Volunteer Income Tax Assistance (VITA) / Tax Counseling for the Elderly (TCE)

Take your VITA/TCE training online at www.irs.gov (keyword: Link & Learn Taxes). Link to the Practice Lab to gain experience using tax software and take the certification test online, with immediate scoring and feedback.
The mission of the VITA/TCE return preparation programs is to assist eligible taxpayers in satisfying their tax responsibilities by providing free tax return preparation. To establish the greatest degree of public trust, volunteers are required to maintain the highest standards of ethical conduct and provide quality service.

All VITA/TCE volunteers must complete the Volunteer Standards of Conduct Training and sign Form 13615, Volunteer Standards of Conduct Agreement prior to working at a VITA/TCE site. In addition, return preparers, quality reviewers, and VITA/TCE tax law instructors must certify in tax law prior to signing this form. This form is not valid until the site coordinator, sponsoring partner, instructor, or IRS contact confirms the volunteer’s identity and signs the form.

As a volunteer participant in the VITA/TCE Programs, I will:

1) Follow the Quality Site Requirements (QSR).
2) Not accept payment or solicit donations for federal or state tax return preparation.
3) Not solicit business from taxpayers I assist or use the knowledge I gained (their information) about them for any direct or indirect personal benefit for me or any other specific individual.
4) Not knowingly prepare false returns.
5) Not engage in criminal, infamous, dishonest, notoriously disgraceful conduct, or any other conduct deemed to have a negative effect on the VITA/TCE Programs.
6) Treat all taxpayers in a professional, courteous, and respectful manner.

Failure to comply with these standards could result in, but is not limited to, the following:

• Removal from the VITA/TCE Programs and inclusion on volunteer registry;
• Deactivation of your Partner’s VITA/TCE EFIN (electronic ID number);
• Removal of all IRS products, supplies, loaned equipment, and taxpayer information;
• Termination of the sponsoring organizations partnership with IRS;
• Termination of sponsoring organization grant funds; and
• Subjection to criminal investigations.

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Confidentiality Statement:

All tax information you receive from taxpayers in your VOLUNTEER capacity is strictly confidential and should not, under any circumstances, be disclosed to unauthorized individuals.
Form 6744 – 2011 VITA/TCE Test

Table of Contents

Preface .......................................................................... ii
Test Instructions ............................................................. iii
Test Answer Sheet ........................................................... vi

Standards of Conduct (Ethics) Training ............................... S-1
Standards of Conduct (Ethics) Test ..................................... S-18
Volunteer Standards of Conduct Agreement Form 13615 ........ S-21

Basic Scenarios
Scenario 1 – Nancy Pratt .................................................. 1-1
Scenario 2 – Sarah Pope ............................................... 1-2
Scenario 3 – Natasha Jefferson ................................. 1-3
Scenario 4 – Aiden and Isabel Stillwater .................... 1-4
Scenario 5 – Lisa Bolivar .............................................. 1-5
Scenario 6 – James and Bridget Thurston ................... 1-6
Scenario 7 – Ashley Sawyer .......................................... 1-15
Scenario 8 – Serena Livingston ...................................... 1-23

Intermediate Scenarios
Scenario 1 – Kathy Greenlee ........................................... 2-1
Scenario 2 – Alonzo Maricopa .......................................... 2-2
Scenario 3 – Evan James Dawson ............................... 2-3
Scenario 4 – Andrew and Lily Albright ...................... 2-13

Advanced Scenarios
Scenario 1 – Jacob McPherson ....................................... 3-1
Scenario 2 – Ross and Mary Campbell ......................... 3-3
Scenario 3 – Gabriella Lafayette ........................... 3-4
Scenario 4 – Nathan and Phoebe Wheeler .................. 3-5

Military Scenarios
Scenario 1 – Benjamin and Avery Merrimack .............. 4-1
Scenario 2 – Lucas and Katarina Benton .................... 4-2
Scenario 3 – Sebastien and Michelle Decatur ............... 4-11

International Scenarios
Scenario 1 – Gary and Susanne Drake ....................... 5-1
Scenario 2 – Sam and Karen Floyd .............................. 5-3
Scenario 3 – John and Laura Morton ......................... 5-4
Scenario 4 – David and Miriam Fulton ....................... 5-5

Retest Questions .......................................................... R-1
Preface

Quality Return Process

The IRS has an ongoing initiative to improve and enhance the quality of returns prepared at VITA/TCE sites. The Volunteer Return Preparation Program – Quality Improvement Process continues to focus on improving the return preparation process. An accurate return is the most important aspect of providing quality service to the taxpayer; it establishes credibility and integrity in the program and the volunteer who prepared the return. Throughout the training material you were introduced to the major components of the VITA/TCE return preparation process including:

- Understanding and applying tax law
- Screening and interviewing taxpayers (Intake/Interview & Quality Review Sheet)
- Using references, resources, and tools
- Conducting quality reviews

During your training you were given an opportunity to apply the tax law knowledge you gained. You learned how to properly verify and use the information provided by the taxpayer on the intake and interview sheet in order to prepare a correct tax return. You also learned how to use your reference materials and conduct a quality review.

Now comes the time to test the knowledge and skills you have acquired and apply them to specific scenarios. This is the final step to help you prepare accurate tax returns within your scope of training.

We welcome your comments for improving these materials and the VITA/TCE programs. You may follow the evaluation procedures located on Link & Learn Taxes at www.irs.gov or e-mail your comments to partner@irs.gov.

Thank you for being a part of this valuable public service for your neighbors and community.
Special Accommodations

If you require special accommodations to complete the test, please advise your instructor immediately.

Reference Materials

Use 2011 values for deductions, exemptions, tax, or credits for all answers on the test. Remember to round to dollars. Test answers have been rounded up or down as directed in the specific instructions on the form.

This is an open book test. You may use your course book and any other reference material you will use as a volunteer. The revised Form 13614-C, Intake/Interview & Quality Review Sheet, is included in each return preparation scenario. Use this form to help you complete the tax returns and answer the test questions.

Please complete this test on your own. Taking the test in groups or with outside assistance is a disservice to the customers you have volunteered to help.

Using Software

The Practice Lab is tax year 2011 tax preparation software developed as a tool to help in the certification process for VITA/TCE volunteers. Go to www.irs.gov and type "Link & Learn Taxes" in the keyword search field. Go to a specific course level and click the "start course" link to display the course menu. Click on the Practice Lab icon to the right of the page. A universal password will be needed to access the Practice Lab. Your instructor or Site Coordinator will be able to provide you with the universal password. Once you access the Practice Lab you will need to create a unique UserID.

IMPORTANT: You will need to create a UserID again this year, even if you used the Practice Lab last year.

Only the 2011 version of the software will generate the correct answers for the 2011 test.

All taxpayer names, social security numbers, employer identification numbers, and account numbers provided in the scenarios are fictitious.

Volunteers using tax preparation software to complete the test should replace the X’s as directed by the software. If you are using the Link & Learn Taxes Practice Lab replace the X’s in the SSNs and EINs with your unique User ID. Use your city, state, and ZIP code when completing any of the forms, unless otherwise indicated.

Test Answer Sheet

If you are completing the paper test, please transfer all answers to the tear-out Test Answer Sheet. Make sure your name is at the top of the page.

Forward the completed Test Answer Sheet and the completed Form 13615, Volunteer Standards of Conduct Agreement, as directed for grading. Do not submit your entire test booklet unless otherwise directed. If you are required to take the retest, your Test Answer Sheet will be retained. If you are using Link & Learn Taxes to grade your test, do not use the test answer sheet.
Test Score
You will be advised of your test results. Your Volunteer Standards of Conduct Agreement will be maintained by your Site Coordinator.

Certification
Each course must be passed with a minimum score of 80% for certification. If you do not achieve a score of at least 80%, you should discuss it with your instructor or Training/Site Coordinator. After the discussion, you may choose to take a certification retest. The retest questions are included in this test booklet after the International test.

VITA/TCE Courses
There are several training options. Each course is summarized below.

- **Standards of Conduct (Ethics):** This year, all volunteers are required to take the Standards of Conduct (Ethics) training and test. This includes volunteers who do not complete tax returns.

- **Basic:** This course covers the completion of wage earner type returns.

- **Intermediate:** This course requires that you have already certified at the Basic level. It covers completion of returns from wage earners, those who receive pension income, and more complex Forms 1040. Itemized deductions and Schedule C-EZ/ Schedule C (with limits) are included in this course.

- **Advanced:** This course requires that you have already certified at the Basic and Intermediate levels. Capital gains and losses and more complex pension issues are included in this course.

- **Military:** This course covers the full scope of returns presented by members of the domestic Armed Forces, Reserve and National Guard, including combat zone and rental issues. This course requires that you have already certified at the Basic and Intermediate levels. Military representatives or instructors going overseas to provide assistance or teach must be certified in both Military and International courses.

- **International:** This course covers the completion of returns for taxpayers living outside the United States. This course requires that you have already certified at the Basic and Intermediate levels. This course includes topics of Foreign Earned Income Exclusion and Foreign Tax Credit.

- **Health Savings Accounts:** This optional course requires that you have already certified at the Basic and Intermediate levels. It is available online at Link & Learn Taxes.

- **Cancellation of Debt:** This optional course requires that you have already certified at the Advanced, Military, or International levels. It is available online at Link & Learn Taxes.

**All volunteers who prepare tax returns must complete the Basic course.**
Volunteers can only prepare returns for the level for which they have been certified. Quality Reviewers and instructors must be certified, at a minimum, at the Intermediate level or higher (based on the complexity of the return).
Certification in Link & Learn Taxes


CAUTION: The test scenarios on Link & Learn Taxes are the same as this booklet. However, questions in the online test can be from either the test or the retest. You must read each question carefully before entering your answers online. Transferring answers directly from the paper answer sheet to the online test in Link & Learn Taxes will result in missed questions.
Test Answer Sheet

Name __________________________

Record all your answers on this tear-out page.

Your instructor will tell you where to send your Test Answer Sheet for grading. Be sure to complete and sign Form 13615, Volunteer Standards of Conduct Agreement.

Privacy Act Notice

The Privacy Act of 1974 requires that when we ask for information we tell you our legal right to ask for the information, why we are asking for it, and how it will be used. We must also tell you what could happen if we do not receive it, and whether your response is voluntary, required to obtain a benefit, or mandatory.

Our legal right to ask for information is 5 U.S.C. 301.

We are asking for this information to assist us in contacting you relative to your interest and/or participation in the IRS volunteer income tax preparation and outreach programs. The information you provide may be furnished to others who coordinate activities and staffing at volunteer return preparation sites or outreach activities. The information may also be used to establish effective controls, send correspondence and recognize volunteers.

Your response is voluntary. However, if you do not provide the requested information, the IRS may not be able to use your assistance in these programs.

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Total Answers Correct: ______
Total Questions: 15
Passing Score: 12 of 15
Introduction

The integrity of the Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) Programs depends on maintaining public trust. All taxpayers using VITA/TCE services should be confident they are receiving accurate return preparation and quality service.

All volunteers are responsible for providing the highest quality and best service to taxpayers. Along with this responsibility, all volunteers must sign Form 13615, Volunteer Standards of Conduct Agreement each year, stating they will comply with the program requirements and uphold the highest ethical standards.

Furthermore, all IRS Stakeholder Partnerships, Education and Communication (IRS-SPEC) agency partners must sign Form 13533, Sponsor Agreement, as requested certifying they will adhere to the strictest standards of ethical conduct.

All volunteers must complete Volunteer Standards of Conduct (VSC) Training. This training will contain the following information:

- Understanding the six Volunteer Standards of Conduct defined in Form 13615
- Applying tax law ethically and accurately
- Reporting possible violations
- Consequences of failure to adhere to the program requirements
- Examples of situations that raise questions on ethical behavior

Why are we doing this?

During a recent filing season, the Treasury Inspector General for Tax Administration (TIGTA) and IRS-SPEC partners uncovered unacceptable practices at a few VITA/TCE sites. In response to these issues, IRS-SPEC enhanced the Volunteer Standards of Conduct. The intent is to provide guidance and a structure for regulating VITA/TCE volunteers and to protect taxpayers.

When unscrupulous volunteers intentionally ignore the law, it compromises the integrity of the VITA/TCE Programs and the public’s trust. Unfortunately, due to the actions of a few, the VITA/TCE Programs’ integrity and trust have been tested. In these cases, IRS-SPEC can and does take appropriate actions against the partners and volunteers involved.

Objectives

At the end of this lesson, using your reference materials, you will be able to:

- List the six Volunteer Standards of Conduct
- Describe unethical behavior
- Identify consequences for failing to comply with the standards
- Explain how volunteers are protected

What do I need?

- Intake and Interview Sheet
- Form 13615, Volunteer Resource Guide
- Publication 4012, Volunteer Resource Guide
- Publication 17, Your Federal Income Tax
- Publication 1084, Site Coordinator Handbook
- Publication 4299, Privacy, Confidentiality, and Standards of Conduct – A Public Trust
- Publication 3189, Volunteer e-file Administration Guide
Unethical Defined

IRS-SPEC defines unethical as not conforming to agreed standards of moral conduct, especially within a particular profession. In most cases, unethical behavior is acted upon with the intent to disregard the established laws, procedures, or set policies.

Do not confuse an unethical action with a lack of knowledge or a simple mistake.

example

If volunteer Mary prepares a return, which includes a credit the taxpayer does not qualify for because Mary did not understand the law, Mary did not act unethically. However, if Mary knowingly allowed a credit for which the taxpayer did not qualify, Mary committed an unethical act and violated the Volunteer Standards of Conduct.

Volunteer Standards of Conduct (VSC)

All volunteers face ethical issues, which often arise in unexpected situations that require quick decisions and good judgment. In many cases, a preparer will react to unusual situations and realize later that it was, in fact, an ethical dilemma.

The Volunteer Standards of Conduct were developed specifically for free tax preparation operations. Form 13615, Volunteer Standards of Conduct Agreement, applies to all conduct and ethical behavior affecting the VITA/TCE Programs.

Volunteers must agree to the following standards of conduct prior to working in a VITA/TCE free return preparation site. As a participant in the VITA/TCE Programs:

1. I will follow the Quality Site Requirements (QSR).

All taxpayers using the services offered through the VITA/TCE Programs should be confident they are receiving accurate return preparation and quality service. The purpose of QSR is to ensure VITA/TCE sites are using consistent site operating procedures that will ultimately assist with the accuracy of volunteer prepared returns. The ten QSR are:

**QSR#1, Certification**

All volunteers must complete the VSC Training course and complete Form 13615, Volunteer Standards of Conduct Agreement – VITA/TCE Programs, prior to working at a VITA/TCE site.

Volunteers who answer tax law questions, instruct (teach) tax law classes, prepare or correct tax returns, and/or conduct quality reviews of completed tax returns must be certified. At a minimum, all VITA/TCE instructors and site Quality Reviewers must be certified at the intermediate level or higher (based on the complexity of the return). All Site Coordinators must be certified by taking Site Coordinators' training. Site Coordinators must verify the identity of every volunteer, secure a copy or original signed Form 13615, and verify certification when the volunteer reports to their site. In the Partner Use Only section, Site Coordinators/sponsors/partners must sign “Certification verified by.”

**QSR#2, Intake/Interview Process**

All sites must use Form 13614-C, Intake/Interview & Quality Review Sheet for every return prepared.
**Tax Software Hint:** The electronic Form 13614-C, available through the TaxWise software interview module, may be used in lieu of the paper Form 13614-C.

**QSR#3, Quality Review Process**

All returns must be quality reviewed and discussed with the taxpayer prior to the taxpayer leaving the site. All sites must complete Form 13614-C, Section C after completing the quality review process.

**QSR#4, Reference Materials**

All sites must have one copy of the following reference materials available for use by volunteer return preparers and Quality Reviewers:

- Publication 4012, Volunteer Resource Guide
- Publication 17, Your Federal Income Tax for Individuals

**QSR#5, Volunteer Agreement**

All volunteers (preparers, Quality Reviewers, greeters, etc.) must complete the VSC Training and certify to their adherence by signing Form 13615 prior to working at a site.

**QSR#6, Timely Filing**

All sites must have a process in place to ensure every return is electronically filed or delivered to the taxpayer in a timely manner.
Standards of Conduct (Ethics)

QSR#7, Title VI
Title VI of the Civil Rights Act of 1964 information must be displayed or provided to taxpayers at designated sites.

QSR#8, Site Identification Number
It is critical that the correct Site Identification Number (SIDN) must be included on all returns prepared by VITA/TCE sites. Failure to provide an accurate SIDN may result in removal from the program.

QSR#9, Electronic Filing Identification Number
The correct Electronic Filing Identification Number (EFIN) must be used on all returns prepared.

QSR#10, Security, Privacy and Confidentiality
All guidelines discussed in Publication 4299, Privacy, Confidentiality, and Standards of Conduct – A Public Trust, must be followed

2. I will not accept payment or solicit donations for federal or state tax return preparation.

"Free" means we do not accept compensation for our services. Therefore, we do not want to confuse the taxpayer by asking for donations. A client may offer payment, but always refuse with a smile and say something like, "Thank you, but we cannot accept payment for our services." If someone insists, recommend cookies or donuts for the site. Taxpayers can make cash donations but not at the tax site. Refer taxpayers who are interested in making cash donations to the appropriate website or to the Site Coordinator for more information.

example
You finish a time-consuming return and the client is very grateful. On her way out, the client stops by and tries to sneak a $20 bill in your pocket, saying, "I would have paid ten times that at the preparer across the street." Return the money and invite the client to send the donation to the Center’s downtown office or via a website.

3. I will not solicit business from taxpayers I assist or use the knowledge I gained about them (their information) for any direct or indirect personal benefit for me or any other specific individual.

You must properly use and safeguard taxpayers’ personal information. Furthermore, you may not use confidential or nonpublic information to engage in financial transactions, and you cannot allow its improper use to further your own or another person’s private interests.

example
You are a volunteer preparer and an accountant. You cannot solicit business from the taxpayer.

example
You are the site’s greeter. Your daughter asks you to take candy orders at the site for her school fundraiser. You explain to her that as a VITA/TCE volunteer you cannot solicit personal business.
You must keep taxpayer and tax return information confidential. You may discuss information with other volunteers at the site, but only for purposes of preparing the return. You must not use taxpayer information for your personal or business use.

**Securing consent**

There will be some instances when taxpayers will allow their personal information to be used other than for return preparation. Under Internal Revenue Code § 7216, all volunteer sites using or disclosing taxpayer data for purposes other than current, prior, or subsequent year tax return preparation must secure two consents from the taxpayer: consent to use the data and consent to disclose the data.

**Exceptions to required consents**

Volunteer sites using or disclosing the total number of returns (refunds or credits) prepared for their taxpayers (aggregate data) to use for fundraising, marketing, and publicity are not required to secure the taxpayers’ consent. This information cannot include any personally identifiable information, such as the taxpayer’s name, SSN/ITIN, address or other personal information, and does not disclose cells containing data from fewer than ten tax returns.

This exception does not apply to the use or disclosure in marketing or advertising of statistical compilations containing or reflecting dollar amounts of refunds, credits, or rebates, or percentages relating thereto.

<table>
<thead>
<tr>
<th>Taxpayer Data Usage</th>
<th>Are Consents Required?</th>
<th>Number of Consents</th>
<th>Type of Consents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Using or disclosing taxpayer data to prepare current, prior or subsequent year tax returns.</td>
<td>No</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Using or disclosing taxpayer data for purposes other than preparing current, prior, or subsequent year tax return.</td>
<td>Yes</td>
<td>2</td>
<td>1. Consent explaining how the data will be used. 2. Consent explaining how the data will be disclosed.</td>
</tr>
<tr>
<td><strong>Exception:</strong> Reporting the <strong>number</strong> of returns (or types of returns such as EITC, CTC, etc.) prepared for fundraising, marketing, publicity, or other uses related to the volunteer site’s tax return preparation business.</td>
<td>No</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Reporting any data containing return <strong>dollar amounts</strong> for marketing or advertising or any other non-fundraising activities.</td>
<td>Yes</td>
<td>2</td>
<td>1. Consent explaining how the data will be used. 2. Consent explaining how the data will be disclosed.</td>
</tr>
<tr>
<td>Reporting any data containing return dollar amounts for fundraising activities.</td>
<td>No</td>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>
4. I will not knowingly prepare false returns.

Trust in the IRS and the local sponsoring organization is jeopardized when ethical standards are not followed. Fraudulent returns can result in many years of taxpayer interaction with the IRS. The taxpayer may be required to pay additional tax plus interest and penalties, which can result in an extreme burden. In addition, the taxpayer may look to state or local law to seek money from the SPEC partner for the volunteer’s fraudulent actions. Even so, the IRS would still seek payment of the additional taxes, interest, and penalties from the taxpayer.

**Example**

A volunteer preparer told the taxpayer that cash income does not need to be reported. The return was completed without the cash income. The Quality Reviewer simply missed this omission and the return was printed, signed, and e-filed. The volunteer has violated this standard.

However, since the Quality Reviewer did not knowingly allow this return to be e-filed incorrectly, the Quality Reviewer did not violate this standard. Remember not to confuse an unethical action with a lack of knowledge or a simple mistake.

**Hardship on the taxpayer**

For a low-income taxpayer, it could be impossible to make full payment and recover from return fraud. If full payment is not received, the taxpayer will receive several demand notices. If full payment is still not received, the taxpayer will be sent through the IRS collection process. This could also involve the filing of a tax lien that will affect the taxpayers’ credit report, or a levy (withholding) on their bank accounts and/or wages. The taxpayer may be eligible for an installment agreement, but it could take several years to pay the IRS debt.

**Example**

A taxpayer’s return fraudulently contains the Earned Income Tax Credit (EITC). The taxpayer has already received the refund when an audit notice is issued. During the audit, the taxpayer cannot provide documentation to support the EITC claim.

The taxpayer is disallowed $3,000 in EITC and now has a balance due of over $4,000, including penalties and interest. This amount reflects only the EITC disallowance. The amount could be much more if coupled with the loss of dependency exemption, Head of Household filing status, and the child tax credit. A $3,000 EITC disallowance can quickly generate a bill of over $6,000 when all accompanying disallowances are considered.
5. I will not engage in criminal, infamous, dishonest, notoriously disgraceful conduct, or any other conduct deemed to have a negative effect on the VITA/TCE Programs.

You may be prohibited from participating in VITA/TCE Programs if you engage (past and future) in criminal, infamous, dishonest, or notoriously disgraceful conduct, or any other conduct prejudicial to the government. You also must take care to avoid interactions that discredit the program. In addition, a taxpayer may look to state or local law to seek money from the SPEC partner for a volunteer’s fraudulent actions.

Furthermore, allowing an unauthorized alien to volunteer at a VITA/TCE site is prohibited. An “unauthorized alien” is defined as an alien not lawfully admitted for permanent residence in the United States or not authorized to work in the United States under federal immigration law. All volunteers for the VITA/TCE Programs must be a United States citizen or resident alien.

Consequences

Volunteers performing egregious activities are barred from volunteering for VITA/TCE Programs, and may be added to a registry of barred volunteers. The taxpayer is liable for any tax deficiency resulting from fraud, along with interest and penalties, and may seek money from the preparer and the SPEC partner.

example

A partner’s program director was convicted of embezzling funds from an unrelated organization. The program director’s criminal conduct created negative publicity for the partner. The partner was removed from the VITA/TCE Programs.

example

A taxpayer’s refund was stolen by a volunteer return preparer at a VITA site. The taxpayer sought monetary damages from the SPEC partner for the volunteer’s fraudulent actions.

6. I will treat all taxpayers in a professional, courteous, and respectful manner.

To protect the public interest, the IRS and its employees, partners, and volunteers must maintain the confidence and esteem of the people we serve. You are expected to conduct yourself professionally in a courteous, businesslike, and diplomatic manner.

Volunteers take pride in assisting hard-working men and women who come to VITA/TCE sites for return preparation. Taxpayers are often under a lot of stress and may wait extended periods for assistance. You may also experience stress due to the volume of taxpayers needing service. This situation can make patience run short. It is important for you to remain calm and create a peaceful and friendly atmosphere.

example

You finish a difficult return for Millie, who has self-employment income, several expenses, and very few records. In addition, her son turned 25 and moved out early in the year. She owes the IRS about $50. After you carefully explain the return, Millie sputters, “You don’t know what you’re doing. I always get a refund! My neighbor is self-employed and she got $1,900 back.” In this situation, you should take a deep breath and courteously explain that every return is different. If necessary, involve the Site Coordinator.
Taxpayer Civil Rights

Under no circumstances will the Internal Revenue Service tolerate discriminatory treatment of taxpayers by employees or individuals who volunteer at federally conducted or federally assisted sites. No taxpayer shall be excluded from participating in, be denied the benefits of, or be subject to discrimination based on race, color, sex, national origin, reprisal, disability, or age in programs or activities supported by the Department of the Treasury – Internal Revenue Service.*

Taxpayers with a disability may require a reasonable accommodation in order to participate or receive the benefits of a program or activity supported by the Department of the Treasury – Internal Revenue Service. Volunteers participating in the Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) sites are responsible for ensuring that all requests for reasonable accommodation are granted when the request is made by a qualified individual with a disability. Taxpayers have the right to file a written complaint with the Department of the Treasury – Internal Revenue Service when a request for a reasonable accommodation is not granted.

Taxpayers may also submit a written complaint if they believe they have been discriminated against on the basis of race, color, sex, national origin, disability, reprisal or age. Taxpayers may file a written complaint with an employee at an IRS Taxpayer Assistance Center (TAC), VITA/TCE Site Coordinator, Department of the Treasury – Internal Revenue Service, or the address listed below. All written complaints must be sent to:

Director, Civil Rights Division
Internal Revenue Service
1111 Constitution Avenue, NW
Room 2413
Washington, DC 20224

For all inquiries concerning taxpayer civil rights, contact the Internal Revenue Service, AWSS – EDI Operations, Civil Rights Division at the address referenced above, or e-mail us at eeo.external.civil.rights@irs.gov.

*Not all protected bases apply to all programs supported by the Department of the Treasury – Internal Revenue Service.

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Failure to Comply with the Standards of Conduct

Who enforces the standards?

By law, tax return preparers are required to exercise due diligence in preparing or assisting in the preparation of tax returns. IRS-SPEC defines due diligence as the degree of care and caution reasonably expected from, and ordinarily exercised by, a volunteer in the VITA/TCE Programs.

Because the U.S. tax system is based on voluntary compliance, taxpayers are able to compute their own tax liability. Most taxpayers compute their tax accurately, but at times unscrupulous taxpayers and preparers evade the system by filing fraudulent returns. For this reason, some sponsoring organizations may choose to perform background checks on their volunteers.

The VITA/TCE Programs are operated by sponsoring partners and/or coalitions outside the IRS. However, IRS is responsible for the oversight of these programs. Generally, volunteers are selected by partners and not by the IRS. As a volunteer tax preparer, you serve an important role. In fact, SPEC’s partners and its volunteers are the most valuable resources in the volunteer tax preparation program.
IRS has the responsibility for providing oversight to protect the VITA/TCE Programs’ integrity and maintain taxpayer confidence. IRS-SPEC recognizes your hard work and does not want it overshadowed by a volunteer’s lapse in judgment.

**How are the standards enforced?**

To maintain confidence in VITA/TCE Programs, IRS-SPEC enhanced Form 13615, Volunteer Standards of Conduct Agreement. The intent is to provide guidance to volunteers and a structure for regulating ethical standards.

If conduct violating the standards occurs at a VITA/TCE site, SPEC will recommend corrective action. If the site cannot remedy the conduct, then IRS-SPEC will discontinue its relationship and remove any government property from the site.

In cases of malfeasance, illegal conduct, and/or management practices that violate the VSC, IRS-SPEC may terminate a grant. A volunteer’s conduct could put a site or partner in jeopardy of losing its government funding.

**Volunteer Registry**

Volunteers and partners released from the VITA/TCE Programs for egregious actions can be added to the IRS-SPEC Volunteer Registry. The IRS-SPEC director will determine if a volunteer or partner should be added to the registry. The purpose of the registry is to notify IRS-SPEC employees of volunteers and partners that were removed from the VITA/TCE Programs due to egregious actions. The registry will include partner or individual names, locations, and affiliated agency or sponsors. Volunteers on this list are unable to participate in the VITA/TCE Programs indefinitely. Egregious actions include, but are not limited to, one or more of the following willful actions:

- Creating harm to taxpayers, volunteers or IRS employees
- Refusing to adhere to the Quality Site Requirements
- Accepting payments for return preparation at VITA/TCE sites
- Using taxpayer personal information for personal gain
- Knowingly preparing false returns
- Engaging in criminal, infamous, dishonest, notorious, disgraceful conduct
- Any other conduct deemed to have a negative impact on the VITA/TCE Programs

**What is the impact on VITA/TCE Programs?**

As a volunteer, you positively affect the lives of taxpayers. Unfortunately, one volunteer’s unethical behavior can cast a cloud of suspicion on the entire volunteer tax preparation program. IRS-SPEC has closed down tax sites due to unethical behavior, which left taxpayers without access to free tax preparation in their community. The consequences to the tax site or sponsoring organization may include:

- Terminating the partnership between the IRS and the sponsoring organization
- Discontinuing IRS support
- Revoking or retrieving the sponsoring organization’s grant funds
- Deactivating IRS EFIN
- Removing all IRS products, supplies, and loaned equipment from the site
- Removing all taxpayer information
- Disallowing use of IRS-SPEC logos
What is the impact on taxpayers?

A taxpayer is responsible for paying only the correct amount of tax due under the law. However, an incorrect return can cause a low-to-moderate income taxpayer financial stress. Although a return is accepted, it may not be accurate. Acceptance merely means the required fields are complete and that no duplicate returns exist.

It is imperative that you correctly apply the tax laws to the taxpayer’s situation. While you may be tempted to bend the law to help taxpayers, this will cause problems down the road. For example:

- Depending on the tax issue, a taxpayer may receive a refund and later receive a letter from the IRS questioning the return. While a letter does not conclusively mean the return is wrong, it begins a tax controversy process, and can create anguish for the taxpayer.
- The taxpayer may be subject to the examination process including collection, litigation, and appeals. If additional tax is assessed, interest and penalties accrue from the date the return was originally due until payment is made.
- A taxpayer who cannot pay the full balance due may be able to make installment payments, but interest and penalties will continue to accrue until full payment is remitted. Moreover, the IRS may file a notice of federal tax lien upon all property or rights belonging to the taxpayer. This can have a chilling effect on the taxpayer as it becomes public knowledge and appears on his/her credit reports. In addition, if a taxpayer refuses or neglects to pay the tax, the IRS can use levies and seizures to satisfy balance due accounts. The law provides some protections for taxpayers, but in general, a taxpayer who fails to pay their tax is subject to enforcement action.

How might the taxpayer find relief?

If tax collection would cause significant hardship, the taxpayer may be able to find relief. Significant hardship means serious deprivation, not simply economic or personal inconvenience to the taxpayer. In this case, collection action may stop, but interest and penalties will continue to accrue until the taxpayer can afford to pay.

What if the taxpayer is not telling the truth?

As described above, the tax controversy process can be long and drawn-out. If you ever sense that a taxpayer is not telling the truth, don’t ignore it. Conduct a thorough interview, paying special attention to the information you are uncomfortable with, to ensure there is no misunderstanding. If that does not resolve the matter, refer the taxpayer to your Site Coordinator.

Remember, if you are not comfortable with the information provided from the taxpayer, you are not obligated to prepare the return.

Taxpayer review and acknowledgement

After the return is finished, a certified volunteer must briefly discuss the filing status, exemptions, income, adjusted gross income, credits, taxes, payments, and the refund or balance due with the taxpayer. If the taxpayer has any questions, concerns, or requires additional clarification about the return, the volunteer must assist the taxpayer.

Before asking the taxpayer to sign the return (either by signing Form 1040, U.S. Individual Income Tax Return, signing Form 8879, IRS e-file Signature Authorization, or entering a self-select PIN), advise the taxpayer that:

- The taxpayer is ultimately responsible for the information on the return
- Signing the return guarantees under penalty of perjury that the taxpayer has examined the return and its accompanying forms and schedules for accuracy
Volunteer’s role in criminal investigation

Honest taxpayers and tax preparers preserve the tax system’s integrity. To sustain confidence in the VITA/TCE Programs, you should report violations that raise substantial questions about another volunteer’s honesty, trustworthiness, or fitness as a tax preparer.

Taxpayers and return preparers who violate tax law are subject to civil and criminal penalties. Any person who willfully aids or assists in, or procures, counsels, or advises the preparation or presentation of a materially false or fraudulent return is subject to criminal punishment.

IRS-SPEC will refer violations to the IRS Criminal Investigation Division or the Treasury Inspector General for Tax Administration. You can anonymously report a violation by calling 1-877-330-1205 or emailing WI.Voltax@irs.gov.

Volunteer Protection Act

Public Law 105-19, Volunteer Protection Act of 1997 (VPA) generally protects volunteers from liability for negligent acts they perform within the scope of their responsibilities in the organization for whom they volunteer. The VPA is not owned or written exclusively for Internal Revenue Service. This is a public law and relates to organizations that use volunteers to provide services.

What is a volunteer?

Under the VPA, a “volunteer” is an individual performing services for a nonprofit organization or a governmental entity (including as a director, officer, trustee, or direct service volunteer) who does not receive for these services more than $500 total in a year from the organization or entity as:

- Compensation (other than reasonable reimbursement or allowance for expenses actually incurred), or
- Any other thing of value in lieu of compensation

Although an individual may not fall under the VPA definition of a “volunteer,” which means they may not be protected under the VPA, they are still considered volunteers by the VITA/TCE Programs. To ensure protection, those who do not fit this VPA volunteer definition should seek advice from their sponsoring organization’s attorneys to determine liability protection rights.

What does the VPA do?

The purpose of the VPA is to promote the interests of social service program beneficiaries and taxpayers and to sustain the availability of programs, nonprofit organizations, and governmental entities that depend on volunteer contributions. It does this by providing certain protections from liability concerns for volunteers serving nonprofit organizations and governmental entities.

The VPA protects volunteers from liabilities if they were acting within the scope of the program and harm was not caused by willful or criminal misconduct, gross negligence, reckless misconduct, conscious, flagrant indifference to the rights or safety of the individual harmed by the volunteer. The VPA does not protect conduct that is willful or criminal, grossly negligent, reckless, or conduct that constitutes a conscious, flagrant indifference to the rights or safety of the individual harmed by the volunteer.

In general, if volunteers are performing their responsibilities using the Volunteer Standards of Conduct, they are protected. However, local and state laws still must be considered. Sponsoring organizations should seek advice from their attorneys to determine how this law protects their volunteers.
Instructions for Completing the VSC Agreement

You must complete the Volunteer Standards of Conduct Training and sign Form 13615, Volunteer Standards of Conduct Agreement prior to working at a VITA/TCE site.

As a return preparer, Quality Reviewer, or VITA/TCE tax law instructor, you must certify in tax law prior to checking the acknowledgment box in Link & Learn Taxes. If using the paper test, you must certify by signing and dating the form.

Certification (training and testing) can be acknowledged by:

- Using Link & Learn Taxes, or
- Using the paper Form 6744, VITA/TCE Volunteer Assistor’s Test/Retest

If you are using Link & Learn Taxes, you must:

- Pass the Volunteer Standards of Conduct training and test
- Pass the appropriate certification test levels (Basic, Intermediate, Advanced, etc.) if you are preparing returns, performing quality review, or other position requiring tax law testing
  - After each test, the Link and Learn system will mark “P” for the Volunteer Standards of Conduct Training and (if applicable) tax law certification levels indicating a passing score
- Check the box in Link & Learn Taxes acknowledging you have read and completed Form 13615, Volunteer Standards of Conduct Agreement (after training and/or testing)
- Finish the form by completing the applicable fields (if missing): your name, home address, site name, partner name, daytime phone number, e-mail address, volunteer position, and number of volunteer years
- Print and review the form and give the completed form to the designated partner or Site Coordinator
  - The designated partner or Site Coordinator will certify by signing and dating the form

If you are using the paper test (Form 6744):

- Instructors will use Form 6744 to administer the test
- You must take and pass the Volunteer Standards of Conduct Training and test
- You must pass the appropriate certification test levels (Basic, Intermediate, Advanced, etc.) if you are preparing returns, performing quality review, or other position requiring tax law testing
- You must complete the entire Form 13615, Volunteer Standards of Conduct Agreement by adding your full name, home address, site name, partner name, daytime phone number, e-mail address, volunteer position, and number of volunteer years
- Instructors should provide any information that volunteers do not know, such as the partner name
- Instructors will mark “P” for the Volunteer Standards of Conduct Training indicating a passing score
- If applicable, instructors will mark “Pass” or “P” for each appropriate tax law certification level indicating a passing score
- Instructors return the form to each volunteer for their signature and date
- Instructors will certify by signing and dating the form
- Instructors will provide additional processing instructions for the form

Certification acknowledgment is only valid when Form 13615 is signed and dated by the volunteer and the authorized SPEC territory instructor, partner, or Site Coordinator. Volunteer certification is completed electronically in Link & Learn Taxes; therefore, no signature is required on the form.
## Resolving Problems

In general, the Site Coordinator is the first point of contact for resolving any problems you encounter. If you feel you cannot take an issue to your Site Coordinator, email IRS at WI.VolTax@irs.gov, call toll free 1-877-330-1205, and/or contact your local IRS-SPEC relationship manager.

<table>
<thead>
<tr>
<th>For this type of issue:</th>
<th>The appropriate action is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual or company is violating the tax laws</td>
<td>Use Form 3949-A, Information Referral. You may complete this form online at <a href="http://www.irs.gov/pub/irs-pdf/f3949a.pdf">www.irs.gov/pub/irs-pdf/f3949a.pdf</a>. Print the form and mail to: Internal Revenue Service, Fresno, CA, 93888.</td>
</tr>
<tr>
<td>Victims of identity theft suffer impact on their current federal income tax return</td>
<td>Refer taxpayers to Identity Protection Specialized Unit at 1-800-908-4490. The Protection Specialized Unit may issue these taxpayers a notice. You may prepare returns for taxpayers who bring in their CP01A Notice or special PIN (6 digit IPPIN). Include the IPPIN on the software main information page. Instructions are located at: <a href="http://www.irs.gov/privacy/article/0,,id=186436,00.html">http://www.irs.gov/privacy/article/0,,id=186436,00.html</a></td>
</tr>
<tr>
<td>Taxpayers believe they are victims of discrimination</td>
<td>Refer taxpayers to: (Written complaints) National Headquarters; Office of Equity, Diversity &amp; Inclusion; Internal Revenue Service; Attn: Director, Civil Rights Division (External Civil Rights Team); 1111 Constitution Ave., NW Room 2422; Washington, DC 20224. (Email complaints) <a href="mailto:eeo.external.civil.rights@irs.gov">eeo.external.civil.rights@irs.gov</a>. (Telephone complaints) 1-202-927-0180.</td>
</tr>
<tr>
<td>Taxpayers have account questions such as balance due notices and transcript or installment agreement requests</td>
<td>Refer taxpayers to local Taxpayer Assistance Center or call IRS toll free at 1-800-829-1040.</td>
</tr>
<tr>
<td>Federal refund inquiries</td>
<td>Tell taxpayers to: Go to <a href="http://www.irs.gov">www.irs.gov</a> and click “Where’s My Refund” or call 1-800-829-1954 or 1-800-829-4477.</td>
</tr>
<tr>
<td>State/local refund inquiries</td>
<td>Refer to the appropriate revenue office.</td>
</tr>
<tr>
<td>Taxpayers have been unsuccessful in resolving their issue with the IRS</td>
<td>Tell taxpayers that the Taxpayer Advocate Service can offer special help to a taxpayer experiencing a significant hardship as the result of a tax problem. For more information, the taxpayer can call toll free 1–877–777–4778 (1–800–829–4059 for TTY/TDD).</td>
</tr>
</tbody>
</table>
Exercises

Using your reference materials, answer the following questions.

**Question 1:** Taxpayer Edna brings her tax documents to the site. She completes Form 13614-C, Intake/Interview & Quality Review Sheet. She indicates in Part III of Form 13614-C that she has self-employment income along with other income and expenses.

Joe, a tax preparer, reviews Form 13614-C with Edna. He asks if she brought all of her documents today, and asks to see them. Included in the documents is Form 1099-MISC, Miscellaneous Income, showing $7,500 of non-employee compensation in Box 7. She tells Joe that she has a cleaning business that provides services to local businesses.

Edna says she also received $4,000 in cash payments for additional cleaning work. When Joe asks if she received any documentation supporting these payments, she says no, the payments were simply paid to her for each cleaning job she performed.

At this point, Joe suggests that because the IRS has no record of the cash payments, Edna does not need to report these payments on her return. Edna is concerned and feels like she could "get in trouble" with the IRS if she does not report all of her income. Joe assures her that the chance of the IRS discovering that she did not report cash income is very small.

Joe prepares Form 1040, Individual Income Tax Return. On Schedule C, Line 1 he reports only the $7,500 reported in Box 7 of Form 1099-MISC. When Joe completes the return, he hands it to Edna to sign Form 8879, IRS e-file Signature Authorization.

A. Is there a Volunteer Standards of Conduct violation? If yes, describe.

B. What should happen to the volunteer?

C. What should the volunteer have done?

**Question 2:** Taxpayer George completes Form 13614-C indicating in Part II that his marital status is single with one dependent, Amelia. Volunteer preparer Marge reviews the intake form and the taxpayer's information documents.

When Marge asks if Amelia is related to George, he says no, that Amelia is the child of a personal friend who is not filing a tax return. Amelia’s mother told George to claim the child and even gave him Amelia’s social security card. Marge then asks whether George provided more than one-half of Amelia’s support, but George says no. He goes on to say that he should be able to claim Amelia as a dependent because no one else is claiming her.

Marge agrees that although Amelia is not George’s qualifying child or relative, he can still claim her as a dependent because no one else will. Marge goes on to suggest that the child could be listed as George’s niece who lives with him, so that he can file as a Head of Household and claim the Earned Income Tax Credit (EITC). Marge completes Form 13614-C, Section B, accordingly.

Marge assures George that chances of the IRS discovering that he and Amelia are not related would be very small. Marge prepares the return with the Head of Household status and claiming the EITC and Child Tax Credits for "qualifying child" Amelia. George signs Form 8879.

A. Is there a Volunteer Standards of Conduct violation? If yes, describe.

B. What should happen to the volunteer?

C. What should the volunteer have done?
Question 3: Taxpayer Isabel’s completed Form 13614-C indicates that she does not have an account to directly deposit a refund. When volunteer James prepares Isabel’s return, it shows that Isabel is entitled to a $1,200 refund.

James tells Isabel that a paper check may take up to 6 weeks to arrive, but if she has the funds directly deposited to a checking account, the amount would be available in 7-10 business days. He offers to have the money deposited to his own checking account, stating that on receipt of the money he would turn it over to her. Isabel agrees and allows James to enter his routing number and account information on her return. James gives the money to Isabel when he receives it.

A. Is there a Volunteer Standards of Conduct violation? If yes, describe.

B. What should happen to the volunteer?

Question 4: While volunteer James is completing Isabel’s return, he notes that she is single and asks her if she would like to meet some evening at a local bar so they could get to know each other better. Although Isabel says that she would prefer that he not call her, James says he does not give up that easily and that he will call her later in the week.

Isabel reports the conversation to the Site Coordinator before she leaves the site.

A. Is there a Volunteer Standards of Conduct violation? If yes, describe.

B. What should happen to the volunteer?

Question 5: Volunteer John is preparing a return for taxpayer Max, who sold stock during the tax year. Max says he does not want to report capital gains and tells John that the cost basis on the stock sold was equal to or higher than the sales price. Based on his own stock portfolio, John believes Max is lying. John explains to Max that if the IRS examines the return, the cost basis will have to be supported by written statements or other documents of the purchases. Max says he understands, but he still wants the return completed with the amounts he has given to John. After John completes the return and Max signs Form 8879, the return is e-filed.

A. Is there a Volunteer Standards of Conduct violation? If yes, describe.

B. What should happen to the volunteer?

C. What could the volunteer have done?

Question 6: When Joelle, Site Coordinator, returns from a lunch break, she notices the waiting area is nearly empty. When she asks greeter Jade what happened, Jade says that volunteer Nathan and a taxpayer had a loud, bitter argument, and many taxpayers got concerned and left.

Joelle takes Nathan to a private area and asks him to explain what happened. Nathan says the taxpayer became upset when Nathan told him that as a noncustodial parent he had to have a signed Form 8332, Release/Revocation of Release of Claim to Exemption for Child By Custodial Parent, or he could not claim his children as dependents. Nathan admits that he got angry when the taxpayer started name calling. Nathan says he told the taxpayer, “If you don’t like our free service, then you can go somewhere else.” Nathan also says there was a lot of yelling and cussing on both sides and then the taxpayer left the site.

A. Is there a Volunteer Standards of Conduct violation? If yes, describe.

B. What should happen to the volunteer?

C. What should the volunteer have done?
Summary

- All volunteers must agree to the Volunteer Standards of Conduct outlined in Form 13615. The instructor/ Site Coordinator/partner must verify the identity and certification of the volunteer before the volunteer is allowed to work at the site.

- Failure to comply with the standards may adversely affect the taxpayer, the site, the partner and the VITA/ TCE Programs.

- Violation of the standards will not be tolerated. If a violation is discovered, appropriate corrective actions will be taken, up to removal of the volunteer and closing of the site.

- The Volunteer Protection Act generally protects volunteers from liability as long as they are acting in accordance with the standards.

- Volunteers and partners with questions about the standards should contact their IRS-SPEC relationship manager

Exercise Answers

Answer 1
A. Yes, Standard 4, knowingly preparing a fraudulent return.

B. Volunteer should be removed and barred from working at a VITA/TCE site and added to the volunteer registry.

C. Cash income should be reported as income on Schedule C.

Answer 2
A. Yes, Standard 4, knowingly preparing a fraudulent return. Although the taxpayer insisted on including the dependent, Marge knew this was wrong.

B. Volunteer should be removed and barred from working at a VITA/TCE site and added to the volunteer registry.

C. Volunteer should educate George on dependent eligibility using Publication 4012, Volunteer Resource Guide, refuse to prepare the tax return, or report the incident to the Site Coordinator.

Answer 3
A. Yes, Standard 1, (Quality Site Requirement #10 Security, Privacy and Confidentiality). Although the volunteer’s intention was to help Isabel get her refund sooner by having it direct deposited instead of mailed, putting it into his own account is problematic and could raise the question of misappropriation of a tax refund.

B. Volunteer must be counseled that he cannot put any other taxpayer’s refund into his own account. If this continues he will be removed and barred from the site.

Answer 4
A. Yes, Standard 3, using knowledge gained from the taxpayer for volunteers’ personal benefit.

B. He should be reminded that he cannot use taxpayer’s personal information (marital status and phone number) for his benefit.
Answer 5

A. Maybe. Even though Max insists on using the cost basis he provides to John, as long as John has conducted a thorough interview, especially about the stock sales, he can prepare the return. John should remind Max that taxpayers sign their returns under penalty of perjury, and that Max is ultimately responsible for the return.

If Max tells John that the basis amounts are wrong and John prepares the return anyway, then John is violating Standard 4, knowingly preparing a false return.

B. As long as John did not knowingly prepare a false return, nothing should happen. However, if John does know the information is false, then he should be removed, barred from the site, and he could be added to the volunteer registry.

C. John could have refused to prepare Max's return.

Answer 6

A. Yes, Standard 6. Volunteers must deal with people at the site with courtesy and in a respectful and professional manner.

B. Nathan should be warned that future outbursts will result in his immediate removal as a volunteer.

C. Nathan should have taken a deep breath and courteously explained the Form 8332 requirements using Publication 4012. If the situation still could not be resolved, Nathan should have requested the taxpayer speak to the Site Coordinator upon her return.
It is important that all individuals who volunteer their time and services in the VITA/TCE Programs understand their roles and responsibilities under the program. All volunteers are expected to:

- Receive Standards of Conduct (ethics) training
- Take and complete a test on ethics under the VITA/TCE Programs
- Sign and understand the Volunteer Standards of Conduct Agreement, Form 13615, indicating they have taken the ethics training and have successfully completed a test on those ethics requirements

These Standards of Conduct requirements are in addition to the tax law certification process (i.e., Basic, Intermediate, Advanced, Military, or International) for becoming a qualified volunteer to teach tax law, correct tax returns, conduct quality reviews, prepare tax returns, or address tax law related questions as a volunteer in the VITA/TCE Programs.

Use your training and reference tools to answer the questions. You must answer four of the following five questions correctly to pass the Standards of Conduct test.

**Test Questions**

**Directions**

Using your resource materials, answer the following questions.

1. Which volunteers must take Volunteer Standards of Conduct training and test?
   a. Site Coordinators/Local Coordinators
   b. Quality Reviewers and Tax Return Preparers
   c. Greeters
   d. All VITA/TCE volunteers

2. Which of the following is a violation of the Volunteer Standards of Conduct?
   a. Knowingly preparing a false tax return
   b. Having a tip jar at the site
   c. Using taxpayer’s personal information to ask for a date
   d. All of the above
3. Jake is a volunteer preparer in the VITA/TCE Programs. When preparing a return for Jill, Jake learns that Jill does not have an account to receive a direct deposit of her refund. Jake offers to use his account to receive the direct deposit, and says he will turn the money over to Jill once the refund is deposited. Is this an acceptable action under the program?
   a. Yes
   b. No

4. A volunteer preparer told the taxpayer that cash income does not need to be reported. The return was completed without the cash income. The Quality Reviewer simply missed this omission and the return was printed, signed, and e-filed. Who has violated the Volunteer Standards of Conduct?
   a. Volunteer Preparer
   b. Quality Reviewer
   c. Site Coordinator
   d. Neither a nor b

5. If a tax preparer violates the Volunteer Standards of Conduct, what are the possible consequences?
   a. Removal from the VITA/TCE Programs
   b. Criminal investigation
   c. Elimination of VITA/TCE grant funds
   d. Deactivation of EFIN
   e. All of the above

Retest Questions

Directions

Using your resource materials, answer the following questions.

1. I am currently a volunteer greeter. I will not be preparing tax returns. I do not need to take the Volunteer Standards of Conduct test.
   a. True
   b. False

2. Is having a tip jar at the site a violation of the Volunteer Standards of Conduct?
   a. Yes
   b. No
3. Maggie asks Josh, the tax preparer, to deposit her refund into Josh's checking account and turn the funds over to her when received. If Josh says yes, he is in violation of the standards.
   a. True
   b. False

4. A volunteer tax preparer told the taxpayer that cash income does not need to be reported. The return was completed without the cash income. The Quality Reviewer simply missed this omission and the return was printed, signed, and e-filed. Did the Quality Reviewer violate the Volunteer Standards of Conduct?
   a. Yes
   b. No

5. Can a volunteer be removed and barred from the VITA/TCE Programs for violating the Volunteer Standards of Conduct?
   a. Yes
   b. No
The mission of the VITA/TCE return preparation programs is to assist eligible taxpayers in satisfying their tax responsibilities by providing free tax return preparation. To establish the greatest degree of public trust, volunteers are required to maintain the highest standards of ethical conduct and provide quality service.

Instructions: All VITA/TCE volunteers (whether paid or unpaid workers) must complete the Volunteer Standards of Conduct Training and sign Form 13615, Volunteer Standards of Conduct Agreement prior to working at a VITA/TCE site. In addition, return preparers, quality reviewers, and VITA/TCE tax law instructors must certify in tax law prior to signing this form. This form is not valid until the site coordinator, sponsoring partner, instructor, or IRS contact confirms the volunteer's identity and signs the form.

Standards of Conduct: As a volunteer in the VITA/TCE Programs, you must:

1) Follow the Quality Site Requirements (QSR).
2) Not accept payment or solicit donations for federal or state tax return preparation.
3) Not solicit business from taxpayers you assist or use the knowledge you gained (their information) about them for any direct or indirect personal benefit for you or any other specific individual.
4) Not knowingly prepare false returns.
5) Not engage in criminal, infamous, dishonest, notoriously disgraceful conduct, or any other conduct deemed to have a negative effect on the VITA/TCE Programs.
6) Treat all taxpayers in a professional, courteous, and respectful manner.

Failure to comply with these standards could result in, but is not limited to, the following:
- Your removal from all VITA/TCE programs and designation on the IRS volunteer registry to bar future work;
- Deactivation of your sponsoring partner's site VITA/TCE EFIN (electronic filing ID number);
- Removal of all IRS products, supplies, loaned equipment, and taxpayer information from your site;
- Termination of your sponsoring organization's partnership with the IRS;
- Termination of grant funds from the IRS to your sponsoring partner; and
- Referral of your conduct for potential TIGTA and criminal investigations.

Taxpayer Impact: Taxpayer trust in the IRS and the local sponsoring partner organization is jeopardized when ethical standards are not followed. Fraudulent returns that report incorrect income, credits, or deductions can result in many years of interaction with the IRS as the taxpayer tries to pay the additional tax plus interest and penalties. This can result in an extreme burden for the taxpayer as the taxpayer tries to resolve the errors made on his or her return.

Volunteer Protection: The Volunteer Protection Act generally protects unpaid volunteers from liability for acts or omissions that occur while acting within the scope of their responsibilities at the time of the act or omission. It provides no protection for harm caused by wilful or criminal misconduct, gross negligence, reckless misconduct, or a conscious, flagrant indifference to the rights or safety of the individual harmed by the volunteer.

For additional information on the volunteer standards of conduct, please refer to Publication 4299, Privacy, Confidentiality, & the Volunteer Standards of Conduct -- A Public Trust.
Volunteer:
By signing this form, I declare that I have completed Volunteer Standards of Conduct Training and have read, understood, and will comply with the volunteer standards of conduct. I also provide consent to the sponsoring partner organization to perform a background check if and as it may choose.

<table>
<thead>
<tr>
<th>Print full name</th>
<th>Volunteer position(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<table>
<thead>
<tr>
<th>Home street address: city, state and ZIP code</th>
<th></th>
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<tbody>
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<table>
<thead>
<tr>
<th>E-mail address</th>
<th>Daytime telephone</th>
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<tbody>
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</table>

<table>
<thead>
<tr>
<th>Sponsoring partner name/site name</th>
<th>Number of years volunteered (including this year)</th>
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<tbody>
<tr>
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</table>

<table>
<thead>
<tr>
<th>Volunteer signature</th>
<th>Date</th>
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</tbody>
</table>

Privacy Act Notice—The Privacy Act of 1974 requires that when we ask for information we tell you our legal right to ask for the information, why we are asking for it, and how it will be used. We must also tell you what could happen if we do not receive it, and whether your response is voluntary, required to obtain a benefit, or mandatory.

Our legal right to ask for information is 5 U.S.C. 301. We are asking for this information to assist us in contacting you relative to your interest and/or participation in the IRS volunteer income tax preparation and outreach programs. The information you provide may be furnished to others who coordinate activities and staffing at volunteer return preparation sites or outreach activities. The information may also be used to establish effective controls, send correspondence and recognize volunteers. Your response is voluntary. However, if you do not provide the requested information, the IRS may not be able to use your assistance in these programs.

(Partner Use Only)

Site Coordinator, Sponsoring Partner, Instructor or IRS:
By signing this form, I declare that I have verified the required certifications and proper identification for this volunteer prior to allowing the volunteer to work at the VITA/TCE site.

<table>
<thead>
<tr>
<th>Volunteer Certification Levels</th>
</tr>
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<tbody>
<tr>
<td></td>
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<table>
<thead>
<tr>
<th>Standards of Conduct (Required for ALL)</th>
<th>Basic</th>
<th>Intermediate</th>
<th>Advanced</th>
<th>Military</th>
<th>International</th>
<th>COD</th>
<th>HSA</th>
<th>Foreign Students</th>
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</thead>
<tbody>
<tr>
<td>Certification Test</td>
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</tr>
<tr>
<td>Add the letter “P” for all passing test scores</td>
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</tr>
<tr>
<td>Print approving official’s name and title: (site coordinator, sponsoring partner, instructor, etc.)</td>
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<tr>
<td>Approving official’s signature and date:</td>
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</table>

Cat. No. 38847H

Form 13615 (Rev. 10-2011)
Directions

The first five short scenarios are designed to measure key competencies related to filing status, dependency exemptions, and related tax benefits. These first five scenarios do not require you to prepare a tax return. Read the interview notes for each scenario carefully and use your training and resource materials to answer the questions after the scenarios.

Basic Scenario 1: Nancy Pratt

Interview Notes

- Susan, who is single, lost her job in 2010. She and her eight-year-old son Jason moved in with a friend of the family, Nancy. Susan and Jason lived there the entire year of 2011.
- Jason’s father died in 2007.
- Nancy paid all the cost of keeping up her home.
- Nancy, who is single, provided all of Susan’s and Jason’s support during 2011.
- Nancy’s total earned income in 2011 was $42,000.
- Neither Susan nor Jason received any income in 2011.
- Susan will not file a tax return for 2011.
- Nancy, Susan, and Jason are U.S. citizens and have valid social security numbers.

Basic Scenario 1: Test Questions

1. Does Nancy qualify for Head of Household filing status?
   a. Yes, because she provided over half the cost of keeping up her home.
   b. No, because she does not have a qualifying person.

2. Whom can Nancy claim as dependents?
   a. Nancy cannot claim any dependents.
   b. She can only claim Susan because Jason is Susan’s qualifying child.
   c. She can only claim Jason because of the age requirements for dependency.
   d. She can claim both Jason and Susan as dependents since they both meet the tests for qualifying relative.
Basic Scenario 2: Sarah Pope

Interview Notes

- Sarah is 67 years old and single.
- Sarah lived with her daughter Phyllis for all of 2011 in Phyllis' home.
- Sarah provides over half of her own support.
- In 2011, Sarah worked as a cashier and earned $12,000, which was her total income. She had $450 in federal tax withholding.
- Phyllis, who is 32, will be filing her own return. She is not disabled.
- Sarah and Phyllis are U.S. citizens and have valid social security numbers.

Basic Scenario 2: Test Questions

3. On Form 13614-C, Intake/Interview & Quality Review Sheet, Sarah checked the box “Unsure” to the question, “Can anyone claim you or your spouse on their tax return?” What action should the preparer take?
   a. Tell Sarah to call her daughter and ask if she already claimed her.
   b. Explain to Sarah that she can claim her own exemption because Phyllis is not entitled to claim her.
   c. Tell Sarah that Phyllis is eligible to claim her as a dependent because she lives in Phyllis’ home.
   d. Tell Sarah that she has no reason to file a tax return.

4. Sarah is entitled to claim the Earned Income Credit (EIC).
   a. True
   b. False
Basic Scenario 3: Natasha Jefferson

Interview Notes

- Natasha Jefferson and Daniel Newport are both single and were never married. They have not lived together for three years.
- They have one child, Hannah, age 4.
- In 2011, Hannah lived with Natasha the entire year. Daniel lived alone.
- Natasha and Daniel provided all of Hannah’s support.
- In 2011, Natasha worked and earned $18,000. Daniel worked and earned $33,000.
- Daniel pays the rent and utilities for Natasha’s apartment. He is providing over half the cost of maintaining the home for Natasha and Hannah.
- Daniel does not pay household expenses for any other family member.
- Natasha, Daniel, and Hannah are U.S. citizens and have valid social security numbers.

Basic Scenario 3: Test Questions

5. Hannah is Daniel’s qualifying person for Head of Household filing status.
   a. True
   b. False

6. Who is entitled to claim Hannah as a qualifying child for EIC?
   a. Either Daniel or Natasha can claim Hannah for EIC.
   b. Natasha is the only one who can claim Hannah for EIC.
   c. Daniel is the only one who can claim Hannah for EIC.
   d. No one can claim Hannah for EIC.
Interview Notes

- Aiden and Isabel are married and lived together in the U.S. for all of 2011 with their two sons, Rafael, age 2, and Edward, age 3.
- Aiden and Isabel have Individual Taxpayer Identification Numbers (ITINs).
- Aiden and Isabel have lived in the U.S. for 5 years.
- Aiden and Isabel both worked and their combined wages were $39,500, which was their only income.
- Aiden and Isabel provided all the support for Rafael and Edward.
- They paid Suffolk Day Care $1,000 a year to take care of Rafael and Edward while they worked.
- Rafael and Edward are both U.S. citizens and have valid social security numbers (SSNs).

Basic Scenario 4: Test Questions

7. Aiden and Isabel are going to file a joint return. Whom can they claim as dependents?
   a. Aiden and Isabel can claim both Rafael and Edward as dependents.
   b. Aiden and Isabel cannot claim any dependents because they have not lived in the U.S. long enough.
   c. Aiden and Isabel cannot claim any dependents because they both have ITINs.
   d. Based on Aiden’s and Isabel’s incomes, they can only claim one dependent.

8. Do Aiden and Isabel qualify for all the following credits: EIC, child tax credit, and dependent care credit?
   a. Yes
   b. No
Basic Scenario 5: Lisa Bolivar

Interview Notes

- Lisa Bolivar is 36 years old.
- Oliver, who is single, is Lisa’s 45-year-old brother. He is permanently and totally disabled.
- Their parents are deceased.
- Oliver lived with Lisa in her home all of 2011.
- In 2011, Oliver received Form SSA-1099 showing social security disability benefits of $11,000, his only income.
- Oliver provided over half of his own support.
- Lisa worked as a clerk and earned $26,500.
- Lisa and Oliver are U.S. citizens and have valid social security numbers.

Basic Scenario 5: Test Questions

9. Lisa cannot claim Oliver as her dependent because:
   a. Oliver is her brother.
   b. Oliver is over 24 years old.
   c. Oliver provides over half of his own support.
   d. Oliver is older than Lisa.

10. Is Oliver a qualifying child for EIC even though he is not a qualifying child for the dependency exemption?
    a. Yes
    b. No
Basic Scenario 6: James and Bridget Thurston

Taxpayer Documents

- Social security cards for James and Bridget Thurston
- Completed intake and interview sheet
- Form W-2 for James Thurston
- Form W-2 for Bridget Thurston
- Form 1099-INT from U.S. Equity Bank
- Form SSA-1099

Interview Notes

- James and Bridget are married and want to file a joint return.
- James and Bridget will not itemize deductions for 2011.
- James and Bridget have never taken a distribution from any retirement account.
- A prior year lump sum payment was included on James’ Form SSA-1099. He has elected to report the whole payment as 2011 income.
**Section A. You should complete Pages 1-3**

Thank you for allowing us to prepare your tax return. You are responsible for the information on your return so please provide complete and accurate information to the certified tax preparer. If you have any questions please ask your preparer.

You will need your:
- Tax information such as Forms W-2, 1099, 1098.
- Social security cards or ITIN letters for you and all persons on your tax return.
- Proof of Identity (such as a valid driver's license or other government issued picture ID).

**Part I. Your Personal Information**

<table>
<thead>
<tr>
<th>1. Your First Name</th>
<th>M. I.</th>
<th>Last Name</th>
<th>Are you a U.S. Citizen?</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>JAMES</td>
<td></td>
<td>THURSTON</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. Spouse's First Name</th>
<th>M. I.</th>
<th>Last Name</th>
<th>Is spouse a U.S. Citizen?</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>BRIDGET</td>
<td>J</td>
<td>THURSTON</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. Mailing Address</th>
<th>A/p#</th>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>1932 CALVIN'S COURT</td>
<td></td>
<td>YOUR CITY</td>
<td>YES</td>
<td>YOUR ZIP</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4. Contact Information</th>
<th>Phone:</th>
<th>Cell Phone:</th>
<th>E-mail:</th>
</tr>
</thead>
<tbody>
<tr>
<td>YOUR PHONE #</td>
<td></td>
<td></td>
<td>NONE</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5. Your Date of Birth</th>
<th>6. Your Job Title</th>
<th>Are you: 7. Legally Blind</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>09/21/1942</td>
<td>CASHIER</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>9. Spouse's Date of Birth</th>
<th>10. Spouse's Job Title</th>
<th>Is Spouse: 11. Legally Blind</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>03/06/1947</td>
<td>CUSTOMER SERVICE REP</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>13. Can anyone claim you or your spouse on their tax return?</th>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
</tr>
</thead>
</table>

**Part II. Marital Status and Household Information**

1. As of December 31, 2011, were you?
   - Single
   - Married: Did you live with your spouse during any part of the last six months of 2011? Yes | No
   - Divorced or Legally Separated: Date of final decree or separate maintenance agreement: 
   - Widowed: Year of spouse's death: 

2. List names below of everyone who lived in your home in 2011 (other than you or spouse). Also list anyone who lived outside of your home that you supported during 2011. If additional space is needed please check here and list on page 3.

<table>
<thead>
<tr>
<th>Name (first last)</th>
<th>Date of Birth (mm/dd/yyyy)</th>
<th>Relationship to you (e.g. daughter, son, mother, sister, none)</th>
<th>Number of months lived in your home in 2011</th>
<th>US Citizen or resident of the US, Canada or Mexico in 2011 (yes/no)</th>
<th>Marital Status of 12/31/11 (SM)</th>
<th>Full-time student in 2011 (yes/no)</th>
<th>Received less than $3700 income in 2011 (yes/no)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)</td>
<td>(b)</td>
<td>(c)</td>
<td>(d)</td>
<td>(e)</td>
<td>(f)</td>
<td>(g)</td>
<td>(h)</td>
</tr>
</tbody>
</table>

- Volunteers assisting with preparing your return are trained to provide high quality service and uphold the highest ethical standards.
- To report unethical behavior to IRS, email us at wi_voltax@irs.gov or call toll free 1-877-330-1205.

To check the status of your REFUND visit "Where's My Refund?" on www.irs.gov or call 1-800-829-1054 for assistance.
Section A. Please complete – check Yes, No or Unsure to all questions below. Please ask if you need help.

Part III. Income – In 2011, did you (or your spouse) receive:

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td></td>
<td>Wages or Salary? (Form W-2)</td>
</tr>
<tr>
<td>2.</td>
<td></td>
<td>Tip income?</td>
</tr>
<tr>
<td>3.</td>
<td></td>
<td>Scholarships? (Forms W-2, 1099-T)</td>
</tr>
<tr>
<td>4.</td>
<td></td>
<td>Interest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV)</td>
</tr>
<tr>
<td>5.</td>
<td></td>
<td>Refund of state/local income taxes? (Form 1099-G)</td>
</tr>
<tr>
<td>6.</td>
<td></td>
<td>Alimony income?</td>
</tr>
<tr>
<td>7.</td>
<td></td>
<td>Self-Employment payments (such as cash received for services, small business)? (Form 1099-MISC)</td>
</tr>
<tr>
<td>8.</td>
<td></td>
<td>Income (or loss) from the sale of Stocks, Bonds or Real Estate (including your home)? (Forms 1099-S, 1099-B)</td>
</tr>
<tr>
<td>9.</td>
<td></td>
<td>Disability income (such as payments from insurance or workers compensation)? (Forms 1099-R, W-2)</td>
</tr>
<tr>
<td>10.</td>
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<td>Distributions from Pensions, Annuities, and/or IRA? (Form 1099-R)</td>
</tr>
<tr>
<td>11.</td>
<td></td>
<td>Unemployment Compensation? (Form 1099-G)</td>
</tr>
<tr>
<td>12.</td>
<td></td>
<td>Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099)</td>
</tr>
<tr>
<td>13.</td>
<td></td>
<td>Income (or loss) from Rental Property?</td>
</tr>
<tr>
<td>14.</td>
<td></td>
<td>Other Income: (gaming, lottery, prizes, awards, jury duty, etc.) Specify: (Forms W-2 G, 1069-MISC)</td>
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</tbody>
</table>

Part IV. Expenses – In 2011 Did you (or your spouse) pay:

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td></td>
<td>Alimony: If yes, do you have the recipient’s SSN? Yes No</td>
</tr>
<tr>
<td>2.</td>
<td></td>
<td>Contributions to a retirement account? IRA Roth IRA 401K Other</td>
</tr>
<tr>
<td>3.</td>
<td></td>
<td>Educational expenses paid for yourself, spouse or dependents, such as tuition, books, fees, etc.? (Form 1098-T)</td>
</tr>
<tr>
<td>4.</td>
<td></td>
<td>Unreimbursed employee business expenses (such as teacher supplies, uniforms or mileage)?</td>
</tr>
<tr>
<td>5.</td>
<td></td>
<td>Medical expenses (including health insurance premiums)?</td>
</tr>
<tr>
<td>6.</td>
<td></td>
<td>Home mortgage interest? (Form 1098)</td>
</tr>
<tr>
<td>7.</td>
<td></td>
<td>Real estate taxes for your home or personal property taxes for your vehicle? (Form 1088)</td>
</tr>
<tr>
<td>8.</td>
<td></td>
<td>Charitable contributions?</td>
</tr>
<tr>
<td>9.</td>
<td></td>
<td>Child/dependent care expenses, such as day-care?</td>
</tr>
</tbody>
</table>

Part V. Life Events – In 2011 Did you (or your spouse):

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td></td>
<td>Have a Health Savings Account? (Forms 5498-SA, 1069-SA)</td>
</tr>
<tr>
<td>2.</td>
<td></td>
<td>Have debt from a mortgage or credit card canceled/forgiven by a commercial lender? (Form 1099-C)</td>
</tr>
<tr>
<td>3.</td>
<td></td>
<td>Buy, sell, or have a foreclosure of your home? (Form 1099-A)</td>
</tr>
<tr>
<td>4.</td>
<td></td>
<td>Have Earned Income Credit (EIC) disallowed in a prior year? If yes, for which tax year?</td>
</tr>
<tr>
<td>5.</td>
<td></td>
<td>Purchase and install energy efficient home items (such as windows, furnace, insulation, etc.)?</td>
</tr>
<tr>
<td>6.</td>
<td></td>
<td>Live in an area that was affected by a natural disaster? If yes, where?</td>
</tr>
<tr>
<td>7.</td>
<td></td>
<td>Receive the First Time Homebuyers Credit in 2008?</td>
</tr>
<tr>
<td>8.</td>
<td></td>
<td>Pay any student loan interest? (Form 1098-E)</td>
</tr>
<tr>
<td>9.</td>
<td></td>
<td>Make estimated tax payments or apply last year's refund to your 2011 tax? If so how much?</td>
</tr>
<tr>
<td>10.</td>
<td></td>
<td>Attend school as a full time student? (Form 1098-T)</td>
</tr>
<tr>
<td>11.</td>
<td></td>
<td>Adopt a child?</td>
</tr>
<tr>
<td>12.</td>
<td></td>
<td>File a 2010 federal tax return containing a &quot;capital loss carryover&quot; on Form 1040 Schedule D?</td>
</tr>
</tbody>
</table>

Presidential Election Campaign Fund: (If you check a box, your tax or refund will not change.)
Check here if you, or your spouse if filing jointly, want $3 to go to this fund Yes Spouse

Catalog Number 52121E
Form 13614-C (Rev. xx/xxxx)
**Additional Information and Questions related to the preparation of your return**

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

Other than English what language is spoken in the home?  None

Are you or a member of your household considered disabled?  ☐ Yes  ☑ No

**If you are due a refund or have a balance due:**

- Ask your preparer about Direct Deposit. It is the fastest, easiest way to receive your tax refund. An e-filed return means a fast refund. Taxpayers who combine e-file and Direct Deposit can get their refunds in as few as 10 days.
- Ask your preparer about purchasing Series I U.S. Savings Bonds with part or all of your tax refund. Savings bonds are a safe and secure way to invest in the future. Purchase I Bonds for yourself or others in multiples of $50 and earn interest for up to 30 years.

If you are due a refund, would you like a direct deposit?  ☐ Yes  ☑ No

If you are due a refund, would you like information on how to purchase U.S. Savings Bonds?  ☐ Yes  ☑ No

If you are due a refund, would you like information on how to split your refund between accounts?  ☐ Yes  ☑ No

If you have a balance due, would you like to make a payment directly from your bank account?  ☐ Yes  ☑ No

**Additional comments:**

STOP HERE!

Thank you for completing this form.
Please give this form to the certified volunteer preparer for use in preparing your return.

**Your Civil Rights are Protected:** It is the Internal Revenue Service's mission to provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all. Under no circumstances will the Internal Revenue Service tolerate discrimination by its employees, grantees, contractors, and/or subcontractors. NO ONE shall be excluded from participating in, be denied the benefits of, or be subject to discrimination because of race, color, sex, national origin, disability, reprisal, or age in programs or activities funded by the Department of Treasury – Internal Revenue Service. Any person who believes that he/she has been discriminated against on the basis of race, color, sex, national origin, disability, reprisal or age in programs or activities receiving financial assistance (e.g. Low-Income Tax Clinics, Tax Counseling for the Elderly) from the Department of Treasury IRS, may submit a written complaint to: National Headquarters/Office of Equity, Diversity & Inclusion, Internal Revenue Service; Attn: Director, Civil Rights Division (External Civil Rights Team); 1111 Constitution Ave., NW Room 2422; Washington, DC 20224.

**Paperwork Reduction Act Notice**
The Paperwork Reduction Act requires that the IRS display an OMB control number on all public information requests. The OMB Control Number for this study is 1545-1984. Also, if you have any comments regarding the time estimates associated with this study or suggestion on making this process simpler, please write to the Internal Revenue Service, Tax Products Coordinating Committee, SE-W-CAR-MP-TT-SP, 1111 Constitution Ave., NW, Washington, DC 20224.

Catalog Number 52121E  
Form 13614-C (Rev. xx-xxxx)
### Section B. For Certified Volunteer Preparer Completion

**Remember:** You are the link between the taxpayer's information and a correct tax return. Verify the taxpayer's information on pages 1, 2 & 3 is complete. All questions must be discussed with the taxpayer and all "Unsure" responses should be changed to "Yes" or "No".

**Must be completed by Certified Volunteer only if persons are listed in Part II Question 2**

Check if persons are listed in Part II Question 2  

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Can anyone else claim any of the persons listed in Part II, Question 2, as a dependent on their return? If yes, which ones:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2. Were any of the persons listed in Part II, Question 2, totally and permanently disabled? If yes, which ones:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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<tbody>
<tr>
<td></td>
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</tbody>
</table>

3. Did any of the persons listed in Part II, Question 2 provide more than 50% of their own support? If yes, which ones:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4. Did the taxpayer provide more than half the support for each of the persons in Part II, Question 2? If yes, which ones:

<p>| | |</p>
<table>
<thead>
<tr>
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<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5. Did the taxpayer pay over half the cost of maintaining a home for any of the persons in Part II, Question 2? If yes, which ones:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Reminders:**


### Section C. For Certified Quality Reviewer Completion

Confirm each item after reviewing the tax return and verifying that it reflects correct tax law application to the information provided by the taxpayer.

1. Sections A & B of this form are complete.

2. Taxpayer's identity, address and phone numbers were verified.

3. Names, SSN or ITINs, and dates of birth of taxpayer, spouse and dependents match the supporting documents.

4. Filing Status is correctly determined.

5. Personal and Dependency Exemptions are entered correctly on the return.

6. All information shown on source documents and noted in Section A, Part III is included on the tax return.

7. Any Adjustments to Income are correctly reported.

8. Standard, Additional or Itemized Deductions are correct.

9. All credits are correctly reported.

10. Withholding shown on Forms W-2, 1099 and Estimated Tax Payments are correctly reported.

**☐** All tax law issues above have been addressed and necessary changes have been made.

**☐** If direct deposit or debit was elected, checking/saving account and routing information match the supporting documents.

**☐** Correct SSN and EFIN are shown on the return.

**Additional Tax Preparer Notes:**

<p>| | |</p>
<table>
<thead>
<tr>
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<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Catalog Number 52121E  

Form 13614-C (Rev. xx.xxxx)
### Basic Scenarios

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scenario 1</td>
<td>Employee's social security number: 34-5XXXXX</td>
</tr>
<tr>
<td>Scenario 2</td>
<td>Employee's name and address: CROSSROADS SHIPPING 12 DOUGTIE ST STE 150 YOUR CITY, STATE ZIP</td>
</tr>
<tr>
<td>Scenario 3</td>
<td>Employer's ID number: 34-5XXXXX</td>
</tr>
<tr>
<td>Scenario 4</td>
<td>Employer's name and address: JAMES T. THURSTON 1932 CALVINS COURT YOUR CITY, STATE ZIP</td>
</tr>
<tr>
<td>Scenario 5</td>
<td>Employer's state ID number: YS 34-5XXXXX</td>
</tr>
</tbody>
</table>

**Form W-2 Wage and Tax Statement 2011**

<table>
<thead>
<tr>
<th>Scenario 1</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scenario 2</td>
<td>Employee's social security number: 130-XX-XXXX</td>
</tr>
<tr>
<td>Scenario 3</td>
<td>Employee's name and address: CROSSROADS SHIPPING 12 DOUGTIE ST STE 150 YOUR CITY, STATE ZIP</td>
</tr>
<tr>
<td>Scenario 4</td>
<td>Employer's ID number: 34-6XXXXX</td>
</tr>
<tr>
<td>Scenario 5</td>
<td>Employer's name and address: JAMES T. THURSTON 1932 CALVINS COURT YOUR CITY, STATE ZIP</td>
</tr>
<tr>
<td>Scenario 6</td>
<td>Employer's state ID number: YS 34-6XXXXX</td>
</tr>
</tbody>
</table>
Basic Scenarios

### 1099-INT Interest Income

<table>
<thead>
<tr>
<th>PAYER’s name, street address, city, state, ZIP code, and telephone no.</th>
<th>Interest Income</th>
<th>Payer’s RIN (optional)</th>
<th>OMB No. 1545-012</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Equity Bank</td>
<td>1 Interest income</td>
<td></td>
<td>2011</td>
</tr>
<tr>
<td>8020 Yonkers Blvd</td>
<td>$200.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>YOUR CITY, STATE ZIP</td>
<td>2 Early withdrawal penalty</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Recipients Identification Number:** 130-XX-XXXX

<table>
<thead>
<tr>
<th>Recipient’s name</th>
<th>Recipient’s identification number</th>
</tr>
</thead>
<tbody>
<tr>
<td>JAMES T. AND BRIDGET J. THURSTON</td>
<td>130-XX-XXXX</td>
</tr>
</tbody>
</table>

Street address (including apt. no.): 1932 Calvins Court

City, state, and ZIP code: 1932 Calvins Court

<table>
<thead>
<tr>
<th>Account number (see instructions)</th>
<th>(keep for your records)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Department of the Treasury - Internal Revenue Service</td>
</tr>
</tbody>
</table>

**Copy B**

For Recipient

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

### SSA-1099 Social Security Benefit Statement

- **2011 Part of your Social Security Benefits shown in Box 5 May Be Taxable Income. See the reverse for more information.**

<table>
<thead>
<tr>
<th>Box 1. Name</th>
<th>Box 2. Beneficiary’s Social Security Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>James T. Thurston</td>
<td>130-XX-XXXX</td>
</tr>
</tbody>
</table>

**Box 3. Benefits Paid in 2011:** $12,000.00

**Benefit Repeal to SSA in 2011:** $12,000.00

**Box 4. Description of Amount in Box 3:**

- Paid by check or direct deposit: $10,843.20
- Medicare Part B premiums deducted from your benefits: $1,156.80
- Medicare Prescription Drug premiums (Part D) deducted from your benefits: $0
- **Total Additions:**
  - Benefits for 2011: $10,800
  - Benefits for 2010: $1,200

**Box 5. Description of Amount in Box 4:**

- Box 6. Voluntary Income Tax Withholding: $0.00
- **Box 7. Address:**
  - 1932 Calvins Court
  - Your City, Your State

**Box 8. Claim Number**

Draft as of June 21, 2011 - Subject to Change

Form SSA-1099-EN (6-2011)

DO NOT RETURN THIS FORM TO SSA OR IRS
Basic Scenario 6: Test Questions

Directions

Please complete Form 1040 and the appropriate forms, schedules, or worksheets to answer each of the following questions.

*Note: When using the Link and Learn Taxes Practice Lab, complete the social security numbers and employer identification numbers by replacing the Xs with your User ID. In classroom situations, replace the Xs with the EFIN provided by your instructor.*

11. What question on the intake and interview sheet was marked incorrectly by the Thurstons based on the documents they provided?
   a. Part III, question 1, Wages or Salary
   b. Part III, question 4, Interest/Dividends
   c. Part III, question 11, Unemployment Compensation
   d. Part IV, question 2, Contributions to a retirement account

12. James should report $10,800 on Form 1040, line 20a.
   a. True
   b. False

13. Do the Thurstons have taxable social security benefits to report on their joint return for 2011?
   a. Yes
   b. No

14. What is the Thurstons’ standard deduction amount? $_____

15. Do the Thurstons qualify for the retirement savings contribution credit?
   a. Yes
   b. No

16. What is the total federal income tax withholding reported on the Thurstons’ tax return?
   a. $458
   b. $1,092
   c. $1,600
   d. $2,058
17. James and Bridget do not have enough money to pay the amount they owe by April 17, 2012. You tell them to file the return on time and to pay as much as they can with the tax return. What are their options for the remaining amount due?

a. Pay the balance due using their credit card.

b. Request a “Full Pay Within 60 to 120 Days” agreement.


d. Any of the above.
Basic Scenario 7: Ashley Sawyer

Taxpayer Documents

- Social security cards for Ashley, Greyson, Hayden, and Emily Sawyer
- Completed intake and interview sheet
- Form W-2 for Ashley Sawyer
- Form 1099-G, Unemployment Compensation, for Ashley Sawyer
- Form 1099-INT from Adelphi Bank and Trust
- Statement from Extended Learning Center
- Voided personal check

Interview Notes

- Ashley is married. Her husband, Nicolas, moved out of the house and left the family in April 2011. Ashley has not seen Nicolas since.
- Ashley provided the entire cost of maintaining the household and all the support for her three children in 2011.
- Ashley tells you that she does not want to file with her husband.
- Ashley has never itemized her deductions and will not itemize for 2011.
- Ashley was laid off in July and received unemployment compensation for four months.
- If she is due a refund, Ashley wants to purchase a $200 savings bond for her daughter and have the remaining amount deposited into her checking account.
- The youngest children, Emily and Greyson, attended an after-school day-care program while Ashley worked.
Section A. You should complete Pages 1-3
Thank you for allowing us to prepare your tax return. You are responsible for the information on your return so please provide complete and accurate information to the certified tax preparer. If you have any questions please ask your preparer.

You will need your:
• Tax information such as Forms W-2, 1099, 1098.
• Social security cards or ITIN letters for you and all persons on your tax return.
• Proof of Identity (such as a valid drivers license or other government issued picture ID).

Part I. Your Personal Information
1. Your First Name M. I. Last Name Are you a U.S. Citizen?
ASHLEY S SAWYER Yes No
2. Spouse’s First Name M. I. Last Name Is spouse a U.S. Citizen?
NICOLAS A SAWYER Yes No
3. Mailing Address Apt# City State Zip Code
129 PETERBOROUGH YOUR CITY YOUR ZIP
4. Contact Information Phone: YOUR PHONE # Cell Phone: E-mail: NONE
5. Your Date of Birth 04/29/1958 MED SECRETARY Are you: 7. Legally Blind Yes No
6. Your Job Title 6. Your Job Title 8. Totally and Permanently Disabled Yes No
7. LEGAL SECRETARY 9. Spouse’s Date of Birth 05/15/1951 Spouse’s Job Title Is Spouse: 11. Legally Blind Yes No
10. Spouse’s Job Title 12. Totally and Permanently Disabled Yes No
13. Can anyone claim you or your spouse on their tax return? Yes No Unsure

Part II. Marital Status and Household Information
1. As of December 31, 2011, were you?
☐ Single
☒ Married: Did you live with your spouse during any part of the last six months of 2011? Yes No
☐ Divorced or Legally Separated: Date of final decree or separate maintenance agreement:
☐ Widowed: Year of spouse’s death:

2. List names below of everyone who lived in your home in 2011 (other than you or spouse). Also list anyone who lived outside of your home that you supported during 2011. If additional space is needed please check here and list on page 3.

<table>
<thead>
<tr>
<th>Name (First, last)</th>
<th>Date of Birth (mm/dd/yy)</th>
<th>Relationship to you (e.g., daughter, son, mother, sister, none)</th>
<th>Number of months lived in your home in 2011</th>
<th>US Citizen or resident of the US, Canada or Mexico in 2011 (yes/no)</th>
<th>Marital Status as of 12/31/11 (SM)</th>
<th>Full-time student in 2011 (yes/no)</th>
<th>Received less than $3,700 income in 2011 (yes/no)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMILY SAWYER</td>
<td>08/25/03</td>
<td>DAUGHTER</td>
<td>12</td>
<td>YES</td>
<td>S</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>GREYSON SAWYER</td>
<td>06/06/01</td>
<td>SON</td>
<td>12</td>
<td>YES</td>
<td>S</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>HAYDEN SAWYER</td>
<td>11/27/93</td>
<td>SON</td>
<td>12</td>
<td>YES</td>
<td>S</td>
<td>YES</td>
<td>YES</td>
</tr>
</tbody>
</table>

• Volunteers assisting with preparing your return are trained to provide high quality service and uphold the highest ethical standards.
• To report unethical behavior to IRS, email us at wi.voltax@irs.gov or call toll free 1-877-330-1205.

To check the status of your REFUND visit “Where’s My Refund?” on www.irs.gov or call 1-800-829-1954 for assistance.
## Section A. Please complete – check Yes, No or Unsure to all questions below. Please ask if you need help.

### Part III. Income – In 2011, did you (or your spouse) receive:

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
<td>☒</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
1. Wages or Salary? (Form W-2)

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
2. Tip Income?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
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<td></td>
</tr>
</tbody>
</table>
3. Scholarships? (Forms W-2, 1098-T)

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
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<td></td>
</tr>
</tbody>
</table>
4. Interest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV)

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
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<td></td>
</tr>
</tbody>
</table>
5. Refund of state/local income taxes? (Form 1099-G)

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
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<td></td>
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</tbody>
</table>
6. Alimony income?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>
7. Self-Employment payments (such as cash received for services, small business)? (Form 1099-MISC)

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
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<tbody>
<tr>
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</table>
8. Income (or loss) from the sale of Stocks, Bonds or Real Estate (including your home)? (Forms 1099-S, 1099-B)

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
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</tr>
</tbody>
</table>
9. Disability income (such as payments from insurance or workers compensation)? (Forms 1099-R, W-2)

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
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<td></td>
</tr>
</tbody>
</table>
10. Distributions from Pensions, Annuities, and/or IRA? (Form 1099-R)

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
11. Employment Compensation? (Form 1099-G)

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
12. Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RR-1099)

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
13. Income (or loss) from Rental Property?

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>
14. Other Income: (gambling, lottery, prizes, awards, jury duty, etc.) Specify. (Form W-2 G, 1099-MISC)

### Part IV. Expenses – In 2011 Did you (or your spouse) pay:

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
1. Alimony: If yes, do you have the recipient’s SSN? ☒ Yes ☐ No

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>
2. Contributions to a retirement account? ☐ IRA ☐ Roth IRA ☐ 401K ☐ Other

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>
3. Educational expenses paid for yourself, spouse or dependents, such as tuitions, books, fees, etc.? (Form 1098-T)

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
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4. Unreimbursed employee business expenses (such as teacher supplies, uniforms or mileage)?

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5. Medical expenses (including health insurance premiums)?

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<tbody>
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</tbody>
</table>
6. Home mortgage interest? (Form 1098)

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>
7. Real estate taxes for your home or personal property taxes for your vehicle? (Form 1068)

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
</tr>
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</table>
8. Charitable contributions?

<table>
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<tr>
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9. Child/dependent care expenses, such as day-care?

### Part V. Life Events – In 2011 Did you (or your spouse):

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1. Have a Health Savings Account? (Forms 5498-SA, 1099-SA)

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2. Have debt from a mortgage or credit card canceled/forgiven by a commercial lender? (Form 1098-C)

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</table>
3. Buy, sell or have a foreclosure of your home? (Form 1099-A)

<table>
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<tr>
<th>Yes</th>
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4. Have Earned Income Credit (EIC) disallowed in a prior year? If yes, for which tax year? ____________

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<tbody>
<tr>
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</table>
5. Purchase and install energy efficient home items (such as windows, furnace, insulation, etc.)?

<table>
<thead>
<tr>
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</tr>
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</table>
6. Live in an area that was affected by a natural disaster? If yes, where? ____________

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<thead>
<tr>
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<tbody>
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</table>
7. Receive the First Time Homebuyers Credit in 2008?

<table>
<thead>
<tr>
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<tr>
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8. Pay any student loan interest? (Form 1098-E)

<table>
<thead>
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9. Make estimated tax payments or apply last year’s refund to your 2011 tax? If so much? _______

<table>
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10. Attend school as a full time student? (Form 1098-T)

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11. Adopt a child?

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</table>
12. File a 2010 federal tax return containing a “capital loss carryover” on Form 1040 Schedule D?

---

**Presidential Election Campaign Fund:** (If you check a box, your tax or refund will not change.) Check here if you, or your spouse if filing jointly, want $3 to go to this fund ☒ You ☐ Spouse

---

Catalog Number 52121E

Form 13614-C (Rev. xx-xxxx)
Additional Information and Questions related to the preparation of your return

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

Other than English what language is spoken in the home?  None

Are you or a member of your household considered disabled?  □ Yes  □ No

If you are due a refund or have a balance due:

- Ask your preparer about Direct Deposit. It is the fastest, easiest way to receive your tax refund. An e-filed return means a fast refund. Taxpayers who combine e-file and Direct Deposit can get their refunds in as few as 10 days.
- Ask your preparer about purchasing Series I U.S. Savings Bonds with part or all of your tax refund. Savings bonds are a safe and secure way to invest in the future. Purchase I Bonds for yourself or others in multiples of $50 and earn interest for up to 30 years.

If you are due a refund, would you like a direct deposit?  □ Yes  □ No
If you are due a refund, would you like information on how to purchase U.S. Savings Bonds?  □ Yes  □ No
If you are due a refund, would you like information on how to split your refund between accounts?  □ Yes  □ No
If you have a balance due, would you like to make a payment directly from your bank account?  □ Yes  □ No

Additional comments:

STOP HERE!
Thank you for completing this form.
Please give this form to the certified volunteer preparer for use in preparing your return.

Your Civil Rights are Protected: It is the Internal Revenue Service's mission to provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all. Under no circumstances will the Internal Revenue Service tolerate discrimination by its employees, grantees, contractors, and/or subcontractors. NO ONE shall be excluded from participating in, be denied the benefits of, or be subject to discrimination because of race, color, sex, national origin, disability, reprisal, or age in programs or activities funded by the Department of Treasury -- Internal Revenue Service. Any person who believes that he/she has been discriminated against on the basis of race, color, sex, national origin, disability, reprisal or age in programs or activities receiving financial assistance (e.g. Low-Income Tax Clinics, Tax Counseling for the Elderly) from the Department of Treasury IRS, may submit a written complaint to: National Headquarters; Office of Equity, Diversity & Inclusion; Internal Revenue Service; Attn: Director, Civil Rights Division (External Civil Rights Team); 1111 Constitution Ave., NW Room 2422; Washington, DC 20224.

Paperwork Reduction Act Notice
The Paperwork Reduction Act requires that the IRS display an OMB control number on all public information requests. The OMB Control Number for this study is 1545-1984. Also, if you have any comments regarding the time estimates associated with this study or suggestion on making this process simpler, please write to the Internal Revenue Service, Tax Products Coordinating Committee, SE-W:CAR-MP-T-T-SP, 1111 Constitution Ave. NW, Washington, DC 20224.

Catalog Number 52121E
Form 13614-C (Rev. XX-XXXX)
### Section B. For Certified Volunteer Preparer Completion

**Remember:** You are the link between the taxpayer’s information and a correct tax return. Verify the taxpayer’s information on pages 1, 2 & 3 is complete. All questions must be discussed with the taxpayer and all "Unsure" responses should be changed to "Yes" or "No".

**Must be completed by Certified Volunteer only if persons are listed in Part II Question 2**

<table>
<thead>
<tr>
<th>Check if persons are listed in Part II Question 2</th>
<th>□</th>
</tr>
</thead>
</table>

- **Yes** ☐ **No** ☑

1. Can anyone else claim any of the persons listed in Part II, Question 2, as a dependent on their return? If yes, which ones:

2. Were any of the persons listed in Part II, Question 2, totally and permanently disabled? If yes, which ones:

3. Did any of the persons listed in Part II, Question 2, provide more than 50% of their own support? If yes, which ones:

4. Did the taxpayer provide more than half the support for each of the persons in Part II, Question 2? If yes, which ones:

5. Did the taxpayer pay over half the cost of maintaining a home for any of the persons in Part II, Question 2? If yes, which ones:

### Reminders


### Additional Tax Preparer Notes:

- Additional comments or notes relevant to the tax return preparation.

---

### Section C. For Certified Quality Reviewer Completion

- Confirm each item after reviewing the tax return and verifying that it reflects correct tax law application to the information provided by the taxpayer.

1. Sections A & B of this form are complete.

2. Taxpayer’s identity, address and phone numbers were verified.

3. Names, SSN or ITINs, and dates of birth of taxpayer, spouse and dependents match the supporting documents.

4. Filing Status is correctly determined.

5. Personal and Dependency Exemptions are entered correctly on the return.

6. All information shown on source documents and noted in Section A, Part III is included on the tax return.

7. Any Adjustments to income are correctly reported.

8. Standard, Additional or Itemized Deductions are correct.

9. All credits are correctly reported.

10. Withholding shown on Forms W-2, 1099 and Estimated Tax Payments are correctly reported.

- All tax law issues above have been addressed and necessary changes have been made.

- If direct deposit or debit was elected, checking/saving account and routing information match the supporting documents.

- Correct SIDN and EFIN are shown on the return.
**Basic Scenarios**

**1-20**

---

**W-2 Wage and Tax Statement** 2011

Department of the Treasury—Internal Revenue Service

Copy B—To Be Filed With Employee’s FEDERAL Tax Return.

This information is being furnished to the Internal Revenue Service.

---

**1099-G Certain Government Payments** 2011

Form 1099-G

Copy B For Recipient

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

---

**Form 1099-G (keep for your records)**

Department of the Treasury—Internal Revenue Service

---

**Basic Scenarios**
Extended Learning Center

3033 Joann
Your City, Your State Your Zip

December 31, 2011

Received from Ashley S. Sawyer:

$700 for after-school care for Emily Sawyer.
$500 for after-school care for Greyson Sawyer.

$1,200 Total Amount Received

Della Krause
EIN: 35-8XXXXXX

Ashley S. Sawyer
129 Peterborough
Your City, State 00000

1234
15-0000000000

ORDER OF

$0

DOLLARS

Adelphi Bank and Trust
Anytown, State 00000
For

: 111000025 : 123456789 1234
Basic Scenario 7: Test Questions

Directions

Please complete Form 1040 and the appropriate forms, schedules, or worksheets to answer each of the following questions.

*Note: When using the Link and Learn Taxes Practice Lab, complete the social security numbers and employer identification numbers by replacing the Xs with your User ID. In classroom situations, replace the Xs with the EFIN provided by your instructor.*

18. What is Ashley’s filing status?
   a. Single
   b. Married Filing Jointly
   c. Married Filing Separately
   d. Head of Household

19. What is the total amount of adjustments used in determining adjusted gross income on Form 1040, page 1?
   a. $0
   b. $20
   c. $200
   d. $220

20. What is Ashley’s total federal income tax withholding? $_______

21. What is the credit for child and dependent care expenses on Form 2441?
   a. $182
   b. $216
   c. $312
   d. $800

22. What is the amount of earned income used to calculate Ashley’s EIC? $_______.

23. What is the amount of Ashley’s additional child tax credit in the Payments section of Form 1040?
   a. $0
   b. $474
   c. $1,474
   d. $2,474

24. To buy a savings bond for Emily with part of her federal tax refund, Ashley would use Form 8888.
   a. True
   b. False
Basic Scenario 8: Serena Livingston

**Taxpayer Documents**

- Social security cards for Serena, Charlie, and Erika Livingston
- Completed intake and interview sheet
- Two Forms W-2 for Serena
- Form 1099-INT from Regional Bank and Trust
- Voided personal check

**Interview Notes**

- Another volunteer completed the tax return for Serena Livingston. You have been asked to perform the quality review.
- Use Form 13614-C, Section C, as a tool in this review.
- Serena Livingston is not married and lives with her two children, Charlie and Erika. The children lived with her the entire year of 2011. Serena and her children have not had any contact with the children’s father since 1999.
- Serena provides the entire cost of maintaining the household and all the support for the family.
- Erika and Charlie are both high school students and have no income.
- Serena cashed in a savings bond and had not reported any interest in prior years.
- Serena has never itemized her deductions and will not itemize for 2011.
Section A. You should complete Pages 1-3
Thank you for allowing us to prepare your tax return. You are responsible for the information on your return so please provide complete and accurate information to the certified tax preparer. If you have any questions please ask your preparer.

You will need your:
• Tax information such as Forms W-2, 1099, 1039.
• Social security cards or ITIN letters for you and all persons on your tax return.
• Proof of Identity (such as a valid drivers license or other government issued picture ID).

Part I. Your Personal Information
1. Your First Name: SERENA
   Last Name: LIVINGSTON
   M. I.:
   Are you a U.S. Citizen? Yes ☐ No ☐

2. Spouse’s First Name:
   Last Name: Is spouse a U.S. Citizen? Yes ☐ No ☐

3. Mailing Address:
   1492 COLUMBUS DRIVE
   Apt#:
   City:
   State:
   Zip Code:

4. Contact Information:
   Phone: YOUR PHONE #
   Cell Phone:
   E-mail: NONE

5. Your Date of Birth: 11/29/1965
   Your Job Title: OFFICE CLERK
   Are you: 7. Legally Blind ☐ Yes ☐ No ☐
   8. Totally and Permanently Disabled ☐ Yes ☐ No ☐

9. Spouse’s Date of Birth:
   Spouse’s Job Title:
   Is Spouse: 11. Legally Blind ☐ Yes ☐ No ☐
   12. Totally and Permanently Disabled ☐ Yes ☐ No ☐

13. Can anyone claim you or your spouse on their tax return? Yes ☐ No ☐ Unsure ☐

Part II. Marital Status and Household Information
1. As of December 31, 2011, were you?
   Single ☒
   Married: Did you live with your spouse during any part of the last six months of 2011? Yes ☐ No ☐
   Divorced or Legally Separated: Date of final decree or separate maintenance agreement:
   Widowed. Year of spouse’s death:

2. List names below of everyone who lived in your home in 2011 (other than you or spouse). Also list anyone who lived outside of your home that you supported during 2011. If additional space is needed please check here ☐ and list on page 3.

<table>
<thead>
<tr>
<th>Name (first, last)</th>
<th>Date of Birth</th>
<th>Relationship to you</th>
<th>Number of months lived in your home in 2011</th>
<th>US Citizen or resident of the US, Canada or Mexico in 2011 (yes/no)</th>
<th>Marital Status as of 12/31/11 (S/A/M)</th>
<th>Full-time student in 2011 (yes/no)</th>
<th>Received less than $3700 income in 2011 (yes/no)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHARLIE LIVINGSTON</td>
<td>05/10/95</td>
<td>SON</td>
<td>12</td>
<td>YES</td>
<td>S</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>ERIKA LIVINGSTON</td>
<td>12/05/93</td>
<td>DAUGHTER</td>
<td>12</td>
<td>YES</td>
<td>S</td>
<td>YES</td>
<td>YES</td>
</tr>
</tbody>
</table>

• Volunteers assisting with preparing your return are trained to provide high quality service and uphold the highest ethical standards.
• To report unethical behavior to IRS, email us at wi.voltax@irs.gov or call toll free 1-877-330-1205.

To check the status of your REFUND visit “Where’s My Refund?” on www.irs.gov or call 1-800-829-1954 for assistance.
### Section A. Please complete – check Yes, No or Unsure to all questions below. Please ask if you need help.

#### Part III. Income – In 2011, did you (or your spouse) receive:

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td></td>
<td></td>
<td>1. Wages or Salary? (Form W-2)</td>
</tr>
<tr>
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<td></td>
<td></td>
<td>2. Tip Income?</td>
</tr>
<tr>
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<td>3. Scholarships? (Forms W-2, 1099-T)</td>
</tr>
<tr>
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<td></td>
<td>4. Interest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV)</td>
</tr>
<tr>
<td></td>
<td>X</td>
<td></td>
<td>5. Refund of state/local income taxes? (Form 1099-G)</td>
</tr>
<tr>
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<td></td>
<td></td>
<td>6. Alimony Income?</td>
</tr>
<tr>
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<td></td>
<td>7. Self-Employment payments (such as cash received for services, small business)? (Form 1099-MISC)</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>8. Income (or loss) from the sale of Stocks, Bonds or Real Estate (including your home)? (Forms 1099-S, 1099-R)</td>
</tr>
<tr>
<td></td>
<td>X</td>
<td></td>
<td>9. Disability Income (such as payments from insurance or workers compensation)? (Forms 1099-R, W-2)</td>
</tr>
<tr>
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<td></td>
<td></td>
<td>10. Distributions from Pensions, Annuities, and/or IRA? (Form 1099-R)</td>
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<td>11. Unemployment Compensation? (Form 1099-G)</td>
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<td></td>
<td>12. Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099)</td>
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<tr>
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<td></td>
<td>13. Income (or loss) from Rental Property?</td>
</tr>
<tr>
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<td></td>
<td>14. Other Income: (gambling, lottery, prizes, awards, jury duty, etc.) Specify:</td>
</tr>
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#### Part IV. Expenses – In 2011 Did you (or your spouse) pay:

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<td></td>
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#### Part V. Life Events – In 2011 Did you (or your spouse):

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<td></td>
<td></td>
<td>5. Purchase and install energy efficient home items (such as windows, furnace, insulation, etc.)?</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>6. Live in an area that was affected by a natural disaster? If yes, where?</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>7. Receive the First Time Homebuyers Credit in 2008?</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>8. Pay any student loan interest? (Form 1098-E)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>9. Make estimated tax payments or apply last year's refund to your 2011 tax? If so how much?</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>10. Attend school as a full time student? (Form 1098-T)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>11. Adopt a child?</td>
</tr>
<tr>
<td></td>
<td>X</td>
<td></td>
<td>12. File a 2010 federal tax return containing a &quot;capital loss carryover&quot; on Form 1040 Schedule D?</td>
</tr>
</tbody>
</table>

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

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

**Catalog Number 52121E**

**Form 13614-C (Rev. xx-xxxx)**
Additional Information and Questions related to the preparation of your return

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

Other than English what language is spoken in the home?  Spanish

Are you or a member of your household considered disabled?  □ Yes  X  No

If you are due a refund or have a balance due:

- Ask your preparer about Direct Deposit. It is the fastest, easiest way to receive your tax refund. An e-filed return means a fast refund. Taxpayers who combine e-file and Direct Deposit can get their refunds in as few as 10 days.
- Ask your preparer about purchasing Series I U.S. Savings Bonds with part or all of your tax refund. Savings bonds are a safe and secure way to invest in the future. Purchase I Bonds for yourself or others in multiples of $50 and earn interest for up to 30 years.

If you are due a refund, would you like a direct deposit?  X  Yes  □ No
If you are due a refund, would you like information on how to purchase U.S. Savings Bonds?  □ Yes  X  No
If you are due a refund, would you like information on how to split your refund between accounts?  □ Yes  X  No
If you have a balance due, would you like to make a payment directly from your bank account?  X  Yes  □ No

Additional comments:

STOP HERE!

Thank you for completing this form. Please give this form to the certified volunteer preparer for use in preparing your return.

Your Civil Rights are Protected: It is the Internal Revenue Service's mission to provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all. Under no circumstances will the Internal Revenue Service tolerate discrimination by its employees, grantees, contractors, and/or subcontractors. NO ONE shall be excluded from participating in, be denied the benefits of, or be subject to discrimination because of race, color, sex, national origin, disability, reprisal, or age in programs or activities funded by the Department of Treasury – Internal Revenue Service. Any person who believes that he/she has been discriminated against on the basis of race, color, sex, national origin, disability, reprisal or age in programs or activities receiving financial assistance (e.g. Low-Income Tax Clinics, Tax Counseling for the Elderly) from the Department of Treasury IRS, may submit a written complaint to: National Headquarters, Office of Equity, Diversity & Inclusion, Internal Revenue Service; Attn: Director, Civil Rights Division (External Civil Rights Team); 1111 Constitution Ave., NW Room 2422; Washington, DC 20224.

Paperwork Reduction Act Notice

The Paperwork Reduction Act requires that the IRS display an OMB control number on all public information requests. The OMB Control Number for this study is 1545-1954. Also, if you have any comments regarding the time estimates associated with this study or suggestion on making this process simpler, please write to the Internal Revenue Service, Tax Products Coordinating Committee, SE-W-CAR/MF-T-T SP, 1111 Constitution Ave. NW, Washington, DC 20224.
### Section B. For Certified Volunteer Preparer Completion

**Basic Scenarios 1-27**

**Reminders**


**Check if persons are listed in Part II Question 2**

- [ ] Yes  [ ] No

1. Can anyone else claim any of the persons listed in Part II, Question 2, as a dependent on their return? If yes, which ones:

- [ ] Yes  [ ] No

2. Were any of the persons listed in Part II, Question 2, totally and permanently disabled? If yes, which ones:

- [ ] Yes  [ ] No

3. Did any of the persons listed in Part II, Question 2 provide more than 50% of their own support? If yes, which ones:

- [ ] Yes  [ ] No

4. Did the taxpayer provide more than half the support for each of the persons in Part II, Question 2? If yes, which ones:

- [ ] Yes  [ ] No

5. Did the taxpayer pay over half the cost of maintaining a home for any of the persons in Part II, Question 2? If yes, which ones:

- [ ] Yes  [ ] No

### Section C. For Certified Quality Reviewer Completion

**Confirms each item after reviewing the tax return and verifying that it reflects correct tax law application to the information provided by the taxpayer.**

1. Sections A & B of this form are complete.

2. Taxpayer’s identity, address and phone numbers were verified.

3. Names, SSN or ITINs, and dates of birth of taxpayer, spouse and dependents match the supporting documents.

4. Filing Status is correctly determined.

5. Personal and Dependency Exemptions are entered correctly on the return.

6. All information shown on source documents and noted in Section A, Part III is included on the tax return.

7. Any Adjustments to Income are correctly reported.

8. Standard, Additional or Itemized Deductions are correct.

9. All credits are correctly reported.

10. Withholding shown on Forms W-2, 1099 and Estimated Tax Payments are correctly reported.

- [ ] All tax law issues above have been addressed and necessary changes have been made.

- [ ] If direct deposit or debit was elected, checking/saving account and routing information match the supporting documents.

- [ ] Correct SSN and EFIN are shown on the return.

---

Additional Tax Preparer Notes:

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Catalog Number 52121E  
Form 13614-C (Rev. xx.xxxx)
# Basic Scenarios

<table>
<thead>
<tr>
<th>Employer's social security number</th>
<th>OMB No. 1545-0008</th>
<th>Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>a. Employer's social security number</th>
<th>150-XX-XXXX</th>
</tr>
</thead>
<tbody>
<tr>
<td>b. Employer identification number (ERI)</td>
<td>36-6XXXXX</td>
</tr>
<tr>
<td>c. Employer's name, address, and ZIP code</td>
<td>LARMER, SNEAD, &amp; COLE, PA 4007 VENTURA DR, STE 500 YOUR CITY, STATE ZIP</td>
</tr>
<tr>
<td>d. Control number</td>
<td></td>
</tr>
<tr>
<td>e. Employee's first name and initial Last name</td>
<td></td>
</tr>
<tr>
<td>Suffix</td>
<td></td>
</tr>
<tr>
<td>Name</td>
<td></td>
</tr>
<tr>
<td>State wages, tips, etc.</td>
<td>7,750.00</td>
</tr>
<tr>
<td>State income tax</td>
<td>93.00</td>
</tr>
<tr>
<td>Local income tax</td>
<td>0.00</td>
</tr>
<tr>
<td>Locality name</td>
<td></td>
</tr>
</tbody>
</table>

**Form W-2 Wage and Tax Statement 2011**

Department of the Treasury—Internal Revenue Service

**Copy B—To BeFiled With Employee’s FEDERAL Tax Return.**

This information is being furnished to the Internal Revenue Service.
### Basic Scenarios

**PAYER'S name, street address, city, state, ZIP code, and telephone number:**

**REGIONAL BANK AND TRUST**

**1000 MAIN STREET**

**YOUR CITY, STATE ZIP**

**PAYER'S federal identification number:** 36-7XXXXX

**RECIPIENT'S identification number:** 150-XX-XXXX

**RECIPIENT'S name:** SERENA LIVINGSTON

**Street address (including apt. no.):** 1492 COLUMBUS DRIVE

**City, state, and ZIP code:**

**YOUR CITY, STATE ZIP**

**Account number (see instructions):**

**Form 1099-INT**

**Copy B**

**For Recipient:**

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Interest income</td>
<td>$500.00</td>
</tr>
<tr>
<td>2 Early withdrawal penalty</td>
<td>$</td>
</tr>
<tr>
<td>3 Interest on U.S. Savings Bonds and Treas. Obligations</td>
<td>$</td>
</tr>
<tr>
<td>4 Federal income tax withheld</td>
<td>$</td>
</tr>
<tr>
<td>5 Investment expenses</td>
<td>$</td>
</tr>
<tr>
<td>6 Foreign tax paid</td>
<td>$</td>
</tr>
<tr>
<td>7 Foreign country or U.S. possession</td>
<td>$</td>
</tr>
<tr>
<td>8 Tax-exempt interest</td>
<td>$</td>
</tr>
<tr>
<td>9 Specified private activity tax interest</td>
<td>$</td>
</tr>
<tr>
<td>10 Tax-exempt bond CUSIP no. (see instructions)</td>
<td>$</td>
</tr>
</tbody>
</table>

**Form 1099-INT (keep for your records)**

**Department of the Treasury - Internal Revenue Service**

---

**Serena Livingston**

1492 Columbus Drive

Your City, State 00000

**1234**

**PAY TO THE ORDER OF**

$ [ ]

DOLLARS

**Regional Bank and Trust**

Anytown, State 00000

For

: 1110000025 : 987654321 : 1234

**VOID**
### Basic Scenarios

#### Filing Status
- **1. Single**
- **2. Married filing jointly (even if only one had income)**
- **3. Married filing separately. Enter spouse’s SSN above and full name here.**
- **4. Head of household (with qualifying person).** (See instructions.)

#### Exemptions
- **8a. Yourself. If someone can claim you as a dependent, do not check box 8a.**
- **8b. Spouse.**
- **9. Dependents:**
  - First name
  - Last name
  - (2) Dependent’s social security number
  - (3) Dependent’s relationship to you
  - (4) Child under age 17 qualifying for child tax credit.

#### Income
- **7. Wages, salaries, tips, etc. Attach Form(s) W-2.**
- **8a. Taxable interest. Attach Schedule B if required.**
- **8b. Tax-exempt interest. Do not include on line 8a.**
- **9a. Ordinary dividends.**
- **9b. Qualified dividends.**
- **11. Alimony received.**
- **12. Business income or (loss).** Attach Schedule C or C-EZ.
- **13. Capital gain or (loss).** Attach Schedule D if required. If not required, check here.
- **14. Other gains or (losses).**
- **15a. IRA distributions.**
- **15b. Taxable amount.**
- **16a. Pensions and annuities.**
- **16b. Taxable amount.**
- **17. Rental real estate, royalties, partnerships, S corporations, trusts, etc.**
- **18. Farm income or (loss).**
- **19. Unemployment compensation.**
- **20a. Social security benefits.**
- **20b. Taxable amount.**
- **21. Other income. List type and amount.**
- **22. Combine the amounts in the right-hand column for lines 7 through 21. This is your total income.**

#### Adjusted Gross Income
- **23. Educator expenses.**
- **24. Certain business expenses of reservists, performing artists, and fee-based government officials.**
- **25. Health savings account deduction.**
- **26. Moving expenses.**
- **27. Deductible part of self-employment tax.**
- **28. Self-employed SEP, SIMPLE, and qualified plans.**
- **29. Self-employed health insurance deduction.**
- **30. Penalty on early withdrawal of savings.**
- **31a. Alimony paid.**
- **31b. Recipient’s SSN.**
- **32. IRA deduction.**
- **33. Student loan interest deduction.**
- **34. Tuition and fees.**
- **35. Domestic production activities deduction.**
- **36. Add lines 23 through 35.**
- **37. Subtract line 36 from line 22. This is your adjusted gross income.**

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.

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**Cal. No. 113208**

*Form 1040 (2011)*

**1-30** Basic Scenarios
**Basic Scenarios**

### Tax and Credits

#### Standard Deduction for:
- People who check any box on line 30a or 30b or who can claim as a dependent, see instructions.
- All others: Single or Married filing separately, $6,600
- Married filing jointly or Qualifying Widow(er), $11,800
- Head of household, $8,300

**Other Taxes**

**Payments**

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>36</td>
<td>Amount from line 37 (adjusted gross income)</td>
<td>21,300</td>
</tr>
<tr>
<td>38a</td>
<td>Amount from line 39a</td>
<td>39a</td>
</tr>
<tr>
<td>39a</td>
<td>Check □ You were born before January 2, 1947, □ Blind □ Total boxes checked □ 39a</td>
<td>39a</td>
</tr>
<tr>
<td>40</td>
<td>Itemized deductions (from Schedule A) or your standard deduction (see left margin)</td>
<td>8,500</td>
</tr>
<tr>
<td>41</td>
<td>Subtract line 43 from line 38</td>
<td>12,800</td>
</tr>
<tr>
<td>41a</td>
<td>Exemptions, Multiply $3,700 by the number on line 6a</td>
<td>11,100</td>
</tr>
<tr>
<td>43</td>
<td>Taxable income, Subtract line 42 from line 41. If line 42 is more than line 41, enter 0-</td>
<td>1,700</td>
</tr>
<tr>
<td>44</td>
<td>Tax (see instructions), Check any from: □ Form(s) 8814 □ Form 4972 □ Form 982 election</td>
<td>44</td>
</tr>
<tr>
<td>45</td>
<td>Alternative minimum tax (see instructions), Attach Form 8233</td>
<td>45</td>
</tr>
<tr>
<td>46</td>
<td>Add lines 44 and 45</td>
<td>46</td>
</tr>
<tr>
<td>47</td>
<td>Foreign tax credit, Attach Form 1116 if required</td>
<td>47</td>
</tr>
<tr>
<td>48</td>
<td>Credit for child and dependent care expenses, Attach Form 2441</td>
<td>48</td>
</tr>
<tr>
<td>49</td>
<td>Education credits from Form 8880, line 23</td>
<td>49</td>
</tr>
<tr>
<td>50</td>
<td>Retirement savings contributions credit, Attach Form 8880</td>
<td>50</td>
</tr>
<tr>
<td>51</td>
<td>Child tax credit (see instructions)</td>
<td>51</td>
</tr>
<tr>
<td>52</td>
<td>Residential energy credits, Attach Form 5695</td>
<td>52</td>
</tr>
<tr>
<td>53</td>
<td>Other credits from Form 8812 □ 3800 □ 8814 □ 8801 □ 8962 election</td>
<td>53</td>
</tr>
<tr>
<td>54</td>
<td>Add lines 47 through 53. These are your total credits</td>
<td>54</td>
</tr>
<tr>
<td>55</td>
<td>Subtract line 54 from line 46. If line 54 is more than line 46, enter 0-</td>
<td>55</td>
</tr>
<tr>
<td>56</td>
<td>Self-employment tax, Attach Schedule SE</td>
<td>56</td>
</tr>
<tr>
<td>57</td>
<td>Unearned income and Medicare tax from Form 8812 □ 4137 □ 8019</td>
<td>57</td>
</tr>
<tr>
<td>58</td>
<td>Additional tax on IRA's, other qualified retirement plans, etc. Attach Form 5329 if required</td>
<td>58</td>
</tr>
<tr>
<td>59a</td>
<td>Household employment taxes from Schedule H</td>
<td>59a</td>
</tr>
<tr>
<td>59b</td>
<td>First-time homebuyer credit repayment, Attach Form 5405 if required</td>
<td>59b</td>
</tr>
<tr>
<td>60</td>
<td>Other taxes, Enter code(s) from instructions</td>
<td>60</td>
</tr>
<tr>
<td>61</td>
<td>Add lines 55 through 60. This is your total tax</td>
<td>61</td>
</tr>
</tbody>
</table>

### Payments

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>62</td>
<td>Federal income tax withheld from Forms W-2 and 1099</td>
<td>858</td>
</tr>
<tr>
<td>63</td>
<td>2011 estimated tax payments and amount applied from 2010 return</td>
<td>63</td>
</tr>
<tr>
<td>64a</td>
<td>Earned income credit (EIC)</td>
<td>64a</td>
</tr>
<tr>
<td>65</td>
<td>Add lines 62, 63, 64a, and 65 through 71. These are your total payments</td>
<td>72</td>
</tr>
<tr>
<td>66</td>
<td>Additional tax on IRA's, other qualified retirement plans, etc. Attach Form 5329 if required</td>
<td>58</td>
</tr>
<tr>
<td>67</td>
<td>Household employment taxes from Schedule H</td>
<td>59a</td>
</tr>
<tr>
<td>68</td>
<td>First-time homebuyer credit repayment, Attach Form 5405 if required</td>
<td>59b</td>
</tr>
<tr>
<td>69</td>
<td>Other taxes, Enter code(s) from instructions</td>
<td>60</td>
</tr>
<tr>
<td>70</td>
<td>Add lines 62, 63, 64a, and 65 through 71. These are your total payments</td>
<td>72</td>
</tr>
<tr>
<td>71</td>
<td>Federal income tax withheld from Forms W-2 and 1099</td>
<td>858</td>
</tr>
<tr>
<td>72</td>
<td>2011 estimated tax payments and amount applied from 2010 return</td>
<td>63</td>
</tr>
<tr>
<td>73</td>
<td>Total amount you owe. Subtract line 72 from line 61. For details on how to pay, see instructions</td>
<td>76</td>
</tr>
<tr>
<td>74a</td>
<td>Amount of line 73 you want refunded to you. If Form 8888 is attached, check here</td>
<td>74a</td>
</tr>
<tr>
<td>75</td>
<td>Direct deposit? See instructions.</td>
<td>75</td>
</tr>
<tr>
<td>76</td>
<td>Amount of line 73 you want refunded to you. If Form 8888 is attached, check here</td>
<td>74a</td>
</tr>
<tr>
<td>77</td>
<td>Estimated tax penalty (see instructions)</td>
<td>77</td>
</tr>
<tr>
<td>78</td>
<td>Total amount you owe. Subtract line 72 from line 61. For details on how to pay, see instructions</td>
<td>76</td>
</tr>
<tr>
<td>79</td>
<td>Estimated tax penalty (see instructions)</td>
<td>77</td>
</tr>
</tbody>
</table>

### Third Party Designee

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

**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.

Your signature __________________________ Date __________ Your occupation ________________ Daytime phone number ________________

Spouse's signature. If a joint return, both must sign. __________________________ Date __________ Spouse's occupation ________________

**Paid Preparer Use Only**

Print/Type preparer's name __________________________ Preparer's signature __________________________ Date __________

Form's EIN __________

Form's address __________________________

Phone no.: __________________________

Check □ if self-employed □ No

Signature: ____________ Date __________

Firm's name __________________________

Firm's EIN __________

Firm's address __________________________

Phone no.: __________________________

Form 1040 (2011)
Basic Scenario 8: Test Questions

Directions

You are conducting a quality review of Serena’s tax return. Using Form 13614-C, your resource materials, and all of the taxpayer’s documents, answer each of the questions below. Form 13614-C, Section C, should be completed for this review.

25. Select the name(s) that is (are) incorrect on Form 1040.
   a. Serena’s name
   b. Charlie’s name
   c. Erika’s name
   d. Both Charlie’s and Erika’s names

26. Which social security number is entered incorrectly on Form 1040?
   a. Serena’s
   b. Charlie’s
   c. Erika’s
   d. All are correct

27. All of Serena’s income is accurately reported on the tax return.
   a. True
   b. False

28. Which item from a Form W-2 was not included on Form 1040?
   a. Federal income tax withholding
   b. Social security tips
   c. Dependent care benefits
   d. Wages

29. Which credit does Serena qualify for, but was not included on her return?
   a. EIC
   b. Child tax credit
   c. Additional child tax credit
   d. None of the above
30. Which of these items is incorrect on Form 1040?
   a. Home address
   b. Number of exemptions
   c. Bank account number
   d. None of the above
Intermediate Scenarios

Directions

The first two scenarios do not require you to prepare a tax return. Read the interview notes for both scenarios carefully and use your training and resource materials to answer the questions after each scenario.

Intermediate Scenario 1: Kathy Greenlee

Interview Notes

- Kathy is a 53-year-old elementary school teacher.
- Kathy spent $400 on school supplies for the year.
- Kathy is divorced and her unmarried 27-year-old son Alex lived with her all of 2011. Alex is not disabled.
- Alex's only income is $3,545.
- Kathy paid all the household expenses and provided over half of Alex's support.
- Kathy and Alex are U.S. citizens and have valid social security numbers.

Intermediate Scenario 1: Test Questions

1. What is Kathy’s correct filing status?
   a. Single
   b. Head of Household
   c. Married Filing Separately
   d. Married Filing Jointly

2. What are the requirements for Kathy to claim an educator expense adjustment?
   a. She must have out of pocket expenses for school supplies
   b. She must have worked at least 900 hours during the school year
   c. She must teach grades K-12
   d. All of the above
Intermediate Scenario 2: Alonzo Maricopa

Interview Notes

- Alonzo is a single dad, age 42, with two sons.
- His sons, ages 14 and 16, lived with him all of 2011.
- Alonzo lost his job in 2010 and in January 2011 he cashed in his entire 401(k).
- He received Form 1099-R, with a distribution code of 1 in Box 7, for $2,000.
- Alonzo’s only other income for 2011 was $9,000 in unemployment compensation.
- Alonzo and his sons are U.S. citizens and have valid social security numbers.

Intermediate Scenario 2: Test Questions

3. What circumstance would allow Alonzo to use Form 5329 to avoid paying the 10% additional tax on the early distribution from his retirement plan?
   a. He used the distribution to pay medical expenses in excess of 7 1/2 % of his adjusted gross income.
   b. He used the distribution to pay for job hunting expenses.
   c. He used the distribution to pay general living expenses.
   d. There is no possible exception to the 10% additional tax.

4. Alonzo is not eligible for EIC. Why?
   a. He has no qualifying children
   b. Alonzo is not married
   c. His income is too high
   d. He had no earned income
Intermediate Scenario 3: Evan James Dawson

Taxpayer Documents

- Social security card for Evan James Dawson
- Social security card for Noah Ryan Dawson
- Completed intake and interview sheet
- Form W-2 for Evan Dawson
- Form 1098
- Form 1098-T

Interview Notes

- Evan James Dawson divorced in 2004 and has a son, Noah, who lived with him all year.
- Evan provided all of the cost of keeping up the home.
- Noah provided less than 50% of his own support.
- Evan did not itemize deductions last year.
- In 2011, Noah was a third-year student at Brown College living in the dormitory. Noah is pursuing a degree in Computer Science. Noah used the proceeds of a student loan to purchase course-related books online for $634 and to pay $9,000 for room and board. Noah does not have a felony drug conviction.
- Evan purchased his current home in 2008 and received a $7,500 first-time home-buyer credit on his 2008 tax return. He repaid $500 when he filed his 2010 tax return.
- Evan wants to know if he has enough deductions to itemize. Assume that Evan will deduct state income tax instead of general sales tax. He gives you receipts, statements, and canceled checks for the following items he would like to deduct:
  - Unreimbursed doctor bills for Evan for $300
  - Unreimbursed doctor bills for Noah for $500
  - Unreimbursed prescription drugs for $1,400
  - Unreimbursed nonprescription herbal supplements for $300
  - Canceled check for a donation to the United Way for $100
  - Evan tells you that he also gave $20 to a homeless man
  - A statement received from his church showing donations made throughout the year of $780
  - A receipt from a Goodwill drop-off center for the donation of a table, refrigerator, and stove; they were in good, used condition and had a thrift shop value of $130
  - Form 1098 showing qualified mortgage insurance premiums, interest, and real estate taxes paid.
• Evan bought a $2 lottery ticket every week, for a total of $104. Evan had no winnings.
• Evan never received any distributions from his 401(k) or any other retirement plan.
**Intermediate Scenarios**

---

**Section A. You should complete Pages 1-3**

Thank you for allowing us to prepare your tax return. You are responsible for the information on your return so please provide complete and accurate information to the certified tax preparer. If you have any questions please ask your preparer.

You will need your:
- Tax information such as Forms W-2, 1099, 1098.
- Social security cards or ITIN letters for you and all persons on your tax return.
- Proof of Identity (such as a valid driver's license or other government issued picture ID).

**Part I. Your Personal Information**

1. **Your First Name**
   - EVAN
2. **Spouse's First Name**
   - J. DAWSON

**Formal Address**
- 847 MESA AVE
- YOUR CITY
- YOUR ZIP

4. **Contact Information**
   - Phone: YOUR PHONE #
   - Cell Phone: 
   - E-mail: NONE

5. **Your Date of Birth**
   - 08/10/1962

6. **Your Job Title**
   - ELECTRICIAN

7. **Legally Blind**
   - Yes
8. **Totally and Permanently Disabled**
   - Yes

9. **Spouse’s Date of Birth**
   - 10. **Spouse’s Job Title**
   - Is Spouse: Yes
   - Legally Blind
   - Totally and Permanently Disabled

10. **Spouse’s Job Title**
11. **Legally Blind**
12. **Totally and Permanently Disabled**

13. **Can anyone claim you or your spouse on their tax return?**
   - Yes
   - No
   - Unsure

---

**Part II. Marital Status and Household Information**

1. **As of December 31, 2011, were you?**
   - Single
   - Married: Did you live with your spouse during any part of the last six months of 2011? No
   - Divorced or Legally Separated: Date of final decree or separate maintenance agreement: 01/20/2004
   - Widowed: Year of spouse’s death:

2. **List names below of everyone who lived in your home in 2011 (other than you or spouse).**
   - Also list anyone who lived outside of your home that you supported during 2011. If additional space is needed please check here and list on page 3.

   - **Name (first last)**
     - DO NOT ENTER YOUR NAME OR SPOUSE’S NAME BELOW.
   - **Date of Birth**
     - (mm/dd/yy)
   - **Relationship to you**
     - (e.g., daughter, son, mother, sister, none)
   - **Number of months lived in your home in 2011**
   - **US Citizen or resident of the US, Canada or Mexico in 2011 (yes/no)**
   - **Marital Status as of 12/31/11 (SM)**
   - **Full-time student in 2011 (yes/no)**
   - **Received less than $3700 income in 2011 (yes/no)**

<table>
<thead>
<tr>
<th>Name</th>
<th>Date of Birth</th>
<th>Relationship to you</th>
<th>Number of months lived in your home in 2011</th>
<th>US Citizen or resident of the US, Canada or Mexico in 2011 (yes/no)</th>
<th>Marital Status as of 12/31/11 (SM)</th>
<th>Full-time student in 2011 (yes/no)</th>
<th>Received less than $3700 income in 2011 (yes/no)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NCOAH DAWSON</td>
<td>06/09/89</td>
<td>SOn</td>
<td>12</td>
<td>YES</td>
<td>8</td>
<td>YES</td>
<td>YES</td>
</tr>
</tbody>
</table>

---

- Volunteers assisting with preparing your return are trained to provide high quality service and uphold the highest ethical standards.
- To report unethical behavior to IRS, email us at wi.voltax@irs.gov or call toll free 1-877-330-1205.

To check the status of your REFUND visit “Where’s My Refund?” on www.irs.gov or call 1-800-829-1954 for assistance.
Section A. Please complete – check Yes, No or Unsure to all questions below. Please ask if you need help.

Part III. Income – In 2011, did you (or your spouse) receive:

Yes  No  Unsure
☐  ☑  ☐  1. Wages or Salary? (Form W-2)
☐  ☑  ☐  2. Tip Income?
☐  ☑  ☐  3. Scholarships? (Forms W-2, 1099-T)
☐  ☑  ☐  4. Interest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV)
☐  ☑  ☐  5. Refund of state/local income taxes? (Form 1099-G)
☐  ☑  ☐  6. Alimony Income?
☐  ☑  ☐  7. Self-Employment payments (such as cash received for services, small business)? (Form 1099-MISC)
☐  ☑  ☐  8. Income (or loss) from the sale of Stocks, Bonds or Real Estate (including your home)? (Forms 1099-S, 1099-B)
☐  ☑  ☐  9. Disability Income (such as payments from insurance or workers compensation)? (Forms 1099-R, W-2)
☐  ☑  ☐  10. Distributions from Pensions, Annuities, and/or IRA? (Form 1099-R)
☐  ☑  ☐  11. Unemployment Compensation? (Form 1099-G)
☐  ☑  ☐  12. Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099)
☐  ☑  ☐  13. Income (or loss) from Rental Property?
☐  ☑  ☐  14. Other Income: (gambling, lottery, prizes, awards, jury duty, etc.) Specify: (Forms W-2 G, 1099-MISC)

Part IV. Expenses – In 2011 Did you (or your spouse) pay:

Yes  No  Unsure
☐  ☑  ☐  1. Alimony: if yes, do you have the recipient’s SSN?  Yes ☐ No ☑
☐  ☑  ☐  2. Contributions to a retirement account? ☐ IRA ☑ Roth IRA ☑ 401K ☑ Other
☐  ☑  ☐  3. Educational expenses paid for yourself, spouse or dependents, such as tuition, books, fees, etc.? (Form 1098-T)
☐  ☑  ☐  4. Unreimbursed employee business expenses (such as teacher supplies, uniforms or mileage)?
☐  ☑  ☐  5. Medical expenses? (including health insurance premiums)?
☐  ☑  ☐  6. Mortgage interest? (Form 1098)
☐  ☑  ☐  7. Real estate taxes for your home or personal property taxes for your vehicle? (Form 1098)
☐  ☑  ☐  8. Charitable contributions?
☐  ☑  ☐  9. Child/dependent care expenses, such as day-care?

Part V. Life Events – In 2011 Did you (or your spouse):

Yes  No  Unsure
☐  ☑  ☐  1. Have a Health Savings Account? (Forms 5498-SA, 1099-SA)
☐  ☑  ☐  2. Have debt from a mortgage or credit card canceled/forgiven by a commercial lender? (Form 1099-C)
☐  ☑  ☐  3. Buy, sell or have a foreclosure of your home? (Form 1099-A)
☐  ☑  ☐  4. Have Earned Income Credit (EIC) disallowed in a prior year? If yes, for which tax year?
☐  ☑  ☐  5. Purchase and install energy efficient home items (such as windows, furnace, insulation, etc.)?
☐  ☑  ☐  6. Live in an area that was affected by a natural disaster? If yes, where?
☐  ☑  ☐  7. Receive the First Time Homebuyers Credit in 2008?
☐  ☑  ☐  8. Pay any student loan interest? (Form 1098-E)
☐  ☑  ☐  9. Make estimated tax payments or apply last year’s refund to your 2011 tax? If so how much?
☐  ☑  ☐  10. Attend school as a full time student? (Form 1098-T)
☐  ☑  ☐  11. Adopt a child?
☐  ☑  ☐  12. File a 2010 federal tax return containing a “capital loss carryover” on Form 1040 Schedule D?

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

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

Catalog Number 52121E  Form 13614-C (Rev. XX-XXXX)
Additional Information and Questions related to the preparation of your return

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

Other than English what language is spoken in the home?  None

Are you or a member of your household considered disabled?  ☐ Yes  ☒ No

If you are due a refund or have a balance due:

- Ask your preparer about Direct Deposit. It is the fastest, easiest way to receive your tax refund. An e-filed return means a fast refund. Taxpayers who combine e-file and Direct Deposit can get their refunds in as few as 10 days.
- Ask your preparer about purchasing Series E U.S. Savings Bonds with part or all of your tax refund. Savings bonds are a safe and secure way to invest in the future. Purchase E Bonds for yourself or others in multiples of $50 and earn interest for up to 30 years.

If you are due a refund, would you like a direct deposit?  ☐ Yes  ☒ No
If you are due a refund, would you like information on how to purchase U.S. Savings Bonds?  ☐ Yes  ☒ No
If you are due a refund, would you like information on how to split your refund between accounts?  ☐ Yes  ☒ No
If you have a balance due, would you like to make a payment directly from your bank account?  ☐ Yes  ☒ No

Additional comments:

STOP HERE!
Thank you for completing this form.
Please give this form to the certified volunteer preparer for use in preparing your return.

Your Civil Rights are Protected: It is the Internal Revenue Service's mission to provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all. Under no circumstances will the Internal Revenue Service tolerate discrimination by its employees, grantees, contractors, and/or subcontractors. NO ONE shall be excluded from participating in, be denied the benefits of, or be subject to discrimination because of race, color, sex, national origin, disability, reprisal, or age in programs or activities funded by the Department of Treasury - Internal Revenue Service. Any person who believes that he/she has been discriminated against on the basis of race, color, sex, national origin, disability, reprisal or age in programs or activities receiving financial assistance (e.g. Low-Income Tax Clinics, Tax Counseling for the Elderly) from the Department of Treasury IRS, may submit a written complaint to: National Headquarters/Office of Equity, Diversity & Inclusion, Internal Revenue Service; Attn: Director, Civil Rights Division (External Civil Rights Team); 1111 Constitution Ave., NW Room 2422; Washington, DC 20224.

Paperwork Reduction Act Notice
The Paperwork Reduction Act requires that the IRS display an OMB control number on all public information requests. The OMB Control Number for this study is 1545-1944. Also, if you have any comments regarding the time estimates associated with this study or suggestion on making this process simpler, please write to the Internal Revenue Service, Tax Products Coordinating Committee, SE/W- CAR/MP-TT/SP, 1111 Constitution Ave. NW, Washington, DC 20224

Catalog Number 52121E  Form 13614-C (Rev. xx-xxxx)  3
### Section B. For Certified Volunteer Preparer Completion

**Remember:** You are the link between the taxpayer’s information and a correct tax return. Verify the taxpayer’s information on pages 1, 2 & 3 is complete. All questions must be discussed with the taxpayer and all “Unsure” responses should be changed to “Yes” or “No”.

**Must be completed by Certified Volunteer only if persons are listed in Part II Question 2**

**Check if persons are listed in Part II Question 2**

- [ ] Yes  [ ] No  
  1. Can anyone else claim any of the persons listed in Part II, Question 2, as a dependent on their return? If yes, which ones:

- [ ] Yes  [ ] No  
  2. Were any of the persons listed in Part II, Question 2, totally and permanently disabled? If yes, which ones:

- [ ] Yes  [ ] No  
  3. Did any of the persons listed in Part II, Question 2 provide more than 50% of their own support? If yes, which ones:

- [ ] Yes  [ ] No  
  4. Did the taxpayer provide more than half the support for each of the persons in Part II, Question 2? If yes, which ones:

- [ ] Yes  [ ] No  
  5. Did the taxpayer pay over half the cost of maintaining a home for any of the persons in Part II, Question 2? If yes, which ones:

**Reminders**


### Section C. For Certified Quality Reviewer Completion

Confirm each item after reviewing the tax return and verifying that it reflects correct tax law application to the information provided by the taxpayer.

1. Sections A & B of this form are complete.

2. Taxpayer’s identity, address and phone numbers were verified.

3. Names, SSN or ITINs, and dates of birth of taxpayer, spouse and dependents match the supporting documents.

4. Filing Status is correctly determined.

5. Personal and Dependency Exemptions are entered correctly on the return.

6. All information shown on source documents and noted in Section A, Part III is included on the tax return.

7. Any Adjustments to income are correctly reported.

8. Standard, Additional or Itemized Deductions are correct.

9. All credits are correctly reported.

10. Withholding shown on Forms W-2, 1099 and Estimated Tax Payments are correctly reported.

- [ ] All tax law issues above have been addressed and necessary changes have been made.

- [ ] If direct deposit or debit was elected, checking/saving account and routing information match the supporting documents.

- [ ] Correct SIDN and EFIN are shown on the return.

**Additional Tax Preparer Notes:**

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**Catalog Number 52121E**

Form 13614-C (Rev. xx-xxxx)
**Intermediate Scenarios**

**2-9**

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

<table>
<thead>
<tr>
<th>Box</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Wages, tips, other compensation</td>
<td>40,940.00</td>
</tr>
<tr>
<td>4</td>
<td>Federal income tax withheld</td>
<td>4,142.00</td>
</tr>
<tr>
<td>3</td>
<td>Social security wages</td>
<td>41,420.00</td>
</tr>
<tr>
<td>4</td>
<td>Social security tax withheld</td>
<td>1,740.00</td>
</tr>
<tr>
<td>5</td>
<td>Medicare wages and tips</td>
<td>41,420.00</td>
</tr>
<tr>
<td>6</td>
<td>Medicare tax withheld</td>
<td>601.00</td>
</tr>
<tr>
<td>7</td>
<td>Social security tips</td>
<td>10.00</td>
</tr>
<tr>
<td>8</td>
<td>Allocated tips</td>
<td>10.00</td>
</tr>
</tbody>
</table>

**Employee Information**

- **Name:** Evan James Dawson
- **Address:** 847 Mesa Ave, Your City, State ZIP
- **SSN:** 37-5XXXXX
- **W-2 Information**
  - **Wages, tips, other compensation:** 40,940.00
  - **Social security wages:** 41,420.00
  - **Social security tax withheld:** 1,740.00
  - **Medicare wages and tips:** 41,420.00
  - **Medicare tax withheld:** 601.00
  - **Social security tips:** 10.00
  - **Allocated tips:** 10.00

**Form 1098 Mortgage Interest Statement**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortgage interest received from payee(s)/borrower(s)</td>
<td>2,294.00</td>
</tr>
<tr>
<td>Points paid on purchase of principal residence</td>
<td>$6,252.00</td>
</tr>
<tr>
<td>Refund of overpaid interest</td>
<td>$1,000.00</td>
</tr>
<tr>
<td>Mortgage insurance premiums</td>
<td>$704.00</td>
</tr>
<tr>
<td>Real Estate Tax</td>
<td>$2,294.00</td>
</tr>
</tbody>
</table>

**Recipient Information**

- **Name:** First Mortgage Company
- **Address:** 9800 Stonehill Way, Your City, State ZIP
- **SSN:** 37-6XXXXX
- **Payer/Borrower Information**
  - **Name:** Evan James Dawson
  - **Address:** 847 Mesa Ave, Your City, State ZIP

---

**Department of the Treasury – Internal Revenue Service**
<table>
<thead>
<tr>
<th><strong>FILER’S name, street address, city, state, ZIP code, and telephone number</strong></th>
<th><strong>STUDENT’S name</strong></th>
<th><strong>STUDENT’S social security number</strong></th>
<th><strong>Payments received for qualified tuition and related expenses</strong></th>
<th><strong>Amounts billed for qualified tuition and related expenses</strong></th>
<th><strong>Scholarships or grants</strong></th>
<th><strong>If this box is checked, your educational institution has changed its reporting method for 2011</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BROWN COLLEGE</strong> <strong>10 COLLEGE AVE</strong> <strong>YOUR CITY, STATE ZIP</strong></td>
<td><strong>NOAH RYAN DAWSON</strong></td>
<td><strong>209-XX-XXXX</strong></td>
<td><strong>$11,800.00</strong></td>
<td><strong>$</strong></td>
<td><strong>$11,800.00</strong></td>
<td><strong>☐</strong></td>
</tr>
<tr>
<td><strong>FILER’S federal identification no.</strong></td>
<td><strong>37-7XXXXX</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>STUDENT’S social security number</strong></td>
<td><strong>209-XX-XXXX</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Street address (including apt. no.)</strong></td>
<td><strong>847 MESA AVE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>City, state, and ZIP code</strong></td>
<td><strong>YOUR CITY, STATE ZIP</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Form 1099-T</strong></td>
<td><strong>(keep for your records)</strong></td>
<td></td>
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</tr>
</tbody>
</table>

**Tuition Statement**

- **Amounts billed for qualified**
- **Scholarships or grants**
- **If this box is checked, your educational institution has changed its reporting method for 2011**

This is important tax information and is being furnished to the Internal Revenue Service.
Intermediate Scenario 3: Test Questions

Directions

Complete Form 1040 and the appropriate forms, schedules, and worksheets to answer each of the following questions.

*Note: When using the Link and Learn Taxes Practice Lab, complete the social security numbers and employer identification numbers by replacing the Xs with your User ID. In classroom situations, replace the Xs with the EFIN provided by your instructor.*

5. What is Evan’s total tax deduction on Schedule A, line 9?
   a. $1,450
   b. $2,294
   c. $3,744
   d. $4,448

6. What is Evan’s total interest deduction on Schedule A, line 15? $______

7. The total deduction in the Gifts to Charity section of Evan’s Schedule A is:
   a. $780
   b. $910
   c. $1,010
   d. $1,030

8. Evan cannot use the $9,000 paid for Noah’s room and board to compute the American opportunity credit. Why?
   a. It was paid for with the proceeds of a student loan.
   b. Room and board is not an eligible expense.
   c. Noah is in his third year of college.
   d. Noah could have lived at home or rented an apartment.

9. What is the **refundable** amount of the American opportunity credit on Evan’s Form 8863, Part III?
   a. $0
   b. $254
   c. $634
   d. $1,000
10. Which of Noah’s education expenses would qualify for the tuition and fees deduction?
   a. Tuition $11,800
   b. Room and board $9,000
   c. Books $634
   d. He has no expenses that qualify for the tuition and fees deduction

11. What is Evan’s minimum required payment on his 2008 homebuyer credit? $______
Intermediate Scenario 4: Andrew and Lily Albright

Taxpayer Documents

- Social Security cards for Andrew M. and Lily G. Albright
- Completed intake and interview sheet
- Form W-2 for Andrew Albright
- Form 1099-DIV
- Form 1099-MISC for Lily Albright
- Form 1099-R for Andrew Albright
- Form 1098-E

Interview Notes

- Andrew and Lily Albright are married and want to file jointly.
- Andrew and Lily did not itemize on their 2010 tax return.
- Andrew retired as a high-school teacher in 2007 and teaches creative writing classes part-time at a community college.
- Lily is self-employed as a hair stylist. She works at Pinky’s, where she rents a station. One day a week, she works at Pinky’s in the morning and then drives to the senior center to do hair for the residents.
- Lily is a cash-basis taxpayer who materially participates in the operation of her business. Lily did not make any payments that would require her to file Form 1099.
- She received a 1099-MISC for $19,800 from Pinky’s, and had an additional $4,000 cash income in tips and payments from the senior center. She had no other business income.
- She has a mileage log showing 5,000 miles for 2011:
  - 4,750 miles from home to work and return each day: 2,500 miles before July 1, 2011, and 2,250 miles after June 30, 2011.
  - 250 miles from Pinky’s to the senior center: 130 miles before July 1, 2011 and 120 miles after June 30, 2011
- The total mileage on her car for 2011 was 11,000 miles. She placed her car in service on January 6, 2006. She always takes the standard mileage rate. Lily’s car and Andrew’s car were both available for personal use.
- Lily has records for other expenses relating to her business:
  - Hair stylist’s station rental: $6,000
  - Supplies: $2,500
  - Car repair: $475
  - Business liability insurance: $950
  - Tolls paid on the way to the senior center: $60
  - Business license: $50
  - On workdays, Lily spent about $10 a day on her lunch, totaling $2,300 for the year.
• Lily uses business code 821112.
• Lily is repaying a student loan she took out several years ago to finance her 
vocational education. The school is an eligible educational institution.
• They paid real estate taxes on their personal residence of $5,050.
• Assume the Albrights will deduct state income tax instead of general sales tax.
• The Albrights improved their home by replacing their furnace with a natural gas 
model that meets the new energy-efficiency standards. The furnace cost $5,000 
plus $1,200 for installation. They have never claimed a residential energy credit in 
any prior year.
Section A. You should complete Pages 1-3
Thank you for allowing us to prepare your tax return. You are responsible for the information on your return so please provide complete and accurate information to the certified tax preparer. If you have any questions please ask your preparer.

You will need your:
- Tax information such as Forms W-2, 1099, 1098.
- Social security cards or ITIN letters for you and all persons on your tax return.
- Proof of Identity (such as a valid drivers license or other government issued picture ID).

Part I. Your Personal Information

1. Your First Name  M. I.  Last Name  Are you a U.S. Citizen?
   ANDREW  M  ALRIGHT  Yes  No

2. Spouse’s First Name  M. I.  Last Name  Is spouse a U.S. Citizen?
   LILY  G  ALRIGHT  Yes  No

3. Mailing Address  Apt#  City  State  Zip Code
   1951 CONCORD CIRCLE  YOUR CITY  YES  YOUR ZIP

4. Contact Information
   Phone:  YOUR PHONE #  Cell Phone:  E-mail:  NONE

5. Your Date of Birth  6. Your Job Title  Are you 7. Legally Blind
   03/17/1949  PROFESSOR  Yes  No

8. Totally and Permanently Disabled  9. Spouse’s Date of Birth  10. Spouse’s Job Title
   11/22/1950  HAIR STYLIST

11. Is Spouse 12. Totally and Permanently Disabled
   Legally Blind  Yes  No

13. Can anyone claim you or your spouse on their tax return? Yes  No  Unsure

Part II. Marital Status and Household Information

1. As of December 31, 2011, were you?
   □ Single
   ☑ Married: Did you live with your spouse during any part of the last six months of 2011? Yes  No
   □ Divorced or Legally Separated: Date of final decree or separate maintenance agreement: ______________________
   □ Widowed: Year of spouse’s death: ______________________

2. List names below of everyone who lived in your home in 2011 (other than you or spouse). Also list anyone who lived outside of your home that you supported during 2011. If additional space is needed please check here □ and list on page 3.

   Name (first last)  Do not enter your name or spouse’s name below.
   (a)  (b)  (c)  (d)  (e)  (f)  (g)  (h)

   Date of Birth (mm/dd/yyyy)  Relationship to you (e.g. daughter, son, mother, sister, none)  Number of months lived in your home in 2011
   (sm clerk)

   US Citizen or resident of the US, Canada or Mexico in 2011 (yes/no)
   (SM clerk)

   Full-time student in 2011 (yes/no)
   (SM clerk)

   Received less than $3700 income in 2011 (yes/no)
   (SM clerk)

   • Volunteers assisting with preparing your return are trained to provide high quality service and uphold the highest ethical standards.
   • To report unethical behavior to IRS, email us at wi.voltnx@irs.gov or call toll free 1-877-333-1205.

   To check the status of your REFUND visit “Where’s My Refund?” on www.irs.gov or call 1-800-829-1954 for assistance.
### Section A. Please complete – check Yes, No or Unsure to all questions below. Please ask if you need help.

**Part III. Income – In 2011, did you (or your spouse) receive:**

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
<td>✔</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Wages or Salary? (Form W-2)
2. Tip Income?
3. Scholarships? (Forms W-2, 1099-T)
4. Interest/Dividends from checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV)
5. Refund of state/local income taxes? (Form 1099-G)
6. Alimony Income?
7. Self-Employment payments (such as cash received for services, small business)? (Form 1099-MISC)
8. Income (or loss) from the sale of Stocks, Bonds or Real Estate (including your home)? (Forms 1099-S, 1099-B)
9. Disability income (such as payments from insurance or workers compensation)? (Forms 1099-R, W-2)
10. Distributions from Pensions, Annuities, and/or IRA? (Form 1099-R)
11. Unemployment Compensation? (Form 1099-G)
12. Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099)
13. Income (or loss) from Rental Property?
14. Other Income: (gambling, lottery, prizes, awards, jury duty, etc.) Specify: (Forms W-2 G, 1099-MISC)

**Part IV. Expenses – In 2011 Did you (or your spouse) pay:**

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Alimony: If yes, do you have the recipient’s SSN? Yes No
2. Contributions to a retirement account? IRA Roth IRA 401K Other
3. Educational expenses paid for yourself, spouse or dependents, such as tuition, books, fees, etc.? (Form 1098-T)
4. Unreimbursed employee business expenses (such as teacher supplies, uniforms or mileage)?
5. Medical expenses (including health insurance premiums)?
6. Home mortgage interest? (Form 1098)
7. Real estate taxes for your home or personal property taxes for your vehicle? (Form 1098)
8. Charitable contributions?
9. Child/dependent care expenses: such as day-care?

**Part V. Life Events – In 2011 Did you (or your spouse):**

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Have a Health Savings Account? (Forms 5498-SA, 1099-SA)
2. Have debt from a mortgage or credit card canceled/forgiven by a commercial lender? (Form 1099-C)
3. Buy, sell or have a foreclosure of your home? (Form 1099-A)
4. Have Earned Income Credit (EIC) disallowed in a prior year? If yes, for which tax year?
5. Purchase and install energy efficient home items (such as windows, furnace, insulation, etc.)?
6. Live in an area that was affected by a natural disaster? If yes, where?
7. Receive the First Time Homebuyers Credit in 2008?
8. Pay any student loan interest? (Form 1098-E)
9. Make estimated tax payments or apply last year's refund to your 2011 tax? If so how much?
10. Attend school as a full time student? (Form 1098-T)
11. Adopt a child?
12. File a 2010 federal tax return containing a "capital loss carryover" on Form 1040 Schedule D?

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

Check here if you, or your spouse if filing jointly, want $3 to go to this fund Yes No Spouse

Catalog Number 52121E Form 13614-C (Rev. XX-XXXX)
Additional Information and Questions related to the preparation of your return

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

Other than English what language is spoken in the home? Spanish

Are you or a member of your household consider disabled? ☐ Yes ☒ No

If you are due a refund or have a balance due:

- Ask your preparer about Direct Deposit. It is the fastest, easiest way to receive your tax refund. An e-filed return means a fast refund. Taxpayers who combine e-file and Direct Deposit can get their refunds in as few as 10 days.
- Ask your preparer about purchasing Series I U.S. Savings Bonds with part or all of your tax refund. Savings bonds are a safe and secure way to invest in the future. Purchase I Bonds for yourself or others in multiples of $50 and earn interest for up to 30 years.

If you are due a refund, would you like a direct deposit? ☐ Yes ☒ No
If you are due a refund, would you like information on how to purchase U.S. Savings Bonds? ☐ Yes ☒ No
If you are due a refund, would you like information on how to split your refund between accounts? ☐ Yes ☒ No
If you have a balance due, would you like to make a payment directly from your bank account? ☐ Yes ☒ No

Additional comments:

STOP HERE!

Thank you for completing this form.
Please give this form to the certified volunteer preparer for use in preparing your return.

Your Civil Rights are Protected: It is the Internal Revenue Service’s mission to provide America’s taxpayers top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all. Under no circumstances will the Internal Revenue Service tolerate discrimination by its employees, grantees, contractors, and/or subcontractors. NO ONE shall be excluded from participating in, be denied the benefits of, or be subject to discrimination because of race, color, sex, national origin, disability, reprisal, or age in programs or activities funded by the Department of Treasury – Internal Revenue Service. Any person who believes that he/she has been discriminated against on the basis of race, color, sex, national origin, disability, reprisal or age in programs or activities receiving financial assistance (e.g. Low Income Tax Clinics, Tax Counseling for the Elderly) from the Department of Treasury IRS, may submit a written complaint to: National Headquarters/Office of Equity, Diversity & Inclusion, Internal Revenue Service; Attn: Director, Civil Rights Division (External Civil Rights Team); 1111 Constitution Ave., NW Room 2422; Washington, DC 20224.

Paperwork Reduction Act Notice

The Paperwork Reduction Act requires that the IRS display an OMB control number on all public information requests. The OMB Control Number for this study is 1545-1954. Also, if you have any comments regarding the time estimates associated with this study or suggestion on making this process simpler, please write to the Internal Revenue Service, Tax Products Coordinating Committee, SE-W-CAR-MP-TT-SP, 1111 Constitution Ave., NW Washington, DC 20224.

Catalog Number 52121E          Form 13614-C (Rev. xx-xxxxx) 3
**Section B. For Certified Volunteer Preparer Completion**

**Reminder:** You are the link between the taxpayer's information and a correct tax return. Verify the taxpayer's information on pages 1, 2 & 3 is complete. All questions must be discussed with the taxpayer and all "Unsure" responses should be changed to "Yes" or "No".

**Must be completed by Certified Volunteer only if persons are listed in Part II Question 2**

**Check if persons are listed in Part II Question 2 □**

- **Yes □ No □**
  1. Can anyone else claim any of the persons listed in Part II, Question 2, as a dependent on their return? If yes, which ones:

- **Yes □ No □**
  2. Were any of the persons listed in Part II, Question 2, totally and permanently disabled? If yes, which ones:

- **Yes □ No □**
  3. Did any of the persons listed in Part II, Question 2 provide more than 50% of their own support? If yes, which ones:

- **Yes □ No □**
  4. Did the taxpayer provide more than half the support for each of the persons in Part II, Question 2? If yes, which ones:

- **Yes □ No □**
  5. Did the taxpayer pay over half the cost of maintaining a home for any of the persons in Part II, Question 2? If yes, which ones:

**Reminders**


**Additional Tax Preparer Notes:**

---

**Section C. For Certified Quality Reviewer Completion**

Confirm each item after reviewing the tax return and verifying that it reflects correct tax law application to the information provided by the taxpayer.

1. Sections A & B of this form are complete.
2. **Taxpayer’s identity, address and phone numbers were verified.**
3. Names, SSN or ITINs, and dates of birth of taxpayer, spouse and dependents match the supporting documents.
4. **Filing Status is correctly determined.**
5. **Personal and Dependency Exemptions are entered correctly on the return.**
6. All information shown on source documents and noted in Section A, Part III is included on the tax return.
7. **Any Adjustments to income are correctly reported.**
8. **Standard, Additional or Itemized Deductions are correct.**
9. **All credits are correctly reported.**
10. **Withholding shown on Forms W-2, 1099 and Estimated Tax Payments are correctly reported.**

**Correct SIDN and EFIN are shown on the return.**

---

Form 13614-C (Rev. xx-xxxx)
### Form 1099-MISC

<table>
<thead>
<tr>
<th>PAYER'S name, street address, city, state, ZIP code, and telephone no.</th>
</tr>
</thead>
<tbody>
<tr>
<td>PINKY'S 8009 PIKE CIR YOUR CITY, STATE ZIP</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Miscellaneous Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copy B For Recipient</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1 Rents</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td></td>
</tr>
</tbody>
</table>

| 2 Royalties | |
|-------------||
| $           | |

| 3 Other income | |
|----------------||
| $               | |

| 4 Federal income tax withheld | |
|-------------------------------||
| $                              | |

<table>
<thead>
<tr>
<th>5 PAYER'S federal identification number</th>
<th>6 RECIPIENT'S identification number</th>
</tr>
</thead>
<tbody>
<tr>
<td>38-7XXXXX</td>
<td>227-XX-XXXX</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>7 Nonemployee compensation</th>
<th>8 Substitute payments in lieu of dividends or interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>$19,800.00</td>
<td>$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>9 Payee made direct sales of $5,000 or more of consumer products to a buyer (recipient) for resale</th>
<th>10 Crop insurance proceeds</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>11 Excess golden parachute payments</th>
<th>12 Gross proceeds paid to an attorney</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>13 State tax withheld</th>
<th>14 State/Payer's state no.</th>
<th>15 Local tax withheld</th>
<th>16 Name of locality</th>
<th>17 Local distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

(keep for your records) Department of the Treasury - Internal Revenue Service

---

### Form 1099-R

<table>
<thead>
<tr>
<th>PAYER'S name, street address, city, state, and ZIP code</th>
</tr>
</thead>
<tbody>
<tr>
<td>PASCO COUNTY SCHOOL DISTRICT 7261 EVERETT WAY YOUR CITY, STATE ZIP</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Distributions From Pensions, Annuities, Retirement, or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copy B Report this income on your federal tax return. If this form shows a federal income tax withheld in box 4, attach this copy to your return.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1 Gross distribution</th>
<th>4 Federal income tax withheld</th>
</tr>
</thead>
<tbody>
<tr>
<td>$24,840.00</td>
<td>$800.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2a Taxable amount</th>
<th>7o Your percentage of total distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>$22,758.00</td>
<td>%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3 Capital gain (included in box 2a)</th>
<th>8 Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5 Employee contributions</th>
<th>6 Net unrealized appreciation in employer's securities</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>7 Distribution code(s)</th>
<th>9o Total employee contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>IRAP/SEP SIMPLE</td>
<td>$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>10 Account number (see instructions)</th>
<th>11 1st year of design. Roth contrib within 5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>12 State tax withheld</th>
<th>13 State/Payer's state no.</th>
<th>14 State distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>15 Local tax withheld</th>
<th>16 Name of locality</th>
<th>17 Local distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

(keep for your records) Department of the Treasury - Internal Revenue Service
<table>
<thead>
<tr>
<th>FINANCIAL AID PARTNERS</th>
<th>YOUR CITY, STATE ZIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>666 LINCOLN</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RECIPIENT'S federal identification no.</th>
<th>BORROWER'S social security number</th>
<th>1</th>
<th>Student loan interest received by lender</th>
<th>$ 2,745.90</th>
</tr>
</thead>
<tbody>
<tr>
<td>38-9XXXXXXX</td>
<td>227-XX-XXXXX</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Copy B**

For Borrower

This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for student loan interest.

[Form 1098-E](#) (keep for your records)  Department of the Treasury - Internal Revenue Service

Intermediate Scenarios 2-21
Directions

Please complete Form 1040 and the appropriate forms, schedules, or worksheets to answer each of the following questions.

*Note: When using the Link and Learn Taxes Practice Lab, complete the social security numbers and employer identification numbers by replacing the Xs with your User ID. In classroom situations, replace the Xs with the EFIN provided by your instructor.*

12. What is the amount of Lily’s gross income reported for her hair stylist business? $_____

13. Where should Lily’s cash income be reported?
   a. Form 1040, Line 7
   b. Cash income does not have to be reported
   c. Schedule C
   d. Form 1040, Line 21

14. What is Lily’s mileage expense deduction (at the standard mileage rate) for her hair stylist business?
   a. $0
   b. $133
   c. $1,377
   d. $2,656

15. Which item **cannot** be deducted by Lily as a business expense?
   a. Lunch expenses
   b. Hair stylist’s station rental
   c. Tolls to get to the senior center
   d. Business license

16. What is the amount of the Albrights’ foreign tax credit?
   a. $0
   b. $20
   c. $125
   d. $600
17. How does Lily’s self-employment tax affect the Albrights’ tax return?
   a. A portion of the amount is deducted as a business expense.
   b. The self-employment tax is shown on Form 1040, Other Taxes section, and the full amount is deducted on Schedule A, Taxes You Paid.
   c. The self-employment tax amount is shown on Form 1040, Other Taxes section, and the deductible part is an adjustment on Form 1040, page 1.
   d. Lily’s self-employment tax is not reported anywhere on Form 1040.

18. What is the amount the Albrights can take as a student loan interest deduction?
   a. $0
   b. $1,373
   c. $2,500
   d. $2,745

19. What is the total amount of the residential energy credit from Form 5695 for the Albrights? $ _____

20. Lily says that they have a balance due on their return every year. What can you suggest to prevent or decrease the amount they owe when they file next year?
   a. Revise Andrew’s Form W-4 to increase the withholding on his wages.
   b. Submit a Form W-4P to increase the withholding on Andrew’s pension.
   c. Pay estimated tax payments using Form 1040-ES during the tax year.
   d. Any of the above.
Advanced Scenarios

Directions

The first three scenarios do not require you to prepare a tax return. Read the interview notes for each scenario carefully and use your training and resource materials to answer the questions after the scenarios.

Advanced Scenario 1: Jacob McPherson

Interview Notes

Jacob sold some stock this year, and has come to you to prepare his tax return.

PDQ stock:
- Jacob inherited 200 shares of PDQ stock from his great-uncle Thomas who died on March 7, 2011.
- Great-uncle Thomas’ basis was $15 per share.
- The fair market value on the date of death was $25 per share.
- Jacob sold 100 shares of PDQ on July 1, 2011.

ABC stock:
- On February 5, 2011, Jacob sold 200 shares of ABC stock, which he purchased in 1995.
- Jacob does not know the basis for his ABC stock, and the basis is not shown on the 1099-B he received from the broker.

Advanced Scenario 1: Test Questions

1. What is the cost or other basis of the inherited PDQ stock that Jacob sold in 2011?
   a. $1,500
   b. $2,500
   c. $3,000
   d. $5,000

2. The gain or loss on the sale of Jacob’s inherited PDQ stock is:
   a. Short-term
   b. Long-term
3. Jacob does not know the basis of his ABC stock. What can he do?
   a. He can use $0 as his basis.
   b. He can contact his broker for help calculating his basis.
   c. He can calculate his basis by locating and reviewing all of the relevant ABC stock records.
   d. Any of the above.
Advanced Scenario 2: Ross and Mary Campbell

Interview Notes

- Ross and Mary will file a joint return.
- Ross and Mary purchased their home in 2004 for $150,000.
- In 2006, Ross and Mary added a swimming pool at a cost of $10,000.
- In 2009, they repaired the dishwasher at a cost of $200.
- Ross and Mary lived in the house as their main home until they sold it on June 18, 2011.
- Ross and Mary sold the home for $145,000 and received a Form 1099-S reporting the sale.
- Ross and Mary are U.S. citizens and have valid social security numbers.

Advanced Scenario 2: Test Questions

4. What is the amount of gain or loss Ross and Mary should report on the tax return?
   a. The sale should not be reported
   b. The sale should be reported because a Form 1099-S was received, but the gain or loss is $0
   c. Loss of $15,000
   d. Loss of $15,200

5. What is Ross and Mary's adjusted basis in the home?
   a. $145,000
   b. $150,000
   c. $160,000
   d. $160,200
Advanced Scenario 3: Gabriella Lafayette

Interview Notes

- On January 3, 2011, Gabriella purchased 2,500 shares of the ABC mutual fund for $15,000.
- On December 27, 2011, the fund paid a capital gain distribution of $300 that was reinvested to purchase an additional 100 shares.
- The fund did not pay dividends.
- Gabriella received Form 1099-DIV reporting the capital gain distribution, and a year-end statement showing $7,800 as the December 31, 2011, value of her 2,600 shares.
- This is Gabriella's only investment account and she did not sell any shares in 2011.

Advanced Scenario 3: Test Questions

6. Where on the tax return should Gabriella’s December 27 capital gain distribution appear?
   a. The distribution is not reported because the shares were reinvested.
   b. As a dividend on Form 1040, line 9a
   c. As a capital gain distribution on Form 1040, line 13
   d. As other income on Form 1040, line 21

7. How should the loss in value of Gabriella’s investment be reported?
   a. She can deduct a $7,500 capital loss on Form 1040, line 13.
   b. She can deduct a $7,200 capital loss on Form 1040, line 13.
   c. Her loss is limited to a $3,000 deduction on Form 1040, line 13.
   d. She cannot claim any loss because no shares were sold.

8. What is the total basis of all Gabriella’s ABC mutual fund shares held on December 31, 2011?
   a. $7,800
   b. $8,100
   c. $15,000
   d. $15,300
Advanced Scenario 4: Nathan and Phoebe Wheeler

Taxpayer Documents

- Social security cards for Nathan Wheeler, Phoebe Wheeler, and Matthew Wheeler
- Completed intake and interview sheet
- Forms 1099-R for Nathan and Phoebe
- Consolidated brokerage statement (substitute Form 1099-B and Form 1099-DIV)
- Schedule K-1 from Essex Corporation

Interview Notes

- Nathan and Phoebe want to file a joint tax return.
- Nathan retired and started receiving his pension of $2,000 per month in March 2011.
- Nathan's pension plan is a qualified plan, and he received benefits under a joint and survivor annuity, to be paid over the joint lives of Nathan and Phoebe.
- Nathan contributed $18,000 to the plan and did not receive any distributions before his annuity starting date.
- Phoebe receives disability payments from her former employer. Phoebe has not yet reached the minimum retirement age for the employer.
- Nathan won $2,500 at a poker tournament. He calculated his losses through the year as $2,100. No Form W-2G was issued.
- Nathan and Phoebe received a K-1 from an S corporation, reporting interest income.
- They sold some stock in 2011. They brought the consolidated broker's statement.
- Nathan and Phoebe brought a copy of their 2010 tax return to show you they have a long-term capital loss carryover of $375.
- Nathan and Phoebe will not itemize for 2011.
- The Wheelers have never had EIC disallowed.
Section A. You should complete Pages 1-3
Thank you for allowing us to prepare your tax return. You are responsible for the information on your return so please provide complete and accurate information to the certified tax preparer. If you have any questions please ask your preparer.

You will need your:
• Tax information such as Forms W-2, 1099, 1098.
• Social security cards or ITIN letters for you and all persons on your tax return.
• Proof of identity (such as a valid driver’s license or other government issued picture ID).

Part I. Your Personal Information
1. Your First Name  M. I.  Last Name  Are you a U.S. Citizen?
   NATHAN  WHEELER  X Yes  □ No
2. Spouse’s First Name  M. I.  Last Name  Is spouse a U.S. Citizen?
   PHOEBE  WHEELER  X Yes  □ No
3. Mailing Address  Apt#  City  State  Zip Code
   386 NASH  □ Your City  □ YES  □ Your ZIP

4. Contact Information
   Phone:  □ YOUR PHONE #  Cell Phone:  □ E-mail  NONE

5. Your Date of Birth  01/11/1949  Your Job Title  Are you:  7. Legally Blind  □ Yes  □ No
   □ RETIRED  □ Totally and Permanently Disabled  □ Yes  □ No
9. Spouse’s Date of Birth  06/26/1960  Spouse’s Job Title  Is Spouse  11. Legally Blind  □ Yes  □ No
   □ DISABLED  □ Totally and Permanently Disabled  □ Yes  □ No
13. Can anyone claim you or your spouse on their tax return?  □ Yes  □ No  □ Unsure

Part II. Marital Status and Household Information
1. As of December 31, 2011, were you?
   □ Single
   □ Married: Did you live with your spouse during any part of the last six months of 2011?  □ Yes  □ No
   □ Divorced or Legally Separated: Date of final decree or separate maintenance agreement
   □ Widowed: Year of spouse’s death:

2. List names below of everyone who lived in your home in 2011 (other than you or spouse). Also list anyone who lived outside of your home that you supported during 2011. If additional space is needed please check here □ and list on page 3.

<table>
<thead>
<tr>
<th>Name (first, last)</th>
<th>Date of Birth (mm/dd/yy)</th>
<th>Relationship to you</th>
<th>Number of months lived in your home in 2011</th>
<th>Marital Status as of 12/31/11 (SM)</th>
<th>Full-time student in 2011 (yes/no)</th>
<th>Received less than $3,700 income in 2011 (yes/no)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MATTHEW WHEELER</td>
<td>02/03/94</td>
<td>SON</td>
<td>12</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
</tr>
</tbody>
</table>

- Volunteers assisting with preparing your return are trained to provide high quality service and uphold the highest ethical standards.
- To report unethical behavior to IRS, email us at wivolts@irs.gov or call toll free 1-877-330-1205.
Section A. Please complete – check Yes, No or Unsure to all questions below. Please ask if you need help.

Part III. Income – In 2011, did you (or your spouse) receive:

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
<td>☒</td>
<td>☑</td>
<td>☒</td>
</tr>
<tr>
<td></td>
<td>1.</td>
<td>Wages or Salary? (Form W-2)</td>
</tr>
<tr>
<td>☐</td>
<td>☒</td>
<td>☒</td>
</tr>
<tr>
<td></td>
<td>2.</td>
<td>Tip Income?</td>
</tr>
<tr>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td></td>
<td>3.</td>
<td>Scholarships? (Forms W-2, 1098-T)</td>
</tr>
<tr>
<td>☒</td>
<td>☑</td>
<td>☒</td>
</tr>
<tr>
<td></td>
<td>4.</td>
<td>Interest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV)</td>
</tr>
<tr>
<td>☒</td>
<td>☑</td>
<td>☒</td>
</tr>
<tr>
<td></td>
<td>5.</td>
<td>Refund of state/local income taxes? (Form 1099-G)</td>
</tr>
<tr>
<td>☒</td>
<td>☑</td>
<td>☒</td>
</tr>
<tr>
<td></td>
<td>6.</td>
<td>Alimony Income?</td>
</tr>
<tr>
<td>☒</td>
<td>☑</td>
<td>☒</td>
</tr>
<tr>
<td></td>
<td>7.</td>
<td>Self-Employment payments (such as cash received for services, small business)? (Form 1099-MISC)</td>
</tr>
<tr>
<td>☒</td>
<td>☑</td>
<td>☒</td>
</tr>
<tr>
<td></td>
<td>8.</td>
<td>Income (or loss) from the sale of Stocks, Bonds or Real Estate (including your home)? (Forms 1099-S, 1098-B)</td>
</tr>
<tr>
<td>☒</td>
<td>☑</td>
<td>☒</td>
</tr>
<tr>
<td></td>
<td>9.</td>
<td>Disability income (such as payments from insurance or workers compensation)? (Forms 1099-R, W-2)</td>
</tr>
<tr>
<td>☒</td>
<td>☑</td>
<td>☒</td>
</tr>
<tr>
<td></td>
<td>10.</td>
<td>Distributions from Pensions, Annuities, and/or IRA? (Form 1099-R)</td>
</tr>
<tr>
<td>☒</td>
<td>☑</td>
<td>☒</td>
</tr>
<tr>
<td></td>
<td>11.</td>
<td>Unemployment Compensation? (Form 1099-G)</td>
</tr>
<tr>
<td>☒</td>
<td>☑</td>
<td>☒</td>
</tr>
<tr>
<td></td>
<td>12.</td>
<td>Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099)</td>
</tr>
<tr>
<td>☒</td>
<td>☑</td>
<td>☒</td>
</tr>
<tr>
<td></td>
<td>13.</td>
<td>Income (or loss) from Rental Property?</td>
</tr>
<tr>
<td>☒</td>
<td>☑</td>
<td>☒</td>
</tr>
<tr>
<td></td>
<td>14.</td>
<td>Other Income: (gambling, lottery, prizes, awards, jury duty, etc.) Specify, SCH K-1 &amp; GAMBLING (Forms W-2 G, 1099-MISC)</td>
</tr>
</tbody>
</table>

Part IV. Expenses – In 2011 Did you (or your spouse) pay:

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
<td>☒</td>
<td>☑</td>
<td>☒</td>
</tr>
<tr>
<td></td>
<td>1.</td>
<td>Alimony: If yes, do you have the recipient’s SSN? ☐ Yes ☒ No</td>
</tr>
<tr>
<td>☒</td>
<td>☑</td>
<td>☒</td>
</tr>
<tr>
<td></td>
<td>2.</td>
<td>Contributions to a retirement account? ☒ IRA ☒ Roth IRA ☒ 401K ☒ Other</td>
</tr>
<tr>
<td>☒</td>
<td>☑</td>
<td>☒</td>
</tr>
<tr>
<td></td>
<td>3.</td>
<td>Educational expenses paid for yourself, spouse or dependents, such as tuition, books, fees, etc.? (Form 1068-T)</td>
</tr>
<tr>
<td>☒</td>
<td>☑</td>
<td>☒</td>
</tr>
<tr>
<td></td>
<td>4.</td>
<td>Unreimbursed employee business expenses (such as teacher supplies, uniforms or mileage)?</td>
</tr>
<tr>
<td>☒</td>
<td>☑</td>
<td>☒</td>
</tr>
<tr>
<td></td>
<td>5.</td>
<td>Medical expenses (including health insurance premiums)?</td>
</tr>
<tr>
<td>☒</td>
<td>☑</td>
<td>☒</td>
</tr>
<tr>
<td></td>
<td>6.</td>
<td>Home mortgage interest? (Form 1098)</td>
</tr>
<tr>
<td>☒</td>
<td>☑</td>
<td>☒</td>
</tr>
<tr>
<td></td>
<td>7.</td>
<td>Real estate taxes for your home or personal property taxes for your vehicle? (Form 1068)</td>
</tr>
<tr>
<td>☒</td>
<td>☑</td>
<td>☒</td>
</tr>
<tr>
<td></td>
<td>8.</td>
<td>Charitable contributions?</td>
</tr>
<tr>
<td>☒</td>
<td>☑</td>
<td>☒</td>
</tr>
<tr>
<td></td>
<td>9.</td>
<td>Child/dependent care expenses, such as day-care?</td>
</tr>
</tbody>
</table>

Part V. Life Events – In 2011 Did you (or your spouse):

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
<td>☒</td>
<td>☑</td>
<td>☒</td>
</tr>
<tr>
<td></td>
<td>1.</td>
<td>Have a Health Savings Account? (Forms 5498-SA, 1099-SA)</td>
</tr>
<tr>
<td>☒</td>
<td>☑</td>
<td>☒</td>
</tr>
<tr>
<td></td>
<td>2.</td>
<td>Have debt from a mortgage or credit card canceled/forgiven by a commercial lender? (Form 1099-C)</td>
</tr>
<tr>
<td>☒</td>
<td>☑</td>
<td>☒</td>
</tr>
<tr>
<td></td>
<td>3.</td>
<td>Buy, sell or have a foreclosure of your home? (Form 1099-A)</td>
</tr>
<tr>
<td>☒</td>
<td>☑</td>
<td>☒</td>
</tr>
<tr>
<td></td>
<td>4.</td>
<td>Have Earned Income Credit (EIC) disallowed in a prior year? If yes, for which tax year?</td>
</tr>
<tr>
<td>☒</td>
<td>☑</td>
<td>☒</td>
</tr>
<tr>
<td></td>
<td>5.</td>
<td>Purchase and install energy efficient home items (such as windows, furnace, insulation, etc.)?</td>
</tr>
<tr>
<td>☒</td>
<td>☑</td>
<td>☒</td>
</tr>
<tr>
<td></td>
<td>6.</td>
<td>Live in an area that was affected by a natural disaster? If yes, where?</td>
</tr>
<tr>
<td>☒</td>
<td>☑</td>
<td>☒</td>
</tr>
<tr>
<td></td>
<td>7.</td>
<td>Receive the First Time Homebuyers Credit in 2008?</td>
</tr>
<tr>
<td>☒</td>
<td>☑</td>
<td>☒</td>
</tr>
<tr>
<td></td>
<td>8.</td>
<td>Pay any student loan interest? (Form 1098-E)</td>
</tr>
<tr>
<td>☒</td>
<td>☑</td>
<td>☒</td>
</tr>
<tr>
<td></td>
<td>9.</td>
<td>Make estimated tax payments or apply last year’s refund to your 2011 tax? If so how much?</td>
</tr>
<tr>
<td>☒</td>
<td>☑</td>
<td>☒</td>
</tr>
<tr>
<td></td>
<td>10.</td>
<td>Attend school as a full time student? (Form 1098-T)</td>
</tr>
<tr>
<td>☒</td>
<td>☑</td>
<td>☒</td>
</tr>
<tr>
<td></td>
<td>11.</td>
<td>Adopt a child?</td>
</tr>
<tr>
<td>☒</td>
<td>☑</td>
<td>☒</td>
</tr>
<tr>
<td></td>
<td>12.</td>
<td>File a 2010 federal tax return containing a “capital loss carryover” on Form 1040 Schedule D?</td>
</tr>
</tbody>
</table>

Presidential Election Campaign Fund: (If you check a box, your tax or refund will not change.)
Check here if you, or your spouse if filing jointly, want $3 to go to this fund ☒ You ☒ Spouse
Additional Information and Questions related to the preparation of your return

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

Other than English what language is spoken in the home?  None

Are you or a member of your household considered disabled?  Yes  No

If you are due a refund or have a balance due:

- Ask your preparer about Direct Deposit. It is the fastest, easiest way to receive your tax refund. An e-filed return means a fast refund. Taxpayers who combine e-file and Direct Deposit can get their refunds in as few as 10 days.
- Ask your preparer about purchasing Series I U.S. Savings Bonds with part or all of your tax refund. Savings bonds are a safe and secure way to invest in the future. Purchase I Bonds for yourself or others in multiples of $50 and earn interest for up to 30 years.

If you are due a refund, would you like a direct deposit?  Yes  No
If you are due a refund, would you like information on how to purchase U.S. Savings Bonds?  Yes  No
If you are due a refund, would you like information on how to split your refund between accounts?  Yes  No
If you have a balance due, would you like to make a payment directly from your bank account?  Yes  No

Additional comments:

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

STOP HERE!
Thank you for completing this form.
Please give this form to the certified volunteer preparer for use in preparing your return.

Your Civil Rights are Protected: It is the Internal Revenue Service's mission to provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all. Under no circumstances will the Internal Revenue Service tolerate discrimination by its employees, grantees, contractors, and/or subcontractors. NO ONE shall be excluded from participating in, be denied the benefits of, or be subjected to discrimination because of race, color, sex, national origin, disability, reprisal, or age in programs or activities funded by the Department of Treasury – Internal Revenue Service. Any person who believes that he/she has been discriminated against on the basis of race, color, sex, national origin, disability, reprisal or age in programs or activities receiving financial assistance (e.g. Low-Income Tax Clinics, Tax Counseling for the Elderly) from the Department of Treasury IRS, may submit a written complaint to: National Headquarters: Office of Equity, Diversity & Inclusion; Internal Revenue Service; Attn: Director, Civil Rights Division (External Civil Rights Team); 1111 Constitution Ave., NW Room 2422; Washington, DC 20224.

Paperwork Reduction Act Notice
The Paperwork Reduction Act requires that the IRS display an OMB control number on all public information requests. The OMB Control Number for this study is 1545-1064. Also, if you have any comments regarding the time estimates associated with this study or suggestion on making this process simpler, please write to the Internal Revenue Service, Tax Products Coordinating Committee, SE: W: CAR: MP: T: SP, 1111 Constitution Ave. NW, Washington, DC 20224.

Catalog Number 52121E  Form 13614-C (Rev. xx-xxxx)
### Section B. For Certified Volunteer Preparer Completion

**Remember:** You are the link between the taxpayer’s information and a correct tax return. Verify the taxpayer’s information on pages 1, 2 & 3 is complete. All questions must be discussed with the taxpayer and all “Unsure” responses should be changed to “Yes” or “No”.

**Must be completed by Certified Volunteer only if persons are listed in Part II Question 2**

**Check if persons are listed in Part II Question 2**

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>N/A</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Reminders**


**Additional Tax Preparer Notes:**

---

### Section C. For Certified Quality Reviewer Completion

**Confirm each item after reviewing the tax return and verifying that it reflects correct tax law application to the information provided by the taxpayer.**

1. Sections A & B of this form are complete.

2. Taxpayer’s identity, address and phone numbers were verified.

3. Names, SSN or ITINs, and dates of birth of taxpayer, spouse and dependents match the supporting documents.

4. Filing Status is correctly determined.

5. Personal and Dependency Exemptions are entered correctly on the return.

6. All information shown on source documents and noted in Section A, Part III is included on the tax return.

7. Any Adjustments to Income are correctly reported.

8. Standard, Additional or Itemized Deductions are correct.

9. All credits are correctly reported.

10. Withholding shown on Forms W-2, 1099 and Estimated Tax Payments are correctly reported.

---

If direct deposit or debit was elected, checking/saving account and routing information match the supporting documents.

Correct SSN and EFIN are shown on the return.
### Advanced Scenarios

#### Example 1

**PAYER’S name, street address, city, state, and ZIP code**

**MOTHER GOOSE NURSERY**  
907 STARR  
YOUR CITY, STATE ZIP

**RECIPIENT’S name**

**PHOEBE WHEELER**

**Street address (including apt. no.)**

**388 NASH**

**City, state, and ZIP code**

**YOUR CITY, STATE ZIP**

<table>
<thead>
<tr>
<th>1. Gross distribution</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,000.00</td>
<td></td>
</tr>
</tbody>
</table>

**2a. Taxable amount**

| $5,000.00 |

**Total distribution**

| $0.00 |

**Employer contributions**

| $ |

**Not unrealized appreciation in employer’s securities**

| $ |

**Your percentage of total distribution**

| % |

**Total employee contributions**

| $18,000.00 |

#### Example 2

**PAYER’S name, street address, city, state, and ZIP code**

**SOUTHEAST ISO**  
1809 QUINCY  
YOUR CITY, STATE ZIP

**RECIPIENT’S name**

**NATHAN WHEELER**

**Street address (including apt. no.)**

**335 NASH**

**City, state, and ZIP code**

**YOUR CITY, STATE ZIP**

<table>
<thead>
<tr>
<th>1. Gross distribution</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>$20,000.00</td>
<td></td>
</tr>
</tbody>
</table>

**2a. Taxable amount**

| $ |

**Total distribution**

| $ |

**Employer contributions**

| $ |

**Not unrealized appreciation in employer’s securities**

| $ |

**Your percentage of total distribution**

| % |

**Total employee contributions**

| $ |

This information is being furnished to the Internal Revenue Service.
Year-end Statement for:  
**Nathan and Phoebe Wheeler**  
388 Nash  
Your City, State, ZIP  
316-XX-XXXX  

**12/31/2011**  
**ABC Investments, Inc.**  
456 Main Street  
Your City, State, ZIP  
FEIN: 40-2XXXXXX  

### SALES (Substitute 1099-B)

<table>
<thead>
<tr>
<th>Description (Box 9)</th>
<th>200 shares XYZ stock</th>
<th>250 shares ABC stock</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of Sale (Box 1a)</td>
<td>2/1/2011</td>
<td>2/1/2011</td>
</tr>
<tr>
<td>Date of Acquisition (Box 1b)</td>
<td>3/23/2000</td>
<td>9/16/2010</td>
</tr>
<tr>
<td>Sales Price less commission (Box 2)</td>
<td>$3,175.00</td>
<td>$3,250.00</td>
</tr>
<tr>
<td>Cost or other basis (Box 3)</td>
<td>$2,000.00</td>
<td>$3,750.00</td>
</tr>
<tr>
<td>Federal Withholding (Box 4)</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Non-covered securities (Box 6)</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Type of Gain or Loss (Box 8)</td>
<td>L</td>
<td>S</td>
</tr>
</tbody>
</table>

### DIVIDENDS (Substitute 1099-DIV)

<table>
<thead>
<tr>
<th>Payer</th>
<th>ABC Investments, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary Dividend (Box 1a)</td>
<td>$300.00</td>
</tr>
<tr>
<td>Qualifying Dividend (Box 1b)</td>
<td>$300.00</td>
</tr>
<tr>
<td>Capital Gain Distribution (Box 2a)</td>
<td>$50.00</td>
</tr>
<tr>
<td>Federal Withholding (Box 4)</td>
<td>$0.00</td>
</tr>
<tr>
<td>Foreign Tax Paid (Box 5)</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

### INTEREST (Substitute 1099-INT)

<table>
<thead>
<tr>
<th>Payer</th>
<th>ABC Investments, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Income (Box 1)</td>
<td>$0.00</td>
</tr>
<tr>
<td>Early Withdrawal Penalty (Box 2)</td>
<td>$0.00</td>
</tr>
<tr>
<td>Interest on US Savings Bond (Box 3)</td>
<td>$0.00</td>
</tr>
<tr>
<td>Federal Withholding (Box 4)</td>
<td>$0.00</td>
</tr>
</tbody>
</table>
### Part I: Information About the Corporation

- Corporation’s employer identification number: 40-XXXXXX
- Corporation’s name, address, city, state, and ZIP code:
  - ESSEX CORPORATION
  - 300 MARK STREET
  - YOUR CITY, STATE ZIP

### Part II: Information About the Shareholder

- Shareholder’s identifying number: 316-XX-XXXX
- Shareholder’s name, address, city, state, and ZIP code:
  - NATHAN WHEELER
  - 388 NASH
  - YOUR CITY, STATE ZIP

- Shareholder’s percentage of stock ownership for tax year: \( \text{\%} \)

### Part III: Shareholder’s Share of Current Year Income, Deductions, Credits, and Other Items

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Line</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ordinary business income (loss)</td>
<td>13</td>
</tr>
<tr>
<td>2</td>
<td>Net rental real estate income (loss)</td>
<td>13</td>
</tr>
<tr>
<td>3</td>
<td>Other net rental income (loss)</td>
<td>13</td>
</tr>
<tr>
<td>4</td>
<td>Interest income</td>
<td>160</td>
</tr>
<tr>
<td>5a</td>
<td>Ordinary dividends</td>
<td>14</td>
</tr>
<tr>
<td>5b</td>
<td>Qualified dividends</td>
<td>14</td>
</tr>
<tr>
<td>6</td>
<td>Royalties</td>
<td>14</td>
</tr>
<tr>
<td>7</td>
<td>Net short-term capital gain (loss)</td>
<td>14</td>
</tr>
<tr>
<td>8a</td>
<td>Net long-term capital gain (loss)</td>
<td>14</td>
</tr>
<tr>
<td>8b</td>
<td>Collectibles (99%) gain (loss)</td>
<td>14</td>
</tr>
<tr>
<td>8c</td>
<td>Uncaptured section 1250 gain</td>
<td>14</td>
</tr>
<tr>
<td>9</td>
<td>Net section 1231 gain (loss)</td>
<td>14</td>
</tr>
<tr>
<td>10</td>
<td>Other income (loss)</td>
<td>14</td>
</tr>
<tr>
<td>11</td>
<td>Section 179 deduction</td>
<td>15</td>
</tr>
<tr>
<td>12</td>
<td>Items affecting shareholder basis</td>
<td>15</td>
</tr>
<tr>
<td>13</td>
<td>Credits</td>
<td>15</td>
</tr>
<tr>
<td>14</td>
<td>Alternative minimum tax (AMT) items</td>
<td>15</td>
</tr>
<tr>
<td>15</td>
<td>Other deductions</td>
<td>15</td>
</tr>
<tr>
<td>16</td>
<td>Other information</td>
<td>15</td>
</tr>
</tbody>
</table>

* See attached statement for additional information.

For Paperwork Reduction Act Notice, see Instructions for Form 1120S.

Cat. No. 11826D Schedule K-1 (Form 1120S) 2011

For IRS Use Only
Advanced Scenario 4: Test Questions

Directions

Complete Form 1040 and the appropriate forms, schedules, and worksheets to answer each of the following questions.

*Note: When using the Link and Learn Taxes Practice Lab, complete the social security numbers and employer identification numbers by replacing the Xs with your User ID. In classroom situations, replace the Xs with the EFIN provided by your instructor.*

9. The disability income from Phoebe’s Form 1099-R should appear on which line of Form 1040?
   a. Disability income is not reported
   b. Report as Wages on line 7
   c. Report as Pension on line 16b
   d. Report as Other income on line 21

10. Where on the tax return should the interest income from Schedule K-1 (Form 1120S) appear?
    a. Form 1040, line 8a
    b. Form 1040, line 12
    c. Form 1040, line 17
    d. Form 1040, line 21

11. The holding periods for Nathan and Phoebe’s stock are as follows:
    a. Both ABC and XYZ are short-term
    b. Both ABC and XYZ are long-term
    c. ABC is short-term and XYZ is long-term
    d. ABC is long-term and XYZ is short-term

12. What is the net capital gain (or loss) that appears on Form 1040, line 13?
    a. $350
    b. $675
    c. $1,175
    d. $1,225

13. How much of the $20,000 gross distribution reported on Nathan’s Form 1099-R is taxable in 2011?
    a. $19,308
    b. $19,400
    c. $19,500
    d. $20,000
14. What should Nathan report as gambling income on Form 1040, line 21?
   a. Nothing, because no Form W-2G was issued
   b. $400
   c. $2,100
   d. $2,500

15. What amount of earned income, if any, is used to calculate the Wheelers’ EIC?
   a. $0
   b. $5,000
   c. $24,000
   d. $29,510
Directions

The first scenario does not require you to prepare a tax return. Read the interview notes for the scenario carefully and use your training and resource materials to answer the questions.

Military Scenario 1: Benjamin and Avery Merrimack

Interview Notes

- Benjamin and Avery live in Denver, Colorado, where Benjamin joined the Air Force. He finished his training and will be stationed in Tucson, Arizona, for two years. This is a permanent change of station (PCS).
- They decided to make a Do It Yourself (DITY) move and save money.
- On June 4, Benjamin and Avery packed all their belongings and began driving from Denver to Tucson. On the way, they made a side trip to the Grand Canyon to see the sights. Their trip took a total of six days and five nights instead of the authorized two days and one night.
- Their move was estimated to cost $6,000, and the Air Force provided $5,700 in advance.
- The Merrimacks drove a total of 1,116 miles. The shortest, most direct route from Denver to Tucson is 900 miles. Their cost for the moving truck was $3,000. Their cost for lodging was $75 per night, which is considered a reasonable expense. Benjamin and Avery spent $500 on food during the trip.
- Benjamin and Avery are U.S. citizens and have valid social security numbers.

Military Scenario 1: Test Question

1. What is the total amount of qualified moving expenses?
   a. $3,000
   b. $3,246
   c. $3,546
   d. $4,046

2. The difference between the amount advanced and the allowable costs incurred will be reported on a Form W-2.
   a. True
   b. False
Military Scenarios

Military Scenario 2: Lucas and Katarina Benton

Taxpayer Documents

- Social security cards for Lucas and Katarina Benton
- Completed intake and interview sheet
- Two Forms W-2 for Katarina Benton
- Form 1099-R for Lucas Benton

Interview Notes

- Lucas and Katarina want to file a joint return.
- Katarina is a computer programmer and a member of the Army Reserve.
- Katarina attended weekend Army Reserve training sessions over 100 miles away from home each month for the first five months of the year. The expenses were not reimbursed. Total expenses for the five-month period were:
  - Mileage: 2,300 based on written records
  - Vehicle: Katarina and Lucas own two vehicles and both are available for personal use
  - Vehicle placed in service 7/1/2010. Total mileage in 2011 for Katarina’s car is 9,000 miles which included 6,700 other miles.
  - Lodging: $770 (within federal per diem rate for the area)
  - Meals: $420 (within federal per diem rate for the area)
- Lucas retired on December 31, 2010, and began drawing a monthly pension in January 2011. He received benefits under a joint and survivor annuity.
- Katarina owns rental property, which she placed into service in 2004.
  - Rental property: Katarina is an active participant
    - Townhouse, 1000 Sunshine Street, Your City, Your State
    - Purchased property: 04/30/2004
    - Annual rental income: $8,400
    - Annual real estate taxes: $1,200
    - Management company fees for the time the property was rented: $420
    - Air conditioner repair: 3/15/2011, $350
    - Depreciation (from last year’s tax return): $2,400
    - Katarina did not make any payments that would require her to file Form 1099
- Lucas and Katarina did not itemize last year and do not have enough deductions to itemize this year.
Section A. You should complete Pages 1-3

Thank you for allowing us to prepare your tax return. You are responsible for the information on your return so please provide complete and accurate information to the certified tax preparer. If you have any questions please ask your preparer.

You will need your:
- Tax information such as Forms W-2, 1099, 1098.
- Social security cards or ITIN letters for you and all persons on your tax return.
- Proof of Identity (such as a valid driver's license or other government issued picture ID).

Part I. Your Personal Information

1. Your First Name: LUCAS
   M. I. Last Name: BENTON
   Are you a U.S. Citizen? [X] Yes [ ] No

2. Spouse’s First Name: KATARINA
   M. I. Last Name: BENTON
   Is spouse a U.S. Citizen? [X] Yes [ ] No

3. Mailing Address:
   723 CARVER RD
   Apt#: YOUR CITY
   City: YOUR ZIP
   State: YS
   Zip Code: YOUR ZIP

4. Contact Information:
   Phone: [YOUR PHONE #]
   Cell Phone: [ ]
   E-mail: [NONE]

5. Your Date of Birth: 05/09/1953
6. Your Job Title: RETIRED
7. Legally Blind: [X] Yes [ ] No
8. Totally and Permanently Disabled: [X] Yes [ ] No
9. Spouse’s Date of Birth: 08/02/1966
10. Spouse’s Job Title: COMPUTER PROGRAMMER
11. Legally Blind: [X] Yes [ ] No
12. Totally and Permanently Disabled: [X] Yes [ ] No

13. Can anyone claim you or your spouse on their tax return? [ ] Yes [X] No [ ] Unsure

Part II. Marital Status and Household Information

1. As of December 31, 2011, were you?
   [ ] Single
   [X] Married: Did you live with your spouse during any part of the last six months of 2011? [X] Yes [ ] No
   [ ] Divorced or Legally Separated: Date of final decree or separate maintenance agreement:
   [ ] Widowed: Year of spouse’s death:

2. List names below of everyone who lived in your home in 2011 (other than you or spouse). Also list anyone who lived outside of your home that you supported during 2011. If additional space is needed please check here and list on page 3.

   | Name (first last) | Date of Birth (mm/dd/yy) | Relationship to you (eg. daughter, son, mother, sister, none) | Number of months lived in your home in 2011 | US Citizen or resident of the US, Canada or Mexico in 2011 (yes/no) | Marital Status as of 12/31/11 (SM) | Full-time student in 2011 (yes/no) | Received less than $3700 income in 2011 (yes/no) |
   | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |

   - Volunteers assisting with preparing your return are trained to provide high quality service and uphold the highest ethical standards.
   - To report unethical behavior to IRS, email us at wi增值税@irs.gov or call toll free 1-877-330-1205.

To check the status of your REFUND visit “Where’s My Refund?” on www.irs.gov or call 1-800-829-1954 for assistance.
Section A. Please complete – check Yes, No or Unsure to all questions below. Please ask if you need help.

Part III. Income – In 2011, did you (or your spouse) receive:

Yes No Unsure
1. Wages or Salary? (Form W-2) X
2. Tip Income? X
3. Scholarships? (Forms W-2, 1099-T) X
4. Interest/Dividends from checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV) X
5. Refund of state/local income taxes? (Form 1099-G) X
6. Alimony Income? X
7. Self-Direct payments (such as cash received for services, small business)? (Form 1099-MISC) X
8. Income (or loss) from the sale of Stocks, Bonds or Real Estate (including your home)? (Forms 1099-S, 1099-B) X
9. Disability Income (such as payments from insurance or workers compensation)? (Forms 1099-R, W-2) X
10. Distributions from Pensions, Annuities, and/or IRA? (Form 1099-R) X
11. Unemployment Compensation? (Form 1099-G) X
12. Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099) X
13. Income (or loss) from Rental Property? X
14. Other Income: (gaming, lottery, prizes, awards, jury duty, etc.) Specify: (Forms W-2 G, 1099-MISC) X

Part IV. Expenses – In 2011 Did you (or your spouse) pay:

Yes No Unsure
1. Alimony: If yes, do you have the recipient's SSN? Yes No X
2. Contributions to a retirement account? IRA Roth IRA Other 401K X
3. Educational expenses paid for yourself, spouse or dependents, such as tuition, books, fees, etc.? (Form 1096-T) X
4. Unreimbursed employee business expenses (such as teacher supplies, uniforms or mileage)? X
5. Medical expenses (including health insurance premiums)? X
6. Home mortgage interest? (Form 1098) X
7. Real estate taxes for your home or personal property taxes for your vehicle? (Form 1098) X
8. Charitable contributions? X
9. Child/dependent care expenses, such as day-care? X

Part V. Life Events – In 2011 Did you (or your spouse):

Yes No Unsure
1. Have a Health Savings Account? (Forms 5498-SA, 1099-SA) X
2. Have debt from a mortgage or credit card canceled/forgiven by a commercial lender? (Form 1099-C) X
3. Buy, sell or have a foreclosure of your home? (Form 1099-A) X
4. Have Earned Income Credit (EIC) disallowed in a prior year? If yes, for which tax year? X
5. Purchase and install energy efficient home items (such as windows, furnace, insulation, etc.)? X
6. Live in an area that was affected by a natural disaster? If yes, where? X
7. Receive the First Time Homebuyers Credit in 2008? X
8. Pay any student loan interest? (Form 1098-E) X
9. Make estimated tax payments or apply last year’s refund to your 2011 tax? If so how much? X
10. Attend school as a full time student? (Form 1098-T) X
11. Adopt a child? X
12. File a 2010 federal tax return containing a “capital loss carryover” on Form 1040 Schedule D? X

Presidential Election Campaign Fund: (If you check a box, your tax or refund will not change.)
Check here if you, or your spouse if filing jointly, want $3 to go to this fund X You X Spouse
Additional Information and Questions related to the preparation of your return

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

Other than English what language is spoken in the home?  French ______

Are you or a member of your household considered disabled?  □ Yes  □ No

If you are due a refund or have a balance due:

- Ask your preparer about Direct Deposit. It is the fastest, easiest way to receive your tax refund. An e-filed return means a fast refund. Taxpayers who combine e-file and Direct Deposit can get their refunds in as few as 10 days.
- Ask your preparer about purchasing Series I U.S. Savings Bonds with part or all of your tax refund. Savings bonds are a safe and secure way to invest in the future. Purchase I Bonds for yourself or others in multiples of $50 and earn interest for up to 30 years.

If you are due a refund, would you like a direct deposit?  □ Yes  □ No
If you are due a refund, would you like information on how to purchase U.S. Savings Bonds?  □ Yes  □ No
If you are due a refund, would you like information on how to split your refund between accounts?  □ Yes  □ No
If you have a balance due, would you like to make a payment directly from your bank account?  □ Yes  □ No

Additional comments: ________________________________

STOP HERE!

Thank you for completing this form.
Please give this form to the certified volunteer preparer for use in preparing your return.

Your Civil Rights are Protected: It is the Internal Revenue Service’s mission to provide America’s taxpayers top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all. Under no circumstances will the Internal Revenue Service tolerate discrimination by its employees, grantees, contractors, and/or subcontractors. NO ONE shall be excluded from participating in, be denied the benefits of, or be subject to discrimination because of race, color, sex, national origin, disability, reprisal, or age in programs or activities funded by the Department of Treasury – Internal Revenue Service. Any person who believes that he/she has been discriminated against on the basis of race, color, sex, national origin, disability, reprisal or age in programs or activities receiving financial assistance (e.g. Low-Income Tax Clinics, Tax Counseling for the Elderly) from the Department of Treasury IRS, may submit a written complaint to: National Headquarters, Office of Equity, Diversity & Inclusion, Internal Revenue Service, Attn: Director, Civil Rights Division (External Civil Rights Team); 1111 Constitution Ave., NW Room 2422; Washington, DC 20224.

Paperwork Reduction Act Notice

The Paperwork Reduction Act requires that the IRS display an OMB control number on all public information requests. The OMB Control Number for this study is 1545-1964. Also, if you have any comments regarding the time estimates associated with this study or suggestion on making this process simpler, please write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, Washington, DC 20224.

Catalog Number 52121E  Form 13614-C (Rev. xx-xxxxx)
### Section B. For Certified Volunteer Preparer Completion

**Remember:** You are the link between the taxpayer’s information and a correct tax return. Verify the taxpayer’s information on pages 1, 2 & 3 is complete. All questions must be discussed with the taxpayer and all “Unsure” responses should be changed to “Yes” or “No”.

**Must be completed by Certified Volunteer only if persons are listed in Part II Question 2**

**Check if persons are listed in Part II Question 2**

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>1.</td>
<td>Can anyone else claim any of the persons listed in Part II, Question 2, as a dependent on their return? If yes, which ones:</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>2.</td>
<td>Were any of the persons listed in Part II, Question 2, totally and permanently disabled? If yes, which ones:</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>3.</td>
<td>Did any of the persons listed in Part II, Question 2, provide more than 50% of their own support? If yes, which ones:</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>4.</td>
<td>Did the taxpayer provide more than half the support for each of the persons in Part II, Question 2? If yes, which ones:</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>5.</td>
<td>Did the taxpayer pay over half the cost of maintaining a home for any of the persons in Part II, Question 2? If yes, which ones:</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Reminders**


**Additional Tax Preparer Notes:**

---

### Section C. For Certified Quality Reviewer Completion

**Confirm each item after reviewing the tax return and verifying that it reflects correct tax law application to the information provided by the taxpayer.**

1. Sections A & B of this form are complete.
2. Taxpayer’s identity, address and phone numbers were verified.
3. Names, SSN or ITINs, and dates of birth of taxpayer, spouse and dependents match the supporting documents.
4. Filing Status is correctly determined.
5. Personal and Dependency Exemptions are entered correctly on the return.
6. All information shown on source documents and noted in Section A, Part III is included on the tax return.
7. Any Adjustments to income are correctly reported.
8. Standard, Additional or Itemized Deductions are correct.
9. All credits are correctly reported.
10. Withholding shown on Forms W-2, 1099 and Estimated Tax Payments are correctly reported.

**☐ All tax law issues above have been addressed and necessary changes have been made.**

**☐ If direct deposit or debit was elected, checking/savings account and routing information match the supporting documents.**

**☐ Correct SIDN and EFID are shown on the return.**
### Form W-2 Wage and Tax Statement

#### Katarina V. Benton

**Name:** Katarina V. Benton  
**Address:** 723 Carver Rd, Your City, State Zip

<table>
<thead>
<tr>
<th>Social Security Number</th>
<th>Name</th>
<th>Address</th>
<th>Employer</th>
<th>Taxable Income</th>
<th>Social Security Withheld</th>
<th>Medicare Withheld</th>
<th>Total Taxable Income</th>
<th>Total Withheld</th>
</tr>
</thead>
<tbody>
<tr>
<td>40-6XXXXXX</td>
<td></td>
<td></td>
<td>WEST COMPUTER CENTER</td>
<td>5330 Porter Ste. 12</td>
<td>YOUR CITY, STATE ZIP</td>
<td>35,550.00</td>
<td>4,425.00</td>
<td></td>
</tr>
</tbody>
</table>

**Social Security:**
- **Social Security:** 35,550.00  
- **Social Security Withheld:** 1,493.00
- **Social Security Tax Withheld:** 515.00

**Medicare:**
- **Medicare:** 35,550.00  
- **Medicare Withheld:** 0.00

**State Income Tax:**
- **State Income Tax:** 1,777.00

**Local Income Tax:**
- **Local Income Tax:** 0.00

**Total Wages, Tips, and Other Compensation:** 35,550.00

---

### Form W-2 Wage and Tax Statement

#### Katarina V. Benton

**Name:** Katarina V. Benton  
**Address:** 723 Carver Rd, Your City, State Zip

<table>
<thead>
<tr>
<th>Social Security Number</th>
<th>Name</th>
<th>Address</th>
<th>Employer</th>
<th>Taxable Income</th>
<th>Social Security Withheld</th>
<th>Medicare Withheld</th>
<th>Total Taxable Income</th>
<th>Total Withheld</th>
</tr>
</thead>
<tbody>
<tr>
<td>40-6XXXXXX</td>
<td></td>
<td></td>
<td>DFAS</td>
<td>P.O. Box 9999</td>
<td>IOWA CITY, IOWA 52240</td>
<td>5,322.00</td>
<td>532.00</td>
<td></td>
</tr>
</tbody>
</table>

**Social Security:**
- **Social Security:** 5,322.00  
- **Social Security Withheld:** 224.00
- **Social Security Tax Withheld:** 77.00

**Medicare:**
- **Medicare:** 5,322.00  
- **Medicare Withheld:** 0.00

**State Income Tax:**
- **State Income Tax:** 0.00

**Local Income Tax:**
- **Local Income Tax:** 0.00

**Total Wages, Tips, and Other Compensation:** 5,322.00

---

**Department of the Treasury—Internal Revenue Service**

*Copy B—To Be Filed With Employee’s FEDERAL Tax Return. This information is being furnished to the Internal Revenue Service.*
<table>
<thead>
<tr>
<th><strong>PAYER’s name, street address, city, state, and ZIP code</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>EASTLAND INC</td>
</tr>
<tr>
<td>941 FREMONT AVE</td>
</tr>
<tr>
<td>YOUR CITY, STATE ZIP</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Distribution From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Form 1099-R</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>PAYER’s federal identification number</strong></th>
<th><strong>RECIPIENT’s identification number</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>40-7XXXXXX</td>
<td>544-XX-XXXX</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>RECIPIENT’s name</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>LUCAS BENTON</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Street address (including apt. no.)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>723 CARVER RD</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>City, state, and ZIP code</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>YOUR CITY, STATE ZIP</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>1. Gross distribution</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>$32,200.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>2a. Taxable amount</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>2b. Taxable amount not determined</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>3. Capital gain (included in box 2a)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>4. Federal income tax withheld</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>$3,220.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>5. Employee contributions /Designated Roth contributions or insurance premiums</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>6. Net unrealized appreciation in employer’s securities</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>7. Distribution code(s)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>IRAS/SEP/ SIMPLE</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>8. Other</strong></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th><strong>9a. Your percentage of total distribution</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>9b. Total employee contributions</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>$61,500.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>10. Amount allocable to IRR within 5 years</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>11. 1st year of design. Roth contrib.</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.610.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>12. State tax withheld</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>13. State/Payer’s state no.</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>40-7XXXXXX</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>14. State distribution</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>15. Local tax withheld</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>16. Name of locality</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>17. Local distribution</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
</tr>
</tbody>
</table>

*Form 1099-R*  
Department of the Treasury - Internal Revenue Service
Military Scenario 2: Test Questions

Directions

Please complete Form 1040 through line 37 and the appropriate forms, schedules, or worksheets to answer each of the following questions.

Note: When using the Link and Learn Taxes Practice Lab, complete the social security numbers and employer identification numbers by replacing the Xs with your User ID. In classroom situations, replace the Xs with the EFIN provided by your instructor.

3. What is the correct amount of wages reported on Form 1040, line 7? _____

4. Which of the following is used to calculate the taxable portion of Lucas’ pension?
   a. Lucas’ current age
   b. Lucas’ and Katarina’s current ages
   c. The age of the younger spouse
   d. Lucas’ and Katarina’s ages at the annuity starting date

5. How much of the $32,200 distribution from Form 1099-R is taxable?
   a. $29,362
   b. $29,819
   c. $30,400
   d. $32,200

6. What is Katarina’s rental real estate income reported in the Income section of Form 1040?
   a. $4,030
   b. $4,450
   c. $6,430
   d. $8,400

7. Katarina will use which of the following mileage rates when computing her Army reservist mileage for the period 1/1/2011-6/30/2011?
   a. 19 cents per mile
   b. 23.5 cents per mile
   c. 51 cents per mile
   d. 55.5 cents per mile

8. The total adjustments to gross income on Form 1040 are $_____.
9. Katarina’s unreimbursed reservist expenses are an adjustment to income because:
   a. The unreimbursed expenses of any reservist are an adjustment to income.
   b. Katarina had to travel more than 100 miles for reservist training.
   c. Computer technology occupations in the military qualify to take their reservists’ expenses as an adjustment to income.
   d. All employee business expenses are an adjustment to income.
Military Scenario 3: Sebastien and Michelle Decatur

Taxpayer Documents

- Social security cards for Sebastien, Michelle, Sam, and Jack Decatur
- Completed intake and interview sheet
- Form W-2 for Sebastien Decatur
- Form W-2 for Michelle Decatur
- Form 1099-INT from Western Bank and Trust
- Form 1099-B from Caldwell-Ferris Brokerage
- Voided check

Interview Notes

- Sebastien and Michelle came to the site to file a tax return.
- Sebastien was deployed to Afghanistan for all of 2011.
- A&B Stock:
  - Michelle’s uncle Bob died on 3/25/11 and she inherited 300 shares of stock
  - Bob’s original cost basis was $4,000
  - Fair market value of the inherited stock on 3/25/11 was $8,000
- Michelle’s mother watched the children when Michelle was at work.
- The Decaturs did not itemize in 2010, and they do not have enough deductions to itemize in 2011.
Section A. You should complete Pages 1-3
Thank you for allowing us to prepare your tax return. You are responsible for the information on your return so please provide complete and accurate information to the certified tax preparer. If you have any questions please ask your preparer.

You will need your:
- Tax information such as Forms W-2, 1099, 1098.
- Social security cards or ITIN letters for you and all persons on your tax return.
- Proof of identity (such as a valid drivers license or other government issued picture ID).

Part I. Your Personal Information

1. Your First Name: SERASTIEN M. I. R. Last Name: DECATUR
2. Spouse’s First Name: MICHELLE M. I. A. Last Name: DECATUR
3. Mailing Address: 2005 MORGAN DRIVE Apt# CITY YOUR CITY State YES Zip Code YOUR ZIP
4. Contact Information: Phone: YOUR PHONE # Cell Phone: E-mail: NONE
5. Your Date of Birth: 07/27/1982 6. Your Job Title: MILITARY
9. Spouse’s Date of Birth: 06/06/1985 10. Spouse’s Job Title: CASHIER

13. Can anyone claim you or your spouse on their tax return? ☐ Yes ☒ No ☐ Unsure

Part II. Marital Status and Household Information

1. As of December 31, 2011, were you?
☐ Single ☒ Married: Did you live with your spouse during any part of the last six months of 2011? ☒ Yes ☐ No
☐ Divorced or Legally Separated: Date of final decree or separate maintenance agreement __________________________
☐ Widowed: Year of spouse’s death: __________________________

2. List names below of everyone who lived in your home in 2011 (other than you or spouse). Also list anyone who lived outside of your home that you supported during 2011. If additional space is needed please check here ☐ and list on page 3.

<table>
<thead>
<tr>
<th>Name (first, last)</th>
<th>Date of Birth (mm/dd/yy)</th>
<th>Relationship to you</th>
<th>Number of months lived in your home in 2011</th>
<th>US Citizen or resident of the US, Canada or Mexico in 2011 (yes/no)</th>
<th>Marital Status as of 12/31/11 (SM)</th>
<th>Full-time student in 2011 (yes/no)</th>
<th>Received less than $3,700 income in 2011 (yes/no)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAM DECATUR</td>
<td>06/18/10</td>
<td>SON</td>
<td>12</td>
<td>YES</td>
<td>S</td>
<td>NO</td>
<td>YES</td>
</tr>
<tr>
<td>JACK DECATUR</td>
<td>01/06/04</td>
<td>SON</td>
<td>12</td>
<td>YES</td>
<td>S</td>
<td>YES</td>
<td>YES</td>
</tr>
</tbody>
</table>

- Volunteers assisting with preparing your return are trained to provide high quality service and uphold the highest ethical standards.
- To report unethical behavior to IRS, email us at wi.voltax@irs.gov or call toll free 1-877-330-1205.

To check the status of your REFUND visit “Where’s My Refund?” on www.irs.gov or call 1-800-829-1954 for assistance.
### Part III. Income – In 2011, did you (or your spouse) receive:

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
<td>☒</td>
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<tr>
<td>☐ 1.</td>
<td>Wages or Salary? (Form W-2)</td>
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<td>☐ 2.</td>
<td>Tip Income?</td>
<td></td>
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<tr>
<td>☐ 3.</td>
<td>Scholarships? (Forms W-2, 1068-T)</td>
<td></td>
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<tr>
<td>☒ 4.</td>
<td>Interest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV)</td>
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<td>☐ 5.</td>
<td>Refund of state/local income taxes? (Form 1099-G)</td>
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<td>☐ 6.</td>
<td>Alimony Income?</td>
<td></td>
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<td>☒ 7.</td>
<td>Self-Employment payments (such as cash received for services, small business)? (Form 1099-MISC)</td>
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<tr>
<td>☒ 8.</td>
<td>Income (or loss) from the sale of Stocks, Bonds or Real Estate (including your home)? (Forms 1099-S, 1099-B)</td>
<td></td>
</tr>
<tr>
<td>☒ 9.</td>
<td>Disability Income (such as payments from insurance or workers compensation)? (Forms 1099-R, W-2)</td>
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<tr>
<td>☒ 10.</td>
<td>Distributions from Pensions, Annuities, and/or IRA? (Form 1099-R)</td>
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<td>☒ 11.</td>
<td>Unemployment Compensation? (Form 1099-G)</td>
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<tr>
<td>☒ 12.</td>
<td>Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099)</td>
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<tr>
<td>☒ 13.</td>
<td>Income (or loss) from Rental Property?</td>
<td></td>
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<tr>
<td>☒ 14.</td>
<td>Other Income: (gambling, lottery, prizes, awards, jury duty, etc.) Specify: (Forms W-2-G, 1099-MISC)</td>
<td></td>
</tr>
</tbody>
</table>

### Part IV. Expenses – In 2011 Did you (or your spouse) pay:

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
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<tbody>
<tr>
<td>☒</td>
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<tr>
<td>☒ 1.</td>
<td>Alimony: If yes, do you have the recipient’s SSN? Yes No</td>
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<td>☒ 2.</td>
<td>Contributions to a retirement account? IRA Roth IRA 401K Other</td>
<td></td>
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<tr>
<td>☒ 3.</td>
<td>Educational expenses paid for yourself, spouse or dependents, such as tuitions, books, fees, etc.? (Form 1098-T)</td>
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<td>☒ 4.</td>
<td>Unreimbursed employee business expenses (such as teacher supplies, uniforms or mileage)?</td>
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<tr>
<td>☒ 5.</td>
<td>Medical expenses (including health insurance premiums)?</td>
<td></td>
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<tr>
<td>☒ 6.</td>
<td>Home mortgage interest? (Form 1098)</td>
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<td>☒ 7.</td>
<td>Real estate taxes for your home or personal property taxes for your vehicle? (Form 1098)</td>
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<tr>
<td>☒ 8.</td>
<td>Charitable contributions?</td>
<td></td>
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<tr>
<td>☒ 9.</td>
<td>Child/dependent care expenses, such as day-care?</td>
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</table>

### Part V. Life Events – In 2011 Did you (or your spouse):

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
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<tr>
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<tr>
<td>☒ 1.</td>
<td>Have a Health Savings Account? (Forms 5498-SA, 1099-SA)</td>
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<tr>
<td>☒ 2.</td>
<td>Have debt from a mortgage or credit card canceled/forgiven by a commercial lender? (Form 1098-C)</td>
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<tr>
<td>☒ 3.</td>
<td>Buy, sell or have a foreclosure of your home? (Form 1099-A)</td>
<td></td>
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<tr>
<td>☒ 4.</td>
<td>Have Earned Income Credit (EIC) disallowed in a prior year? If yes, for which tax year?</td>
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<tr>
<td>☒ 5.</td>
<td>Purchase and install energy efficient home items (such as windows, furnace, insulation, etc.)</td>
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<tr>
<td>☒ 6.</td>
<td>Live in an area that was affected by a natural disaster? If yes, where?</td>
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<tr>
<td>☒ 7.</td>
<td>Receive the First Time Homebuyers Credit in 2008?</td>
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<tr>
<td>☒ 8.</td>
<td>Pay any student loan interest? (Form 1098-E)</td>
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</tr>
<tr>
<td>☒ 9.</td>
<td>Make estimated tax payments or apply last year’s refund to your 2011 tax? If so how much?</td>
<td></td>
</tr>
<tr>
<td>☒ 10.</td>
<td>Attend school as a full time student? (Form 1098-T)</td>
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<tr>
<td>☒ 11.</td>
<td>Adopt a child?</td>
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<tr>
<td>☒ 12.</td>
<td>File a 2010 federal tax return containing a “capital loss carryover” on Form 1040 Schedule D?</td>
<td></td>
</tr>
</tbody>
</table>

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

- [ ] You
- [x] Spouse

Catalog Number 52121E

Form 13514-C (Rev. xx-xxxx)
Additional Information and Questions related to the preparation of your return

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

Other than English what language is spoken in the home? None
Are you or a member of your household considered disabled? Yes No

If you are due a refund or have a balance due:

- Ask your preparer about Direct Deposit. It is the fastest, easiest way to receive your tax refund. An e-filed return means a fast refund. Taxpayers who combine e-file and Direct Deposit can get their refunds in as few as 10 days.
- Ask your preparer about purchasing Series I U.S. Savings Bonds with part or all of your tax refund. Savings bonds are a safe and secure way to invest in the future. Purchase I Bonds for yourself or others in multiples of $50 and earn interest for up to 30 years.

If you are due a refund, would you like a direct deposit? Yes No
If you are due a refund, would you like information on how to purchase U.S. Savings Bonds? Yes No
If you are due a refund, would you like information on how to split your refund between accounts? Yes No
If you have a balance due, would you like to make a payment directly from your bank account? Yes No

Additional comments:

STOP HERE!
Thank you for completing this form. Please give this form to the certified volunteer preparer for use in preparing your return.

Your Civil Rights are Protected: It is the Internal Revenue Service’s mission to provide America’s taxpayers top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all. Under no circumstances will the Internal Revenue Service tolerate discrimination by its employees, grantees, contractors, and/or subcontractors. NO ONE shall be excluded from participating in, be denied the benefits of, or be subjected to discrimination because of race, color, sex, national origin, disability, reprisal, or age in programs or activities funded by the Department of Treasury - Internal Revenue Service. Anyone who believes that he/she has been discriminated against on the basis of race, color, sex, national origin, disability, reprisal or age in programs or activities receiving financial assistance (e.g. Low-Income Tax Clinics, Tax Counseling for the Elderly) from the Department of Treasury IRS, may submit a written complaint to: National Headquarters Office of Equity, Diversity & Inclusion: Internal Revenue Service; Attn: Director, Civil Rights Division (External Civil Rights Team); 1111 Constitution Ave., NW Room 2422; Washington, DC 20224.

Paperwork Reduction Act Notice
The Paperwork Reduction Act requires that the IRS display an OMB control number on all public information requests. The OMB Control Number for this study is 1545-1964. Also, if you have any comments regarding the time estimates associated with this study or suggestion on making this process simpler, please write to the Internal Revenue Service. Tax Products Coordinating Committee, SE-WCAR-MPT-SP, 1111 Constitution Ave. NW, Washington, DC 20224.

Catalog Number 52121E Form 13614-C (Rev. xx-xxxxx)
Section B. For Certified Volunteer Preparer Completion

Remember: You are the link between the taxpayer’s information and a correct tax return. Verify the taxpayer’s information on pages 1, 2 & 3 is complete. All questions must be discussed with the taxpayer and all “Unsure” responses should be changed to “Yes” or “No”.

Must be completed by Certified Volunteer only if persons are listed in Part II Question 2

Check if persons are listed in Part II Question 2 □

☐ Yes ☐ No 1. Can anyone else claim any of the persons listed in Part II, Question 2, as a dependent on their return? If yes, which ones:

☐ Yes ☐ No 2. Were any of the persons listed in Part II, Question 2, totally and permanently disabled? If yes, which ones:

☐ Yes ☐ No 3. Did any of the persons listed in Part II, Question 2 provide more than 50% of their own support? If yes, which ones:

☐ Yes ☐ No ☐ N/A 4. Did the taxpayer provide more than half the support for each of the persons in Part II, Question 2? If yes, which ones:

☐ Yes ☐ No 5. Did the taxpayer pay over half the cost of maintaining a home for any of the persons in Part II, Question 2? If yes, which ones:

Reminders

Section C. For Certified Quality Reviewer Completion

Confirm each item after reviewing the tax return and verifying that it reflects correct tax law application to the information provided by the taxpayer.

1. Sections A & B of this form are complete.

2. Taxpayer’s identity, address and phone numbers were verified.

3. Names, SSN or ITINs, and dates of birth of taxpayer, spouse and dependents match the supporting documents.

4. Filing Status is correctly determined.

5. Personal and Dependency Exemptions are entered correctly on the return.

6. All information shown on source documents and noted in Section A, Part III is included on the tax return.

7. Any Adjustments to Income are correctly reported.

8. Standard, Additional or Itemized Deductions are correct.

9. All credits are correctly reported.

10. Withholding shown on Forms W-2, 1099 and Estimated Tax Payments are correctly reported.

☐ All tax law issues above have been addressed and necessary changes have been made.

☐ If direct deposit or debit was elected, checking/savings account and routing information match the supporting documents.

☐ Correct SSN and EFIN are shown on the return.

Additional Tax Preparer Notes:
### Form W-2 Wage and Tax Statement

**2011**

**Department of the Treasury—Internal Revenue Service**

**Copy B—To BeFiled With Employee's FEDERAL Tax Return.**

*This information is being furnished to the Internal Revenue Service.*
Military Scenarios

4-17
Directions

Please complete Form 1040 and the appropriate forms, schedules, and worksheets to answer each of the following questions.

Note: When using the Link and Learn Taxes Practice Lab, complete the social security numbers and employer identification numbers by replacing the Xs with your User ID. In classroom situations, replace the Xs with the EFIN provided by your instructor.

10. Since Sebastien was deployed all of 2011, Sebastien and Michelle ask what filing status they should use. What is your response?
   a. Michelle and Sebastien can each choose to file as Single, if they want.
   b. Michelle and Sebastien should file Married Filing Jointly because they will get a larger refund than if they filed Married Filing Separately.
   c. Michelle can file as Head of Household because Sebastien was deployed all year and had no taxable income.
   d. Michelle and Sebastien can each file as Head of Household because they have two children.

11. The amount of wages on Form 1040, line 7 is $_______.

12. The amount of Michelle’s capital gain on the inherited stock is $_______.

13. The holding period for the sale of stock is short term.
   a. True
   b. False

14. The Decaturs could include combat pay as earned income for purposes of calculating EIC, if it results in a higher credit.
   a. True
   b. False

15. What is the Decaturs’ maximum amount of EIC?
   a. $1,890
   b. $1,990
   c. $3,237
   d. $4,226
Directions

The first three scenarios do not require you to prepare a tax return. Read the interview notes for each scenario carefully and use your training and resource materials to answer the questions after the scenarios.

International Scenario 1: Gary and Susanne Drake

Interview Notes

- Gary is a U.S. citizen and has a valid social security number. Gary and Susanne are married and live in Switzerland.
- Susanne is a Swiss foreign national (citizen of Switzerland).
- Gary’s total income was $68,000.
- Susanne has an ITIN but had no income and has never lived in the U.S.
- Gary’s 13-year-old daughter, Chloe, lives with them. Chloe’s mother died in 2005. Chloe is a U.S. citizen and has a valid social security number.
- Susanne has a 6-year-old son, Spencer, who is a Swiss citizen. He lived with Gary and Susanne in Switzerland for all of 2011.
- Gary is not Spencer’s father and has not adopted him.
- Gary provided all the financial support for Susanne, Chloe, and Spencer.
International Scenario 1: Test Questions

1. Who can claim Chloe as a dependent?
   a. No one can claim Chloe as a dependent
   b. Gary, because Chloe is his qualifying child
   c. Gary, because Chloe is his qualifying relative
   d. Chloe can claim her own exemption

2. Can Gary claim Spencer as a dependent?
   a. Yes, because Susanne does not have a filing requirement
   b. Yes, because he is Gary’s qualifying child
   c. No, because he is not a U.S. citizen, U.S. resident alien, U.S. national, or resident of Canada or Mexico
   d. No, because Gary does not live in the U.S.

3. If Gary and Susanne do not file a joint return, can Gary claim a personal exemption for Susanne?
   a. Yes, because she has no income and cannot be claimed as a dependent by anyone else.
   b. Yes, because Susanne is Chloe’s stepmother.
   c. No, the only way Gary could claim Susanne’s personal exemption is to file a joint return with her.
   d. No, Susanne does not qualify for a personal exemption.

4. If Gary files as Head of Household, who would be his qualifying person?
   a. Susanne, because she is his nonresident alien spouse.
   b. Spencer, because he lived with Gary.
   c. Chloe, because she is Gary’s qualifying child.
   d. Gary is not eligible to file as Head of Household.
International Scenario 2: Sam and Karen Floyd

Interview Notes

• Sam and Karen Floyd currently live in Frankfurt, Germany. They moved there on January 17, 2011, for Karen’s temporary job assignment. They are U.S. citizens and have valid social security numbers.

• Neither Sam nor Karen work for the U.S. government.

• They left for a visit to the U.S. on September 5, 2011, and returned to Frankfurt on September 19, 2011.

• They also spent 14 days on a ski vacation in Austria in December.

• The home Sam and Karen own in the U.S. is being rented out. Sam and Karen live in an apartment in Frankfurt.

International Scenario 2: Test Questions

5. Which test qualifies Sam and Karen for the foreign earned income exclusion?
   a. Bona fide residence test
   b. Physical presence test
   c. Both a and b
   d. Sam and Karen are not eligible to exclude their foreign earned income

6. When calculating the 330 full days in a foreign country for the physical presence test, how are the 14 days spent on the Austrian ski vacation treated?
   a. The days are counted as days spent in a foreign country
   b. The days are not counted as days spent in a foreign country
   c. The first and last days of the trip do not count as days spent in a foreign country
   d. Only 7 of the 14 days count as days spent in a foreign country
International Scenario 3: John and Laura Morton

Interview Notes

- John and Laura are married and plan to file a joint return.
- John’s birth date is February 5, 1945.
- Laura’s birth date is June 1, 1947.
- Laura retired on December 31, 2010, and began drawing a monthly pension in January 2011.
- The pension plan is a qualified plan and will be paid as a joint and survivor annuity over Laura’s and John’s lifetimes.
- The gross distribution reported on Form 1099-R for 2011 was $22,400.
- The total employee contribution to the plan was $62,000.
- John and Laura are U.S. citizens and have valid social security numbers.

International Scenario 3: Test Questions

7. How much of the $22,400 distribution reported on Form 1099-R is taxable?
   a. $0
   b. $19,300
   c. $19,538
   d. $20,000

8. Whose age(s) must be used to compute the taxable portion of Laura’s pension?
   a. John’s
   b. Laura’s
   c. Both John’s and Laura’s
   d. Age is not a factor in the computation
International Scenario 4: David and Miriam Fulton

Taxpayer Documents

• Social security cards for David and Miriam Fulton
• Completed intake and interview sheet
• Form W-2 for Miriam Fulton
• Form 1099-INT

Interview Notes

• David and Miriam Fulton, a married couple, are U.S. citizens who have lived and worked in London since January 20, 2006. They did not return to the U.S. at any time during 2011. They want to file a joint return.

• Income:
  – David has an unlimited work visa and is employed as a photographer by a studio in London.
  – David’s year-end earnings statement from his company shows his earnings, converted to U.S. dollars, of $23,200.
  – David’s employer is Fergus Photography, 103 Tower Lane, London, United Kingdom. The country code for Form 2555/2555EZ is UK.
  – David paid income taxes throughout the year to the United Kingdom. Converted to U.S. dollars, the total income tax David paid was $2,400.
  – They took the foreign earned income exclusion for David’s earnings for the last four years and expect to take it again in 2011. They have never revoked this exclusion.
  – Miriam worked at the U.S. Embassy and has a Form W-2 for her salary.

• Sale of stock:
  – Miriam inherited 500 shares of S&P stock when her father died on March 20, 2011.
  – Fair market value of the stock on the date of death was $20,000.
  – Miriam sold 250 shares of the stock on June 24, 2011 for $12,000 (net commission). She did not receive a brokerage statement.
  – The stock sale was a U.S. transaction.

• Additional information:
  – David and Miriam rent an apartment in London located at 220 Sussex Street. They do not maintain any other residence abroad or in the U.S.
  – They consider themselves residents of England and have never stated otherwise.
  – David and Miriam did not itemize for 2010 and do not have enough deductions to itemize for 2011.
**Intake/Interview & Quality Review Sheet**

**Section A.** You should complete Pages 1-3

Thank you for allowing us to prepare your tax return. You are responsible for the information on your return so please provide complete and accurate information to the certified tax preparer. If you have any questions please ask your preparer.

You will need your:
- Tax information such as Forms W-2, 1099, 1098.
- Social security cards or ITIN letters for you and all persons on your tax return.
- Proof of Identity (such as a valid driver’s license or other government issued picture ID).

**Part I. Your Personal Information**

<table>
<thead>
<tr>
<th>First Name</th>
<th>M. I.</th>
<th>Last Name</th>
<th>Are you a U.S. Citizen?</th>
</tr>
</thead>
<tbody>
<tr>
<td>DAVID</td>
<td></td>
<td>FULTON</td>
<td>√ Yes □ No</td>
</tr>
<tr>
<td>MIRIAM</td>
<td></td>
<td>FULTON</td>
<td>√ Yes □ No</td>
</tr>
</tbody>
</table>

**Mailing Address**

- BOX 995
- APO
- AE 09999

**Contact Information**

- Phone: YOUR PHONE #
- Cell Phone: NONE
- E-mail: NONE

**Part II. Marital Status and Household Information**

1. As of December 31, 2011, were you?
   - □ Single
   - √ Married: Did you live with your spouse during any part of the last six months of 2011? □ Yes √ No
   - □ Divorced or Legally Separated: Date of final decree or separate maintenance agreement: ________________
   - □ Widowed. Year of spouse’s death: ________________

2. List names below of everyone who lived in your home in 2011 (other than you or spouse). Also list anyone who lived outside of your home that you supported during 2011. If additional space is needed please check here and list on page 3.

<table>
<thead>
<tr>
<th>Name (first last)</th>
<th>Date of Birth (mm/dd/yy)</th>
<th>Relationship to you (e.g., daughter, son, mother, sister, none)</th>
<th>Number of months lived in your home in 2011</th>
<th>US Citizen or resident of the US, Canada or Mexico in 2011 (yes/no)</th>
<th>Marital Status as of 12/31/11 (SM, yes/no)</th>
<th>Full-time student in 2011 (yes/no)</th>
<th>Received less than $3700 income in 2011 (yes/no)</th>
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<tbody>
<tr>
<td>(a)</td>
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To check the status of your REFUND visit “Where’s My Refund?” on www.irs.gov or call 1-800-829-1954 for assistance.
Section A. Please complete – check Yes, No or Unsure to all questions below. Please ask if you need help.

Part III. Income – In 2011, did you (or your spouse) receive:

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
</tr>
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Part IV. Expenses – In 2011 Did you (or your spouse) pay:

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Part V. Life Events – In 2011 Did you (or your spouse):

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Presidential Election Campaign Fund: (If you check a box, your tax or refund will not change)
Check here if you, or your spouse if filing jointly, want $3 to go to this fund [ ] You [ ] Spouse
Additional Information and Questions related to the preparation of your return

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

Other than English what language is spoken in the home? None

Are you or a member of your household considered disabled? ☐ Yes ☒ No

If you are due a refund or have a balance due:
- Ask your preparer about Direct Deposit. It is the fastest, easiest way to receive your tax refund. An e-filed return means a fast refund. Taxpayers who combine e-file and Direct Deposit can get their refunds in as few as 10 days.
- Ask your preparer about purchasing Series I U.S. Savings Bonds with part or all of your tax refund. Savings bonds are a safe and secure way to invest in the future. Purchase I Bonds for yourself or others in multiples of $50 and earn interest for up to 30 years.

If you are due a refund, would you like a direct deposit? ☐ Yes ☒ No
If you are due a refund, would you like information on how to purchase U.S. Savings Bonds? ☐ Yes ☒ No
If you are due a refund, would you like information on how to split your refund between accounts? ☐ Yes ☒ No
If you have a balance due, would you like to make a payment directly from your bank account? ☐ Yes ☒ No

Additional comments:

________________________
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STOP HERE!
Thank you for completing this form.
Please give this form to the certified volunteer preparer for use in preparing your return.

Your Civil Rights are Protected: It is the Internal Revenue Service’s mission to provide America’s taxpayers top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all. Under no circumstances will the Internal Revenue Service tolerate discrimination by its employees, grantees, contractors, and/or subcontractors. NO ONE shall be excluded from participating in, or be denied the benefits of, or be subject to discrimination because of race, color, sex, national origin, disability, reprisal, or age in programs or activities funded by the Department of Treasury – Internal Revenue Service. Any person who believes that he/she has been discriminated against on the basis of race, color, sex, national origin, disability, reprisal or age in programs or activities receiving financial assistance (e.g. Low-Income Tax Clinics, Tax Counseling for the Elderly) from the Department of Treasury IRS, may submit a written complaint to: National Headquarters: Office of Equity, Diversity & Inclusion: Internal Revenue Service: Attn: Director, Civil Rights Division (External Civil Rights Team); 1111 Constitution Ave., NW Room 2422; Washington, DC 20224.

Paperwork Reduction Act Notice
The Paperwork Reduction Act requires that the IRS display an OMB control number on all public information requests. The OMB Control Number for this study is 1545-0164. Also, if you have any comments regarding the time estimates associated with this study or suggestion on making this process simpler, please write to the Internal Revenue Service, Tax Products Coordinating Committee, SE/W:CAR:MP:T:T-SP, 1111 Constitution Ave. NW, Washington, DC 20224.

Catalog Number 52121E

Form 13614-C (Rev. xx-xxxx)

3
Section B. For Certified Volunteer Preparer Completion

Remember: You are the link between the taxpayer’s information and a correct tax return. Verify the taxpayer’s information on pages 1, 2 & 3 is complete. All questions must be discussed with the taxpayer and all “Unsure” responses should be changed to “Yes” or “No”.

Must be completed by Certified Volunteer only if persons are listed in Part II Question 2

Check if persons are listed in Part II Question 2

☐ Yes ☐ No 1. Can anyone else claim any of the persons listed in Part II, Question 2, as a dependent on their return? If yes, which ones:

☐ Yes ☐ No 2. Were any of the persons listed in Part II, Question 2, totally and permanently disabled? If yes, which ones:

☐ Yes ☐ No 3. Did any of the persons listed in Part II, Question 2 provide more than 50% of their own support? If yes, which ones:

☐ Yes ☐ No ☐ N/A 4. Did the taxpayer provide more than half the support for each of the persons in Part II, Question 2? If yes, which ones:

☐ Yes ☐ No 5. Did the taxpayer pay over half the cost of maintaining a home for any of the persons in Part II, Question 2? If yes, which ones:

Reminders

Additional Tax Preparer Notes:

Section C. For Certified Quality Reviewer Completion

Confirm each item after reviewing the tax return and verifying that it reflects correct tax law application to the information provided by the taxpayer.

1. Sections A & B of this form are complete.

2. Taxpayer’s identity, address and phone numbers were verified.

3. Names, SSN or ITINs, and dates of birth of taxpayer, spouse and dependents match the supporting documents.

4. Filing Status is correctly determined.

5. Personal and Dependency Exemptions are entered correctly on the return.

6. All information shown on source documents and noted in Section A, Part III is included on the tax return.

7. Any Adjustments to income are correctly reported.

8. Standard, Additional or Itemized Deductions are correct.

9. All credits are correctly reported.

10. Withholding shown on Forms W-2, 1099 and Estimated Tax Payments are correctly reported.

☐ All tax law issues above have been addressed and necessary changes have been made.

☐ If direct deposit or debit was elected, checking/savings account and routing information match the supporting documents.

☐ Correct SIDN and EFIN are shown on the return.
International Scenario 4: Test Questions

Directions

Please complete Form 1040 and the appropriate forms, schedules, or worksheets to answer each of the following questions.

*Note: When using the Link and Learn Taxes Practice Lab, complete the social security numbers and employer identification numbers by replacing the Xs with your User ID. In classroom situations, replace the Xs with the EFIN provided by your instructor.*

9. What is the amount of wages reported on the Fultons’ Form 1040, line 7?
   a. $23,200
   b. $41,000
   c. $64,200
   d. $66,200

10. David and Miriam have a capital loss of ($8,000) on Schedule D.
    a. True
    b. False

11. The Fultons’ capital gain or loss on Schedule D is short term.
    a. True
    b. False

12. What are the start and end dates for the Fultons’ bona fide residence on Form 2555-EZ, line 1b?
    a. 01/20/2006, Continues
    b. 01/20/2006, 12/31/2006
    c. 01/20/2006, 12/31/2011
    d. 01/01/2011, 12/31/2011

13. The correct amount of the foreign earned income exclusion reported on Form 1040, Other Income line is ($23,200).
    a. True
    b. False

14. Miriam’s salary does **not** qualify for the foreign earned income exclusion because it is paid by the U.S. government.
    a. True
    b. False
15. David and Miriam will take the foreign earned income exclusion. How should the $2,400 David paid in income taxes to the U.K. be handled on the Fultons’ tax return?

a. David and Miriam can claim the full $2,400 as a foreign tax credit without completing the Form 1116.

b. David and Miriam can include the $2,400 in federal income tax withholding on Form 1040.

c. David and Miriam cannot take a foreign tax credit because the tax was paid on income excluded under the foreign earned income exclusion.

d. David and Miriam cannot claim a foreign tax credit because the amount of taxes paid is over $600.
RETEST QUESTIONS

The retest questions are all based on the test scenarios. There are mini-scenarios and questions in Basic, Intermediate, Advanced, Military, and International. The Interview Notes for the mini-scenarios are included on the following pages.

To answer the retest questions for return preparation scenarios, refer to the Interview Notes, Intake/Interview & Quality Review Sheet, and taxpayer documents provided in the test scenarios beginning on page 1-6 of this booklet.
Retest Answer Sheet

Name ________________________________

Record all your answers on this tear-out page. Your Instructor will tell you where to send your Retest Answer Sheet for grading. Be sure to complete and sign the Form 13615, Volunteer Standards of Conduct Agreement.

Privacy Act Notice

The Privacy Act of 1974 requires that when we ask for information we tell you our legal right to ask for the information, why we are asking for it, and how it will be used. We must also tell you what could happen if we do not receive it, and whether your response is voluntary, required to obtain a benefit, or mandatory.

Our legal right to ask for information is 5 U.S.C. 301.

We are asking for this information to assist us in contacting you relative to your interest and/or participation in the IRS volunteer income tax preparation and outreach programs. The information you provide may be furnished to others who coordinate activities and staffing at volunteer return preparation sites or outreach activities. The information may also be used to establish effective controls, send correspondence and recognize volunteers.

Your response is voluntary. However, if you do not provide the requested information, the IRS may not be able to use your assistance in these programs.

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Directions

The first five short scenarios are designed to measure key competencies related to filing status, dependency exemptions, and related tax benefits. These first five scenarios do not require you to prepare a tax return. Read the interview notes for each scenario carefully and use your training and resource materials to answer the questions after the scenarios.

Basic Scenario 1: Nancy Pratt

Interview Notes

- Susan, who is single, lost her job in 2010. She and her eight-year-old son Jason moved in with a friend of the family, Nancy. Susan and Jason lived there the entire year of 2011.
- Jason’s father died in 2007.
- Nancy paid all the cost of keeping up her home.
- Nancy, who is single, provided all of Susan’s and Jason’s support during 2011.
- Nancy’s total earned income in 2011 was $42,000.
- Neither Susan nor Jason received any income in 2011.
- Susan will not file a tax return for 2011.
- Nancy, Susan, and Jason are U.S. citizens and have valid social security numbers.

Basic Scenario 1: Retest Questions

1. What is Nancy’s correct filing status?
   a. Single
   b. Married Filing Jointly
   c. Married Filing Separately
   d. Head of Household

2. Nancy can claim both Susan and Jason as dependents.
   a. True
   b. False
Basic Scenario 2: Sarah Pope

Interview Notes

- Sarah is 67 years old and single.
- Sarah lived with her daughter Phyllis for all of 2011 in Phyllis’ home.
- Sarah provides over half of her own support.
- In 2011, Sarah worked as a cashier and earned $12,000, which was her total income. She had $450 in federal tax withholding.
- Phyllis, who is 32, will be filing her own return. She is not disabled.
- Sarah and Phyllis are U.S. citizens and have valid social security numbers.

Basic Scenario 2: Retest Questions

3. Sarah is entitled to claim one personal exemption.
   a. True
   b. False

4. Can Sarah claim the Earned Income Credit (EIC)?
   a. Yes, because she has earned income.
   b. Yes, because she is not her daughter’s dependent.
   c. No, because she has no taxable income.
   d. No, because she is over 65 and has no qualifying child.
Basic Scenario 3: Natasha Jefferson

Interview Notes

- Natasha Jefferson and Daniel Newport are both single and were never married. They have not lived together for three years.
- They have one child, Hannah, age 4.
- In 2011, Hannah lived with Natasha the entire year. Daniel lived alone.
- Natasha and Daniel provided all of Hannah’s support.
- In 2011, Natasha worked and earned $18,000. Daniel worked and earned $33,000.
- Daniel pays the rent and utilities for Natasha’s apartment. He is providing over half the cost of maintaining the home for Natasha and Hannah.
- Daniel does not pay household expenses for any other family member.
- Natasha, Daniel, and Hannah are U.S. citizens and have valid social security numbers.

Basic Scenario 3: Retest Questions

5. Who can claim the Head of Household filing status?
   a. Neither Daniel nor Natasha qualifies to claim the Head of Household filing status.
   b. Daniel, because he paid over half the cost of maintaining a home for Hannah.
   c. Natasha, because Hannah lived with her.
   d. Natasha, because she and Daniel were never married.

6. Daniel is entitled to claim Hannah as a qualifying child for EIC.
   a. True
   b. False
Basic Scenario 4: Aiden and Isabel Stillwater

Interview Notes

• Aiden and Isabel are married and lived together in the U.S. for all of 2011 with their two sons, Rafael, age 2, and Edward, age 3.
• Aiden and Isabel have Individual Taxpayer Identification Numbers (ITINs).
• Aiden and Isabel have lived in the U.S. for 5 years.
• Aiden and Isabel both worked and their combined wages were $39,500, which was their only income.
• Aiden and Isabel provided all the support for Rafael and Edward.
• They paid Suffolk Day Care $1,000 a year to take care of Rafael and Edward while they worked.
• Rafael and Edward are both U.S. citizens and have valid social security numbers (SSNs).

Basic Scenario 4: Retest Questions

7. Aiden and Isabel are filing a joint return. They cannot claim Rafael and Edward as dependents.
   a. True
   b. False

8. Aiden and Isabel are eligible to claim which tax credit(s) on their joint return?
   a. EIC only
   b. EIC, dependent care credit, and child tax credit
   c. Child tax credit and dependent care credit
   d. They are not entitled to claim any tax credits because Aiden and Isabel have ITINs.
Basic Scenario 5: Lisa Bolivar

Interview Notes

- Lisa Bolivar is 36 years old.
- Oliver, who is single, is Lisa's 45-year-old brother. He is permanently and totally disabled.
- Their parents are deceased.
- Oliver lived with Lisa in her home all of 2011.
- In 2011, Oliver received Form SSA-1099 showing social security disability benefits of $11,000, his only income.
- Oliver provided over half of his own support.
- Lisa worked as a clerk and earned $26,500.
- Lisa and Oliver are U.S. citizens and have valid social security numbers.

Basic Scenario 5: Retest Questions

9. The reason Lisa cannot claim Oliver as her dependent is because Oliver is older than Lisa.
   a. True
   b. False

10. Is Lisa eligible to claim EIC?
    a. No, because Oliver does not meet the requirements of a qualifying child for EIC.
    b. No, Lisa must be able to claim Oliver as her dependent in order to claim EIC.
    c. Yes, because Oliver has no earned income.
    d. Yes, she can claim EIC because Oliver passes the test to be a qualifying child under the EIC eligibility requirements even though he is not a qualifying child for the dependency exemption.
Basic Scenario 6: Retest Questions

Directions

Refer to the scenario information for James and Bridget Thurston beginning on page 1-6. Please complete Form 1040 and the appropriate forms, schedules, or worksheets to answer each of the following questions.

Note: When using the Link and Learn Taxes Practice Lab, complete the social security numbers and employer identification numbers by replacing the Xs with your User ID. In classroom situations, replace the Xs with the EFIN provided by your instructor.

11. The Thurstons did not correctly complete Part III of the intake and interview sheet based on the taxpayer documents.
   a. True
   b. False

12. What amount of social security benefits should appear on Form 1040, line 20a?
   a. $0
   b. $10,800
   c. $12,000
   d. $13,200

13. What is the taxable amount of social security benefits?
   a. $0
   b. $6,000
   c. $6,170
   d. $12,000

14. What is the Thurstons’ standard deduction?
   a. $11,600
   b. $12,750
   c. $13,700
   d. $13,900

15. The amount of retirement savings contribution credit in the Tax and Credits section of Form 1040 is $100.
   a. True
   b. False

16. The Thurstons’ total federal income tax withholding is $_______.

17. James and Bridget told you that they would not be able to pay the amount they owe by April 17, 2012. You advise them to file on time and to pay as much as they can with the return. If they follow your advice, will this reduce the amount of interest and penalties?
   a. Yes
   b. No
Basic Scenario 7: Retest Questions

Directions

Read the information for Ashley Sawyer beginning on page 1-15.

Please complete Form 1040 and the appropriate forms, schedules, or worksheets to answer each of the following questions.

Note: When using the Link and Learn Taxes Practice Lab, complete the social security numbers and employer identification numbers by replacing the Xs with your User ID. In classroom situations, replace the Xs with the EFIN provided by your instructor.

18. Is Married Filing Separately the most advantageous filing status Ashley can use?
   a. Yes
   b. No

19. What is the total amount of adjustments used to determine adjusted gross income for Ashley’s Form 1040, page 1? $_____

20. What is Ashley’s total federal income tax withholding?
   a. $0
   b. $1,450
   c. $2,130
   d. $2,150

21. What is the credit for child and dependent care expenses on Form 2441? $_____

22. What is the amount of earned income used to calculate Ashley’s EIC?
   a. $27,500
   b. $27,700
   c. $31,500
   d. $31,700

23. The amount of the additional child tax credit in the Payments section of Ashley’s return is $2,474.
   a. True
   b. False

24. Ashley wants to buy Emily a savings bond with part of her refund. Which form needs to be completed? Form _____
Basic Scenario 8: Retest Questions

Directions

Refer to the scenario information for Serena Livingston beginning on page 1-23.

You are conducting a quality review of Serena’s tax return. Using Form 13614-C, your resource materials, and all of the taxpayer’s documents, answer each of the questions below. Form 13614-C, Section C, should be completed for this review.

25. Which of the following is incorrect on Form 1040?
   a. Erika’s name
   b. Charlie’s name
   c. Both Erika’s and Serena’s names
   d. Serena’s, Charlie’s, and Erika’s names

26. Are all the social security numbers entered correctly on Form 1040?
   a. Yes
   b. No

27. Which of the following is Serena’s correct interest income?
   a. $0
   b. $50
   c. $500
   d. $550

28. The amount of federal income tax withholding reported on Form 1040, page 2, is correct.
   a. True
   b. False

29. Serena qualifies for EIC.
   a. True
   b. False

30. The bank account number is correct on the Form 1040.
   a. True
   b. False
Directions

The first two scenarios do not require you to prepare a tax return. Read the interview notes for both scenarios carefully and use your training and resource materials to answer the questions after each scenario.

Intermediate Scenario 1: Kathy Greenlee

Interview Notes

- Kathy is a 53-year-old elementary school teacher.
- Kathy spent $400 on school supplies for the year.
- Kathy is divorced and her unmarried 27-year-old son Alex lived with her all of 2011. Alex is not disabled.
- Alex’s only income is $3,545.
- Kathy paid all the household expenses and provided over half of Alex’s support.
- Kathy and Alex are U.S. citizens and have valid social security numbers.

Intermediate Scenario 1: Retest Questions

1. Kathy’s correct filing status is Head of Household.
   a. True
   b. False

2. What is the maximum allowable educator expense adjustment for an eligible teacher? $_________
Intermediate Scenario 2: Alonzo Maricopa

Interview Notes

• Alonzo is a single dad, age 42, with two sons.
• His sons, ages 14 and 16, lived with him all of 2011.
• Alonzo lost his job in 2010 and in January 2011 he cashed in his entire 401(k).
• He received Form 1099-R, with a distribution code of 1 in Box 7, for $2,000.
• Alonzo’s only other income for 2011 was $9,000 in unemployment compensation.
• Alonzo and his sons are U.S. citizens and have valid social security numbers.

Intermediate Scenario 2: Retest Questions

3. There is an exception on Form 5329 to the 10% additional tax on the early distribution if Alonzo used the funds to pay medical expenses in excess of 7 1/2% of his adjusted gross income.
   a. True
   b. False

4. Since Alonzo has low income and two qualifying children, he will receive EIC.
   a. True
   b. False
Intermediate Scenario 3: Retest Questions

Directions

Read the information for Evan James Dawson, beginning on page 2-3.

Complete Form 1040 and the appropriate forms, schedules, and worksheets to answer each of the following questions.

*Note: When using the Link and Learn Taxes Practice Lab, complete the social security numbers and employer identification numbers by replacing the Xs with your User ID. In classroom situations, replace the Xs with the EFIN provided by your instructor.*

5. What is Evan’s total deduction for taxes paid on Schedule A, line 9? $_____

6. What is Evan’s total interest deduction on Schedule A, line 15?
   a. $0
   b. $704
   c. $6,252
   d. $6,956

7. The total deduction in the Gifts to Charity section of Evan’s Schedule A is $_____.

8. Course-related books are a qualifying expense for the American opportunity credit.
   a. True
   b. False

9. What is the **refundable** amount of American opportunity credit on Section III of Evan’s Form 8863? $_____

10. Noah’s room and board will qualify for the **tuition and fees deduction**.
    a. True
    b. False

11. What is Evan’s minimum required repayment of his 2008 first-time homebuyer credit on his 2011 tax return?
    a. $0
    b. $500
    c. $7,000
    d. $7,500
Intermediate Scenario 4: Retest Questions

Directions

Refer to the scenario information for Andrew and Lily Albright, beginning on page 2-13.

Please complete Form 1040 and the appropriate forms, schedules, or worksheets to answer each of the following questions.

Note: When using the Link and Learn Taxes Practice Lab, complete the social security numbers and employer identification numbers by replacing the Xs with your User ID. In classroom situations, replace the Xs with the EFIN provided by your instructor.

12. What is the amount of Lily’s gross income from her hair stylist business?
   a. $0
   b. $4,000
   c. $19,800
   d. $23,800

13. Lily must use Schedule C to report her cash income.
   a. True
   b. False

14. How many business miles can be used to compute the deductible mileage expense for Lily’s hair stylist business? _____

15. Lily can deduct the amount she pays for her daily lunches at work as a business expense.
   a. True
   b. False

16. What is the amount of the Albrights’ foreign tax credit? $______

17. The deductible part of the self-employment tax can be taken as an adjustment to income on Form 1040, page 1.
   a. True
   b. False

18. How do you report qualified student loan interest paid?
   a. As an expense for an education credit
   b. As an adjustment to income on Form 1040, page 1
   c. As an itemized deduction on Schedule A
   d. As other income on Form 1040, line 21
19. What is not an eligible expense for the nonbusiness energy property credit?
   a. Insulation designed to reduce heat gain or loss in the home
   b. An energy-efficient furnace, including installation cost
   c. Compact fluorescent light bulbs (CFLs)
   d. Energy-efficient exterior doors

20. Lily says that they have a balance due on their return every year. One way to avoid this would be to make estimated tax payments during the tax year.
   a. True
   b. False
Directions

The first three scenarios do not require you to prepare a tax return. Read the interview notes for each scenario carefully and use your training and resource materials to answer the questions after the scenarios.

Advanced Scenario 1: Jacob McPherson

Interview Notes

Jacob sold some stock this year, and has come to you to prepare his tax return.

PDQ stock:
- Jacob inherited 200 shares of PDQ stock from his great-uncle Thomas who died on March 7, 2011.
- Great-uncle Thomas’ basis was $15 per share.
- The fair market value on the date of death was $25 per share.
- Jacob sold 100 shares of PDQ on July 1, 2011.

ABC stock:
- On February 5, 2011, Jacob sold 200 shares of ABC stock, which he purchased in 1995.
- Jacob does not know the basis for his ABC stock, and the basis is not shown on the 1099-B he received from the broker.

Advanced Scenario 1: Retest Questions

1. What is the cost or other basis of the inherited PDQ stock that Jacob sold in 2011? $_____

2. Jacob’s holding period for his 2011 sale of inherited PDQ stock is long-term.
   a. True
   b. False

3. If Jacob cannot determine the basis of his ABC stock, the IRS will deem the basis to be $0.
   a. True
   b. False
Advanced Scenario 2: Ross and Mary Campbell

Interview Notes

- Ross and Mary will file a joint return.
- Ross and Mary purchased their home in 2004 for $150,000.
- In 2006, Ross and Mary added a swimming pool at a cost of $10,000.
- In 2009, they repaired the dishwasher at a cost of $200.
- Ross and Mary lived in the house as their main home until they sold it on June 18, 2011.
- Ross and Mary sold the home for $145,000 and received a Form 1099-S reporting the sale.
- Ross and Mary are U.S. citizens and have valid social security numbers.

Advanced Scenario 2: Retest Questions

4. Ross and Mary can deduct a loss on the sale of their home.
   a. True
   b. False

5. Which expenditures can Ross and Mary use to adjust the basis of their home?
   a. None, their basis is their original purchase price.
   b. The cost of the dishwasher repair.
   c. The cost of the new pool.
   d. The cost of the new pool and the cost of the dishwasher repair.
Advanced Scenario 3: Gabriella Lafayette

Interview Notes

• On January 3, 2011, Gabriella purchased 2,500 shares of the ABC mutual fund for $15,000.
• On December 27, 2011, the fund paid a capital gain distribution of $300 that was reinvested to purchase an additional 100 shares.
• The fund did not pay dividends.
• Gabriella received Form 1099-DIV reporting the capital gain distribution, and a year-end statement showing $7,800 as the December 31, 2011, value of her 2,600 shares.
• This is Gabriella’s only investment account and she did not sell any shares in 2011.

Advanced Scenario 3: Retest Questions

6. Gabriella’s capital gain distribution is not reportable because the shares were reinvested.
   a. True
   b. False

7. The decline in value of Gabriella’s investment resulted in a deductible loss on her 2011 Form 1040, line 13.
   a. True
   b. False

8. The total basis of all Gabriella’s ABC mutual fund shares held on December 31, 2011 is $_______.
Advanced Scenario 4: Retest Questions

Directions

Refer to the scenario information for Nathan and Phoebe Wheeler, beginning on page 3-5.

Complete Form 1040 and the appropriate forms, schedules, and worksheets to answer each of the following questions.

Note: When using the Link and Learn Taxes Practice Lab, complete the social security numbers and employer identification numbers by replacing the Xs with your User ID. In classroom situations, replace the Xs with the EFIN provided by your instructor.

9. The disability income from Phoebe’s Form 1099-R should be reported as pension income on Form 1040, line 16b.
   a. True
   b. False

10. The interest income from Nathan’s Schedule K-1 (Form 1120S) should appear on Form 1040, line 8a, Taxable interest.
    a. True
    b. False

11. The sale of ABC stock is:
    a. Not reported on the tax return
    b. A capital gain distribution
    c. A short-term transaction
    d. A long-term transaction

12. What is the amount of net capital gain (or loss) that appears on Form 1040, line 13? $______

13. How much, if any, of the $20,000 distribution reported on Nathan’s Form 1099-R is included on Form 1040, line 16b? $______

14. What amount, if any, should Nathan report as gambling income on Form 1040, line 21? $______

15. What amount of earned income, if any, is used to compute the Wheelers’ EIC? $______
Directions

The first scenario does not require you to prepare a tax return. Read the interview notes for the scenario carefully and use your training and resource materials to answer the questions.

Military Scenario 1: Benjamin and Avery Merrimack

Interview Notes

• Benjamin and Avery live in Denver, Colorado, where Benjamin joined the Air Force. He finished his training and will be stationed in Tucson, Arizona, for two years. This is a permanent change of station (PCS).

• They decided to make a Do It Yourself (DITY) move and save money.

• On June 4, Benjamin and Avery packed all their belongings and began driving from Denver to Tucson. On the way, they made a side trip to the Grand Canyon to see the sights. Their trip took a total of six days and five nights instead of the authorized two days and one night.

• Their move was estimated to cost $6,000, and the Air Force provided $5,700 in advance.

• The Merrimacks drove a total of 1,116 miles. The shortest, most direct route from Denver to Tucson is 900 miles. Their cost for the moving truck was $3,000. Their cost for lodging was $75 per night, which is considered a reasonable expense. Benjamin and Avery spent $500 on food during the trip.

• Benjamin and Avery are U.S. citizens and have valid social security numbers.

Military Scenario 1: Retest Questions

1. Which of the following are not qualified moving expenses for Benjamin and Avery?
   a. $75 in lodging costs
   b. $171 for mileage
   c. $500 for food
   d. $3,000 for a moving truck

2. The difference between the advance payment of $5,700 and the qualified moving expenses is taxable.
   a. True
   b. False
Military Scenario 2: Retest Questions

Directions

Refer to the scenario information for Lucas and Katarina Benton beginning on page 4-2.

Please complete Form 1040 through line 37 and the appropriate forms, schedules, or worksheets to answer each of the following questions.

*Note: When using the Link and Learn Taxes Practice Lab, complete the social security numbers and employer identification numbers by replacing the Xs with your User ID. In classroom situations, replace the Xs with the EFIN provided by your instructor.*

3. The correct amount of total wages reported on Form 1040, line 7 is $35,550.
   a. True
   b. False

4. Only Lucas’ age is used in computing his taxable pension.
   a. True
   b. False

5. The taxable pension amount reported on Form 1040, line 16b is $30,400.
   a. True
   b. False

6. The amount of rental real estate income on Form 1040 is $_____.

7. The correct standard mileage rate used to compute Katarina’s Army reservist vehicle expense is 23.5 cents per mile.
   a. True
   b. False

8. What are the total adjustments to gross income on Form 1040?
   a. $1,943
   b. $2,153
   c. $2,363
   d. $5,570

9. Katarina can deduct her unreimbursed reservists’ expenses as an adjustment to income because she travels over 100 miles for reservist training.
   a. True
   b. False
Military Scenario 3: Retest Questions

Directions

Refer to the scenario information for Sebastien and Michelle Decatur, beginning on page 4-11.

Please complete Form 1040 and the appropriate forms, schedules, and worksheets to answer each of the following questions.

Note: When using the Link and Learn Taxes Practice Lab, complete the social security numbers and employer identification numbers by replacing the Xs with your User ID. In classroom situations, replace the Xs with the EFIN provided by your instructor.

10. Michelle can file as Head of Household because Sebastien was deployed all year and had no taxable income.
   a. True
   b. False

11. What is the Decaturs' income reported on Form 1040, line 7?
   a. $250
   b. $4,700
   c. $30,650
   d. $30,900

12. The amount of Michelle's capital gain on the inherited stock is $4,200.
   a. True
   b. False

13. The holding period for the sale of stock is long term.
   a. True
   b. False

14. Interest income can be included in earned income for the purpose of computing EIC.
   a. True
   b. False

15. The Decaturs' EIC is $1,890.
   a. True
   b. False
Directions

The first three scenarios do not require you to prepare a tax return. Read the interview notes for each scenario carefully and use your training and resource materials to answer the questions after the scenarios.

International Scenario 1: Gary and Susanne Drake

Interview Notes

- Gary is a U.S. citizen and has a valid social security number. Gary and Susanne are married and live in Switzerland.
- Susanne is a Swiss foreign national (citizen of Switzerland).
- Gary’s total income was $68,000.
- Susanne has an ITIN but had no income and has never lived in the U.S.
- Gary’s 13-year-old daughter, Chloe, lives with them. Chloe’s mother died in 2005. Chloe is a U.S. citizen and has a valid social security number.
- Susanne has a 6-year-old son, Spencer, who is a Swiss citizen. He lived with Gary and Susanne in Switzerland for all of 2011.
- Gary is not Spencer’s father and has not adopted him.
- Gary provided all the financial support for Susanne, Chloe, and Spencer.

International Scenario 1: Retest Questions

1. Gary can claim a dependency exemption for Chloe.
   a. True
   b. False

2. Gary can claim a dependency exemption for Spencer.
   a. True
   b. False

3. If Gary and Susanne do not file a joint return, Gary can file as Head of Household and claim a personal exemption for Susanne.
   a. True
   b. False

4. Chloe is Gary’s only qualifying person for the Head of Household filing status.
   a. True
   b. False
International Scenario 2: Sam and Karen Floyd

Interview Notes

- Sam and Karen Floyd currently live in Frankfurt, Germany. They moved there on January 17, 2011, for Karen’s temporary job assignment. They are U.S. citizens and have valid social security numbers.
- Neither Sam nor Karen work for the U.S. government.
- They left for a visit to the U.S. on September 5, 2011, and returned to Frankfurt on September 19, 2011.
- They also spent 14 days on a ski vacation in Austria in December.
- The home Sam and Karen own in the U.S. is being rented out. Sam and Karen live in an apartment in Frankfurt.

International Scenario 2: Retest Questions

5. Sam and Karen meet the requirements of the physical presence test and can exclude their foreign earned income.
   a. True
   b. False

6. The 14-day Austrian ski vacation counts toward the 330-day requirement for the physical presence test.
   a. True
   b. False
Interview Notes

- John and Laura are married and plan to file a joint return.
- John’s birth date is February 5, 1945.
- Laura’s birth date is June 1, 1947.
- Laura retired on December 31, 2010, and began drawing a monthly pension in January 2011.
- The pension plan is a qualified plan and will be paid as a joint and survivor annuity over Laura’s and John’s lifetimes.
- The gross distribution reported on Form 1099-R for 2011 was $22,400.
- The total employee contribution to the plan was $62,000.
- John and Laura are U.S. citizens and have valid social security numbers.

International Scenario 3: Retest Questions

7. The taxable portion of Laura’s pension distribution is $20,000.
   a. True
   b. False

8. Only Laura’s age is used to compute the taxable portion of her pension distribution.
   a. True
   b. False
Directions

Refer to the scenario information for David and Miriam Fulton, beginning on page 5-5.

Please complete Form 1040 and the appropriate forms, schedules, and worksheets to answer each of the following questions.

*Note: When using the Link and Learn Taxes Practice Lab, complete the social security numbers and employer identification numbers by replacing the Xs with your User ID. In classroom situations, replace the Xs with the EFIN provided by your instructor.*

9. The Fultons’ total wages reported on Form 1040, line 7 is $41,000.
   a. True
   b. False

10. What is the capital gain or loss on Schedule D?
    a. ($8,000)
    b. $0
    c. $2,000
    d. $12,000

11. The capital gain or loss on Schedule D is long term.
    a. True
    b. False

12. The bona fide residence ending date on Form 2555-EZ is:
    a. 12/31/2011
    b. Open
    c. 6/23/2006
    d. Continues

13. The correct amount reported on the Other Income line on Form 1040, page 1 is:
    a. ($64,200)
    b. ($41,000)
    c. ($23,200)
    d. ($20,800)
14. Miriam can claim the foreign earned income exclusion for her U.S. government salary.
   a. True
   b. False

15. David and Miriam will take the foreign earned income exclusion. They can also claim a foreign tax credit on David's income tax paid to the U.K.
   a. True
   b. False
**Facilitated Self-Assistance Model**

*FAST*, Free Assisted Self-Service Tax Preparation, is a facilitated self-assistance model of tax preparation that allows computer-savvy taxpayers to input their own return at a VITA/TCE site. Certified volunteers act as coaches, assisting taxpayers with questions and helping them with computer issues that may arise. Partners market the program to taxpayers as Free File/VITA/TCE.

For more information contact your Relationship Manager (RM) to see if you should start a FAST site in your community. You may also request Publication 4907 (*Free File for VITA Partners*) for further details.

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**Link & Learn Taxes**

Link & Learn Taxes is web-based training designed specifically for VITA/TCE volunteers. Each volunteer’s ability to prepare complete and accurate returns is vital to the credibility and integrity of the program. Link & Learn Taxes, as part of the complete volunteer training kit, provides the path to achieving this high level of quality service to taxpayers.

Link & Learn Taxes and the printed technical training guide, Publication 4480, work together to help volunteers learn and practice.

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- Easy identification of the VITA/TCE courses with the course icons
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- Two optional modules:
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- The Practice Lab
  - Gives volunteers practice with an early version of the IRS-provided tax preparation software
  - Lets volunteers complete workbook problems from Publication 4491-W
  - Lets volunteers prepare test scenario returns for the test/retest

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(Keyword: Individuals)

- 1040 Central (What's new this filing season)
- Where’s My Refund
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