

Test Scenario 2 (NACTP Test 4)

Oklahoma Forms: 511, 511CR

Taxpayer: Passed Away
111 Main Street
Oklahoma City, OK 73110

SSN: 400-00-5004

Spouse: Investor Widow

SSN: 400-00-5014

1099R: Passed Away received private sector retirement. The taxable amount in Box 2a of his Form 1099-R is \$18,000 with no Oklahoma withholding.

1099R: Investor Widow is a civil service retiree whose retirement benefits are paid out of the Civil Service Retirement System (CSRS). Her Form CSA 1099-R has a Retirement Claim Number of CSA3001234. The taxable amount in Box 2a is \$6,000 with no Oklahoma withholding.

511CR: Taxpayer contributed \$100.00 to a Scholarship-Granting Organization. The amount eligible for credit is 50% of the contribution.

EFW for Balance Due:

Tinker Federal Credit Union
RTN 303085829
DAN 2020268620
Savings Account
EFW Date 04/15/2014

Additional Information:

- No use tax is due.

Final Result: Balance Due of \$236 (Form 511, line 43)

NACTP

Test 4

MFJ taxpayers, taxpayer died during the year; investment & retirement income; spouse is blind and both TP & SP are eligible for the over 65 credit

Forms: 1040, 1099R (2), 1099SSA (1), Schedule B, Schedule D, 8949

Taxpayer:

Passed Away

111 Main Street

Quinton, AL 35130

SSN: 600-00-1004

DOB: 01/10/1938 (Senior Citizen)

DOD: 08/23/2013

Spouse:

Investor Widow (Blind)

SSN: 600-00-1014

DOB: 05/01/1938 (Senior Citizen)

Filing Status: Married Filing Joint

Direct Deposit:

Bank of America / Savings Account

RTN 123456780

DAN 951ABD357

Qualified Dividends and Capital Gain Tax Worksheet - Line 44

Keep for Your Records

- Before you begin:**
- ✓ See the earlier instructions for line 44 to see if you can use this worksheet to figure your tax.
 - ✓ Before completing this worksheet, complete Form 1040 through line 43.
 - ✓ If you do not have to file Schedule D and you received capital gain distributions, be sure you checked the box on line 13 of Form 1040.

<p>1. Enter the amount from Form 1040, line 43. However, if you are filing Form 2555 or 2555- EZ (relating to foreign earned income), enter the amount from line 3 of the Foreign Earned Income Tax Worksheet</p> <p>2. Enter the amount from Form 1040, line 9b*</p> <p>3. Are you filing Schedule D?*</p> <p style="margin-left: 20px;"><input checked="" type="checkbox"/> Yes. Enter the smaller of line 15 or 16 of Schedule D. If either line 15 or line 16 is blank or a loss, enter -0-</p> <p style="margin-left: 20px;"><input type="checkbox"/> No. Enter the amount from Form 1040, line 13</p> <p>4. Add lines 2 and 3.</p> <p>5. If filing Form 4952 (used to figure investment interest expense deduction), enter any amount from line 4g of that form. Otherwise, enter -0-</p> <p>6. Subtract line 5 from line 4. If zero or less, enter -0-</p> <p>7. Subtract line 6 from line 1. If zero or less, enter -0-</p> <p>8. Enter:</p> <p style="margin-left: 20px;">\$36,250 if single or married filing separately,</p> <p style="margin-left: 20px;">\$72,500 if married filing jointly or qualifying widow(er),</p> <p style="margin-left: 20px;">\$48,600 if head of household.</p> <p>9. Enter the smaller of line 1 or line 8.</p> <p>10. Enter the smaller of line 7 or line 9.</p> <p>11. Subtract line 10 from line 9. This amount is taxed at 0%.</p> <p>12. Enter the smaller of line 1 or 6</p> <p>13. Enter the amount from line 11.</p> <p>14. Subtract line 13 from line 12</p> <p>15. Multiply line 14 by 15% (.15)</p> <p>16. Figure the tax on the amount on line 7. If the amount on line 7 is less than \$100,000, use the Tax Table to figure this tax. If the amount on line 7 is \$100,000 or more, use the Tax Computation Worksheet</p> <p>17. Add lines 15 and 16</p> <p>18. Figure the tax on the amount on line 1. If the amount on line 1 is less than \$100,000, use the Tax Table to figure this tax. If the amount on line 1 is \$100,000 or more, use the Tax Computation Worksheet</p> <p>19. Tax on all taxable income. Enter the smaller of line 17 or line 18. Also include this amount on Form 1040, line 44. If you are filing Form 2555 or 2555- EZ, do not enter this amount on Form 1040, line 44. Instead, enter it on line 4 of the Foreign Earned Income Tax Worksheet.</p>	<p>1.</p> <p>2.</p> <p>3.</p> <p>4.</p> <p>5.</p> <p>6.</p> <p>7.</p> <p>8.</p> <p>9.</p> <p>10.</p> <p>11.</p> <p>12.</p> <p>13.</p> <p>14.</p> <p>15.</p> <p>16.</p> <p>17.</p> <p>18.</p> <p>19.</p>	<p><u>31,280</u></p> <p><u>10,500</u></p> <p><u>9,300</u></p> <p><u>19,800</u></p> <p><u>0</u></p> <p><u>19,800</u></p> <p><u>11,480</u></p> <p><u>72,500</u></p> <p><u>31,280</u></p> <p><u>11,480</u></p> <p><u>19,800</u></p> <p><u>19,800</u></p> <p><u>0</u></p> <p><u>0</u></p> <p><u>1,148</u></p> <p><u>1,148</u></p> <p><u>3,799</u></p> <p><u>1,148</u></p>
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* If you are filing Form 2555 or 2555- EZ, see the footnote in the Foreign Earned Income Tax Worksheet before completing this line.

DECEASED

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

See separate instructions.

Your social security number 600-00-1004

Spouse's social security number 600-00-1014

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

Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.

You Spouse

PASSED AWAY -DECEASED 8/23/2013
INVESTOR WIDOW
% INVESTOR WIDOW
111 MAIN ST
QUINTON, AL 35130

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

Filing Status 1 Single 4 Head of household (with qualifying person). (See instructions.)
2 Married filing jointly (even if only one had income) If the qualifying person is a child but not your dependent, enter this
3 Married filing separately. Enter spouse's SSN above & full name here. child's name here.
5 Qualifying widow(er) with dependent child

Exemptions 6a Yourself. If someone can claim you as a dependent, do not check box 6a
b Spouse
c Dependents: (1) First name Last name (2) Dependent's social security number (3) Dependent's relationship to you (4) if qual. child < 17 for child tax cr. (see inst)
d Total number of exemptions claimed 2

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. Attach Schedule B if required
9b Qualified dividends 10,500.
10 Taxable refunds, credits, or offsets of state and local income taxes
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). Attach Form 4797
15a IRA distributions 15a Taxable amt 15b
16a Pensions and annuities 16a Taxable amt 16b 24,000.
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E
18 Farm income or (loss). Attach Schedule F
19 Unemployment compensation
20a Social security benefits 20a 12,800. b Taxable amount 20b 10,880.
21 Other income. List type and amount
22 Combine the amounts in the far right column for lines 7 through 21. This is your total income 54,880.

Adjusted Gross Income

23 Educator expenses 23
24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ 24
25 Health savings account deduction. Attach Form 8889 25
26 Moving expenses. Attach Form 3903 26
27 Deductible part of self-employment tax. Attach Schedule SE 27
28 Self-employed SEP, SIMPLE, and qualified plans 28
29 Self-employed health insurance deduction 29
30 Penalty on early withdrawal of savings 30
31a Alimony paid b Recipient's SSN 31a
32 IRA deduction 32
33 Student loan interest deduction 33
34 Tuition and fees. Attach Form 8917 34
35 Domestic production activities deduction. Attach Form 8903 35
36 Add lines 23 through 35 36
37 Subtract line 36 from line 22. This is your adjusted gross income 54,880.

Tax and Credits

38 Amount from line 37 (adjusted gross income) **38** **54,880.**
 39a Check You were born before January 2, 1949, Blind. } **Total boxes checked ▶ 39a** **3**
 if: Spouse was born before January 2, 1949, Blind. }
 b If your spouse itemizes on a separate return or you were a dual-status alien, check here ▶ 39b

Standard Deduction for -
 • People who check any box on line 39a or 39b or who can be claimed as a dependent, see instr.
 • All others:
 Single or Married filing separately, \$6,100
 Married filing jointly or Qualifying widow(er), \$12,200
 Head of household, \$8,950

40 **Itemized deductions** (from Schedule A) or your **standard deduction** (see left margin) **40** **15,800.**
 41 Subtract line 40 from line 38 **41** **39,080.**
 42 **Exemptions.** If line 38 is \$150,000 or less, multiply \$3,900 by the number on line 6d. Otherwise, see instructions **42** **7,800.**
 43 **Taxable income.** Subtract line 42 from line 41. If line 42 is more than line 41, enter - 0- **43** **31,280.**
 44 **Tax** Check if any from: a Form(s) 8814 b Form 4972 c **44** **1,148.**
 45 **Alternative minimum tax** (see instructions). Attach Form 6251 **45**
 46 Add lines 44 and 45 **46** **1,148.**
 47 Foreign tax credit. Attach Form 1116 if required **47**
 48 Credit for child and dependent care expenses. Attach Form 2441 **48**
 49 Education credits from Form 8863, line 19 **49**
 50 Retirement savings contributions credit. Attach Form 8880 **50**
 51 Child tax credit. Attach Schedule 8812, if required **51**
 52 Residential energy credit. Attach Form 5695 **52**
 53 Other credits from Form: a 3800 b 8801 c **53**
 54 Add ln 47 through 53. These are your **total credits** **54**
 55 Subtract line 54 from line 46. If line 54 is more than line 46, enter - 0- **55** **1,148.**

Other Taxes

56 Self-employment tax. Attach Schedule SE **56**
 57 Unreported social security and Medicare tax from Form: a 4137 b 8919 **57**
 58 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required **58**
 59a Household employment taxes from Schedule H **59a**
 b First-time homebuyer credit repayment. Attach Form 5405 if required **59b**
 60 Taxes from: a Form 8959 b Form 8960 c Instructions, enter code(s) **60**
 61 Add lines 55 through 60. This is your **total tax** **61** **1,148.**

Payments

If you have a qualifying child, attach Schedule EIC.

62 Federal income tax withheld from Forms W-2 and 1099 **62** **3,500.**
 63 2013 estimated tax payments and amount applied from 2012 return **63**
 64a **Earned income credit (EIC)** **64a**
 b Nontaxable combat pay election **64b**
 65 Additional child tax credit. Attach Schedule 8812 **65**
 66 American opportunity credit from Form 8863, line 8 **66**
 67 Reserved **67**
 68 Amount paid with request for extension to file **68**
 69 Excess social security and tier 1 RRTA tax withheld **69**
 70 Credit for federal tax on fuels. Attach Form 4136 **70**
 71 Credits from Form: a 2439 b Re-served c 8885 d **71**
 72 Add lines 62, 63, 64a, and 65 through 71. These are your **total payments** **72** **3,500.**

Refund

Direct deposit? See instructions.

73 If line 72 is more than line 61, subtract line 61 from line 72. This is the amount you **overpaid** **73** **2,352.**
 74a Amount of line 73 you want **refunded to you**. If Form 8888 is attached, check here **74a** **2,352.**
 ▶ b Routing number **123456780** ▶ c Type: Checking Savings
 ▶ d Account number **951ABD357**
 75 Amount of line 73 you want **applied to your 2014 estimated tax** ▶ **75**

Amount You Owe

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

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? Yes. Complete below. No
 Designee's name _____ Phone no. _____ Personal ID number _____
 (PIN) ▶ _____

Sign Here

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

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.
 Your signature **For Info Only-Do not file** Date _____ Your occupation **DECEASED** Daytime phone number _____
 Spouse's signature. If a joint return, both must sign. **For Info Only-Do not file** Date _____ Spouse's occupation **RETIRED** If the IRS sent you an ID Protection PIN, enter it here (see inst.) _____

Paid Preparer Use Only

Print/Type preparer's name **SUE TAXPRO** Preparer's signature _____ Date **09/05/2013** Check if self-employed PTIN **P44444444**
 Firm's name ▶ **HRB TAX GROUP INC** Firm's EIN ▶ **43-1871840**
 Firm's address ▶ **DUBLIN, OH 43017** Phone no. **(614) 659-1158**

SCHEDULE B
(Form 1040A or 1040)

Department of the Treasury
Internal Revenue Service (99)

Interest and Ordinary Dividends

▶ Attach to Form 1040A or 1040.

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

OMB No. 1545-0074

2013

Attachment
Sequence No. **08**

Name(s) shown on return

PASSED AWAY & INVESTOR WIDOW

Your social security number
600-00-1004

Part I

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

Interest

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

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

2 Add the amounts on line 1

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

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

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

Amount	
1	
2	
3	
4	

Part II

5 List name of payer ▶
ALL OF OUR DIVIDENDS

Ordinary Dividends

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

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

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

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

Amount	
5	10,500.
6	10,500.

Part III

Foreign Accounts and Trusts

(See separate instructions.)

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

7a At any time during 2013, did you have a financial interest in or signature authority over a financial account (such as a bank account, securities account, or brokerage account) located in a foreign country? See instructions

If "Yes," are you required to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR), formerly TD F 90- 22.1 to report that financial interest or signature authority? See FinCEN Form 114 and its instructions for filing requirements and exceptions to those requirements

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

8 During 2013, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See separate instructions

Yes	No
/ / / /	/ / / /
/ / / /	X
/ / / /	/ / / /
/ / / /	X

**SCHEDULE D
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

Capital Gains and Losses

▶ Attach to Form 1040 or Form 1040NR.

▶ Information about Schedule D and its separate instructions is at www.irs.gov/form1040.
▶ Use Form 8949 to list your transactions for lines 1b, 2, 3, 8b, 9, and 10.

OMB No. 1545-0074

2013

Attachment
Sequence No. **12**

Name(s) shown on return

PASSED AWAY & INVESTOR WIDOW

Your social security number

600-00-1004

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

See instructions for how to figure the amounts to enter on the lines below. This form may be easier to complete if you round off cents to whole dollars.	(d) Proceeds (sale price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part I, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
1a Totals for all short-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 1b	0.	0.		0.
1b Totals for all transactions reported on Form(s) 8949 with Box A checked	1,200.	1,000.	0.	200.
2 Totals for all transactions reported on Form(s) 8949 with Box B checked	0.	0.	0.	0.
3 Totals for all transactions reported on Form(s) 8949 with Box C checked	0.	0.	0.	0.
4 Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824				4
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				5
6 Short-term capital loss carryover. Enter the amount, if any, from line 8 of your Capital Loss Carryover Worksheet in the instructions				6 ()
7 Net short-term capital gain or (loss). Combine lines 1a through 6 in column (h). If you have any long-term capital gains or losses, go to Part II below. Otherwise, go to Part III on page 2				7 200.

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

See instructions for how to figure the amounts to enter on the lines below. This form may be easier to complete if you round off cents to whole dollars.	(d) Proceeds (sale price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part I, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
8a Totals for all long-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 8b	0.	0.		0.
8b Totals for all transactions reported on Form(s) 8949 with Box D checked	36,800.	27,500.	0.	9,300.
9 Totals for all transactions reported on Form(s) 8949 with Box E checked	0.	0.	0.	0.
10 Totals for all transactions reported on Form(s) 8949 with Box F checked	0.	0.	0.	0.
11 Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824				11
12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				12
13 Capital gain distributions. See the instructions				13
14 Long-term capital loss carryover. Enter the amount, if any, from line 13 of your Capital Loss Carryover Worksheet in the instructions				14 ()
15 Net long-term capital gain or (loss). Combine lines 8a through 14 in column (h). Then go to Part III on page 2				15 9,300.

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

Schedule D (Form 1040) 2013

Part III Summary

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