

## APPENDIX E—2017

### PRACTICE SET ASSIGNMENTS—COMPREHENSIVE TAX RETURN PROBLEMS

#### SOLUTIONS TO PROBLEM MATERIALS

##### PROBLEM 1 SOLUTIONS

1. Jason is self-employed, and all of the business expenses listed should be reported on Schedule C. Use Part I of Form 4562 to apply § 179 expensing for the waiting room furniture (\$3,600) and copier (\$300). The laptop computer (\$2,100) and camera (\$1,200) also qualify for § 179 expensing, which is carried from Part V of Form 4562 to Part I.
2. Depreciation on the Camry under the MACRS method (use Part V of Form 4562) is computed as follows:

Cost	\$31,000
First-year percentage for 5-year property (Exhibit 8.3 in Chapter 8)	<u>20%</u>
First-year depreciation deduction	\$ 6,200
Business use	<u>92%</u>
Depreciation related to business use	<u>\$ 5,704</u>

However, as the first-year recovery limitation is \$3,160, the depreciation claimed cannot exceed \$2,907 ( $\$3,160 \times 92\%$ ).

Jason's deductible vehicle expenses other than depreciation total \$6,715 [business tolls of \$510 +  $92\% \times \$6,745$ , which is the sum of (\$3,500 gas + \$1,700 insurance + \$820 interest + \$325 auto club dues + \$210 oil changes + \$190 license/registration)].

The combined deduction for actual vehicle expenses of \$9,622 (\$2,907 depreciation + \$6,715 other) exceeds the \$9,039 deductible expenses under the mileage method [\$7,775 mileage (14,532 business miles  $\times$  \$0.535 mileage rate) + \$510 of tolls + deductible interest on the car loan of \$754 ( $92\% \times \$820$ )]. Since the actual expense method yields a higher deduction than does the mileage method, Jason's choice to use the actual expense method is logical.

Regardless of the method for recovering vehicle costs, no deduction is allowed for the \$350 in fines associated with Jason's traffic violations.

3. Jason's travel expenses for lodging are fully deductible. However, his travel meals as well as his in-town business dinners are subject to the limitation for business meals and entertainment. Thus, deductible business meals total \$875 [ $(\$1,140 + 610) \times 50\%$ ].

Jason's contribution to his retirement plan and the medical insurance premiums are deductions *for* AGI, reported on lines 28 and 29, respectively, of page 1 of Form 1040. The medical insurance is "qualifying medical insurance," so the Danes are not subject to a "shared responsibility payment" under the Affordable Care Act.

Unfortunately, the premiums on disability insurance are not deductible.

The receptionist is not technically Jason's employee (she is paid by the landlord), but she serves in that capacity. Consequently, the \$28 gift is a deductible business expense. (Nominal charges for gift wrapping are disregarded when imposing the \$25 limitation on business gifts.)

4. Jenni's contribution to her traditional IRA is a deduction *for* AGI on line 32 of page 1 of Form 1040.

Jenni's other expenses are miscellaneous itemized deductions subject to the 2%-of-AGI floor. In terms of deducting the use of the Chevrolet Malibu in employment-related activities, the automatic (standard) mileage method is permissible. Although the actual cost method is used for the Camry (see item 2), different cars are involved. Under the mileage method, the deduction is \$498 (930 business miles  $\times$  \$0.535 mileage rate).

The car expense is combined with Jenni's other employment-related expenses reported on Form 2106-EZ and deducted as miscellaneous itemized deductions on Schedule A. The deduction is limited to the excess of these expenses over 2% of the taxpayers' AGI as follows:

Job-hunting expense	\$ 720
Continuing education	350
Professional dues	120
Professional subscription	90
Mileage	<u>498</u>
Total employment-related expenses	\$1,778
Less 2% of AGI	<u>(1,387)</u>
Amount deductible on Schedule A	<u>\$ 391</u>

5. Jesse Voss can be claimed as a dependent by the Danes for 2017. It does not matter how long he lived during the year as long as he qualified as a dependent during the time he was alive. All of Jesse's medical expenses (i.e., \$11,800) can be claimed by the Danes on Schedule A as deductible medical expenses for 2017, as it is the year of payment that controls deductibility. Jesse's Medicare insurance is "qualifying medical insurance," so the Danes are not subject to a "shared responsibility payment" for Jesse under the Affordable Care Act. Unfortunately, funeral expenses are not deductible for Federal income tax purposes.
6. Under § 1014, Jenni takes a basis in the property that she inherits from Jesse as the fair market value of the property at the time of Jesse's death. For the house and land, this results in a step-up in basis to \$220,000 and \$50,000, respectively. For the furniture and appliances, however, a step-down to \$14,000 occurs. In computing depreciation, the new basis under § 1014 controls.

Use Exhibit 8.3 in Chapter 8 for depreciating the personalty (furniture and appliances) and the first table in Exhibit 8.8, Column 3, for residential realty (rental home). For depreciation purposes, the property is deemed placed in service as of March 1, when it was first advertised and available for rent. In Form 4562, the depreciation totals \$9,134 for 2017, comprised of \$2,800 (20%  $\times$  \$14,000) for the furniture and \$6,334 (2.879%  $\times$  \$220,000) for the building. Land is not depreciable.

Repairs of \$720 and newspaper advertising of \$360 are deductible in computing net rental income on Schedule E (see item 7).

7. Net rental income is reported on Schedule E. The 2017 rent receipts are summarized below.

First and last month's rent (2 $\times$ \$2,400)	\$ 4,800
May through November (7 $\times$ \$2,400)	<u>16,800</u>
	<u>\$21,600</u>

The rent for December is not taxed until 2018 since it was not received until then.

The damage deposit is not taxed and becomes income only if and when it is forfeited (i.e., applied toward damages caused by the tenant).

All expenses except the paving assessment are deductible and should be reported on Schedule E. The paving assessment should be added to the cost basis of the land.

8. Jason has a \$10,000 loss from his investment in Pioneer Aviation as a result of the bankruptcy trustee's announcement that the stock is worthless. Although it appears that the loss occurs within 12 months (i.e., early December 2016 to September 2017), under § 165(g)(1), the loss is treated as occurring on the last day of the year of worthlessness. Thus, Jason has a \$10,000 long-term capital loss that he reports on Form 8949 as well as Schedule D of Form 1040.
9. When a taxpayer owns different blocks of the same stock, sells some of that stock, and does not specifically identify the block of stock that is sold, a FIFO approach is applied to determine the cost basis of the disposed stock. The broker was correct in quantifying the basis of the shares sold. Therefore, the Danes sold the shares purchased in November 2016 for a short-term capital gain of \$5,000 [\$17,500 (selling price) – \$12,500 (basis)]. The 700 shares they still own were acquired in April 2017. Since basis was reported to the IRS on Form 1099-B, this disposition can be reported directly on Schedule D with no additional reported needed on Form 8949.
10. Jenni's basis in the coin collection is controlled by the gift rules of § 1015. Therefore, her basis for gain is her mother's basis of \$9,000. In this case, her basis for loss is also \$9,000 (the \$18,000 FMV on the date of the gift is *not* lower than the \$9,000 basis). The measure of a theft loss cannot exceed the lesser of basis (\$9,000) or FMV on date of the theft (\$24,000) (see Concept Summary 7.3 in Chapter 7). If Jenni's loss is \$9,000 and the insurance recovery is \$10,000, no loss results. Instead, Jenni has a \$1,000 long-term capital gain from a collectible. The gain from this theft is reported on Form 4684 and on line 11 of Schedule D.

See Chapter 3 for a discussion of the netting process involving capital gains and losses. Since the taxpayers' long-term capital losses exceed their short-term capital gains, the Danes are permitted to deduct (\$3,000) of the net loss against their other income. The remaining (\$300) will be a long-term capital loss carryforward to their 2018 tax year.

11. Under the application of § 1014, Jenni's basis in the lot on Wright Street is \$19,000, which is the FMV on the date of Susan's death. On the later sale of the property, Jenni received \$19,700 of consideration since the buyer relieved her of the \$700 in liabilities by paying the unpaid taxes (back taxes in arrears) on the property. Therefore, Jenni has a long-term capital gain of \$700. Further, because Jenni did not pay the property taxes associated with this land, she cannot deduct them. Since basis was not reported to the IRS, this disposition is reported on Form 8949 with box E checked.
12. The presumption is that these "gifts" are compensation for services rendered (i.e., referrals) or are to be rendered in the future. It does not matter that there was no obligation or prior agreement to make the payments (see the discussion of the *Duberstein* case in Chapter 5). Jason must include \$7,200 as other income on his Schedule C for the year. The \$900 received on January 4, however, is taxed in 2018, the year it was received.
13. Jason's \$82,000 received for services performed as an insurance claims adjuster is included on Schedule C.

Under the tax benefit rule, the state tax refund is income, reported on line 10, page 1 of Form 1040. Refunds of Federal income tax are not taxable income.

The interest on Michigan bonds is nontaxable. Nevertheless, it must still be reported on line 8b, page 1 of Form 1040, and it should be reported on Schedule B.

The qualified dividends are subject to the same tax rate as LTCGs.

The cash gifts from Jason's parents are nontaxable.

The gambling transactions cannot be netted. The winnings are reported on line 21 of Form 1040 as other income. The losses are reported on Schedule A as Other Miscellaneous Deductions, but the deduction is limited to Jason's gambling winnings of \$1,000.

14. The garage sale netted a realized loss of \$16,300 (\$9,200 proceeds – \$25,500 cumulative bases). This realized loss is personal and therefore not tax deductible. The \$9,200 proceeds are essentially a nontaxable return of capital.
15. The medical expenses eligible for deduction total \$14,346 [\$1,300 medical expenses + \$1,200 dental expenses + \$11,800 of Jesse's medical expenses + \$46 for medical mileage (270 medical miles × \$.17 mileage rate)]. The deduction is the excess of such expenses over 7.5% of AGI.

Students can confirm that the Danes' donation to The Water's Edge Church qualifies for a tax deduction by visiting the EO Select Check function on the IRS website ([www.irs.gov](http://www.irs.gov)). The charitable deduction is based on the amount paid and not on the pledge year involved. Thus, the full \$3,600 is deductible in 2017. In addition, the Danes can deduct \$45 (320 miles × \$.14) for the use of the Malibu for charitable purposes.

16. The Danes should claim personal exemptions for themselves and dependency exemptions for Jesse, Ethan, and Isaac. Since Ethan saves his earnings for future college expenses and is not providing any of his support, he meets the definition of a qualifying child. The income he earned does not matter since there is no gross income test for a dependent who meets the definition of a qualifying child. Also, the Danes can claim the child tax credit for Isaac since he is under the age of 17.
17. Jenni's wages are reported as such on Form 1040, line 7. Her Federal income tax withholding is reported on Form 1040, line 64, and the sum of the couple's quarterly estimated taxes is reported on Form 1040, line 65. Jenni's state income tax withheld is combined with the other state taxes paid by the Danes and entered on Schedule A, line 5 (the Income Taxes box should also be checked).
18. A brief summary of the Danes' tax return for 2017 appears below.

Gross income—	
Salary	\$32,000
Schedule B	3,200
Taxable state tax refund	90
Schedule C	51,685
Schedule D	(3,000)
Schedule E	6,126
Other (Gambling)	<u>1,000</u>
Total Income	91,101
Deductions for AGI—	
Deductible self-employment tax	(3,652)
Deduction for contribution to retirement plan	(8,000)
Deduction for health insurance	(4,600)
IRA Deduction	<u>(5,500)</u>
AGI	\$69,349
Schedule A—Itemized deductions (deductions from AGI)	(25,637)
Personal and dependency exemptions	<u>(20,250)</u>
Taxable income	<u>\$23,462</u>

Computing tax using the *Schedule D Tax Worksheet* yields an income tax liability of \$2,409. The child tax credit of \$1,000 reduces this to \$1,409. To this is added the self-employment tax of \$7,303 (see Schedule SE) for a total amount due of \$8,712. Since the Danes paid in a total of \$8,920, the resultant overpayment of \$208 will be refunded to them.



Form <b>1040</b>	Department of the Treasury — Internal Revenue Service (99) <b>U.S. Individual Income Tax Return</b>	2017	OMB No. 1545-0074	IRS Use Only — Do not write or staple in this space.																										
For the year Jan. 1 - Dec. 31, 2017, or other tax year beginning , 2017, ending , 20			See separate instructions.																											
Your first name and initial <b>Jason R Dane</b>		Last name		Your social security number <b>111-11-1111</b>																										
If a joint return, spouse's first name and initial <b>Jenni L Dane</b>		Last name		Spouse's social security number <b>123-45-6781</b>																										
Home address (number and street). If you have a P.O. box, see instructions. <b>13071 Sterling Drive</b>			Apt. no.																											
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). <b>Marquette, MI 49866</b>			<b>▲ Make sure the SSN(s) above and on line 6c are correct.</b>																											
Foreign country name			Foreign province/state/county	Foreign postal code																										
<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 type="checkbox"/> You <input type="checkbox"/> Spouse																														
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<b>Adjusted Gross Income</b> <table style="width: 100%;"> <tr> <td style="width: 70%;">           23 Educator expenses. .... <b>23</b> .....            24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ. .... <b>24</b> .....            25 Health savings account deduction. Attach Form 8889. .... <b>25</b> .....            26 Moving expenses. Attach Form 3903. .... <b>26</b> .....            27 Deductible part of self-employment tax. Attach Schedule SE. .... <b>27</b> 3,652.            28 Self-employed SEP, SIMPLE, and qualified plans. .... <b>28</b> 8,000.            29 Self-employed health insurance deduction. .... <b>29</b> 4,600.            30 Penalty on early withdrawal of savings. .... <b>30</b> .....            31a Alimony paid <b>b</b> Recipient's SSN. .... ▶ <b>31a</b> .....            32 IRA deduction. .... <b>32</b> 5,500.            33 Student loan interest deduction. .... <b>33</b> .....            34 Tuition and fees. Attach Form 8917. .... <b>34</b> .....            35 Domestic production activities deduction. Attach Form 8903. .... <b>35</b> .....            36 Add lines 23 through 35. .... <b>36</b> 21,752.            37 Subtract line 36 from line 22. This is your <b>adjusted gross income</b>. .... ▶ <b>37</b> 69,349.         </td> <td style="width: 30%;"></td> </tr> </table>					23 Educator expenses. .... <b>23</b> ..... 24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ. .... <b>24</b> ..... 25 Health savings account deduction. Attach Form 8889. .... <b>25</b> ..... 26 Moving expenses. Attach Form 3903. .... <b>26</b> ..... 27 Deductible part of self-employment tax. Attach Schedule SE. .... <b>27</b> 3,652. 28 Self-employed SEP, SIMPLE, and qualified plans. .... <b>28</b> 8,000. 29 Self-employed health insurance deduction. .... <b>29</b> 4,600. 30 Penalty on early withdrawal of savings. .... <b>30</b> ..... 31a Alimony paid <b>b</b> Recipient's SSN. .... ▶ <b>31a</b> ..... 32 IRA deduction. .... <b>32</b> 5,500. 33 Student loan interest deduction. .... <b>33</b> ..... 34 Tuition and fees. Attach Form 8917. .... <b>34</b> ..... 35 Domestic production activities deduction. Attach Form 8903. .... <b>35</b> ..... 36 Add lines 23 through 35. .... <b>36</b> 21,752. 37 Subtract line 36 from line 22. This is your <b>adjusted gross income</b> . .... ▶ <b>37</b> 69,349.																									
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BAA For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.

FD/A0112L 02/22/18

Form 1040 (2017)

Form 1040 (2017) Jason R and Jenni L Dane 111-11-1111 Page 2

## Tax and Credits

## Standard Deduction for —

- People who check any box on line 39a or 39b or who can be claimed as a dependent, see instructions.
- All others:

Single or Married filing separately, \$6,350

Married filing jointly or Qualifying widow(er), \$12,700

Head of household, \$9,350

38 Amount from line 37 (adjusted gross income) 38 69,349.

39a Check if: ☐ You were born before January 2, 1953, ☐ Blind. ☐ Spouse was born before January 2, 1953, ☐ Blind. Total boxes checked ☐ 39a ☐b If your spouse itemizes on a separate return or you were a dual-status alien, check here ☐ 39b ☐

40 Itemized deductions (from Schedule A) or your standard deduction (see left margin) 40 25,637.

41 Subtract line 40 from line 38 41 43,712.

42 Exemptions. If line 38 is \$156,900 or less, multiply \$4,050 by the number on line 6d. Otherwise, see instrs 42 20,250.

43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0- 43 23,462.

44 Tax (see instructions). Check if any from: a ☐ Form(s) 8814 c ☐ 44 2,409.b ☐ Form 4972 45 Alternative minimum tax (see instructions). Attach Form 6251 45 0.

46 Excess advance premium tax credit repayment. Attach Form 8962 46

47 Add lines 44, 45, and 46 47 2,409.

48 Foreign tax credit. Attach Form 1116 if required 48

49 Credit for child and dependent care expenses. Attach Form 2441 49

50 Education credits from Form 8863, line 19 50

51 Retirement savings contributions credit. Attach Form 8880 51

52 Child tax credit. Attach Schedule 8812, if required 52 1,000.

53 Residential energy credits. Attach Form 5695 53

54 Other crs from Form: a ☐ 3800 b ☐ 8801 c ☐ 54

55 Add lines 48 through 54. These are your total credits 55 1,000.

56 Subtract line 55 from line 47. If line 55 is more than line 47, enter -0- 56 1,409.

## Other Taxes

57 Self-employment tax. Attach Schedule SE 57 7,303.

58 Unreported social security and Medicare tax from Form: a ☐ 4137 b ☐ 8919 58

59 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required 59

60a Household employment taxes from Schedule H 60a

b First-time homebuyer credit repayment. Attach Form 5405 if required 60b

61 Health care: individual responsibility (see instructions) Full-year coverage ☒ 6162 Taxes from: a ☐ Form 8959 b ☐ Form 8960 c ☐ Instrs; enter code(s) 62

63 Add lines 56 through 62. This is your total tax 63 8,712.

## Payments

If you have a qualifying child, attach Schedule EIC.

64 Federal income tax withheld from Forms W-2 and 1099 64 1,320.

65 2017 estimated tax payments and amount applied from 2016 return 65 7,600.

66a Earned income credit (EIC) 66a

b Nontaxable combat pay election ☐ 66b ☐

67 Additional child tax credit. Attach Schedule 8812 67

68 American opportunity credit from Form 8863, line 8 68

69 Net premium tax credit. Attach Form 8962 69

70 Amount paid with request for extension to file 70

71 Excess social security and tier 1 RRTA tax withheld 71

72 Credit for federal tax on fuels. Attach Form 4136 72

73 Credits from Form: a ☐ 2439 b ☐ Reserved c ☐ 8885 d ☐ 73

74 Add lines 64, 65, 66a, and 67 through 73. These are your total payments 74 8,920.

## Refund

75 If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you overpaid 75 208.

76a Amount of line 75 you want refunded to you. If Form 8888 is attached, check here ☐ 76a 208.b Routing number XXXXXXXXXX c Type: ☐ Checking ☐ Savings

d Account number XXXXXXXXXXXXXXXXXXXXXXXXXX

77 Amount of line 75 you want applied to your 2018 estimated tax 77

Direct deposit? See instructions.

## Amount You Owe

78 Amount you owe. Subtract line 74 from line 63. For details on how to pay, see instructions. 78

79 Estimated tax penalty (see instructions) 79

## Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? ☐ Yes. Complete below. ☒ NoDesignee's name  Phone no.  Personal identification number (PIN) 

## Sign Here

Joint return? See instructions.

Keep a copy for your records.

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 taxpayer) is based on all information of which preparer has any knowledge.

Your signature  Date  Your occupation  Daytime phone number Spouse's signature. If a joint return, both must sign.  Date  Spouse's occupation  If the IRS sent you an Identity Protection PIN, enter it here (see inst.) 

## Paid Preparer Use Only

Print/Type preparer's name  Preparer's signature  Date  Check ☐ if self-employed PTIN Firm's name Firm's address  Firm's EIN Firm's address  Phone no. 

FDIA0112L 02/22/18

Form 1040 (2017)

**SCHEDULE A**  
**(Form 1040)**Department of the Treasury  
Internal Revenue Service (99)**Itemized Deductions**► Go to [www.irs.gov/ScheduleA](http://www.irs.gov/ScheduleA) for instructions and the latest information.  
► Attach to Form 1040.

Caution: If you are claiming a net qualified disaster loss on Form 4684, see the instructions for line 28.

OMB No. 1545-0074

**2017**Attachment  
Sequence No. **07**

Name(s) shown on Form 1040

Your social security number

Jason R and Jenni L Dane

111-11-1111

<b>Medical and Dental Expenses</b>	<b>Caution:</b> Do not include expenses reimbursed or paid by others.			
1	Medical and dental expenses (see instructions) .....	1	14,346.	
2	Enter amount from Form 1040, line 38. .... <b>2</b> 69,349.			
3	Multiply line 2 by 7.5% (0.075) .....	3	5,201.	
4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0- .....			4 9,145.
<b>Taxes You Paid</b>	5 State and local (check only one box):			
	a <input checked="" type="checkbox"/> Income taxes, or	5	3,456.	
	b <input type="checkbox"/> General sales taxes			
6	Real estate taxes (see instructions) .....	6	3,800.	
7	Personal property taxes .....	7		
8	Other taxes. List type and amount ► .....	8		
9	Add lines 5 through 8 .....			9 7,256.
<b>Interest You Paid</b>	10 Home mortgage interest and points reported to you on Form 1098 .....	10	4,200.	
	11 Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying no., and address ► .....	11		
	12 Points not reported to you on Form 1098. See instructions for special rules. ....	12		
	13 Mortgage insurance premiums (see instructions) .....	13		
	14 Investment interest. Attach Form 4952 if required. See instructions. ....	14		
	15 Add lines 10 through 14 .....			15 4,200.
<b>Gifts to Charity</b>	16 Gifts by cash or check. If you made any gift of \$250 or more, see instructions. ....	16	3,645.	
	17 Other than by cash or check. If any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500 .....	17		
	18 Carryover from prior year .....	18		
	19 Add lines 16 through 18 .....			19 3,645.
<b>Casualty and Theft Losses</b>	20 Casualty or theft loss(es) other than net qualified disaster losses. Attach Form 4684 and enter the amount from line 18 of that form. See instructions. ....	20		0.
<b>Job Expenses and Certain Miscellaneous Deductions</b>	21 Unreimbursed employee expenses—job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. See instructions. ► .....			
	Form 2106 (Spouse) 1,778.	21	1,778.	
	22 Tax preparation fees .....	22		
	23 Other expenses—investment, safe deposit box, etc. List type and amount ► .....	23		
	24 Add lines 21 through 23 .....	24	1,778.	
	25 Enter amount from Form 1040, line 38. .... <b>25</b> 69,349.			
	26 Multiply line 25 by 2% (0.02) .....	26	1,387.	
	27 Subtract line 26 from line 24. If line 26 is more than line 24, enter -0- .....			27 391.
<b>Other Miscellaneous Deductions</b>	28 Other—from list in instructions. List type and amount ► .....			
	Gambling Losses to Extent of Winnings 1,000.			
		28		1,000.
<b>Total Itemized Deductions</b>	29 Is Form 1040, line 38, over \$156,900?			
	<input checked="" type="checkbox"/> No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 28. Also, enter this amount on Form 1040, line 40.			
	<input type="checkbox"/> Yes. Your deduction may be limited. See the Itemized Deductions Worksheet in the instructions to figure the amount to enter.			
	30 If you elect to itemize deductions even though they are less than your standard deduction, check here. ....			
		29		25,637.

**SCHEDULE B**  
**(Form 1040A or 1040)**Department of the Treasury  
Internal Revenue Service (99)**Interest and Ordinary Dividends**▶ **Attach to Form 1040A or 1040.**▶ **Go to [www.irs.gov/ScheduleB](http://www.irs.gov/ScheduleB) for instructions and the latest information.**

OMB No. 1545-0074

**2017**Attachment  
Sequence No. **08**

Name(s) shown on return

Your social security number

Jason R and Jenni L Dane

111-11-1111

**Part I****Interest**

(See instructions and the instructions for Form 1040A, or Form 1040, line 8a.)

**Note:** If you received a Form 1099-INT, Form 1099-OID, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

- 1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see the instructions and list this interest first. Also, show that buyer's social security number and address ▶

General Electric Corp Bonds  
Marquette National Bank - CDs**Amount**1,100.  
900.

1

- 2 Add the amounts on line 1.....

2 2,000.

- 3 Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815.....

3

- 4 Subtract line 3 from line 2. Enter the result here and on Form 1040A, or Form 1040, line 8a. ▶

4 2,000.

**Note:** If line 4 is over \$1,500, you must complete Part III.**Amount****Part II****Ordinary Dividends**

(See instructions and the instructions for Form 1040A, or Form 1040, line 9a.)

**Note:** If you received a Form 1099-DIV or substitute statement from a brokerage firm, list the firm's name as the payer and enter the ordinary dividends shown on that form.

- 5 List name of payer ▶

Krist Energy

1,200.

5

- 6 Add the amounts on line 5. Enter the total here and on Form 1040A, or Form 1040, line 9a. ▶

6 1,200.

**Note:** If line 6 is over \$1,500, you must complete Part III.**Part III****Foreign Accounts and Trusts**

(See instructions.)

You must complete this part if you (a) had over \$1,500 of taxable interest or ordinary dividends; (b) had a foreign account; or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

Yes

No

- 7a At any time during 2017, did you have a financial interest in or signature authority over a financial account (such as a bank account, securities account, or brokerage account) located in a foreign country? See instructions. If 'Yes,' are you required to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR), to report that financial interest or signature authority? See FinCEN Form 114 and its instructions for filing requirements and exceptions to those requirements.

X

- b If you are required to file FinCEN Form 114, enter the name of the foreign country where the financial account is located ▶

- 8 During 2017, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If 'Yes,' you may have to file Form 3520. See instructions.

X

**BAA For Paperwork Reduction Act Notice, see your tax return instructions.**

FDIA0401L 10/25/17

**Schedule B (Form 1040A or 1040) 2017**

**SCHEDULE C**  
**(Form 1040)**Department of the Treasury  
Internal Revenue Service (99)**Profit or Loss From Business**  
**(Sole Proprietorship)**

OMB No. 1545-0074

**2017**Attachment  
Sequence No. **09**▶ Go to [www.irs.gov/ScheduleC](http://www.irs.gov/ScheduleC) for instructions and the latest information.  
▶ Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

Name of proprietor

Jason R Dane

Social security number (SSN)

111-11-1111

**A** Principal business or profession, including product or service (see instructions)

Insurance Claim Adjustor

**B** Enter code from instructions

▶ 524290

**C** Business name. If no separate business name, leave blank.**D** Employer ID number (EIN), (see instr.)**E** Business address (including suite or room no.) ▶ 1202 Moose Road, Suite 326

City, town or post office, state, and ZIP code Marquette MI 49866

**F** Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶**G** Did you 'materially participate' in the operation of this business during 2017? If 'No,' see instructions for limit on losses. ☒ Yes ☐ No**H** If you started or acquired this business during 2017, check here ▶**I** Did you make any payments in 2017 that would require you to file Form(s) 1099? (see instructions) ☐ Yes ☒ No**J** If 'Yes,' did you or will you file required Forms 1099? ☐ Yes ☐ No**Part I Income**

<b>1</b> Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked. <input type="checkbox"/>	<b>1</b>	82,000.
<b>2</b> Returns and allowances.	<b>2</b>	
<b>3</b> Subtract line 2 from line 1.	<b>3</b>	82,000.
<b>4</b> Cost of goods sold (from line 42).	<b>4</b>	
<b>5</b> <b>Gross profit.</b> Subtract line 4 from line 3.	<b>5</b>	82,000.
<b>6</b> Other income, including federal and state gasoline or fuel tax credit or refund (see instructions). See Statement 1	<b>6</b>	7,200.
<b>7</b> <b>Gross income.</b> Add lines 5 and 6.	<b>7</b>	89,200.

**Part II Expenses.** Enter expenses for business use of your home **only** on line 30.

<b>8</b> Advertising.	<b>8</b>		<b>18</b> Office expense (see instructions).	<b>18</b>	740.
<b>9</b> Car and truck expenses (see instructions).	<b>9</b>	6,715.	<b>19</b> Pension and profit-sharing plans.	<b>19</b>	
<b>10</b> Commissions and fees.	<b>10</b>		<b>20</b> Rent or lease (see instructions):		
<b>11</b> Contract labor (see instructions).	<b>11</b>		<b>a</b> Vehicles, machinery, and equipment	<b>20a</b>	
<b>12</b> Depletion.	<b>12</b>		<b>b</b> Other business property	<b>20b</b>	11,600.
<b>13</b> Depreciation and section 179 expense deduction (not included in Part III) (see instructions).	<b>13</b>	10,107.	<b>21</b> Repairs and maintenance.	<b>21</b>	
<b>14</b> Employee benefit programs (other than on line 19).	<b>14</b>		<b>22</b> Supplies (not included in Part III).	<b>22</b>	
<b>15</b> Insurance (other than health).	<b>15</b>	1,400.	<b>23</b> Taxes and licenses.	<b>23</b>	450.
<b>16</b> Interest:			<b>24</b> Travel, meals, and entertainment:		
<b>a</b> Mortgage (paid to banks, etc.).	<b>16a</b>		<b>a</b> Travel.	<b>24a</b>	930.
<b>b</b> Other.	<b>16b</b>		<b>b</b> Deductible meals and entertainment (see instructions).	<b>24b</b>	875.
<b>17</b> Legal and professional services.	<b>17</b>		<b>25</b> Utilities.	<b>25</b>	4,300.
			<b>26</b> Wages (less employment credits).	<b>26</b>	
			<b>27a</b> Other expenses (from line 48).	<b>27a</b>	398.
			<b>b</b> Reserved for future use.	<b>27b</b>	
<b>28</b> <b>Total expenses</b> before expenses for business use of home. Add lines 8 through 27a.	<b>28</b>	37,515.			
<b>29</b> Tentative profit or (loss). Subtract line 28 from line 7.	<b>29</b>	51,685.			
<b>30</b> Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). <b>Simplified method filers only:</b> enter the total square footage of: (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30.	<b>30</b>				
<b>31</b> <b>Net profit or (loss).</b> Subtract line 30 from line 29. • If a profit, enter on both <b>Form 1040, line 12</b> (or <b>Form 1040NR, line 13</b> ) and on <b>Schedule SE, line 2</b> . (If you checked the box on line 1, see instructions). Estates and trusts, enter on <b>Form 1041, line 3</b> . • If a loss, you <b>must</b> go to line 32.	<b>31</b>	51,685.			
<b>32</b> If you have a loss, check the box that describes your investment in this activity (see instructions). • If you checked 32a, enter the loss on both <b>Form 1040, line 12</b> , (or <b>Form 1040NR, line 13</b> ) and on <b>Schedule SE, line 2</b> . (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on <b>Form 1041, line 3</b> . • If you checked 32b, you <b>must</b> attach <b>Form 6198</b> . Your loss may be limited.			<b>32a</b> <input type="checkbox"/> All investment is at risk.		
			<b>32b</b> <input type="checkbox"/> Some investment is not at risk.		

**BAA** For Paperwork Reduction Act Notice, see the separate instructions.

FDIZ0112L 10/19/17

**Schedule C (Form 1040) 2017**

Schedule C (Form 1040) 2017 Jason R Dane

111-11-1111

Page 2

**Part III Cost of Goods Sold** (see instructions)

33	Method(s) used to value closing inventory: a <input type="checkbox"/> Cost b <input type="checkbox"/> Lower of cost or market c <input type="checkbox"/> Other (attach explanation)	
34	Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If 'Yes,' attach explanation.....	<input type="checkbox"/> Yes <input type="checkbox"/> No
35	Inventory at beginning of year. If different from last year's closing inventory, attach explanation.....	35
36	Purchases less cost of items withdrawn for personal use.....	36
37	Cost of labor. Do not include any amounts paid to yourself.....	37
38	Materials and supplies.....	38
39	Other costs.....	39
40	Add lines 35 through 39.....	40
41	Inventory at end of year.....	41
42	<b>Cost of goods sold.</b> Subtract line 41 from line 40. Enter the result here and on line 4.....	42

**Part IV Information on Your Vehicle.** Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43	When did you place your vehicle in service for business purposes? (month, day, year) ▶	
44	Of the total number of miles you drove your vehicle during 2017, enter the number of miles you used your vehicle for:	
	a Business _____ b Commuting (see instructions) _____ c Other _____	
45	Was your vehicle available for personal use during off-duty hours?.....	<input type="checkbox"/> Yes <input type="checkbox"/> No
46	Do you (or your spouse) have another vehicle available for personal use?.....	<input type="checkbox"/> Yes <input type="checkbox"/> No
47 a	Do you have evidence to support your deduction?.....	<input type="checkbox"/> Yes <input type="checkbox"/> No
	b If 'Yes,' is the evidence written?.....	<input type="checkbox"/> Yes <input type="checkbox"/> No

**Part V Other Expenses.** List below business expenses not included on lines 8-26 or line 30.

Business Gift	28.
Coffee Service	280.
Magazine Subscriptions	90.
48 Total other expenses. Enter here and on line 27a.....	48 398.

Schedule C (Form 1040) 2017

**SCHEDULE D**  
**(Form 1040)**Department of the Treasury  
Internal Revenue Service (99)**Capital Gains and Losses**

▶ Attach to Form 1040 or Form 1040NR.

▶ Go to [www.irs.gov/ScheduleD](http://www.irs.gov/ScheduleD) for instructions and the latest information.  
▶ Use Form 8949 to list your transactions for lines 1b, 2, 3, 8b, 9, and 10.

OMB No. 1545-0074

**2017**Attachment  
Sequence No. **12**

Name(s) shown on return

Jason R and Jenni L Dane

Your social security number

111-11-1111

**Part I Short-Term Capital Gains and Losses – Assets Held One Year or Less**

See instructions for how to figure the amounts to enter on the lines below.

This form may be easier to complete if you round off cents to whole dollars.

	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part I, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
<b>1a</b> Totals for all short-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 1b .....	17,500.	12,500.		5,000.
<b>1b</b> Totals for all transactions reported on Form(s) 8949 with <b>Box A</b> checked .....				
<b>2</b> Totals for all transactions reported on Form(s) 8949 with <b>Box B</b> checked .....				
<b>3</b> Totals for all transactions reported on Form(s) 8949 with <b>Box C</b> checked .....				
<b>4</b> Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824 .....				<b>4</b>
<b>5</b> Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1 .....				<b>5</b>
<b>6</b> Short-term capital loss carryover. Enter the amount, if any, from line 8 of your <b>Capital Loss Carryover Worksheet</b> in the instructions .....				<b>6</b>
<b>7</b> <b>Net short-term capital gain or (loss).</b> Combine lines 1a through 6 in column (h). If you have any long-term capital gains or losses, go to Part II below. Otherwise, go to Part III on the back .....				<b>7</b> 5,000.

**Part II Long-Term Capital Gains and Losses – Assets Held More Than One Year**

See instructions for how to figure the amounts to enter on the lines below.

This form may be easier to complete if you round off cents to whole dollars.

	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part II, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
<b>8a</b> Totals for all long-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 8b .....				
<b>8b</b> Totals for all transactions reported on Form(s) 8949 with <b>Box D</b> checked .....				
<b>9</b> Totals for all transactions reported on Form(s) 8949 with <b>Box E</b> checked .....	19,700.	19,000.		700.
<b>10</b> Totals for all transactions reported on Form(s) 8949 with <b>Box F</b> checked .....		10,000.		-10,000.
<b>11</b> Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824 .....				<b>11</b> 1,000.
<b>12</b> Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1 .....				<b>12</b>
<b>13</b> Capital gain distributions. See the instrs. ....				<b>13</b>
<b>14</b> Long-term capital loss carryover. Enter the amount, if any, from line 13 of your <b>Capital Loss Carryover Worksheet</b> in the instructions .....				<b>14</b>
<b>15</b> <b>Net long-term capital gain or (loss).</b> Combine lines 8a through 14 in column (h). Then go to Part III on the back .....				<b>15</b> -8,300.

**BAA For Paperwork Reduction Act Notice, see your tax return instructions.****Schedule D (Form 1040) 2017**

FDIA0612L 08/16/17

**Part III Summary**

<b>16</b> Combine lines 7 and 15 and enter the result. <ul style="list-style-type: none"> <li>If line 16 is a <b>gain</b>, enter the amount from line 16 on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 17 below.</li> <li>If line 16 is a <b>loss</b>, skip lines 17 through 20 below. Then go to line 21. Also be sure to complete line 22.</li> <li>If line 16 is <b>zero</b>, skip lines 17 through 21 below and enter -0- on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 22.</li> </ul>	<b>16</b>	-3,300.
<b>17</b> Are lines 15 and 16 <b>both</b> gains? <input type="checkbox"/> <b>Yes.</b> Go to line 18. <input type="checkbox"/> <b>No.</b> Skip lines 18 through 21, and go to line 22.		
<b>18</b> If you are required to complete the <b>28% Rate Gain Worksheet</b> (see instructions), enter the amount, if any, from line 7 of that worksheet.	<b>18</b>	
<b>19</b> If you are required to complete the <b>Unrecaptured Section 1250 Gain Worksheet</b> (see instructions), enter the amount, if any, from line 18 of that worksheet.	<b>19</b>	
<b>20</b> Are lines 18 and 19 <b>both</b> zero or blank? <input type="checkbox"/> <b>Yes.</b> Complete the <b>Qualified Dividends and Capital Gain Tax Worksheet</b> in the instructions for Form 1040, line 44 (or in the instructions for Form 1040NR, line 42). <b>Don't</b> complete lines 21 and 22 below. <input type="checkbox"/> <b>No.</b> Complete the <b>Schedule D Tax Worksheet</b> in the instructions. <b>Don't</b> complete lines 21 and 22 below.		
<b>21</b> If line 16 is a loss, enter here and on Form 1040, line 13, or Form 1040NR, line 14, the <b>smaller</b> of: <ul style="list-style-type: none"> <li>The loss on line 16 or</li> <li>(\$3,000), or if married filing separately, (\$1,500)</li> </ul>	<b>21</b>	-3,000.
<b>Note:</b> When figuring which amount is smaller, treat both amounts as positive numbers.		
<b>22</b> Do you have qualified dividends on Form 1040, line 9b, or Form 1040NR, line 10b? <input checked="" type="checkbox"/> <b>Yes.</b> Complete the <b>Qualified Dividends and Capital Gain Tax Worksheet</b> in the instructions for Form 1040, line 44 (or in the instructions for Form 1040NR, line 42). <input type="checkbox"/> <b>No.</b> Complete the rest of Form 1040 or Form 1040NR.		

Schedule D (Form 1040) 2017



Form 8949 (2017)

Attachment Sequence No. 12A Page 2

Name(s) shown on return. Name and SSN or taxpayer identification no. not required if shown on other side

SSN or taxpayer identification number

Jason R and Jenni L Dane

111-11-1111

Before you check Box D, E, or F below, see whether you received any Form(s) 1099-B or substitute statement(s) from your broker. A substitute statement will have the same information as Form 1099-B. Either will show whether your basis (usually your cost) was reported to the IRS by your broker and may even tell you which box to check.

**Part II** **Long-Term.** Transactions involving capital assets you held more than 1 year are long term. For short-term transactions, see page 1.

**Note:** You may aggregate all long-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS and for which no adjustments or codes are required. Enter the totals directly on Schedule D, line 8a; you aren't required to report these transactions on Form 8949 (see instructions).

**You must check Box D, E, or F below. Check only one box.** If more than one box applies for your long-term transactions, complete a separate Form 8949, page 2, for each applicable box. If you have more long-term transactions than will fit on this page for one or more of the boxes, complete as many forms with the same box checked as you need.

☐ **(D)** Long-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS (see **Note** above)

☒ **(E)** Long-term transactions reported on Form(s) 1099-B showing basis **wasn't** reported to the IRS

☐ **(F)** Long-term transactions not reported to you on Form 1099-B

1	(a) Description of property (Example: 100 shares XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold or disposed of (Mo., day, yr.)	(d) Proceeds (sales price) (see instructions)	(e) Cost or other basis. See the <b>Note</b> below and see <i>Column (e)</i> in the separate instructions	Adjustment, if any, to gain or loss. If you enter an amount in column (g), enter a code in column (f). <b>See the separate instructions.</b>		(h) <b>Gain or (loss).</b> Subtract column (e) from column (d) and combine the result with column (g)
						(f) Code(s) from instructions	(g) Amount of adjustment	
	lot - Wright St.	4/14/08	7/01/17	19,700.	19,000.			700.
<b>2 Totals.</b> Add the amounts in columns (d), (e), (g), and (h) (subtract negative amounts). Enter each total here and include on your Schedule D, <b>line 8b</b> (if <b>Box D</b> above is checked), <b>line 9</b> (if <b>Box E</b> above is checked), or <b>line 10</b> (if <b>Box F</b> above is checked)..... ▶				19,700.	19,000.		0.	700.

**Note:** If you checked Box D above but the basis reported to the IRS was incorrect, enter in column (e) the basis as reported to the IRS, and enter an adjustment in column (g) to correct the basis. See *Column (g)* in the separate instructions for how to figure the amount of the adjustment.

Form 8949 (2017)

Attachment Sequence No. 12A Page 2

Name(s) shown on return. Name and SSN or taxpayer identification no. not required if shown on other side

SSN or taxpayer identification number

Jason R and Jenni L Dane

111-11-1111

Before you check Box D, E, or F below, see whether you received any Form(s) 1099-B or substitute statement(s) from your broker. A substitute statement will have the same information as Form 1099-B. Either will show whether your basis (usually your cost) was reported to the IRS by your broker and may even tell you which box to check.

**Part II Long-Term.** Transactions involving capital assets you held more than 1 year are long term. For short-term transactions, see page 1.

**Note:** You may aggregate all long-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS and for which no adjustments or codes are required. Enter the totals directly on Schedule D, line 8a; you aren't required to report these transactions on Form 8949 (see instructions).

**You must check Box D, E, or F below. Check only one box.** If more than one box applies for your long-term transactions, complete a separate Form 8949, page 2, for each applicable box. If you have more long-term transactions than will fit on this page for one or more of the boxes, complete as many forms with the same box checked as you need.

☐ (D) Long-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS (see **Note** above)

☐ (E) Long-term transactions reported on Form(s) 1099-B showing basis **wasn't** reported to the IRS

☒ (F) Long-term transactions not reported to you on Form 1099-B

1	(a) Description of property (Example: 100 shares XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold or disposed of (Mo., day, yr.)	(d) Proceeds (sales price) (see instructions)	(e) Cost or other basis. See the <b>Note</b> below and see <i>Column (e)</i> in the separate instructions	Adjustment, if any, to gain or loss. If you enter an amount in column (g), enter a code in column (f). See the separate instructions.		(h) Gain or (loss). Subtract column (e) from column (d) and combine the result with column (g)
						(f) Code(s) from instructions	(g) Amount of adjustment	
	20000 sh. Pioneer Aviation	12/15/16	Worthless	Worthless	10,000.			-10,000.
<b>2 Totals.</b> Add the amounts in columns (d), (e), (g), and (h) (subtract negative amounts). Enter each total here and include on your Schedule D, <b>line 8b</b> (if <b>Box D</b> above is checked), <b>line 9</b> (if <b>Box E</b> above is checked), or <b>line 10</b> (if <b>Box F</b> above is checked)..... ▶				0.	10,000.		0.	-10,000.

**Note:** If you checked Box D above but the basis reported to the IRS was incorrect, enter in column (e) the basis as reported to the IRS, and enter an adjustment in column (g) to correct the basis. See *Column (g)* in the separate instructions for how to figure the amount of the adjustment.

FDIA9212L 08/14/17

Form 8949 (2017)

**SCHEDULE E**  
**(Form 1040)**Department of the Treasury  
Internal Revenue Service (99)**Supplemental Income and Loss**

(From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)

▶ Attach to Form 1040, 1040NR, or Form 1041.

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

OMB No. 1545-0074

**2017**Attachment  
Sequence No. **13**

Name(s) shown on return

Jason R and Jenni L Dane

Your social security number

111-11-1111

**Part I** **Income or Loss From Rental Real Estate and Royalties** Note: If you are in the business of renting personal property, use Schedule C or C-EZ (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

- A** Did you make any payments in 2017 that would require you to file Form(s) 1099? (see instructions) ☐ Yes ☒ No
- B** If "Yes," did you or will you file required Forms 1099? ☐ Yes ☐ No

**1 a** Physical address of each property (street, city, state, ZIP code)**A** 12120 Lake Road, Harvey, MI 49855**B****C**

<b>1 b</b> Type of Property (from list below)	<b>2</b> For each rental real estate property listed above, report the number of fair rental and personal use days. Check the <b>QJV</b> box only if you meet the requirements to file as a qualified joint venture. See instructions.	<b>Fair Rental Days</b>	<b>Personal Use Days</b>	<b>QJV</b>
<b>A</b> 1		<b>A</b> 365		
<b>B</b>		<b>B</b>		
<b>C</b>		<b>C</b>		

**Type of Property:**

- 1 Single Family Residence      3 Vacation/Short-Term Rental      5 Land      7 Self-Rental  
2 Multi-Family Residence      4 Commercial      6 Royalties      8 Other (describe)

<b>Income:</b>		<b>Properties:</b>	<b>A</b>	<b>B</b>	<b>C</b>
<b>3</b> Rents received		<b>3</b>	21,600.		
<b>4</b> Royalties received		<b>4</b>			
<b>Expenses:</b>					
<b>5</b> Advertising		<b>5</b>	360.		
<b>6</b> Auto and travel (see instructions)		<b>6</b>			
<b>7</b> Cleaning and maintenance		<b>7</b>	540.		
<b>8</b> Commissions		<b>8</b>			
<b>9</b> Insurance		<b>9</b>	1,800.		
<b>10</b> Legal and other professional fees		<b>10</b>			
<b>11</b> Management fees		<b>11</b>			
<b>12</b> Mortgage interest paid to banks, etc. (see instructions)		<b>12</b>			
<b>13</b> Other interest		<b>13</b>			
<b>14</b> Repairs		<b>14</b>	1,040.		
<b>15</b> Supplies		<b>15</b>			
<b>16</b> Taxes		<b>16</b>	2,600.		
<b>17</b> Utilities		<b>17</b>			
<b>18</b> Depreciation expense or depletion		<b>18</b>	9,134.		
<b>19</b> Other (list) ▶		<b>19</b>			
<b>20</b> Total expenses. Add lines 5 through 19		<b>20</b>	15,474.		
<b>21</b> Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6198.		<b>21</b>	6,126.		
<b>22</b> Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)		<b>22</b>			
<b>23 a</b> Total of all amounts reported on line 3 for all rental properties.	<b>23a</b>		21,600.		
<b>b</b> Total of all amounts reported on line 4 for all royalty properties.	<b>23b</b>				
<b>c</b> Total of all amounts reported on line 12 for all properties.	<b>23c</b>				
<b>d</b> Total of all amounts reported on line 18 for all properties.	<b>23d</b>		9,134.		
<b>e</b> Total of all amounts reported on line 20 for all properties.	<b>23e</b>		15,474.		
<b>24</b> <b>Income.</b> Add positive amounts shown on line 21. Do not include any losses.	<b>24</b>				6,126.
<b>25</b> <b>Losses.</b> Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here.	<b>25</b>				
<b>26</b> <b>Total rental real estate and royalty income or (loss).</b> Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2.	<b>26</b>				6,126.

**BAA** For Paperwork Reduction Act Notice, see the separate instructions.

FDIZ2301L 10/23/17

Schedule E (Form 1040) 2017