paid all the rent, utilities, and household expenses.
- Henry, Charlotte, Ethan, and James are all U.S. citizens with valid Social Security numbers.

Basic Scenario 3: Test Questions

5. Which of the following statements is true?
 - a. Henry must report the \$12,000 alimony received as income and Charlotte can claim alimony paid as an adjustment to income.
 - b. Henry is not required to report the \$12,000 alimony received as income and Charlotte cannot claim alimony paid as an adjustment to income.
 - c. Henry must report the \$12,000 alimony received as income and Charlotte cannot claim alimony paid as an adjustment to income.
 - d. Henry is not required to report the \$12,000 alimony received as income and Charlotte can claim alimony paid as an adjustment to income.
6. Who can claim Ethan and James as qualifying children for earned income credit?
 - a. Charlotte
 - b. Henry
 - c. Both Charlotte and Henry
 - d. Neither Charlotte or Henry

Basic Scenario 4: Mark and Sue Malone

Interview Notes

- Mark and Sue are married and U.S. citizens with valid Social Security numbers.
- The Malones received wages and a large amount of taxable income not subject to withholding.
- Mark did not have health insurance coverage for 2019 and Sue had health insurance coverage through her employer.
- The Malones have a \$2,500 balance due on their joint return and want advice on how to prevent a balance due next year. They do not anticipate a change in their sources of income and amounts received next year.

Basic Scenario 4: Test Questions

7. One of the ways Mark and Sue can prevent having a balance due next year is to use the Tax Withholding Estimator at IRS.gov and then adjust their withholding.
 - a. True
 - b. False
8. Mark and Sue should not file their tax return until they can pay the entire balance due.
 - a. True
 - b. False
9. Mark is required to make a shared responsibility payment because he did not have health insurance in 2019.
 - a. True
 - b. False

Basic Scenario 5: Aurora Davis

Interview Notes

- Aurora and Oscar separated in 2017 and divorced in October 2019. She earned \$40,000 in wages and paid more than half the cost of keeping up her home in 2019.
- Aurora and Oscar have a son, Milo, who is 17 years old and unmarried.
- Aurora signed Form 8332 (Release/Revocation of Release of Claim to Exemption for Child by Custodial Parent) allowing Oscar to claim Milo in 2019.
- Milo is a full-time student working towards a degree in computer information systems. Milo lived on campus during the school year and spent the summer at home with his mother.
- Milo does not have a felony drug conviction and is not a qualifying child for anyone except Aurora.
- Aurora paid \$5,000 of Milo's tuition that was not covered by his scholarship.
- Aurora provided more than half of her son's support and all the cost of his room and board on campus.
- Milo's only income was \$3,800 in wages and \$400 of dividend income. He had no federal or state tax withholding.
- Aurora and Milo are U.S. citizens and have valid Social Security numbers.

Basic Scenario 5: Test Questions

10. Is Milo required to file a federal tax return?
- a. Yes, because Milo's gross income was more than the gross income limit required to file a federal tax return.
 - b. Yes, because Milo had unearned income over the unearned income limit of \$1,100 required to file a federal income tax return.
 - c. No, because Milo had earned income that was under the earnings limit that requires him to file a tax return.
 - d. No, because Milo didn't have any federal or state income tax withholding.

- 11.** Aurora's most advantageous filing status for 2019 is Single.
- a. True
 - b. False
- 12.** Aurora 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. Milo 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 those months are counted as time that Milo lived with her for the earned income credit.
- 13.** Milo is Oscar's qualifying person for which of the following?
- a. Head of Household filing status
 - b. Earned income credit
 - c. Credit for other dependents
 - d. Child tax credit

Basic Scenario 6: Noah and Ella Neumann

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

- Noah, age 65, and Ella, age 54, are married. They elect to file Married Filing Jointly.
- Their son Leo 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. His 2018 Form 1098-T did not have an amount entered in box 2.
- Their son Freddie is 26 years old and graduated from college in June 2019. He had a part-time job where he earned \$7,000 in 2019.
- Noah and Ella paid more than half the cost of maintaining a home and provided over half the support for both Leo and Freddie.
- Noah retired in 2019 and received interest income, Social Security benefits, and wages from a part-time job.
- Ella received disability pension benefits. She has not reached minimum retirement age.
- Noah and Ella made estimated tax payments of \$500 for 2019.
- Noah and Ella do not have enough deductions to itemize.
- Leo received a scholarship and the terms require that it be used to pay tuition. Noah and Ella paid the cost of Leo's tuition and course-related books in 2019 not covered by scholarship. They paid \$75 for a school sweatshirt for homecoming and \$4,500 for a meal plan.
- If Noah and Ella receive a refund, they would like to deposit half into their checking account and half into their savings account. Documents from County Bank show that the routing number for both accounts is: 111000025. Their checking account number is 987654321 and their savings account number is 234567890.



Form 13614-C (October 2019)	Department of the Treasury - Internal Revenue Service Intake/Interview & Quality Review Sheet	OMB Number 1545-1964
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- You will need:**
- Tax Information such as Forms W-2, 1099, 1098, 1095.
 - Social security cards or ITIN letters for all persons on your tax return.
 - Picture ID (such as valid driver's license) for you and your spouse.
- Please complete pages 1-4 of this form.
 - You are responsible for the information on your return. Please provide complete and accurate information.
 - If you have questions, please ask the IRS-certified volunteer preparer.

Volunteers are trained to provide high quality service and uphold the highest ethical standards.
To report unethical behavior to the IRS, email us at wi.voltax@irs.gov

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 NOAH	M.I.	Last name NEUMANN	Daytime telephone number YOUR PHONE #	Are you a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. Your spouse's first name ELLA	M.I.	Last name NEUMANN	Daytime telephone number	Is your spouse a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3. Mailing address 5001 LAUREL ST		Apt #	City YOUR CITY	State YS
4. Your Date of Birth 09/21/1954	5. Your job title CASHIER		6. Last year, were you: a. Full-time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
7. Your spouse's Date of Birth 03/03/1965	8. Your spouse's job title NONE		9. Last year, was your spouse: a. Full-time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No b. Totally and permanently disabled <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
10. Can anyone claim you or your spouse as a dependent? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure				
11. Have you, your spouse, or dependents been a victim of tax related identity theft or been issued an Identity Protection PIN? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				

Part II – Marital Status and Household Information

1. As of December 31, 2019, what was your marital status?

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

Married a. If Yes, Did you get married in 2019? Yes No

Divorced b. Did you live with your spouse during any part of the last six months of 2019? Yes No

Legally Separated Date of final decree _____

Widowed Date of separate maintenance decree _____

Year of spouse's death _____

2. List the names below of:
 • **everyone** who lived with you last year (other than your spouse)
 • **anyone** you supported but did not live with you last year

If additional space is needed check here and list on page 3

										To be completed by a Certified Volunteer Preparer				
Name (first, last) Do not enter your name or spouse's name below	Date of Birth (mm/dd/yy)	Relationship to you (for example: son, daughter, parent, none, etc)	Number of months lived in your home last year	US Citizen (yes/no)	Resident of US, Canada, or Mexico last year (yes/no)	Single or Married as of 12/31/19 (S/M)	Full-time Student last year (yes/no)	Totally and Permanently Disabled (yes/no)	Is this person a qualifying child/relative of any other person? (yes/no)	Did this person provide more than 50% of his/her own support? (yes/no)	Did this person have less than \$4,200 of income? (yes/no)	Did the taxpayer(s) provide more than 50% of support for this person? (yes/no/N/A)	Did the taxpayer(s) pay more than half the cost of maintaining a home for this person? (yes/no)	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)						
LEO NEUMANN	01/17/1996	SON	12	YES	YES	S	YES	NO						
FREDDIE NEUMANN	03/05/1993	SON	12	YES	YES	S	YES	NO						

Check appropriate box for each question in each section

Yes	No	Unsure	Part III – Income – Last Year, Did You (or Your Spouse) Receive
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. (B) Wages or Salary? (Form W-2) If yes, how many jobs did you have last year? <u>1</u>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. (A) Tip Income?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3. (B) Scholarships? (Forms W-2, 1098-T)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4. (B) Interest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. (B) Refund of state/local income taxes? (Form 1099-G)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. (B) Alimony income or separate maintenance payments?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. (A) Self-Employment income? (Form 1099-MISC, cash)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. (A) Cash/check payments for any work performed not reported on Forms W-2 or 1099?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	9. (A) Income (or loss) from the sale of Stocks, Bonds or Real Estate? (including your home) (Forms 1099-S, 1099-B)
<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11. (A) Retirement income or payments from Pensions, Annuities, and or IRA? (Form 1099-R)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	12. (B) Unemployment Compensation? (Form 1099G)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13. (B) Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	14. (M) Income (or loss) from Rental Property?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	15. (B) Other income? (gambling, lottery, prizes, awards, jury duty, Sch K-1, royalties, foreign income, etc.) Specify _____
Yes	No	Unsure	Part IV – Expenses – Last Year, Did You (or Your Spouse) Pay
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. (B) Alimony or separate maintenance payments? If yes, do you have the recipient's SSN? <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. Contributions to a retirement account? <input type="checkbox"/> IRA (A) <input type="checkbox"/> 401K (B) <input type="checkbox"/> Roth IRA (B) <input type="checkbox"/> Other
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3. (B) College or post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (A) Any of the following? <input type="checkbox"/> Medical & Dental (including insurance premiums) <input type="checkbox"/> Mortgage Interest (Form 1098) <input type="checkbox"/> Taxes (State, Real Estate, Personal Property, Sales) <input type="checkbox"/> Charitable Contributions
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. (B) Child or dependent care expenses such as daycare?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. (B) For supplies used as an eligible educator such as a teacher, teacher's aide, counselor, etc.?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. (A) Expenses related to self-employment income or any other income you received?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. (B) Student loan interest? (Form 1098-E)
Yes	No	Unsure	Part V – Life Events – Last Year, Did You (or Your Spouse)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. (HSA) Have a Health Savings Account? (Forms 5498-SA, 1099-SA, W-2 with code W in box 12)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. (A) Have credit card or mortgage debt cancelled/forgiven by a lender or have a home foreclosure? (Forms 1099-C, 1099-A)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. (A) Adopt a child?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (B) Have Earned Income Credit, Child Tax Credit or American Opportunity Credit disallowed in a prior year? If yes, for which tax year? _____
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. (A) Purchase and install energy-efficient home items? (such as windows, furnace, insulation, etc.)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. (A) Receive the First Time Homebuyers Credit in 2008?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. (B) Make estimated tax payments or apply last year's refund to this year's tax? If so how much? \$500
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. (A) File a federal return last year containing a "capital loss carryover" on Form 1040 Schedule D?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	9. (A) Have health coverage through the Marketplace (Exchange)? [Provide Form 1095-A]

a Employee's social security number 131-00-XXXX		Safe, accurate, FAST! Use		Visit the IRS website at www.irs.gov/efile	
b Employer identification number (EIN) 35-500XXXX		1 Wages, tips, other compensation 5,000.00	2 Federal income tax withheld 750.00		
c Employer's name, address, and ZIP code RICH'S BOOK STORE 1225 OVERVIEW AVE YOUR CITY, STATE ZIP		3 Social security wages 5,000.00	4 Social security tax withheld 310.00		
		5 Medicare wages and tips 5,000.00	6 Medicare tax withheld 72.50		
		7 Social security tips	8 Allocated tips		
d Control number		9	10 Dependent care benefits		
e Employee's first name and initial Last name NOAH NEUMANN 5001 LAUREL ST YOUR CITY, STATE ZIP		Suff. 11 Nonqualified plans	12a See instructions for box 12		
		13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	12b		
		14 Other	12c		
			12d		
f Employee's address and ZIP code		15 State Employer's state ID number YS 35-500XXXX	16 State wages, tips, etc. 5,000.00	17 State income tax 350.00	18 Local wages, tips, etc.
		19 Local income tax	20 Locality name		

Form **W-2 Wage and Tax Statement** **2019** Department of the Treasury—Internal Revenue Service
Copy B—To Be Filed With Employee's FEDERAL Tax Return.
This information is being furnished to the Internal Revenue Service.

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and phone no. GILMER CORP 2250 DELTA AVE YOUR CITY, STATE ZIP		1 Gross distribution \$ 23,000.00	OMB No. 1545-0119 2019 Form 1099-R		Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
PAYER'S TIN 34-600XXXX		2a Taxable amount \$ 23,000.00	2b Taxable amount not determined <input type="checkbox"/> Total distribution <input type="checkbox"/>		
RECIPIENT'S TIN 132-00-XXXX	3 Capital gain (included in box 2a) \$	4 Federal income tax withheld \$ 2,000.00	Copy B Report this income on your federal tax return. If this form shows federal income tax withheld in box 4, attach this copy to your return. This information is being furnished to the IRS.		
RECIPIENT'S name ELLA NEUMANN	5 Employee contributions/ Designated Roth contributions or insurance premiums \$	6 Net unrealized appreciation in employer's securities \$			
Street address (including apt. no.) 5001 LAUREL ST	7 Distribution code(s) 3	8 Other \$ %			
City or town, state or province, country, and ZIP or foreign postal code YOUR CITY, STATE ZIP	9a Your percentage of total distribution %	9b Total employee contributions \$			
10 Amount allocable to IRR within 5 years \$	11 1st year of desig. Roth contrib. <input type="checkbox"/>	FATCA filing requirement <input type="checkbox"/>	12 State tax withheld \$	13 State/Payer's state no.	14 State distribution \$
Account number (see instructions)	Date of payment	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

FORM SSA-1099 – SOCIAL SECURITY BENEFIT STATEMENT

2019

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

Box 1. Name NOAH NEUMANN		Box 2. Beneficiary's Social Security Number 131-00-XXXX
Box 3. Benefits Paid in 2019 \$16,000.00	Box 4. Benefits Repaid to SSA in 2019	Box 5. Net Benefits for 2019 (Box 3 minus Box 4) \$16,000.00
DESCRIPTION OF AMOUNT IN BOX 3 Paid by check or direct deposit: \$14,692 Medicare Part B premiums deducted from your benefits: \$1,308 Medicare Prescription Drug premiums (Part D) deducted from your benefits: \$0 Total Additions: Benefits for 2019: \$16,000		DESCRIPTION OF AMOUNT IN BOX 4 Box 6. Voluntary Federal Income Tax Withholding Box 7. Address 5001 Laurel St. Your City, State Zip Box 8. Claim Number (Use this number if you need to contact SSA.)

Draft as of June 21, 2019 - Subject to Change

Form SSA-1099-SM (6/2019)

DO NOT RETURN THIS FORM TO SSA OR IRS

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		Payer's RTN (optional)	OMB No. 1545-0112		Interest Income
COUNTY BANK 2400 MILFORD AVE YOUR CITY, STATE ZIP			2019		
PAYER'S TIN		RECIPIENT'S TIN		Copy B For Recipient	
39-400XXXX		131-00-XXXX			
RECIPIENT'S name		4 Federal income tax withheld	5 Investment expenses	This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.	
NOAH NEUMANN		\$	\$		
Street address (including apt. no.)		6 Foreign tax paid	7 Foreign country or U.S. possession		
5001 LAUREL ST.		\$	\$		
City or town, state or province, country, and ZIP or foreign postal code		8 Tax-exempt interest	9 Specified private activity bond interest		
YOUR CITY, STATE ZIP		\$	\$		
FATCA filing requirement <input type="checkbox"/>		10 Market discount	11 Bond premium		
Account number (see instructions)		\$	\$ 25.00		
		12 Bond premium on Treasury obligations	13 Bond premium on tax-exempt bond		
		\$	\$		
		14 Tax-exempt and tax credit bond CUSIP no.	15 State	16 State identification no.	17 State tax withheld
					\$
					\$

Form **1099-INT** (keep for your records) www.irs.gov/Form1099INT Department of the Treasury - Internal Revenue Service

CORRECTED

FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number		1 Payments received for qualified tuition and related expenses	OMB No. 1545-1574		Tuition Statement
BUCKEYE COLLEGE 575 COLLEGE BLVD YOUR CITY, STATE ZIP		\$ 7,000.00	2019		
FILER'S employer identification no.	STUDENT'S TIN	3		Copy B For Student	
33-700XXXX	133-00-XXXX				
STUDENT'S name		4 Adjustments made for a prior year	5 Scholarships or grants		This is important tax information and is being furnished to the IRS. This form must be used to complete Form 8863 to claim education credits. Give it to the tax preparer or use it to prepare the tax return.
LEO NEUMANN		\$	\$ 5,500.00		
Street address (including apt. no.)		6 Adjustments to scholarships or grants for a prior year	7 Checked if the amount in box 1 includes amounts for an academic period beginning January—March 2020 <input type="checkbox"/>		
5001 LAUREL ST.		\$			
City or town, state or province, country, and ZIP or foreign postal code		9 Checked if a graduate student <input type="checkbox"/>	10 Ins. contract reimb./refund		
YOUR CITY, STATE ZIP			\$		
Service Provider/Acct. No. (see instr.)		8 Check if at least half-time student <input checked="" type="checkbox"/>			

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



**Buckeye College
Meal Plan**

Buckeye College Student Housing
575 College Blvd.
Your City, State ZIP

Received from:
Leo Neumann
\$4,500



College Books
580 College Blvd
Your City, State ZIP

Receipt:
3 Textbooks: \$500
Sweatshirt: \$75

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

Basic Scenario 6: Test Questions

14. Ella's disability pension is reported as wages and considered earned income for the purposes of the earned income tax credit.
- True
 - False
15. Amounts paid for room and board and meal plan are qualified education expenses for claiming the American opportunity credit.
- True
 - False
16. How much of Noah's Social Security is taxable?
- \$0
 - \$6,851
 - \$2,175
 - \$31,000
17. What is the amount of Noah and Ella's standard deduction? \$_____.
18. Which of the following items are included in the total payments on Noah and Ella's tax return?
- Federal income tax withheld from Forms W-2 and 1099
 - \$500 estimated tax payment
 - Refundable credits
 - All of the above
19. Leo and Freddie are dependents on Noah and Ella's 2019 tax return.
- True
 - False

Basic Scenario 7: Evie Adams

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

- Evie is single and has two young girls, Poppy and Lily, who lived with her all year.
- Evie paid more than half of the support for her daughters and all the cost of keeping up the home.
- Evie was unemployed for two months (March and April). She cashed in her 401(k) and used the money to pay for living expenses.
- Evie is paying off a student loan that she took out when she attended college for her bachelor's degree.
- She took some courses this year at Southwest College to improve her job skills as an educator. She did not receive a Form 1098-T for 2018.
- Evie was an elementary school teacher from May to December and paid \$550 out of pocket for classroom supplies.
- She went to the local casino and won some money in 2019. During the interview she mentions that she had gambling losses of \$700.



You will need:

- Tax Information such as Forms W-2, 1099, 1098, 1095.
- Social security cards or ITIN letters for all persons on your tax return.
- Picture ID (such as valid driver's license) for you and your spouse.

- Please complete pages 1-4 of this form.
- You are responsible for the information on your return. Please provide complete and accurate information.
- If you have questions, please ask the IRS-certified volunteer preparer.

Volunteers are trained to provide high quality service and uphold the highest ethical standards.
To report unethical behavior to the IRS, email us at wi.voltax@irs.gov

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

Part II – Marital Status and Household Information

1. As of December 31, 2019, what was your marital status?

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

Married a. If Yes, Did you get married in 2019? Yes No

Divorced b. Did you live with your spouse during any part of the last six months of 2019? Yes No

Legally Separated Date of final decree _____

Widowed Date of separate maintenance decree _____

Year of spouse's death _____

2. List the names below of:

- **everyone** who lived with you last year (other than your spouse)
- **anyone** you supported but did not live with you last year

If additional space is needed check here and list on page 3

										To be completed by a Certified Volunteer Preparer				
Name (first, last) Do not enter your name or spouse's name below	Date of Birth (mm/dd/yy)	Relationship to you (for example: son, daughter, parent, none, etc)	Number of months lived in your home last year	US Citizen (yes/no)	Resident of US, Canada, or Mexico last year (yes/no)	Single or Married as of 12/31/19 (S/M)	Full-time Student last year (yes/no)	Totally and Permanently Disabled (yes/no)	Is this person a qualifying child/relative of any other person? (yes/no)	Did this person provide more than 50% of his/her own support? (yes/no)	Did this person have less than \$4,200 of income? (yes/no)	Did the taxpayer(s) provide more than 50% of support for this person? (yes/no/N/A)	Did the taxpayer(s) pay more than half the cost of maintaining a home for this person? (yes/no)	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)						
POPPY ADAMS	05/06/10	DAUGHTER	12	YES	YES	S	YES	NO						
LILY ADAMS	07/31/12	DAUGHTER	12	YES	YES	S	YES	NO						

Check appropriate box for each question in each section

Yes	No	Unsure	Part III – Income – Last Year, Did You (or Your Spouse) Receive
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. (B) Wages or Salary? (Form W-2) If yes, how many jobs did you have last year? <u>2</u>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. (A) Tip Income?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. (B) Scholarships? (Forms W-2, 1098-T)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (B) Interest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. (B) Refund of state/local income taxes? (Form 1099-G)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. (B) Alimony income or separate maintenance payments?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. (A) Self-Employment income? (Form 1099-MISC, cash)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. (A) Cash/check payments for any work performed not reported on Forms W-2 or 1099?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	9. (A) Income (or loss) from the sale of Stocks, Bonds or Real Estate? (including your home) (Forms 1099-S, 1099-B)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	10. (B) Disability income? (such as payments from insurance, or workers compensation) (Forms 1099-R, W-2)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11. (A) Retirement income or payments from Pensions, Annuities, and or IRA? (Form 1099-R)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12. (B) Unemployment Compensation? (Form 1099G)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	13. (B) Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	14. (M) Income (or loss) from Rental Property?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15. (B) Other income? (gambling, lottery, prizes, awards, jury duty, Sch K-1, royalties, foreign income, etc.) Specify W-2G
Yes	No	Unsure	Part IV – Expenses – Last Year, Did You (or Your Spouse) Pay
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. (B) Alimony or separate maintenance payments? If yes, do you have the recipient's SSN? <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. Contributions to a retirement account? <input type="checkbox"/> IRA (A) <input type="checkbox"/> 401K (B) <input type="checkbox"/> Roth IRA (B) <input type="checkbox"/> Other
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3. (B) College or post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (A) Any of the following? <input type="checkbox"/> Medical & Dental (including insurance premiums) <input type="checkbox"/> Mortgage Interest (Form 1098) <input type="checkbox"/> Taxes (State, Real Estate, Personal Property, Sales) <input type="checkbox"/> Charitable Contributions
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5. (B) Child or dependent care expenses such as daycare?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6. (B) For supplies used as an eligible educator such as a teacher, teacher's aide, counselor, etc.?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. (A) Expenses related to self-employment income or any other income you received?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. (B) Student loan interest? (Form 1098-E)
Yes	No	Unsure	Part V – Life Events – Last Year, Did You (or Your Spouse)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. (HSA) Have a Health Savings Account? (Forms 5498-SA, 1099-SA, W-2 with code W in box 12)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. (A) Have credit card or mortgage debt cancelled/forgiven by a lender or have a home foreclosure? (Forms 1099-C, 1099-A)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. (A) Adopt a child?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (B) Have Earned Income Credit, Child Tax Credit or American Opportunity Credit disallowed in a prior year? If yes, for which tax year? _____
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. (A) Purchase and install energy-efficient home items? (such as windows, furnace, insulation, etc.)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. (A) Receive the First Time Homebuyers Credit in 2008?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. (B) Make estimated tax payments or apply last year's refund to this year's tax? If so how much? _____
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. (A) File a federal return last year containing a "capital loss carryover" on Form 1040 Schedule D?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	9. (A) Have health coverage through the Marketplace (Exchange)? [Provide Form 1095-A]

a Employee's social security number 259-00-XXXX		OMB No. 1545-0008		Safe, accurate, FAST! Use				Visit the IRS website at www.irs.gov/efile		
b Employer identification number (EIN) 35-600XXXX				1 Wages, tips, other compensation 33,000.00		2 Federal income tax withheld 2,600.00				
c Employer's name, address, and ZIP code SALEM ELEMENTARY SCHOOL 1270 WEST 29TH STREET YOUR CITY, STATE ZIP				3 Social security wages 33,000.00		4 Social security tax withheld 2,046.00				
				5 Medicare wages and tips 33,000.00		6 Medicare tax withheld 478.50				
				7 Social security tips		8 Allocated tips				
d Control number				9		10 Dependent care benefits				
e Employee's first name and initial Last name Suff. EVIE ADAMS 129 PENNINGTON PLACE YOUR CITY, STATE ZIP				11 Nonqualified plans		12a See instructions for box 12 DD 3,800.00				
				13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b				
				14 Other		12c				
						12d				
f Employee's address and ZIP code										
15 State Employer's state ID number YS 35-600XXXX		16 State wages, tips, etc. 33,000.00		17 State income tax 2,238.00		18 Local wages, tips, etc.		19 Local income tax		20 Locality name

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

2019

Department of the Treasury—Internal Revenue Service

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

a Employee's social security number 259-00-XXXX		OMB No. 1545-0008		Safe, accurate, FAST! Use				Visit the IRS website at www.irs.gov/efile		
b Employer identification number (EIN) 39-700XXXX				1 Wages, tips, other compensation 3,500.00		2 Federal income tax withheld 350.00				
c Employer's name, address, and ZIP code DAVIDSON INC. 4325 NORTHRIDGE AVE YOUR CITY, STATE ZIP				3 Social security wages 3,500.00		4 Social security tax withheld 217.00				
				5 Medicare wages and tips 3,500.00		6 Medicare tax withheld 50.75				
				7 Social security tips		8 Allocated tips				
d Control number				9		10 Dependent care benefits				
e Employee's first name and initial Last name Suff. EVIE ADAMS 129 PENNINGTON PLACE YOUR CITY, STATE ZIP				11 Nonqualified plans		12a See instructions for box 12 DD 450.00				
				13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		12b				
				14 Other		12c				
						12d				
f Employee's address and ZIP code										
15 State Employer's state ID number YS 39-700XXXX		16 State wages, tips, etc. 3,500.00		17 State income tax 210.00		18 Local wages, tips, etc.		19 Local income tax		20 Locality name

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

2019

Department of the Treasury—Internal Revenue Service

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

CORRECTED (if checked)

OMB No. 1545-0238

2019

Form W-2G

Certain Gambling Winnings

PAYER'S name, street address, city or town, province or state, country, and ZIP or foreign postal code RIDGETOP CASINO 777 CREST ROAD YOUR CITY, STATE ZIP		1 Reportable winnings \$ 2,000.00	2 Date won 5/28/2019
PAYER'S federal identification number 38-600XXXX		3 Type of wager RAFFLE	4 Federal income tax withheld \$ 500.00
PAYER'S telephone number YOUR PHONE #		5 Transaction	6 Race
WINNER'S name EVIE ADAMS		7 Winnings from identical wagers \$	8 Cashier VP
Street address (including apt. no.) 129 PENNINGTON PLACE		9 Winner's taxpayer identification no. 259-00-XXXX	10 Window
City or town, province or state, country, and ZIP or foreign postal code YOUR CITY, STATE ZIP		11 First I.D. YS987654	12 Second I.D. YS 316-00-XXXX
Account number (see instructions)		13 State/Payer's state identification no.	14 State winnings \$
		15 State income tax withheld \$	16 Local winnings \$
		17 Local income tax withheld \$	18 Name of locality

This information is being furnished to the Internal Revenue Service

Copy B
Report this income on your federal tax return. If this form shows federal income tax withheld in box 4, attach this copy to your return.

Under penalties of perjury, I declare that, to the best of my knowledge and belief, the name, address, and taxpayer identification number that I have furnished correctly identify me as the recipient of this payment and any payments from identical wagers, and that no other person is entitled to any part of these payments.

Signature ►

Date ►

Form **W-2G**

www.irs.gov/FormW2G

Department of the Treasury - Internal Revenue Service

CORRECTED (if checked)

2019

Certain Government Payments

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. STATE UNEMPLOYMENT COMMISSION 1000 GOVERNMENT PLAZA YOUR CITY, STATE ZIP (555) 555-4321		1 Unemployment compensation \$ 2,200.00	OMB No. 1545-0120
PAYER'S TIN 35-700XXXX		2 State or local income tax refunds, credits, or offsets \$	Form 1099-G
RECIPIENT'S TIN 259-00-XXXX		3 Box 2 amount is for tax year	4 Federal income tax withheld \$ 220.00
RECIPIENT'S name EVIE ADAMS		5 RTAA payments \$	6 Taxable grants \$
Street address (including apt. no.) 129 PENNINGTON PLACE		7 Agriculture payments \$	8 If checked, box 2 is trade or business income <input type="checkbox"/>
City or town, state or province, country, and ZIP or foreign postal code YOUR CITY, STATE ZIP		9 Market gain \$	
Account number (see instructions)		10a State	11 State income tax withheld \$
		10b State identification no.	\$

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

Form **1099-G**

(keep for your records)

www.irs.gov/Form1099G

Department of the Treasury - Internal Revenue Service

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and phone no. KENT STATE BANK 743 COLQUITT WAY YOUR CITY, STATE ZIP		1 Gross distribution \$ 2,000.00	OMB No. 1545-0119 2019		Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
		2a Taxable amount \$ 2,000.00	Form 1099-R		
PAYER'S TIN 38-200XXXX		RECIPIENT'S TIN 259-00-XXXX		2b Taxable amount not determined <input type="checkbox"/>	Copy B Report this income on your federal tax return. If this form shows federal income tax withheld in box 4, attach this copy to your return. This information is being furnished to the IRS.
RECIPIENT'S name EVIE ADAMS		3 Capital gain (included in box 2a) \$		4 Federal income tax withheld \$ 300.00	
Street address (including apt. no.) 129 PENNINGTON PLACE		5 Employee contributions/ Designated Roth contributions or insurance premiums \$		6 Net unrealized appreciation in employer's securities \$	
City or town, state or province, country, and ZIP or foreign postal code YOUR CITY, STATE ZIP		7 Distribution code(s) 1	IRA/SEP/SIMPLE <input type="checkbox"/>	8 Other \$ %	
10 Amount allocable to IRR within 5 years \$		11 1st year of desig. Roth contrib.	FATCA filing requirement <input type="checkbox"/>	9a Your percentage of total distribution %	9b Total employee contributions \$
Account number (see instructions)		Date of payment	12 State tax withheld \$	13 State/Payer's state no.	14 State distribution \$
			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

CORRECTED (if checked)

RECIPIENT'S/LENDER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number FINANCIAL AID PARTNERS 666 LINCOLN YOUR CITY, STATE ZIP		OMB No. 1545-1576 2019		Student Loan Interest Statement
		Form 1098-E		
RECIPIENT'S TIN 38-900XXXX	BORROWER'S TIN 259-00-XXXX	1 Student loan interest received by lender \$ 600.00		
BORROWER'S name EVIE ADAMS				
Street address (including apt. no.) 129 PENNINGTON PLACE				
City or town, state or province, country, and ZIP or foreign postal code YOUR CITY, STATE ZIP		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"/>		
Account number (see instructions)		This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for student loan interest.		

Form **1098-E**

(keep for your records)

www.irs.gov/Form1098E

Department of the Treasury - Internal Revenue Service

CORRECTED

FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number SOUTHWEST COLLEGE 1000 COLLEGE AVE YOUR CITY, STATE ZIP		1 Payments received for qualified tuition and related expenses \$ 2,800.00	OMB No. 1545-1574 2019 Form 1098-T	Tuition Statement Copy B For Student This is important tax information and is being furnished to the IRS. This form must be used to complete Form 8863 to claim education credits. Give it to the tax preparer or use it to prepare the tax return.
FILER'S employer identification no. 35-500XXXX	STUDENT'S TIN 259-00-XXXX	3	5 Scholarships or grants \$	
STUDENT'S name EVIE ADAMS		4 Adjustments made for a prior year \$	7 Checked if the amount in box 1 includes amounts for an academic period beginning January—March 2020 <input type="checkbox"/>	
Street address (including apt. no.) 129 PENNINGTON PLACE		6 Adjustments to scholarships or grants for a prior year \$	10 Ins. contract reimb./refund \$	
City or town, state or province, country, and ZIP or foreign postal code YOUR CITY, STATE ZIP		8 Check if at least half-time student <input type="checkbox"/>	9 Checked if a graduate student <input type="checkbox"/>	
Service Provider/Acct. No. (see instr.)				

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

River's Child Care

303 Twiggs Trail
Your City, Your State Your Zip

December 31, 2019

Received from Evie Adams:

\$1,500 for after-school care for Poppy Adams

\$1,500 for after-school care for Lily Adams

\$3,000 Total amount received for child care in 2019

Ellen River

EIN: 35-900XXXX

Evie Adams 129 Pennington Place Your City, State 00000	1234
_____ 20 _____	
PAY TO THE ORDER OF _____	\$ _____
_____ DOLLARS	
Adelphi Bank and Trust Anytown, State 00000 For _____	
: 111000025 : 123456789 1234	

Basic Scenario 7: Test Questions

20. What is the total amount of adjustments on Evie's tax return?
- a. \$250
 - b. \$600
 - c. \$850
 - d. \$1,550
21. What is the lifetime learning education credit amount on Evie's tax return?
\$_____.
22. What is the total federal income tax withheld on Evie's tax return? \$_____.
23. What is the amount of gambling winnings reported on her 2019 return?
- a. \$0
 - b. \$1,300
 - c. \$2,000
 - d. \$3,200
24. Evie is eligible to claim which of the following credits on her 2019 tax return?
- a. Child and dependent care credit
 - b. Child tax credit
 - c. Earned income tax credit
 - d. All of the above
25. Evie must pay an additional tax on the early distribution from her 401(k) of:
- a. 0%
 - b. 5%
 - c. 10%
 - d. 15%



Basic Course Retest Questions

Directions

The first five 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: Olivia Otis

Interview Notes

- Olivia is single, 66 years old, and not blind.
- She paid all the cost of keeping up her home. She earned \$55,000 in wages for 2019.
- Olivia provided all the support for her two grandchildren who lived with her all year. Cora is 11 years old and Jack is 15 years old.
- She does not have enough deductions to itemize.
- Olivia, Cora, and Jack are all U.S. citizens with valid Social Security numbers.

Basic Scenario 1: Retest Questions

1. Olivia's standard deduction is \$20,000.
 - a. True
 - b. False
2. The maximum amount of child tax credit Olivia is able to claim per qualifying child is \$1,000.
 - a. True
 - b. False

Basic Scenario 2: Felix and Isabella Franklin

Interview Notes

- Felix and Isabella Franklin have been married since 2016. Felix is a U.S. citizen with a valid Social Security number. Isabella is a resident alien with an Individual Taxpayer Identification Number (ITIN). They elect to file Married Filing Jointly.
- Felix worked in 2019 and earned wages of \$40,000. Isabella worked part-time and earned \$10,000.
- They have two children: Rose, who is 3 years old, and Iris, who is 8 years old. Both children were supported by their parents all year. Rose is a U.S. citizen and has a valid Social Security number. Iris is a resident alien and has an ITIN.
- Felix and Isabella paid \$5,000 in daycare for Rose and Iris. The statement from the daycare provider includes the provider's name, address, valid Employer Identification Number, and the amount paid for Rose and Iris's care.
- Felix, Isabella, Rose, and Iris lived together in the U.S. all year.

Basic Scenario 2: Retest Questions

3. The Franklins are eligible to claim the earned income credit.
 - a. True
 - b. False
4. Iris is a qualifying child for the child tax credit.
 - a. True
 - b. False

Basic Scenario 3: Henry Howard and Charlotte Criswell

Interview Notes

- Henry and Charlotte are both 28 years old.
- Henry and Charlotte separated in 2018 and their divorce was finalized in January 2019. During 2019, Charlotte paid Henry alimony payments of \$12,000.
- Charlotte earned \$85,000 in wages during 2019. Henry earned \$13,000 in wages.
- Henry has two children from a previous relationship. Ethan is 9 and James is 6 years old and they lived with Henry for all of 2019. Ethan and James did not provide over half of their own support.
- Henry paid all the rent, utilities, and household expenses.
- Henry, Charlotte, Ethan, and James are all U.S. citizens with valid Social Security numbers.

Basic Scenario 3: Retest Questions

5. Henry is not required to report the \$12,000 alimony received as income and Charlotte cannot claim alimony paid as an adjustment to income.
 - a. True
 - b. False
6. Neither Charlotte nor Henry can claim Ethan and James as qualifying children for the earned income credit.
 - a. True
 - b. False

Basic Scenario 4: Mark and Sue Malone

Interview Notes

- Mark and Sue are married and U.S. citizens with valid Social Security numbers.
- The Malones received wages and a large amount of taxable income not subject to withholding.
- Mark did not have health insurance coverage for 2019 and Sue had health insurance coverage through her employer.
- The Malones have a \$2,500 balance due on their joint return and want advice on how to prevent a balance due next year. They do not anticipate a change in their sources of income and amounts received next year.

Basic Scenario 4: Retest Questions

7. What actions should Mark and Sue take to prevent having a balance due next year? (Choose the best answer.)
 - a. They should use the IRS Tax Withholding Estimator and adjust their withholding.
 - b. They should refer to Publication 505, Withholding and Estimated Tax, and make estimated tax payments.
 - c. Both a and b.
 - d. None of the above.
8. What is the best option for Mark and Sue if they are not able to pay their entire 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. File their tax return, pay as much as they can by the due date of the return and request a payment plan.
 - d. Both a and b.
9. The shared responsibility payment for 2019 is zero.
 - a. True
 - b. False

Basic Scenario 5: Aurora Davis

Interview Notes

- Aurora and Oscar separated in 2017 and divorced in October 2019. She earned \$40,000 in wages and paid more than half the cost of keeping up her home in 2019.
- Aurora and Oscar have a son, Milo, who is 17 years old and unmarried.
- Aurora signed Form 8332 (Release/Revocation of Release of Claim to Exemption for Child by Custodial Parent) allowing Oscar to claim Milo in 2019.
- Milo is a full-time student working towards a degree in computer information systems. Milo lived on campus during the school year and spent the summer at home with his mother.
- Milo does not have a felony drug conviction and is not a qualifying child for anyone except Aurora.
- Aurora paid \$5,000 of Milo's tuition that was not covered by his scholarship.
- Aurora provided more than half of her son's support and all the cost of his room and board on campus.
- Milo's only income was \$3,800 in wages and \$400 of dividend income. He had no federal or state tax withholding.
- Aurora and Milo are U.S. citizens and have valid Social Security numbers.

Basic Scenario 5: Retest Questions

10. Milo is required to file a federal tax return.
 - a. True
 - b. False
11. What is the most advantageous filing status allowable for Aurora?
 - a. Single
 - b. Married Filing Separately
 - c. Married Filing Jointly
 - d. Head of Household

- 12.** Milo is Aurora's qualifying child for the earned income credit.
- a. True
 - b. False
- 13.** Milo is a qualifying person for Oscar to claim Head of Household filing status, credit for other dependents, and the earned income credit.
- a. True
 - b. False

Basic Scenario 6: Retest Questions

Directions

Read the scenario information for Noah and Ella Neumann beginning on page 31.

14. Ella's disability payments should be reported on the Pensions and Annuities line on Form 1040.
 - a. True
 - b. False

15. Noah and Ella can claim \$2,000 of qualified education expenses to calculate the American opportunity credit.
 - a. True
 - b. False

16. The taxable amount of Noah's Social Security income is \$16,000.
 - a. True
 - b. False

17. Noah and Ella have an increased standard deduction because they are both 65 years old.
 - a. True
 - b. False

18. What is the amount of federal income tax withholding? \$_____.

19. Who can Noah and Ella claim as a dependent on their 2019 tax return?
 - a. Leo
 - b. Freddie
 - c. Both Leo and Freddie
 - d. Neither Leo nor Freddie

Basic Scenario 7: Retest Questions

Directions

Read the scenario information for Evie Adams beginning on page 40.

- 20.** Evie can claim up to \$250 of her classroom expenses as an adjustment to income on her 2019 tax return.
- a. True
 - b. False
- 21.** Evie qualifies for the lifetime learning credit.
- a. True
 - b. False
- 22.** What is the total federal income tax withheld shown on Evie's tax return?
- a. \$2,600
 - b. \$2,950
 - c. \$3,670
 - d. \$3,970
- 23.** What is total amount of gambling winnings reported on Evie's tax return?
\$_____.
- 24.** Evie is eligible to claim the earned income tax credit on her 2019 tax return.
- a. True
 - b. False
- 25.** Evie is subject to the 10% additional tax from her 401(k) distribution.
- a. True
 - b. False