NACTP

Test 10

MFJ couple moved to Rome in 2013; 1 W2 per each TP & SP; itemized deductions; no children; (both the base form and the W2's should reflect the foreign address)

Forms: 1040, W2 (2), Schedule A, Schedule B

Taxpayer:

Foreign Address

123 Front Street

06579 Rome Italy

SSN: 600-00-1010

DOB: 11/24/1972

Spouse:

Jane Address

SSN: 600-00-1020

DOB: 10/24/1972

Filing Status: Married Filing Joint (itemizing)

Name(s) FOREIGN & JANE ADDRESS SSN 600-00-1010

Qualified Dividends and Capital Gain Tax Worksheet - Line 44

Keep for Your Records

Before you begin:

✓ See the earlier instructions for line 44 to see if you can use this worksheet to figure your tax.

✓ Before completing this worksheet, complete Form 1040 through line 43.

✓ If you do not have to file Schedule D and you received capital gain distributions, be sure you checked the box on line 13 of Form 1040.

DRAFT

1. Enter the amount from Form 1040, line 43. However, if you are filing Form 2555 or 2555- EZ (relating to foreign earned income), enter the amount from line 3 of the Foreign Earned Income Tax Worksheet **1.** 39,592

2. Enter the amount from Form 1040, line 9b* **2.** 800

3. Are you filing Schedule D?*

☐ **Yes.** Enter the **smaller** of line 15 or 16 of Schedule D.If either line 15 or line 16 is blank or a loss, enter - 0-

☒ **No.** Enter the amount from Form 1040, line 13 . . . . . **3.** 0

4. Add lines 2 and 3 . . . . . **4.** 800

5. If filing Form 4952 (used to figure investment interest expense deduction), enter any amount from line 4g of that form. Otherwise, enter - 0- **5.** 0

DO NOT

6. Subtract line 5 from line 4. If zero or less, enter - 0- **6.** 800

7. Subtract line 6 from line 1. If zero or less, enter - 0- **7.** 38,792

8. Enter:
$36,250 if single or married filing separately,
$72,500 if married filing jointly or qualifying widow(er),
$48,600 if head of household. **8.** 72,500

9. Enter the smaller of line 1 or line 8. . . . . . **9.** 39,592

10. Enter the smaller of line 7 or line 9. . . . . . **10.** 38,792

11. Subtract line 10 from line 9. This amount is taxed at 0%. **11.** 800

FILE

12. Enter the smaller of line 1 or 6 . . . . . **12.** 800

13. Enter the amount from line 11. . . . . . **13.** 800

14. Subtract line 13 from line 12 . . . . . **14.** 0

15. Multiply line 14 by 15% (.15) **15.** 0

16. Figure the tax on the amount on line 7. If the amount on line 7 is less than $100,000, use the Tax Table to figure this tax. If the amount on line 7 is $100,000 or more, use the Tax Computation Worksheet **16.** 4,924

17. Add lines 15 and 16 . . . . . **17.** 4,924

18. Figure the tax on the amount on line 1. If the amount on line 1 is less than $100,000, use the Tax Table to figure this tax. If the amount on line 1 is $100,000 or more, use the Tax Computation Worksheet **18.** 5,044

19. **Tax on all taxable income.** Enter the **smaller** of line 17 or line 18. Also include this amount on Form 1040, line 44. If you are filing Form 2555 or 2555- EZ, do not enter this amount on Form 1040, line 44. Instead, enter it on line 4 of the Foreign Earned Income Tax Worksheet. **19.** 4,924

* If you are filing Form 2555 or 2555- EZ, see the footnote in the Foreign Earned Income Tax Worksheet before completing this line.

DRAFT

Form **1040** Department of the Treasury - Internal Revenue Service (99)
U.S. Individual Income Tax Return 2013

OMB No. 1545-0074 | IRS Use Only - Do not write or staple in this space.

For the year Jan. 1-Dec. 31, 2013, or other tax year beginning , 2013, ending , 20

See separate instructions.

Your social security number 600-00-1010

Spouse's social security number 600-00-1020

▲ Make sure the SSN(s) above and on line 6c are correct.

FOREIGN ADDRESS
JANE ADDRESS
123 FRONT STREET
ROME

Foreign country name	Foreign province/state/county	Foreign postal code
ITALY		06579

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. ☐ You ☐ Spouse

Filing Status

Check only one box.

1 ☐ Single
2 ☒ Married filing jointly (even if only one had income)
3 ☐ Married filing separately. Enter spouse's SSN above & full name here. ▶
4 ☐ 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 ☐ Qualifying widow(er) with dependent child

Exemptions

6a ☒ **Yourself.** If someone can claim you as a dependent, **do not** check box 6a
b ☒ **Spouse**

Boxes checked on 6a and 6b: 2

c **Dependents:**

(1) First name Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) √ if qual. child<17 for child tax cr. (see inst)

If more than four dependents, see inst and check here ▶ ☐

No. of children on 6c who:
- lived with you
- did not live with you due to divorce or separation (see inst)

Dependents on 6c not entered above

d Total number of exemptions claimed — Add numbers on lines above ▶ 2

Income

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a W-2, see instructions.

Enclose, but do not attach, any payment. Also, please use **Form 1040-V.**

Line	Description			Line	Amount
7	Wages, salaries, tips, etc. Attach Form(s) W-2			7	59,700.
8a	**Taxable** interest. Attach Schedule B if required			8a	7,917.
b	**Tax-exempt** interest. **Do not** include on line 8a	8b			
9a	Ordinary dividends. Attach Schedule B if required			9a	800.
b	Qualified dividends	9b	800.		
10	Taxable refunds, credits, or offsets of state and local income taxes			10	250.
11	Alimony received			11	
12	Business income or (loss). Attach Schedule C or C-EZ			12	
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ ☐			13	
14	Other gains or (losses). Attach Form 4797			14	
15a	IRA distributions	15a	b Taxable amt	15b	
16a	Pensions and annuities	16a	b Taxable amt	16b	
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E			17	
18	Farm income or (loss). Attach Schedule F			18	
19	Unemployment compensation			19	
20a	Social security benefits	20a	b Taxable amount	20b	
21	Other income. List type and amount			21	
22	Combine the amounts in the far right column for lines 7 through 21. This is your **total income** ▶			22	68,667.

Adjusted Gross Income

Line	Description	Line	Amount	Line	Amount
23	Educator expenses	23			
24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24			
25	Health savings account deduction. Attach Form 8889	25			
26	Moving expenses. Attach Form 3903	26			
27	Deductible part of self-employment tax. Attach Schedule SE	27			
28	Self-employed SEP, SIMPLE, and qualified plans	28			
29	Self-employed health insurance deduction	29			
30	Penalty on early withdrawal of savings	30			
31a	Alimony paid b Recipient's SSN ▶	31a			
32	IRA deduction	32			
33	Student loan interest deduction	33			
34	Tuition and fees. Attach Form 8917	34			
35	Domestic production activities deduction. Attach Form 8903	35			
36	Add lines 23 through 35			36	
37	Subtract line 36 from line 22. This is your **adjusted gross income** ▶			37	68,667.

Tax and Credits

Line	Description		Amount
38	Amount from line 37 (adjusted gross income)		68,667.
39a	Check if: ☐ You were born before January 2, 1949, ☐ Blind. ☐ Spouse was born before January 2, 1949, ☐ 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)		21,275.
41	Subtract line 40 from line 38		47,392.
42	**Exemptions.** If line 38 is $150,000 or less, multiply $3,900 by the number on line 6d. Otherwise, see instructions		7,800.
43	**Taxable income.** Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-		39,592.
44	**Tax** Check if any from: a ☐ Form(s) 8814 b ☐ Form 4972 c ☐		4,924.
45	**Alternative minimum tax** (see instructions). Attach Form 6251		
46	Add lines 44 and 45 ▶		4,924.
47	Foreign tax credit. Attach Form 1116 if required		
48	Credit for child and dependent care expenses. Attach Form 2441		
49	Education credits from Form 8863, line 19		
50	Retirement savings contributions credit. Attach Form 8880		
51	Child tax credit. Attach Schedule 8812, if required		
52	Residential energy credit. Attach Form 5695		
53	Other credits from Form: a ☐ 3800 b ☐ 8801 c ☐		
54	Add ln 47 through 53. These are your **total credits**		
55	Subtract line 54 from line 46. If line 54 is more than line 46, enter -0- ▶		4,924.

Standard Deduction for -
- People who check any box on line 39a or 39b **or** who can be claimed as a dependent, see instr.
- All others:

Single or Married filing separately, $6,100

Married filing jointly or Qualifying widow(er), $12,200

Head of household, $8,950

Other Taxes

Line	Description	Amount
56	Self-employment tax. Attach Schedule SE	
57	Unreported social security and Medicare tax from Form: a ☐ 4137 b ☐ 8919	
58	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	
59a	Household employment taxes from Schedule H	
b	First-time homebuyer credit repayment. Attach Form 5405 if required	
60	Taxes from: a ☐ Form 8959 b ☐ Form 8960 c ☐ Instructions; enter code(s)	
61	Add lines 55 through 60. This is your **total tax** ▶	4,924.

Payments

If you have a qualifying child, attach Schedule EIC.

Line	Description		Amount
62	Federal income tax withheld from Forms W-2 and 1099	6,680.	
63	2013 estimated tax payments and amount applied from 2012 return		
64a	**Earned income credit (EIC)**		
b	Nontaxable combat pay election 64b		
65	Additional child tax credit. Attach Schedule 8812		
66	American opportunity credit from Form 8863, line 8		
67	Reserved		
68	Amount paid with request for extension to file		
69	Excess social security and tier 1 RRTA tax withheld		
70	Credit for federal tax on fuels. Attach Form 4136		
71	Credits from Form: a ☐ 2439 b ■ Reserved c ☐ 8885 d ☐		
72	Add lines 62, 63, 64a, and 65 through 71. These are your **total payments** ▶		6,680.

Refund

Line	Description	Amount
73	If line 72 is more than line 61, subtract line 61 from line 72. This is the amount you **overpaid**	1,756.
74a	Amount of line 73 you want **refunded to you.** If Form 8888 is attached, check here ▶ ☐	1,756.
▶ b	Routing number ▶ c Type: ☐ Checking ☐ Savings	
▶ d	Account number	
75	Amount of line 73 you want **applied to your 2014 estimated tax** ▶	

Direct deposit? See instructions.

Amount You Owe

Line	Description	Amount
76	**Amount you owe.** Subtract line 72 from line 61. For details on how to pay, see instructions ▶	
77	Estimated tax penalty (see instructions)	

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? ☐ **Yes.** Complete below. ☒ **No**

Designee's name ▶ Phone no. ▶ Personal ID number (PIN) ▶

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Joint return? See instructions. Keep a copy for your records.

Your signature	Date	Your occupation	Daytime phone number
For Info Only-Do not file		CLERK	
Spouse's signature. If a joint return, both must sign.	**Date**	**Spouse's occupation**	**If the IRS sent you an ID Protection PIN, enter it here (see inst.)**
For Info Only-Do not file		CLERK	

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
JUDY TAXPRO		09/05/2013		P77777777

Firm's name ▶ HRB TAX GROUP INC — Firm's EIN ▶ 43-1871840

Firm's address ▶ DUBLIN, OH 43017 — Phone no. (614) 659-1158

SCHEDULE A (Form 1040)
Department of the Treasury Internal Revenue Service (99)

Itemized Deductions

▶ Information about Schedule A and its separate instructions is at www.irs.gov/schedulea.
▶ Attach to Form 1040.

OMB No. 1545-0074
2013
Attachment Sequence No. 07

Name(s) shown on Form 1040: FOREIGN & JANE ADDRESS
Your social security number: 600-00-1010

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Medical and Dental Expenses

Caution. Do not include expenses reimbursed or paid by others.

Line	Description		Amount		Total
1	Medical and dental expenses (see instructions)	1			
2	Enter amount from Form 1040, line 38 . . . . (2)				
3	Multiply line 2 by 10% (.10). But if either you or your spouse was born before January 2, 1949, multiply line 2 by 7.5% (.075) instead	3			
4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-			4	

Taxes You Paid

Line	Description		Amount		Total
5	State and local **(check only one box):** a [X] Income taxes, **or** b [ ] General sales taxes	5	1,250.		
6	Real estate taxes (see instructions) RE TAXES 4,300.	6	4,300.		
7	Personal property taxes	7			
8	Other taxes. List type and amount ▶ FOREIGN INCOME TAX 125.	8	125.		
9	Add lines 5 through 8			9	5,675.

Interest You Paid

Note. Your mortgage interest deduction may be limited (see instructions).

Line	Description		Amount		Total
10	Home mortgage interest and points reported to you on Form 1098	10	9,600.		
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	9,600.

Gifts to Charity

If you made a gift and got a benefit for it, see instructions.

Line	Description		Amount		Total
16	Gifts by cash or check. If you made any gift of $250 or more, see instructions CHURCH 6,000.	16	6,000.		
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	6,000.

Casualty and Theft Losses

Line	Description		Amount		Total
20	Casualty or theft loss(es). Attach Form 4684. (See instructions.)			20	

Job Expenses and Certain Miscellaneous Deductions

Line	Description		Amount		Total
21	Unreimbursed employee expenses - job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See inst.) ▶	21			
22	Tax preparation fees	22	95.		
23	Other expenses - investment, safe deposit box, etc. List type and amount ▶	23			
24	Add lines 21 through 23	24	95.		
25	Enter amount from Form 1040, line 38 (25) 68,667.				
26	Multiply line 25 by 2% (.02)	26	1,373.		
27	Subtract line 26 from line 24. If line 26 is more than line 24, enter -0-			27	0.

Other Miscellaneous Deductions

Line	Description		Total
28	Other - from list in instructions. List type and amount ▶	28	

Total Itemized Deductions

29 Is Form 1040, line 38, over $150,000?

[X] **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. **29** 21,275.

[ ] **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 ▶ [ ]

SCHEDULE B
(Form 1040A or 1040)
Department of the Treasury
Internal Revenue Service (99)

Interest and Ordinary Dividends

▶ **Attach to Form 1040A or 1040.**
▶ **Information about Schedule B (Form 1040A or 1040) and its instructions is at www.irs.gov/scheduleb.**

OMB No. 1545-0074
2013
Attachment Sequence No. 08

Name(s) shown on return: FOREIGN & JANE ADDRESS
Your social security number: 600-00-1010

Part I Interest

(See separate 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.

			Amount
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 instructions on back and list this interest first. Also, show that buyer's social security number and address ▶		
	COOPER BANK	1	6,647.
	NATIONAL BANK		720.
	ROME BANK		550.
2	Add the amounts on line 1	2	7,917.
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	7,917.

Note. If line 4 is over $1,500, you must complete Part III.

Part II Ordinary Dividends

(See separate 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.

			Amount
5	List name of payer ▶	5	
6	Add the amounts on line 5. Enter the total here and on Form 1040A, or Form 1040, line 9a ▶	6	

Note. If line 6 is over $1,500, you must complete Part III.

Part III Foreign Accounts and Trusts

(See separate 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 2013, 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	X	
	If "Yes," are you required to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR), formerly TD F 90-22.1 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 2013, 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 separate instructions		X