

**SOLUTIONS FOR**  
**QUESTIONS AND PROBLEMS**



## CHAPTER 1

### THE INDIVIDUAL INCOME TAX RETURN

#### Group 1 - Multiple Choice Questions

- |                                      |                                 |                                       |
|--------------------------------------|---------------------------------|---------------------------------------|
| 1. D (LO 1.1)                        | 8. E (LO 1.6)                   | 16. C $\$10,000 = \$265,000 -$        |
| 2. D (LO 1.2)                        | 9. A Because the daughter's in- | $(\$290,000 - \$35,000)$ (LO 1.8)     |
| 3. C (LO 1.3)                        | come exceeds \$4,000. (LO 1.6)  | 17. C $\$48,000 = \$51,000 - \$3,000$ |
| 4. B (LO 1.3)                        | 10. C (LO 1.6)                  | (LO 1.8)                              |
| 5. B $\$98,000 - \$19,000 - \$4,000$ | 11. B (LO 1.6)                  | 18. B (LO 1.9)                        |
| $= \$75,000$ (LO 1.3)                | 12. B (LO 1.7)                  | 19. C (LO 1.9)                        |
| 6. C $\$6,300 + \$4,000 = \$10,300$  | 13. B (LO 1.7)                  | 20. D (LO 1.11)                       |
| (LO 1.4)                             | 14. D (LO 1.8)                  |                                       |
| 7. C (LO 1.5)                        | 15. B (LO 1.8)                  |                                       |

#### Group 2 - Problems

1.
  - a. Raising revenue to operate the government.
  - b. Furthering economic goals such as reducing unemployment.
  - c. Furthering social goals such as encouraging contributions to charities. (LO 1.1)
2.
  - a. **\$36,500**  $= \$41,000 + \$500 - \$5,000$ .
  - b. **\$12,600**, the greater of itemized deductions or the standard deduction of \$12,600.
  - c. **\$15,900**  $= \$36,500 - \$12,600 - (2 \times \$4,000)$ . (LO 1.3)
3.
  - a. **\$24,000**.
  - b. **\$6,300**, the greater of total itemized deductions or the standard deduction amount.
  - c. **\$13,700**  $= \$24,000 - \$6,300 - \$4,000$ . (LO 1.3)
4.
  - a. **\$52,100**  $= \$53,000 + \$1,700 + \$400 - \$3,000$  (\$7,000 capital loss limited to \$3,000)
  - b. **\$6,300**
  - c. **\$4,000**
  - d. **\$41,800**  $= \$52,100 - \$6,300 - \$4,000$ . (LO 1.3 and 1.8)
5.
 

Gross income

– Deductions for adjusted gross income

= Adjusted gross income

– Greater of itemized deductions or standard deduction

– Exemptions

= Taxable income (LO 1.3)
6.
  - a. **\$48,626**  $= \$47,126 + \$3,500 - \$2,000$ .
  - b. **\$12,600**, the greater of itemized deductions or the standard deduction of \$12,600.
  - c. **\$28,026**  $= \$48,626 - \$12,600 - (2 \times \$4,000)$ .
  - d. **\$3,281** (Tax Table) (LO 1.3 and 1.5)
7.
 

Adjusted gross income	\$17,400
Less: Itemized deductions	–2,250
One exemption	–4,000
Taxable income	<u>\$11,150</u>

Ulysses' tax liability from the Tax Table is **\$1,215**. Note: because they are married and filing separately and Ulysses' spouse Penelope itemizes her deductions, Ulysses must also itemize his deductions, even though the itemized deductions total less than the standard deduction he would be otherwise entitled to. (LO 1.3, 1.5, 1.6 and 1.7)

8. Adjusted gross income (\$13,200 + \$1,450)    \$14,650  
 Less: Standard deduction                                -6,300  
       Exemption    -4,000  
 Taxable income    \$4,350  
 (LO 1.3, 1.5, and 1.6)  
 (Note: See Chapter 6 for the tax computation for dependent college students under age 24.)
9. a. **\$35,900** = \$46,200 – \$6,300 – \$4,000.  
 b. Taxpayers with incomes up to \$100,000 must use the tax tables.  
 c. **\$4,928.** (LO 1.3, 1.5 and 1.6)
10. a. **\$67,625** = \$49,500 + \$10,125 + \$5,000 + \$3,000.  
 b. **\$64,425** = \$67,625 – \$3,200.  
 c. **\$13,200**, the greater of itemized deductions or the standard deduction of \$12,600.  
 d. **5.** Two personal and three dependency exemptions.  
 e. **\$31,225** = \$64,425 – \$13,200 – \$20,000 (5 x \$4,000).  
 f. **\$3,761** (LO 1.3, 1.5, 1.6 and 1.7)
11. a. **\$87,900** = \$84,000 + \$3,900.  
 b. **\$8,000** = 2 x \$4,000.  
 c. **\$67,200** = \$87,900 – \$12,700 – \$8,000. (LO 1.3, 1.5, 1.6 and 1.7)
12. Taxable income is: **\$30,425** = \$40,725 – \$6,300 – \$4,000. Tax liability from the tax tables not the tax rate schedules: \$4,103. (LO 1.3, 1.5, 1.6, 1.7)
13. Yes. Since Nicoula owes social security taxes on the unreported tips, she must file an income tax return. (LO 1.4)
14. a. No. Income is less than the sum of the \$4,000 exemption plus the \$6,300 standard deduction.  
 b. Yes. Unearned income was more than \$1,050. Also, gross income is more than the larger of \$1,050 or \$1,900 (earned income of \$1,550 plus \$350).  
 c. No. Their income is under \$21,850, the total of personal exemptions and the standard deduction.  
 d. No. Gross income is less than \$20,600, the total of personal exemptions and the standard deduction.  
 e. Yes. His earnings exceeded the \$400 limit for self-employed persons.  
 (Note: All answers can be found in the figures in LO 1.4.)
15. Allen                        **\$2,693.**  
 Boyd                         **\$3,218.**  
 Caldwell                    **\$4,444.**  
 Dell                         **\$3,464.**  
 Evans                       **\$7,050.** (LO 1.5)
16. a. D  
 b. D  
 c. A  
 d. A  
 e. B or C (LO 1.5)
17. a. Because their income exceeds \$100,000, the tax rate schedules must be used.  
 b. **\$17,837.50** = ((\$105,000 x 25%) – \$8,412.50). (LO 1.5)
18. They may file either as married filing joint or married filing separately. They must file married, since they were married by year-end. (LO 1.5)
19. Head of household. Maggie's parents meet the tests to qualify as her dependents. Maggie is single. Additionally, she provides a home for her parents. Parents are the only exception to the requirement that dependents must live in the same household as the taxpayer to qualify the taxpayer for head of household status. (LO 1.5)

20. Single. Unmarried with no dependent  
Head of household. Single or abandoned spouse, with qualifying dependent  
Qualifying widow(er). Spouse died within the past 2 years; qualifying dependent. (LO 1.5)
21. a. Yes, her son qualifies as a dependent.  
b. No. Her son must live in the same household as Mary, so Mary cannot use the head of household filing status. (LO 1.5 and 1.6)
22. a. **2.** One personal and one dependency.  
b. **2.** Two personal. The sister does not qualify as a dependent, because her gross income was \$4,000.  
c. **2.** One personal and one dependency.  
d. **2.** One personal and one dependency.  
e. **2.** Two personal. (LO 1.6)
23. **\$12,000.** 3 exemptions at \$4,000 each. (LO 1.6)
24. No. Because Charles is self-supporting, his parents may not claim him as a dependent. The self-support test is applied to both children and relatives who otherwise qualify, so Charles is disqualified either way. (LO 1.6)
25. No. Phillip cannot be claimed as a dependent because he is not a U.S. citizen. (LO 1.6)
26. The standard deduction is a specific dollar amount that varies with filing status, age and vision, but not by type of individual deduction. Total itemized deductions depend on the amount and type of items, with some items having limitations based on AGI. They include medical expenses, certain taxes, certain interest expense, charitable contributions and miscellaneous deductions  
A taxpayer should claim the larger of the standard deduction or the total allowed itemized deductions to reduce the taxpayer's income subject to tax as much as possible. (LO 1.7)
27. **\$1,520.** AGI = \$240,000  
Threshold 200,000  
40,000  
Investment income 90,000  
Lesser of above amount \$40,000 x 3.8% (LO 1.9)
28. The answer will vary depending on the date the problem is assigned and completed. The purpose of the problem is to familiarize the student with the Internet sites. (LO 1.10)
29. The blank forms are not reproduced here. By the time the student is assigned this problem, the current year's forms should be available. (LO 1.10)
30. Instructions are not reproduced here. Current year's instructions should be available. (LO 1.10)

### Group 3 - Writing Assignments

#### 1. Research Solution:

Whittenburg, Gill, and Altus-Buller, CPAs  
San Diego, CA  
February 20, 20xx

Mr. and Mrs. William Carson  
3276 Lakeline Drive  
San Diego, CA

Dear William and Sheila,

Thanks for requesting my advice concerning the tax treatment of your brother Jerry. I have researched your question and am sorry to say that you cannot claim Jerry as a qualifying child.

Although Jerry meets the relationship, domicile, joint return, citizenship, and self-support test, he does not meet the age test. Even though he is a full-time student and under the age of 24, in order to be your qualifying child, he must be younger than at least one of you.

Although you can't claim him as a qualifying child, there is a possibility that you could claim Jerry as a qualifying relative if he makes less than \$4,000.

My conclusion is based upon the facts that you have provided me. I'm sorry that the news was not more favorable. If you have any questions or would like further explanation, please don't hesitate to call.

Sincerely,

Trevor Malcolm

for Whittenburg, Gill, and Altus-Buller, CPAs

## 2. Ethics Solution:

To: [JasonandMary@email.com](mailto:JasonandMary@email.com)

Subject: Inquiry on filing status: single v. married filing jointly

Jason and Mary,

Thanks for your e-mail regarding your filing status for 2015. Let me also say, I really enjoyed your wedding ceremony and reception. Thank you for inviting me.

Your e-mail stated that you had prepared your 2015 taxes as both single and married filing jointly and found that your refund would be larger if both of you filed as single. Unfortunately, the tax law is very clear on this issue. Individuals who are married as of the last day of the tax year are considered to be married. Married taxpayers have only two filing status options: married filing joint or married filing separate. In order to file single, taxpayers must be unmarried or legally separated from their spouse as of the last day of the tax year. Not only would it be unethical for you to file single, it would be against the law.

The additional tax that married couples sometimes encounter is known as the "marriage penalty." Hopefully you are finding that your wedded bliss outweighs the tax penalty!

Your friend,

Trevor Malcolm

For Whittenburg, Gill and Altus-Buller, CPAs

## Group 4 - Comprehensive Problems

1. See page 31.
- 2A. See pages 32 and 33.
- 2B. See pages 34 and 35.

## Group 5 - Cumulative Software Problem

The solution to the Cumulative Software Problem is posted on the Internet site for the text at [www.cengage.com/login](http://www.cengage.com/login).



## Comprehensive Problem 2A

Form <b>1040A</b>		Department of the Treasury—Internal Revenue Service		<b>2015</b>		IRS Use Only—Do not write or staple in this space.																																				
Your first name and initial <i>Leon</i>		Last name <i>Lazo</i>		OMB No. 1545-0074																																						
If a joint return, spouse's first name and initial <i>Leslie</i>		Last name <i>Lazo</i>		Your social security number <i>467 74 4451</i>																																						
Home address (number and street). If you have a P.O. box, see instructions. <i>143 Snapdragon Drive</i>		Apt. no.		Spouse's social security number <i>466 47 3311</i>																																						
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). <i>Reno, NV 82102</i>		Foreign country name		Foreign province/state/county		Foreign postal code																																				
Filing status Check only one box.		1 <input type="checkbox"/> Single 2 <input checked="" type="checkbox"/> Married filing jointly (even if only one had income) 3 <input type="checkbox"/> Married filing separately. Enter spouse's SSN above and full name here. ▶		4 <input type="checkbox"/> Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶ 5 <input type="checkbox"/> Qualifying widow(er) with dependent child (see instructions)		<div> <div>Make sure the SSN(s) above and on line 6c are correct.</div> <div> <b>Presidential Election Campaign</b>            Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.  <input checked="" type="checkbox"/> You <input checked="" type="checkbox"/> Spouse         </div> </div>																																				
Exemptions		6a <input checked="" type="checkbox"/> Yourself. If someone can claim you as a dependent, do not check box 6a. b <input checked="" type="checkbox"/> Spouse c Dependents:				Boxes checked on 6a and 6b: <b>2</b> No. of children on 6c who: • lived with you: <b>1</b> • did not live with you due to divorce or separation (see instructions): Dependents on 6c not entered above: Add numbers on lines above ▶ <b>3</b>																																				
If more than six dependents, see instructions.		<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>(1) First name</th> <th>Last name</th> <th>(2) Dependent's social security number</th> <th>(3) Dependent's relationship to you</th> <th>(4) <input checked="" type="checkbox"/> if child under age 17 qualifying for child tax credit (see instructions)</th> </tr> </thead> <tbody> <tr> <td><i>Lyle</i></td> <td><i>Lazo</i></td> <td><i>552 52 5552</i></td> <td><i>Son</i></td> <td><input type="checkbox"/></td> </tr> <tr><td> </td><td> </td><td> </td><td> </td><td><input type="checkbox"/></td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td><input type="checkbox"/></td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td><input type="checkbox"/></td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td><input type="checkbox"/></td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td><input type="checkbox"/></td></tr> </tbody> </table>		(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> if child under age 17 qualifying for child tax credit (see instructions)	<i>Lyle</i>	<i>Lazo</i>	<i>552 52 5552</i>	<i>Son</i>	<input type="checkbox"/>					<input type="checkbox"/>					<input type="checkbox"/>					<input type="checkbox"/>					<input type="checkbox"/>					<input type="checkbox"/>	d Total number of exemptions claimed.			
(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> if child under age 17 qualifying for child tax credit (see instructions)																																						
<i>Lyle</i>	<i>Lazo</i>	<i>552 52 5552</i>	<i>Son</i>	<input type="checkbox"/>																																						
				<input type="checkbox"/>																																						
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				<input type="checkbox"/>																																						
				<input type="checkbox"/>																																						
				<input type="checkbox"/>																																						
Income		7 Wages, salaries, tips, etc. Attach Form(s) W-2. <span style="float: right;">7 <i>50,000</i></span>																																								
Attach Form(s) W-2 here. Also attach Form(s) 1099-R if tax was withheld.		8a Taxable interest. Attach Schedule B if required. <span style="float: right;">8a</span> b Tax-exempt interest. Do not include on line 8a. <span style="float: right;">8b</span>																																								
If you did not get a W-2, see instructions.		9a Ordinary dividends. Attach Schedule B if required. <span style="float: right;">9a</span> b Qualified dividends (see instructions). <span style="float: right;">9b</span>																																								
10 Capital gain distributions (see instructions). <span style="float: right;">10</span>		11a IRA distributions. <span style="float: right;">11a</span>																																								
11b Taxable amount (see instructions). <span style="float: right;">11b</span>		12a Pensions and annuities. <span style="float: right;">12a</span>																																								
12b Taxable amount (see instructions). <span style="float: right;">12b</span>		13 Unemployment compensation and Alaska Permanent Fund dividends. <span style="float: right;">13</span>																																								
14a Social security benefits. <span style="float: right;">14a</span>		14b Taxable amount (see instructions). <span style="float: right;">14b</span>																																								
15 Add lines 7 through 14b (far right column). This is your total income. ▶ <span style="float: right;">15 <i>50,000</i></span>																																										
Adjusted gross income		16 Reserved <span style="float: right;">16</span> 17 IRA deduction (see instructions). <span style="float: right;">17</span> 18 Student loan interest deduction (see instructions). <span style="float: right;">18</span> 19 Reserved <span style="float: right;">19</span> 20 Add lines 16 through 19. These are your total adjustments. <span style="float: right;">20</span> 21 Subtract line 20 from line 15. This is your adjusted gross income. ▶ <span style="float: right;">21 <i>50,000</i></span>																																								

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## Comprehensive Problem 2B

Form <b>1040A</b>		Department of the Treasury — Internal Revenue Service		<b>2015</b>		IRS Use Only — Do not write or staple in this space.	
Your first name and initial <i>Abigail</i>			Last name <i>Boxer</i>			OMB No. 1545-0074	
If a joint return, spouse's first name and initial			Last name			Your social security number <i>676 73 3311</i>	
Home address (number and street). If you have a P.O. box, see instructions. <i>3456 Alamo Way</i>			Apt. no.			Spouse's social security number	
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). <i>San Antonio, TX 78249</i>			Foreign country name			Foreign province/state/county	
Foreign postal code			Foreign province/state/county			Foreign postal code	
Filing status Check only one box.			1 <input type="checkbox"/> Single 2 <input type="checkbox"/> Married filing jointly (even if only one had income) 3 <input type="checkbox"/> Married filing separately. Enter spouse's SSN above and full name here. ▶ 4 <input checked="" type="checkbox"/> Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶ 5 <input type="checkbox"/> Qualifying widow(er) with dependent child (see instructions)			Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund. <input type="checkbox"/> You <input type="checkbox"/> Spouse	
Exemptions			6a <input checked="" type="checkbox"/> Yourself. If someone can claim you as a dependent, do not check box 6a. b <input type="checkbox"/> Spouse c Dependents:			Boxes checked on 6a and 6b <b>1</b> No. of children on 6c who: • lived with you <b>1</b> • did not live with you due to divorce or separation (see instructions) Dependents on 6c not entered above Add numbers on lines above ▶ <b>2</b>	
If more than six dependents, see instructions.			(1) First name Last name <i>Helen Boxer</i> (2) Dependent's social security number <i>676 73 3312</i> (3) Dependent's relationship to you <i>Daughter</i> (4) <input checked="" type="checkbox"/> if child under age 17 qualifying for child tax credit (see instructions)				
Income			7 Wages, salaries, tips, etc. Attach Form(s) W-2. <b>7</b> <i>42,500</i> 8a Taxable interest. Attach Schedule B if required. <b>8a</b> <i>230</i> b Tax-exempt interest. Do not include on line 8a. <b>8b</b> <i>125</i> 9a Ordinary dividends. Attach Schedule B if required. <b>9a</b> b Qualified dividends (see instructions). <b>9b</b> 10 Capital gain distributions (see instructions). <b>10</b> 11a IRA distributions. <b>11a</b> 11b Taxable amount (see instructions). <b>11b</b> 12a Pensions and annuities. <b>12a</b> 12b Taxable amount (see instructions). <b>12b</b> 13 Unemployment compensation and Alaska Permanent Fund dividends. <b>13</b> 14a Social security benefits. <b>14a</b> 14b Taxable amount (see instructions). <b>14b</b> 15 Add lines 7 through 14b (far right column). This is your total income. ▶ <b>15</b> <i>42,730</i>				
Adjusted gross income			16 Reserved <b>16</b> 17 IRA deduction (see instructions). <b>17</b> 18 Student loan interest deduction (see instructions). <b>18</b> 19 Reserved <b>19</b> 20 Add lines 16 through 19. These are your total adjustments. <b>20</b> 21 Subtract line 20 from line 15. This is your adjusted gross income. ▶ <b>21</b> <i>42,730</i>				

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## Comprehensive Problem 2B, cont.

Form 1040A (2015)		Page <b>2</b>			
<b>Tax, credits, and payments</b>  <b>Standard Deduction for—</b> • People who check any box on line 23a or 23b or who can be claimed as a dependent, see instructions. • All others: Single or Married filing separately, \$6,300 Married filing jointly or Qualifying widow(er), \$12,600 Head of household, \$9,250	22	Enter the amount from line 21 (adjusted gross income).	22	42,730	
	23a	Check <input type="checkbox"/> You were born before January 2, 1951, <input type="checkbox"/> Blind if: <input type="checkbox"/> Spouse was born before January 2, 1951, <input type="checkbox"/> Blind <b>Total boxes checked ▶ 23a</b> <input type="checkbox"/>			
	b	If you are married filing separately and your spouse itemizes deductions, check here <b>▶ 23b</b> <input type="checkbox"/>			
	24	Enter your <b>standard deduction</b> .	24	9,250	
	25	Subtract line 24 from line 22. If line 24 is more than line 22, enter -0-.	25	33,480	
	26	<b>Exemptions.</b> Multiply \$4,000 by the number on line 6d.	26	8,000	
	27	Subtract line 26 from line 25. If line 26 is more than line 25, enter -0-. This is your <b>taxable income</b> .	27	25,480	
	28	<b>Tax</b> , including any alternative minimum tax (see instructions).	28	3,164	
	29	Excess advance premium tax credit repayment. Attach Form 8962.	29		
	<b>Refund</b>  Direct deposit? See instructions and fill in 48b, 48c, and 48d or Form 8888.	30	Add lines 28 and 29.	30	3,164
31		Credit for child and dependent care expenses. Attach Form 2441.	31		
32		Credit for the elderly or the disabled. Attach Schedule R.	32		
33		Education credits from Form 8863, line 19.	33		
34		Retirement savings contributions credit. Attach Form 8880.	34		
35		Child tax credit. Attach Schedule 8812, if required.	35		
36		Add lines 31 through 35. These are your <b>total credits</b> .	36		
37		Subtract line 36 from line 30. If line 36 is more than line 30, enter -0-.	37		
38		Health care: individual responsibility (see instructions). Full-year coverage <input checked="" type="checkbox"/>	38		
39		Add line 37 and line 38. This is your <b>total tax</b> .	39	3,164	
<b>Amount you owe</b>  If you have a qualifying child, attach Schedule EIC.	40	Federal income tax withheld from Forms W-2 and 1099.	40	5,160	
	41	2015 estimated tax payments and amount applied from 2014 return.	41		
	42a	<b>Earned income credit (EIC).</b>	42a		
	b	Nontaxable combat pay election.	42b		
	43	Additional child tax credit. Attach Schedule 8812.	43		
	44	American opportunity credit from Form 8863, line 8.	44		
	45	Net premium tax credit. Attach Form 8962.	45		
	46	Add lines 40, 41, 42a, 43, 44, and 45. These are your <b>total payments</b> .	46	5,160	
	47	If line 46 is more than line 39, subtract line 39 from line 46. This is the amount you <b>overpaid</b> .	47	1,996	
	48a	Amount of line 47 you want <b>refunded to you</b> . If Form 8888 is attached, check here <input type="checkbox"/>	48a	1,996	
<b>Sign here</b>  Joint return? See instructions. Keep a copy for your records.	▶ b	Routing number <input type="text"/>	▶ c	Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings	
	▶ d	Account number <input type="text"/>			
	49	Amount of line 47 you want <b>applied to your 2016 estimated tax</b> .	49		
	50	<b>Amount you owe.</b> Subtract line 46 from line 39. For details on how to pay, see instructions.	50		
	51	Estimated tax penalty (see instructions).	51		
	<b>Third party designee</b> Do you want to allow another person to discuss this return with the IRS (see instructions)? <input type="checkbox"/> Yes. Complete the following. <input type="checkbox"/> No				
	Designee's name ▶	Phone no. ▶	Personal identification number (PIN) ▶		
	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and accurately list all amounts and sources of income I received during the tax year. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.				
	Your signature	Date	Your occupation <i>Accountant</i>	Daytime phone number	
	Spouse's signature. If a joint return, <b>both</b> must sign.		Date	Spouse's occupation	
			If the IRS sent you an Identity Protection PIN, enter it here (see inst.) <input type="text"/>		
<b>Paid preparer use only</b> Print/type preparer's name      Preparer's signature      Date      Check <input type="checkbox"/> if self-employed      PTIN Firm's name ▶      Firm's EIN ▶ Firm's address ▶      Phone no.					

Form **1040A** (2015)

**Key Number Tax Return Summary****Chapter 1****Comprehensive Problem 1**

Adjusted Gross Income (Line 4)	<u>19,400</u>
Taxable Income (Line 6)	<u>9,100</u>
Tax Liability (Line 12)	<u>913</u>
Tax Overpaid (Line 13a)	<u>2,087</u>

**Comprehensive Problem 2A**

Adjusted Gross Income (Line 21)	<u>50,000</u>
Standard Deduction (Line 24)	<u>12,600</u>
Exemptions (Line 26)	<u>12,000</u>
Tax Liability (Line 39)	<u>2,891</u>
Tax Overpaid (Line 47)	<u>1,709</u>

**Comprehensive Problem 2B**

Adjusted Gross Income (Line 21)	<u>42,730</u>
Standard Deduction (Line 24)	<u>9,250</u>
Exemptions (Line 26)	<u>8,000</u>
Tax Liability (Line 39)	<u>3,164</u>
Tax Overpaid (Line 47)	<u>1,996</u>