

Test Scenario 4 (NACTP Test 7)

Oklahoma Form: 511NR

Taxpayer: Rental Investor
511 Carol Blvd
Columbus, OH 43228

SSN: 400-00-5007

Spouse: Lucky Gambler

SSN: 400-00-5017

Dependents:

Slot Machine SSN 400-00-5027
Black Jack SSN 400-00-5037
Poker Table SSN 400-00-5047
Horse Racin SSN 400-00-5057
Sports Book SSN 400-00-5067
Bingo Hall SSN 400-00-5077

Modification to Federal return:

- *Schedule E: Change Property A to Oklahoma (The property on 123 First Street).*

W2G: The gambling winnings are from an Oklahoma casino.

Reminder: Even though the IRA distribution is not sourced to Oklahoma, the taxpayer still qualifies for the Other Retirement Income exclusion in the Federal Amount column of Form 511NR, Schedule 511NR-B, line 6.

Final Result: Balance Due of \$8 (Form 511NR, line 44).

NACTP

Test 7

MFJ taxpayers with 6 children; TP has 1 W2 & 4 rental properties; Spouse has an IRA distribution & gambling income

Forms: 1040, W2 (1), 1099R (1), W2G (1), Schedule E pg 1 (2), Schedule E pg 2 (1), Schedule EIC, 4562, 5329, 8582, 8812, 8867

Taxpayer:

Rental Investor

511 Carol Blvd

Columbus, OH 43228

SSN: 600-00-1007

DOB: 02/28/1970

Spouse:

Lucky Gambler

SSN: 600-00-1017

DOB: 03/12/1970

Filing Status: Married Filing Joint (using standard deduction)

Dependents:

Slot Machine	SSN	600-00-2007	DOB	04/01/2003
Black Jack	SSN	600-00-3007	DOB	05/01/2001
Poker Table	SSN	600-00-4007	DOB	06/01/1999
Horse Racing	SSN	600-00-5007	DOB	07/01/1997
Sports Book	SSN	600-00-6007	DOB	08/01/1995
Bingo Hall	SSN	600-00-7007	DOB	09/01/1993

DEPRECIATION WORKSHEET - ALL METHODS

Name(s) **RENTAL INVESTOR**

SSN/ EIN **600-00-1007**

Business or Activity: SCH E P1 SINGL FMLY RESIDENCE 123 FIRST ST CO Subform: 4562

- If the business-use percentage of an asset is expected to change from year to year, use a separate worksheet for that asset, recomputing the columns D through O each year.
- In states where depreciation is computed different than federal, use a separate worksheet for state depreciation.
- When more than eight assets are being depreciated, use as many worksheets as necessary.

ASSET	LISTED	DEPRECIATION	TYPE	Manner/ Date Acquired (Purchased, gift, inherited, etc.)	Date Placed in Service, if different	System (MACRS, ACRS, etc.) & Class/Life	A. Cost or Other Basis	B. Land/ Salvage or other adj.*	C. Qualified		D. Business Use %	E. Business Basis (C x D)
									Basis (A - B)			
1	✓	STOVE	P	NO1/01/2008	01/01/2008	MACRS 5	642		642		100	642
2												
3												
4												
5												
6												
7												
8												

* Enter basis adjustment for clean- fuel vehicle deduction or electric vehicle credit in column B.

- In the section below, use the top row for each asset to compute depreciation for regular tax purposes, and the shaded row below it to compute depreciation for AMT purposes.
- In column O, enter the tax year at the top and the asset's recovery year below (1st, 2nd, etc.). Find the percentage from the appropriate table.
- To continue depreciation after the third year, another row or use additional copies of this worksheet as overflow worksheets. Enter in Column M any depreciation claimed on prior years' worksheets.

	F. Sec. 179 Deduction	G. (E - F)**	H. Special*** Depreciation Allowance, if any (col. G x percentage)	I. Depreciable Amount (G - H)	J. Recovery Period	K. Method and Convention	L. Prior Depreciation Claimed	M. Date of Disposition	N. Depreciation Computation								
									Year: 2013		Year:		Year:				
									Rec. Year	%	Depr. (I x %)	Rec. Year	%	Depr. (I x %)	Rec. Year	%	Depr. (I x %)
1		642		642	5	200 DB H	607		6	5.7	35						
AMT		642		642	5	HY	589*		6	8.3	53						
2																	
AMT																	
3																	
AMT																	
4																	
AMT																	
5																	
AMT																	
6																	
AMT																	
7																	
AMT																	
8																	
AMT																	

** Reduce the result by any investment credit basis adjustment before entering the figure in column G.

*** An additional allowance of: 30% for qualified assets placed in service in the New York Liberty Zone after September 1, 2001 and before January 1, 2010, or for other qualified assets placed in service after September 1, 2001 and before January 1, 2004, or 50% for assets placed in service after May 5, 2003 and before September 8, 2010 or 100% after September 8, 2010 and before January 1, 2013. See special rules that apply to certain disaster areas.

* System calculated prior depreciation

DEPRECIATION WORKSHEET - ALL METHODS

Name(s) **RENTAL INVESTOR**

SSN/ EIN **600-00-1007**

Business or Activity: SCH E P1 SINGL FMLY RESIDENCE 123 SECOND ST C Subform: 4562

- If the business-use percentage of an asset is expected to change from year to year, use a separate worksheet for that asset, recomputing the columns D through O each year.
- In states where depreciation is computed different than federal, use a separate worksheet for state depreciation.
- When more than eight assets are being depreciated, use as many worksheets as necessary.

ASSET	LISTED	DEPRECIATION	TYPE	Manner/ Date Acquired (Purchased, gift, inherited, etc.)	Date Placed in Service, if different	System (MACRS, ACRS, etc.) & Class/Life	A. Cost or Other Basis	B. Land/ Salvage or other adj.*	C. Qualified		D. Business Use %	E. Business Basis (C x D)
									Basis (A- B)			
1		REFRIGERATOR	P	01/01/2013	01/01/2013	MACRS 5	1000		1000	100	1000	
2												
3												
4												
5												
6												
7												
8												

* Enter basis adjustment for clean- fuel vehicle deduction or electric vehicle credit in column B.

- In the section below, use the top row for each asset to compute depreciation for regular tax purposes, and the shaded row below it to compute depreciation for AMT purposes.
- In column O, enter the tax year at the top and the asset's recovery year below (1st, 2nd, etc.). Find the percentage from the appropriate table.
- To continue depreciation after the third year, another row or use additional copies of this worksheet as overflow worksheets. Enter in Column M any depreciation claimed on prior years' worksheets.

	F. Sec. 179 Deduction	G. (E- F)**	H. Special*** Depreciation Allowance, if any (col. G x percentage)	I. Depreciable Amount (G- H)	J. Recovery Period	K. Method and Convention	L. Prior Depreciation Claimed	M. Date of Disposition	N. Depreciation Computation									
									Year: 2013			Year:			Year:			
									Rec. Year	%	Depr. (I x %)	Rec. Year	%	Depr. (I x %)	Rec. Year	%	Depr. (I x %)	
1		1000		1000	5	200 DB H			1	20.0	200							
AMT		1000		1000	5	HY			1	15.0	150							
2																		
AMT																		
3																		
AMT																		
4																		
AMT																		
5																		
AMT																		
6																		
AMT																		
7																		
AMT																		
8																		
AMT																		

** Reduce the result by any investment credit basis adjustment before entering the figure in column G.

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*** System calculated prior depreciation**

DEPRECIATION WORKSHEET - ALL METHODS

Name(s) **RENTAL INVESTOR**

SSN/ EIN **600-00-1007**

Business or Activity: SCH E P1 SINGL FMLY RESIDENCE 123 THIRD ST CO Subform: 4562

- If the business-use percentage of an asset is expected to change from year to year, use a separate worksheet for that asset, recomputing the columns D through O each year.
- In states where depreciation is computed different than federal, use a separate worksheet for state depreciation.
- When more than eight assets are being depreciated, use as many worksheets as necessary.

ASSET	LISTED	DEPRECIATION	TYPE	Manner/ Date Acquired (Purchased, gift, inherited, etc.)	Date Placed in Service, if different	System (MACRS, ACRS, etc.) & Class/Life	A. Cost or Other Basis	B. Land/ Salvage or other adj.*	C. Qualified		D. Business Use %	E. Business Basis (C x D)
									Basis (A- B)			
1		STOVE	P	01/01/2009	01/01/2009	MACRS 5	1130		1130	100	1130	
2												
3												
4												
5												
6												
7												
8												

* Enter basis adjustment for clean- fuel vehicle deduction or electric vehicle credit in column B.

- In the section below, use the top row for each asset to compute depreciation for regular tax purposes, and the shaded row below it to compute depreciation for AMT purposes.
- In column O, enter the tax year at the top and the asset's recovery year below (1st, 2nd, etc.). Find the percentage from the appropriate table.
- To continue depreciation after the third year, another row or use additional copies of this worksheet as overflow worksheets. Enter in Column M any depreciation claimed on prior years' worksheets.

	F. Sec. 179 Deduction	G. (E- F)**	H. Special*** Depreciation Allowance, if any (col. G x percentage)	I. Depreciable Amount (G- H)	J. Recovery Period	K. Method and Convention	L. Prior Depreciation Claimed	M. Date of Disposition	N. Depreciation Computation									
									Year: 2013			Year:			Year:			
									Rec. Year	%	Depr. (I x %)	Rec. Year	%	Depr. (I x %)	Rec. Year	%	Depr. (I x %)	
1		1130		1130	5	200 DB H	341		5	11.5	130							
AMT		1130		1130	5	HY	848*		5	16.6	188							
2																		
AMT																		
3																		
AMT																		
4																		
AMT																		
5																		
AMT																		
6																		
AMT																		
7																		
AMT																		
8																		
AMT																		

** Reduce the result by any investment credit basis adjustment before entering the figure in column G.

*** An additional allowance of: 30% for qualified assets placed in service in the New York Liberty Zone after September 1, 2001 and before January 1, 2010, or for other qualified assets placed in service after September 1, 2001 and before January 1, 2004, or 50% for assets placed in service after May 5, 2003 and before September 9, 2010 or 100% after September 8, 2010 and before January 1, 2013. See special rules that apply to certain disaster areas.

*** System calculated prior depreciation**

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

See separate instructions.
Your social security number
600-00-1007
Spouse's social security number
600-00-1017
 ▲ 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

RENTAL INVESTOR
LUCKY GAMBLER
511 CAROL BLVD
COLUMBUS, OH 43228

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

Filing Status
 1 Single
 2 Married filing jointly (even if only one had income)
 3 Married filing separately. Enter spouse's SSN above & full name here.
 4 Head of household (with qualifying person). (See instructions.)
 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)
SEE ATTACHMENT
 d Total number of exemptions claimed **8**

Income
 7 Wages, salaries, tips, etc. Attach Form(s) W-2 **3,500.**
 8a Taxable interest. Attach Schedule B if required
 b Tax-exempt interest. Do not include on line 8a
 9a Ordinary dividends. Attach Schedule B if required
 b Qualified dividends
 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 **12,200.**
 16a Pensions and annuities 16a Taxable amt
 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 Taxable amount
 21 Other income. List type and amount **GAMBLING 16,500.**
 22 Combine the amounts in the far right column for lines 7 through 21. This is your total income **32,200.**

Adjusted Gross Income
 23 Educator expenses
 24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ
 25 Health savings account deduction. Attach Form 8889
 26 Moving expenses. Attach Form 3903
 27 Deductible part of self-employment tax. Attach Schedule SE
 28 Self-employed SEP, SIMPLE, and qualified plans
 29 Self-employed health insurance deduction
 30 Penalty on early withdrawal of savings
 31a Alimony paid b Recipient's SSN
 32 IRA deduction
 33 Student loan interest deduction
 34 Tuition and fees. Attach Form 8917
 35 Domestic production activities deduction. Attach Form 8903
 36 Add lines 23 through 35
 37 Subtract line 36 from line 22. This is your adjusted gross income **32,200.**

Tax and Credits	38	Amount from line 37 (adjusted gross income)	38	32,200.
	39a	Check <input type="checkbox"/> You were born before January 2, 1949, <input type="checkbox"/> Blind. <input type="checkbox"/> Total boxes checked <input type="checkbox"/> 39a		
		if: <input type="checkbox"/> Spouse was born before January 2, 1949, <input type="checkbox"/> Blind. <input type="checkbox"/> Total boxes checked <input type="checkbox"/> 39a		
	b	If your spouse itemizes on a separate return or you were a dual-status alien, check here <input type="checkbox"/> 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	12,200.
	41	Subtract line 40 from line 38	41	20,000.
	42	Exemptions. If line 38 is \$150,000 or less, multiply \$3,900 by the number on line 6d. Otherwise, see instructions	42	31,200.
	43	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter - 0-	43	0.
	44	Tax Check if any from: a <input type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972 c <input type="checkbox"/>	44	0.
	45	Alternative minimum tax (see instructions). Attach Form 6251	45	
	46	Add lines 44 and 45	46	0.
	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 <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/>	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	0.	
Other Taxes	56	Self-employment tax. Attach Schedule SE	56	
	57	Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919	57	
	58	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	58	1,000.
	59a	Household employment taxes from Schedule H	59a	
	59b	b First-time homebuyer credit repayment. Attach Form 5405 if required	59b	
	60	Taxes from: a <input type="checkbox"/> Form 8959 b <input type="checkbox"/> Form 8960 c <input type="checkbox"/> Instructions, enter code(s)	60	
61	Add lines 55 through 60. This is your total tax	61	1,000.	
Payments	62	Federal income tax withheld from Forms W-2 and 1099	62	2,800.
	63	2013 estimated tax payments and amount applied from 2012 return	63	
	64a	Earned income credit (EIC)	64a	1,586.
	b	Nontaxable combat pay election <input type="checkbox"/> 64b		
	65	Additional child tax credit. Attach Schedule 8812	65	75.
	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 <input type="checkbox"/> 2439 b <input checked="" type="checkbox"/> Reserved c <input type="checkbox"/> 8885 d <input type="checkbox"/>	71		
72	Add lines 62, 63, 64a, and 65 through 71. These are your total payments	72	4,461.	
Refund	73	If line 72 is more than line 61, subtract line 61 from line 72. This is the amount you overpaid	73	3,461.
	74a	Amount of line 73 you want refunded to you. If Form 8888 is attached, check here <input type="checkbox"/>	74a	3,461.
	b	Routing number <input type="text"/> c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
	d	Account number <input type="text"/>		
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 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 **RENTAL BUSINESS** Daytime phone number _____
 Joint return? See instructions. Keep a copy for your records. **For Info Only-Do not file**
 Spouse's signature. If a joint return, both must sign. _____ Date _____ Spouse's occupation **GAMBLER** If the IRS sent you an ID Protection PIN, enter it here (see inst.) _____
For Info Only-Do not file

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 E
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

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

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

▶ Information about Schedule E and its separate instructions is at www.irs.gov/form1040.

OMB No. 1545-0074

2013

Attachment
Sequence No. **13**

Name(s) shown on return

RENTAL INVESTOR & LUCKY GAMBLER

Your social security number

600-00-1007

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

A Did you make any payments in 2012 that would require you to file Form(s) 1099? (see instructions) Yes No
B If "Yes," did you or will you file all required Forms 1099? Yes No

1a Physical address of each property (street, city, state, and ZIP code)
A **123 FIRST ST COLUMBUS OH 43228**
B **123 SECOND ST COLUMBUS OH 43228**
C **123 THIRD ST COLUMBUS OH 43228**

1b Type of Property (from list below)	2 For each rental real estate property listed above, report the number of fair rental and personal use days. Check the QJV box only if you meet the requirements to file as a qualified joint venture. See instructions.	Fair Rental Days		Personal Use Days	QJV
		A	B	C	
A 1		365		0	
B 1		365		0	
C 1		365		0	

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

Income:	Properties		
	A	B	C
3 Rents received	9,500.	8,400.	9,600.
4 Royalties received	0.	0.	0.

Expenses:	Properties		
	A	B	C
5 Advertising	50.	30.	
6 Auto and travel (see instructions)			
7 Cleaning and maintenance		250.	650.
8 Commissions			
9 Insurance	425.	450.	450.
10 Legal and other professional fees	50.		
11 Management fees			
12 Mortgage interest paid to banks, etc. (see instructions)	4,500.	3,600.	2,500.
13 Other interest			
14 Repairs	250.	450.	960.
15 Supplies			
16 Taxes	3,000.	2,000.	3,500.
17 Utilities			200.
18 Depreciation expense or depletion	35.	200.	130.
19 Other (list) ▶			
20 Total expenses. Add lines 5 through 19	8,310.	6,980.	8,390.
21 Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6198	1,190.	1,420.	1,210.
22 Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)	()	()	()

23a Total of all amounts reported on line 3 for all rental properties	23a	36,400.	
b Total of all amounts reported on line 4 for all royalty properties	23b		
c Total of all amounts reported on line 12 for all properties	23c	16,200.	
d Total of all amounts reported on line 18 for all properties	23d	365.	
e Total of all amounts reported on line 20 for all properties	23e	32,015.	

24 **Income.** Add positive amounts shown on line 21. Do not include any losses. **24** **4,385.**
25 **Losses.** Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here **25** ()

26 **Total rental real estate and royalty income or (loss).** Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2 **26** **4,385.**

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

Schedule E (Form 1040) 2012

**SCHEDULE E
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

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

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

▶ Information about Schedule E and its separate instructions is at www.irs.gov/form1040.

OMB No. 1545-0074

2013

Attachment
Sequence No. **13**

Name(s) shown on return

RENTAL INVESTOR & LUCKY GAMBLER

Your social security number

600-00-1007

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

A Did you make any payments in 2012 that would require you to file Form(s) 1099? (see instructions) Yes No
B If "Yes," did you or will you file all required Forms 1099? Yes No

1a Physical address of each property (street, city, state, and ZIP code)
A **123 FOURTH ST COLUMBUS OH 43228**

B
C

1b Type of Property (from list below)	2 For each rental real estate property listed above, report the number of fair rental and personal use days. Check the QJV box only if you meet the requirements to file as a qualified joint venture. See instructions.	Fair Rental Days		Personal Use Days	QJV
		A	B	C	
A 1		365		0	
B					
C					

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

Income:	Properties		
	A	B	C
3 Rents received	3 8,900.		
4 Royalties received	4 0.		
Expenses:			
5 Advertising	5 35.		
6 Auto and travel (see instructions)	6		
7 Cleaning and maintenance	7 200.		
8 Commissions	8		
9 Insurance	9		
10 Legal and other professional fees	10		
11 Management fees	11		
12 Mortgage interest paid to banks, etc. (see instructions)	12 5,600.		
13 Other interest	13		
14 Repairs	14		
15 Supplies	15		
16 Taxes	16 2,500.		
17 Utilities	17		
18 Depreciation expense or depletion	18		
19 Other (list) ▶	19		
20 Total expenses. Add lines 5 through 19	20 8,335.		
21 Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6198	21 565.		
22 Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)	22 () () ()		
23a Total of all amounts reported on line 3 for all rental properties	23a		
b Total of all amounts reported on line 4 for all royalty properties	23b		
c Total of all amounts reported on line 12 for all properties	23c		
d Total of all amounts reported on line 18 for all properties	23d		
e Total of all amounts reported on line 20 for all properties	23e		
24 Income. Add positive amounts shown on line 21. Do not include any losses.	24		
25 Losses. Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here	25 ()		
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2	26		

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

Schedule E (Form 1040) 2012

Name(s) shown on return.

Your social security number
600-00-1007

RENTAL INVESTOR & LUCKY GAMBLER

Caution. The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

Part II Income or Loss From Partnerships and S Corporations Note. If you report a loss from an at-risk activity for which any amount is not at risk, you must check the box in column (e) on line 28 and attach Form 6198. See instructions.

27 Are you reporting any loss not allowed in a prior year due to the at-risk, excess farm loss, or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? If you answered "Yes," see instructions before completing this section. Yes No

Table with 5 columns: (a) Name, (b) Enter P for partnership; S for S corporation, (c) Check if foreign partnership, (d) Employer identification number, (e) Check if any amount is not at risk. Row A: ABC COMPANY, P, 52-655555.

Table with 5 columns: (f) Passive loss allowed, (g) Passive income from Schedule K-1, (h) Nonpassive loss from Schedule K-1, (i) Section 179 expense deduction from Form 4562, (j) Nonpassive income from Schedule K-1. Totals: 4,385.

Table with 2 columns: (a) Name, (b) Employer identification number. Row A: (blank), (blank).

Table with 4 columns: (c) Passive deduction or loss allowed, (d) Passive income from Schedule K-1, (e) Deduction or loss from Schedule K-1, (f) Other income from Schedule K-1. Totals: (blank).

Table with 5 columns: (a) Name, (b) Employer identification number, (c) Excess inclusion from Schedules Q, line 2c, (d) Taxable income (net loss) from Schedules Q, line 1b, (e) Income from Schedules Q, line 3b. Totals: (blank).

Table with 2 columns: (a) Name, (b) Employer identification number. Row A: (blank), (blank).

Table with 2 columns: (a) Name, (b) Employer identification number. Row A: (blank), (blank).

Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts

Department of the Treasury
Internal Revenue Service (99)

▶ Attach to Form 1040 or Form 1040NR.

▶ Information about Form 5329 and its separate instructions is at www.irs.gov/form5329.

Name of individual subject to additional tax. If married filing jointly, see instructions.

Your social security number
600-00-1017

LUCKY GAMBLER

**Fill in Your Address
Only If You Are
Filing This Form by
Itself and Not With
Your Tax Return**

Home address (number and street), or P.O. box if mail is not delivered to your home

Apt. no.

City, town or post office, state, and ZIP code. If you have a foreign address, also complete the spaces below.

If this is an amended return, check here

Foreign country name

Foreign province/state/county

Foreign postal code

If you **only** owe the additional 10% tax on early distributions, you may be able to report this tax directly on Form 1040, line 58, or Form 1040NR, line 56, without filing Form 5329. See the instructions for Form 1040, line 58, or for Form 1040NR, line 56.

Part I Additional Tax on Early Distributions

Complete this part if you took a taxable distribution before you reached age 59½ from a qualified retirement plan (including an IRA) or modified endowment contract (unless you are reporting this tax directly on Form 1040 or Form 1040NR- see above). You may also have to complete this part to indicate that you qualify for an exception to the additional tax on early distributions or for certain Roth IRA distributions (see instructions).

1 Early distributions included in income. For Roth IRA distributions, see instructions	1	12,200.
2 Early distributions included on line 1 that are not subject to the additional tax (see instructions). Enter the appropriate exception number from the instructions: <u>12</u>	2	2,200.
3 Amount subject to additional tax. Subtract line 2 from line 1	3	10,000.
4 Additional tax. Enter 10% (.10) of line 3. Include this amount on Form 1040, line 58, or Form 1040NR, line 56	4	1,000.
Caution: If any part of the amount on line 3 was a distribution from a SIMPLE IRA, you may have to include 25% of that amount on line 4 instead of 10% (see instructions).		

Part II Additional Tax on Certain Distributions From Education Accounts

Complete this part if you included an amount in income, on Form 1040 or Form 1040NR, line 21, from a Coverdell education savings account (ESA) or a qualified tuition program (QTP).

5 Distributions included in income from Coverdell ESAs and QTPs	5	
6 Distributions included on line 5 that are not subject to the additional tax (see instructions)	6	
7 Amount subject to additional tax. Subtract line 6 from line 5	7	
8 Additional tax. Enter 10% (.10) of line 7. Include this amount on Form 1040, line 58, or Form 1040NR, line 56	8	

Part III Additional Tax on Excess Contributions to Traditional IRAs

Complete this part if you contributed more to your traditional IRAs for 2013 than is allowable or you had an amount on line 17 of your 2012 Form 5329.

9 Enter your excess contributions from line 16 of your 2012 Form 5329 (see instructions). If zero, go to line 15	9	
10 If your traditional IRA contributions for 2013 are less than your maximum allowable contribution, see instructions. Otherwise, enter -0-	10	
11 2013 traditional IRA distributions included in income (see instructions)	11	
12 2013 distributions of prior year excess contributions (see instructions)	12	
13 Add lines 10, 11, and 12	13	
14 Prior year excess contributions. Subtract line 13 from line 9. If zero or less, enter -0-	14	
15 Excess contributions for 2013 (see instructions)	15	
16 Total excess contributions. Add lines 14 and 15	16	
17 Additional tax. Enter 6% (.06) of the smaller of line 16 or the value of your traditional IRAs on December 31, 2013 (including 2013 contributions made in 2014). Include this amount on Form 1040, line 58, or Form 1040NR, line 56	17	

Part IV Additional Tax on Excess Contributions to Roth IRAs

Complete this part if you contributed more to your Roth IRAs for 2013 than is allowable or you had an amount on line 25 of your 2012 Form 5329.

18 Enter your excess contributions from line 24 of your 2012 Form 5329 (see instructions). If zero, go to line 23	18	
19 If your Roth IRA contributions for 2013 are less than your maximum allowable contribution, see instructions. Otherwise, enter -0-	19	
20 2013 distributions from your Roth IRAs (see instructions)	20	
21 Add lines 19 and 20	21	
22 Prior year excess contributions. Subtract line 21 from line 18. If zero or less, enter -0-	22	
23 Excess contributions for 2013 (see instructions)	23	
24 Total excess contributions. Add lines 22 and 23	24	
25 Additional tax. Enter 6% (.06) of the smaller of line 24 or the value of your Roth IRAs on December 31, 2013 (including 2013 contributions made in 2014). Include this amount on Form 1040, line 58, or Form 1040NR, line 56	25	

SCHEDULE EIC
(Form 1040A or 1040)

Earned Income Credit

Qualifying Child Information



OMB No. 1545-0074

2013

Attachment
Sequence No. **43**

Department of the Treasury
Internal Revenue Service (99)

▶ Complete and attach to Form 1040A or 1040 only if you have a qualifying child.
▶ Information about Schedule EIC (Form 1040A or 1040) and its instructions is at www.irs.gov/scheduleeic.

Name(s) shown on return

RENTAL INVESTOR & LUCKY GAMBLER

Your social security number

600-00-1007

Before you begin:

- See the instructions for Form 1040A, lines 38a and 38b, or Form 1040, lines 64a and 64b, to make sure that **(a)** you can take the EIC, and **(b)** you have a qualifying child.
- Be sure the child's name on line 1 and social security number (SSN) on line 2 agree with the child's social security card. Otherwise, at the time we process your return, we may reduce or disallow your EIC. If the name or SSN on the child's social security card is not correct, call the Social Security Administration at 1- 800- 772- 1213.



- If you take the EIC even though you are not eligible, you may not be allowed to take the credit for up to 10 years. See separate instructions for details.
- It will take us longer to process your return and issue your refund if you do not fill in all lines that apply for each qualifying child.

Qualifying Child Information

Child 1

Child 2

Child 3

1 Child's name

If you have more than three qualifying children, you only have to list three to get the maximum credit.

First name	Last name	First name	Last name	First name	Last name
SLOT		BLACK		POKER	
MACHINE		JACK		TABLE	

2 Child's SSN

The child must have an SSN as defined in the instructions for Form 1040A, lines 38a and 38b, or Form 1040, lines 64a and 64b, unless the child was born and died in 2013. If your child was born and died in 2013 and did not have an SSN, enter "Died" on this line and attach a copy of the child's birth certificate, death certificate, or hospital medical records.

600-00-2007	600-00-3007	600-00-4007
--------------------	--------------------	--------------------

3 Child's year of birth

Year 2003 If born after 1994 and the child was younger than you (or your spouse, if filing jointly), skip lines 4a and 4b; go to line 5.	Year 2001 If born after 1994 and the child was younger than you (or your spouse, if filing jointly), skip lines 4a and 4b; go to line 5.	Year 1999 If born after 1994 and the child was younger than you (or your spouse, if filing jointly), skip lines 4a and 4b; go to line 5.
--	--	--

4a Was the child under age 24 at the end of 2013, a student, and younger than you (or your spouse, if filing jointly)?

<input type="checkbox"/> Yes. Go to line 5.	<input type="checkbox"/> No. Go to line 4b.	<input type="checkbox"/> Yes. Go to line 5.	<input type="checkbox"/> No. Go to line 4b.	<input type="checkbox"/> Yes. Go to line 5.	<input type="checkbox"/> No. Go to line 4b.
---	---	---	---	---	---

b Was the child permanently and totally disabled during any part of 2013?

<input type="checkbox"/> Yes. Go to line 5.	<input type="checkbox"/> No. The child is not a qualifying child.	<input type="checkbox"/> Yes. Go to line 5.	<input type="checkbox"/> No. The child is not a qualifying child.	<input type="checkbox"/> Yes. Go to line 5.	<input type="checkbox"/> No. The child is not a qualifying child.
---	---	---	---	---	---

5 Child's relationship to you

(for example, son, daughter, grandchild, niece, nephew, foster child, etc.)

DAUGHTER	SON	SON
-----------------	------------	------------

6 Number of months child lived with you in the United States during 2013

- If the child lived with you for more than half of 2013 but less than 7 months, enter "7."
- If the child was born or died in 2013 and your home was the child's home for more than half the time he or she was alive during 2013, enter "12."

<u>12</u> months Do not enter more than 12 months.	<u>12</u> months Do not enter more than 12 months.	<u>12</u> months Do not enter more than 12 months.
---	---	---

Schedule 8812
(Form 1040A or 1040)

Child Tax Credit

OMB No. 1545-0074

Department of the Treasury
Internal Revenue Service (99)

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

2013

Attachment
Sequence No. **47**

▶ Information about Schedule 8812 and its separate instructions is at www.irs.gov/form1040.

Name(s) shown on return

Your social security number

RENTAL INVESTOR & LUCKY GAMBLER

600-00-1007

Part I Filers Who Have Certain Child Dependent(s) with an ITIN (Individual Taxpayer Identification Number)



Complete this part only for each dependent who has an ITIN and for whom you are claiming the child tax credit. If your dependent does not qualify for the credit, you cannot include that dependent in the calculation of this credit.

Answer the following questions for each dependent listed on Form 1040, line 6c; Form 1040A, line 6c; or Form 1040NR, line 7c, who has an ITIN (Individual Taxpayer Identification Number) and that you indicated qualified for the child tax credit by checking column (4) for that dependent.

- A** For the first dependent identified with an ITIN and listed as a qualifying child for the child tax credit, did this child meet the substantial presence test? See separate instructions.
 Yes No
- B** For the second dependent identified with an ITIN and listed as a qualifying child for the child tax credit, did this child meet the substantial presence test? See separate instructions.
 Yes No
- C** For the third dependent identified with an ITIN and listed as a qualifying child for the child tax credit, did this child meet the substantial presence test? See separate instructions.
 Yes No
- D** For the fourth dependent identified with an ITIN and listed as a qualifying child for the child tax credit, did this child meet the substantial presence test? See separate instructions.
 Yes No

Note. If you have more than four dependents identified with an ITIN and listed as a qualifying child for the child tax credit, see the instructions and check here

Part II Additional Child Tax Credit Filers

1	1040 filers: Enter the amount from line 6 of your Child Tax Credit Worksheet (see the Instructions for Form 1040, line 51).				
	1040A filers: Enter the amount from line 6 of your Child Tax Credit Worksheet (see the Instructions for Form 1040A, line 33).				
	1040NR filers: Enter the amount from line 6 of your Child Tax Credit Worksheet (see the Instructions for Form 1040NR, line 48).				
	If you used Pub. 972, enter the amount from line 8 of the Child Tax Credit Worksheet in the publication.				
2	Enter the amount from Form 1040, line 51; Form 1040A, line 33; or Form 1040NR, line 48				2 0.
3	Subtract line 2 from line 1. If zero, stop ; you cannot take this credit				3 4,000.
4a	Earned income (see separate instructions)		4a 3,500.		
b	Nontaxable combat pay (see separate instructions)		4b		
5	Is the amount on line 4a more than \$3,000?				
	<input type="checkbox"/> No. Leave line 5 blank and enter - 0- on line 6.				
	<input checked="" type="checkbox"/> Yes. Subtract \$3,000 from the amount on line 4a. Enter the result				5 500.
6	Multiply the amount on line 5 by 15% (.15) and enter the result				6 75.
	Next. Do you have three or more qualifying children?				
	<input type="checkbox"/> No. If line 6 is zero, stop; you cannot take this credit. Otherwise, skip Part III and enter the smaller of line 3 or line 6 on line 13.				
	<input checked="" type="checkbox"/> Yes. If line 6 is equal to or more than line 3, skip Part III and enter the amount from line 3 on line 13. Otherwise, go to line 7.				

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

Schedule 8812 (Form 1040A or 1040) 2012

Part III Certain Filers Who Have Three or More Qualifying Children

7	Withheld social security and Medicare taxes from Form(s) W-2, boxes 4 and 6. If married filing jointly, include your spouse's amounts with yours. If you worked for a railroad, see separate instructions	7	268.	
8	1040 filers: Enter the total of the amounts from Form 1040, lines 27 and 57, plus any taxes that you identified using code "UT" and entered on line 60.	8	0.	
	1040A filers: Enter - 0- .			
	1040NR filers: Enter the total of the amounts from Form 1040NR, lines 27 and 55, plus any taxes that you identified using code "UT" and entered on line 59.			
9	Add lines 7 and 8	9	268.	
10	1040 filers: Enter the total of the amounts from Form 1040, lines 64a and 69.			
	1040A filers: Enter the total of the amount from Form 1040A, line 38a, plus any excess social security and tier 1 RRTA taxes withheld that you entered to the left of line 41 (see separate instructions).	10	1,586.	
	1040NR filers: Enter the amount from Form 1040NR, line 65.			
11	Subtract line 10 from line 9. If zero or less, enter - 0-	11	0.	
12	Enter the larger of line 6 or line 11 Next , enter the smaller of line 3 or line 12 on line 13.	12	75.	

Part IV Additional Child Tax Credit

13	This is your additional child tax credit	13	75.	
				Enter this amount on Form 1040, line 65, Form 1040A, line 39, or Form 1040NR, line 63.

Passive Activity Loss Limitations

▶ See separate instructions.

▶ Attach to Form 1040 or Form 1041.

2013

Attachment
Sequence No. **88**

Department of the Treasury
Internal Revenue Service (99)

▶ information about Form 8582 and its instructions is available at www.irs.gov/form8582.

Name(s) shown on return

Identifying number

RENTAL INVESTOR & LUCKY GAMBLER

600-00-1007

Part I 2013 Passive Activity Loss

Caution: Complete Worksheets 1, 2, and 3 before completing Part I.

Rental Real Estate Activities With Active Participation (For the definition of active participation, see **Special Allowance for Rental Real Estate Activities** in the instructions.)

1a Activities with net income (enter the amount from Worksheet 1, column (a))	1a	3,195.	
b Activities with net loss (enter the amount from Worksheet 1, column (b)).	1b	()	
c Prior years unallowed losses (enter the amount from Worksheet 1, column (c))	1c	()	
d Combine lines 1a, 1b, and 1c	1d	3,195.	

Commercial Revitalization Deductions From Rental Real Estate Activities

2a Commercial revitalization deductions from Worksheet 2, column (a)	2a	()	
b Prior year unallowed commercial revitalization deductions from Worksheet 2, column (b)	2b	()	
c Add lines 2a and 2b	2c	()	

All Other Passive Activities

3a Activities with net income (enter the amount from Worksheet 3, column (a))	3a	1,190.	
b Activities with net loss (enter the amount from Worksheet 3, column (b))	3b	(4,600.)	
c Prior years unallowed losses (enter the amount from Worksheet 3, column (c))	3c	()	
d Combine lines 3a, 3b, and 3c	3d	(3,410.)	

4 Combine lines 1d, 2c, and 3d. If this line is zero or more, stop here and include this form with your return; all losses are allowed, including any prior year unallowed losses entered on line 1c, 2b, or 3c. Report the losses on the forms and schedules normally used	4	(215.)	
--	----------	----------	--

- If line 4 is a loss and:
- Line 1d is a loss, go to Part II.
 - Line 2c is a loss (and line 1d is zero or more), skip Part II and go to Part III.
 - Line 3d is a loss (and lines 1d and 2c are zero or more), skip Parts II and III and go to line 15.

Caution: If your filing status is married filing separately and you lived with your spouse at any time during the year, **do not** complete Part II or Part III. Instead, go to line 15.

Part II Special Allowance for Rental Real Estate Activities With Active Participation

Note: Enter all numbers in Part II as positive amounts. See instructions for an example.

5 Enter the smaller of the loss on line 1d or the loss on line 4	5		
6 Enter \$150,000. If married filing separately, see instructions	6	()	
7 Enter modified adjusted gross income, but not less than zero (see instructions) Note: If line 7 is greater than or equal to line 6, skip lines 8 and 9, enter - 0- on line 10. Otherwise, go to line 8.	7	()	
8 Subtract line 7 from line 6	8	()	
9 Multiply line 8 by 50% (.5). Do not enter more than \$25,000. If married filing separately, see instructions	9	()	
10 Enter the smaller of line 5 or line 9 If line 2c is a loss, go to Part III. Otherwise, go to line 15.	10	()	

Part III Special Allowance for Commercial Revitalization Deductions From Rental Real Estate Activities

Note: Enter all numbers in Part III as positive amounts. See the example for Part II in the instructions.

11 Enter \$25,000 reduced by the amount, if any, on line 10. If married filing separately, see instructions	11		
12 Enter the loss from line 4	12	()	
13 Reduce line 12 by the amount on line 10	13	()	
14 Enter the smallest of line 2c (treated as a positive amount), line 11, or line 13	14	()	

Part IV Total Losses Allowed

15 Add the income, if any, on lines 1a and 3a and enter the total	15	4,385.	
16 Total losses allowed from all passive activities for 2013. Add lines 10, 14, and 15. See instructions to find out how to report the losses on your tax return	16	4,385.	

KBA For Paperwork Reduction Act Notice, see instructions.

Caution: The worksheets must be filed with your tax return. Keep a copy for your records.

Worksheet 1 - For Form 8582, Lines 1a, 1b, and 1c (See instructions.)

Name of activity	Current year		Prior years	Overall gain or loss	
	(a) Net income (line 1a)	(b) Net loss (line 1b)	(c) Unallowed loss (line 1c)	(d) Gain	(e) Loss
123 SECOND ST	1,420			1,420	
123 THIRD ST	1,210			1,210	
123 FOURTH ST	565			565	
Total. Enter on Form 8582, lines 1a, 1b, and 1c	3,195				

Worksheet 2 - For Form 8582, Lines 2a and 2b (See instructions.)

Name of activity	(a) Current year deductions (line 2a)	(b) Prior year unallowed deductions (line 2b)	(c) Overall loss
Total. Enter on Form 8582, lines 2a and 2b			

Worksheet 3 - For Form 8582, Lines 3a, 3b, and 3c (See instructions.)

Name of activity	Current year		Prior years	Overall gain or loss	
	(a) Net income (line 3a)	(b) Net loss (line 3b)	(c) Unallowed loss (line 3c)	(d) Gain	(e) Loss
123 FIRST ST	1,190			1,190	
ABC COMPANY		4,600			4,600
Total. Enter on Form 8582, lines 3a, 3b, and 3c	1,190	4,600			

Worksheet 4 - Use this worksheet if an amount is shown on Form 8582, line 10 or 14 (See instructions.)

Name of activity	Form or schedule and line number to be reported on (see instructions)	(a) Loss	(b) Ratio	(c) Special allowance	(d) Subtract column(c) from column (a)
Total			1.00		

Worksheet 5 - Allocation of Unallowed Losses (See instructions.)

Name of activity	Form or schedule and line number to be reported on (see instructions)	(a) Loss	(b) Ratio	(c) Unallowed loss
ABC COMPANY	SCH E LN28	4,600	1.00000	215
Total		4,600	1.00	215

Worksheet 6 - Allowed Losses (See instructions.)

Name of activity	Form or schedule and line number to be reported on (see instructions)	(a) Loss	(b) Unallowed loss	(c) Allowed loss
ABC COMPANY	SCH E LN28	4,600	215	4,385
Total		4,600	215	4,385

Worksheet 7 - Activities With Losses Reported on Two or More Forms or Schedules (See instructions.)

Name of activity:	(a)	(b)	(c) Ratio	(d) Unallowed loss	(e) Allowed loss
Form or schedule and line number to be reported on (see instructions): _____					
1a Net loss plus prior year unallowed loss from form or schedule ▶					
b Net income from form or schedule ▶					
c Subtract line 1b from line 1a. If zero or less, enter -0- ▶					
Form or schedule and line number to be reported on (see instructions): _____					
1a Net loss plus prior year unallowed loss from form or schedule ▶					
b Net income from form or schedule ▶					
c Subtract line 1b from line 1a. If zero or less, enter -0- ▶					
Form or schedule and line number to be reported on (see instructions): _____					
1a Net loss plus prior year unallowed loss from form or schedule ▶					
b Net income from form or schedule ▶					
c Subtract line 1b from line 1a. If zero or less, enter -0- ▶					
Total ▶			1.00		

Paid Preparer's Earned Income Credit Checklist

Department of the Treasury
Internal Revenue Service

▶ **To be completed by preparer and filed with Form 1040, 1040A, or 1040EZ.**
▶ **Information about Form 8867 and its separate instructions is at www.irs.gov/form8867.**

2013

Attachment
Sequence No. **177**

Taxpayer name(s) shown on return

RENTAL INVESTOR

Taxpayer's social security number

600-00-1007

For the definitions of the following terms, see **Pub. 596**.

- Investment Income
- Qualifying Child
- Earned Income
- Full-time Student

Part I All Taxpayers

1 Enter preparer's name and PTIN ▶ **SUE TAXPRO P44444444**

2 Is the taxpayer's filing status married filing separately?

Yes No

▶ If you checked "Yes" on line 2, **stop**; the taxpayer **cannot** take the EIC. Otherwise, continue.

3 Does the taxpayer (and the taxpayer's spouse if filing jointly) have a social security number (SSN) that allows him or her to work or is valid for EIC purposes? See the instructions before answering

Yes No

▶ If you checked "No" on line 3, **stop**; the taxpayer **cannot** take the EIC. Otherwise, continue.

4 Is the taxpayer filing Form 2555 or Form 2555- EZ (relating to the exclusion of foreign earned income)?

Yes No

▶ If you checked "Yes" on line 4, **stop**; the taxpayer **cannot** take the EIC. Otherwise, continue.

5a Was the taxpayer a nonresident alien for any part of 2012?

Yes No

▶ If you checked "Yes" on line 5a, go to line 5b. Otherwise, skip line 5b and go to line 6.

b Is the taxpayer's filing status married filing jointly?

Yes No

▶ If you checked "Yes" on line 5a and "No" on line 5b, **stop**; the taxpayer **cannot** take the EIC. Otherwise, continue.

6 Is the taxpayer's **investment income** more than \$3,200? See Rule 6 in Pub. 596 before answering

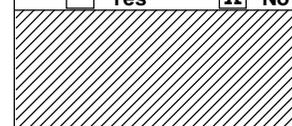
Yes No

▶ If you checked "Yes" on line 6, **stop**; the taxpayer **cannot** take the EIC. Otherwise, continue.

7 Could the taxpayer, or the taxpayer's spouse if filing jointly, be a **qualifying child** of another person for 2012? If the taxpayer's filing status is married filing jointly, check "No". Otherwise, see Rule 10 (Rule 13 if the taxpayer does not have a qualifying child) in Pub. 596 before answering

Yes No

▶ If you checked "Yes" on line 7, **stop**; the taxpayer **cannot** take the EIC. Otherwise, go to Part II or Part III, whichever applies.



KBA For Paperwork Reduction Act Notice, see separate instructions.

Form **8867** (2012)

Information provided by: RENTAL INVESTOR
Information provided in person.

Part II Taxpayers With a Child

Caution. If there is more than one child, complete lines 8 through 14 for one child before going to the next column.

	Child 1	Child 2	Child 3
	SLOT MACHINE	BLACK JACK	POKER TABLE
8 Child's name			
9 Is the child the taxpayer's son, daughter, stepchild, foster child, brother, sister, stepbrother, stepsister, half brother, half sister, or a descendant of any of them?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
10 Is either of the following true? • The child is unmarried, or • The child is married, can be claimed as the taxpayer's dependent, and is not filing a joint return (or is filing it only as a claim for refund).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
11 Did the child live with the taxpayer in the United States for over half of the year? See the instructions before answering	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
12 Was the child (at the end of 2012) - • Under age 19 and younger than the taxpayer (or the taxpayer's spouse, if the taxpayer files jointly), • Under age 24, a full-time student, and younger than the taxpayer (or the taxpayer's spouse, if the taxpayer files jointly), or • Any age and permanently and totally disabled? ▶ If you checked "Yes" on lines 9, 10, 11, and 12, the child is the taxpayer's qualifying child; go to line 13a. If you checked "No" on line 9, 10, 11, or 12, the child is not the taxpayer's qualifying child; see the instructions for line 12.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
13a Could any other person check "Yes" on lines 9, 10, 11, and 12 for the child? ▶ If you checked "No" on line 13a, go to line 14. Otherwise, go to line 13b.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b Enter the child's relationship to the other person(s)			
c Under the tiebreaker rules, is the child treated as the taxpayer's qualifying child? See the instructions before answering ▶ If you checked "Yes" on line 13c, go to line 14. If you checked "No," the taxpayer cannot take the EIC based on this child and cannot take the EIC for taxpayers who do not have a qualifying child. If there is more than one child, see the Note at the bottom of this page. If you checked "Don't know," explain to the taxpayer that, under the tiebreaker rules, the taxpayer's EIC and other tax benefits may be disallowed. Then, if the taxpayer wants to take the EIC based on this child, complete lines 14 and 15. If not, and there are no other qualifying children, the taxpayer cannot take the EIC, including the EIC for taxpayers without a qualifying child; do not complete Part III. If there is more than one child, see the Note at the bottom of this page.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know
14 Does the qualifying child have an SSN that allows him or her to work or is valid for EIC purposes? See the instructions before answering ▶ If you checked "No" on line 14, the taxpayer cannot take the EIC based on this child and cannot take the EIC available to taxpayers without a qualifying child. If there is more than one child, see the Note at the bottom of this page. If you checked "Yes" on line 14, continue.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
15 Are the taxpayer's earned income and adjusted gross income each less than the limit that applies to the taxpayer for 2012? See Pub. 596 for the limit. ▶ If you checked "No" on line 15, stop; the taxpayer cannot take the EIC. If you checked "Yes" on line 15, the taxpayer can take the EIC. Complete Schedule EIC and attach it to the taxpayer's return. If there are two or three qualifying children with valid SSNs, list them on Schedule EIC in the same order as they are listed here. If the taxpayer's EIC was reduced or disallowed for a year after 1996, see Pub. 596 to see if Form 8862 must be filed. Go to line 20.			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Note. If you checked "No" on line 13c or 14 but there is more than one child, complete lines 8 through 14 for the other child(ren) (but for no more than three qualifying children). Also do this if you checked "Don't know" on line 13c and the taxpayer is not taking the EIC based on this child.	[Hatched Area]		

Part III Taxpayers Without a Qualifying Child

<p>16 Was the taxpayer's main home, and the main home of the taxpayer's spouse if filing jointly, in the United States for more than half the year? (Military personnel on extended active duty outside the United States are considered to be living in the United States during that duty period. See Pub. 596.)</p> <p>▶ If you checked "No" on line 16, stop; the taxpayer cannot take the EIC. Otherwise, continue.</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>17 Was the taxpayer, or the taxpayer's spouse if filing jointly, at least age 25 but under age 65 at the end of 2012? See the instructions before answering</p> <p>▶ If you checked "No" on line 17, stop; the taxpayer cannot take the EIC. Otherwise, continue.</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>18 Is the taxpayer, or the taxpayer's spouse if filing jointly, eligible to be claimed as a dependent on anyone else's federal income tax return for 2012? If the taxpayer's filing status is married filing jointly, check "No"</p> <p>▶ If you checked "Yes" on line 18, stop; the taxpayer cannot take the EIC. Otherwise, continue.</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>19 Are the taxpayer's earned income and adjusted gross income each less than the limit that applies to the taxpayer for 2012? See Pub. 596 for the limit</p> <p>▶ If you checked "No" on line 19, stop; the taxpayer cannot take the EIC. If you checked "Yes" on line 19, the taxpayer can take the EIC. If the taxpayer's EIC was reduced or disallowed for a year after 1996, see Pub. 596 to find out if Form 8862 must be filed. Go to line 20.</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <div style="border: 1px solid black; height: 40px; background: repeating-linear-gradient(45deg, transparent, transparent 2px, black 2px, black 4px);"></div>

Part IV Due Diligence Requirements

<p>20 Did you complete Form 8867 based on current information provided by the taxpayer or reasonably obtained by you?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>21 Did you complete the EIC worksheet found in the Form 1040, 1040A, or 1040EZ instructions (or your own worksheet that provides the same information as the 1040, 1040A, or 1040EZ worksheet)?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>22 If any qualifying child was not the taxpayer's son or daughter, did you ask why the parents were not claiming the child and document the answer?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Does not apply</p>
<p>23 If the answer to question 13a is "Yes" (indicating that the child lived for more than half the year with someone else who could claim the child for the EIC), did you explain the tiebreaker rules and possible consequences of another person claiming your client's qualifying child?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Does not apply</p>
<p>24 Did you ask this taxpayer any additional questions that are necessary to meet your knowledge requirement? See the instructions before answering</p> <p>To comply with the EIC knowledge requirement, you must not know or have reason to know that any information used to determine the taxpayer's eligibility for, and the amount of, the EIC is incorrect. You may not ignore the implications of information furnished to or known by you, and you must make reasonable inquiries if the information furnished appears to be incorrect, inconsistent, or incomplete. At the time you make these inquiries, you must document in your files the inquiries you made and the taxpayer's responses.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Does not apply</p>
<p>25 Did you document the additional questions you asked and your client's answers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Does not apply</p>

26 Which documents below, if any, did you rely on to determine EIC eligibility for the qualifying child(ren) listed on Schedule EIC? Check all that apply. **Keep a copy of any documents you relied on.** See the instructions before answering. If there is no qualifying child, check box a. If there is no disabled child, check box o.

Residency of Qualifying Child(ren)	
<input type="checkbox"/> a	No qualifying child
<input type="checkbox"/> b	School records or statement
<input type="checkbox"/> c	Landlord or property management statement
<input type="checkbox"/> d	Health care provider statement
<input type="checkbox"/> e	Medical records
<input type="checkbox"/> f	Child care provider records
<input type="checkbox"/> g	Placement agency statement
<input type="checkbox"/> h	Social service records or statement
<input type="checkbox"/> i	Place of worship statement
<input type="checkbox"/> j	Indian tribal official statement
<input type="checkbox"/> k	Employer statement
<input type="checkbox"/> l	Other (specify) ▼
<input checked="" type="checkbox"/> m	Did not rely on any documents, but made notes in file
<input type="checkbox"/> n	Did not rely on any documents

Disability of Qualifying Child(ren)	
<input checked="" type="checkbox"/> o	No disabled child
<input type="checkbox"/> p	Doctor statement
<input type="checkbox"/> q	Other health care provider statement
<input type="checkbox"/> r	Social services agency or program statement
<input type="checkbox"/> s	Other (specify) ▼
<input type="checkbox"/> t	Did not rely on any documents, but made notes in file
<input type="checkbox"/> u	Did not rely on any documents

27 If a Schedule C is included with this return, which documents or other information, if any, did you rely on to confirm the existence of the business and to figure the amount of Schedule C income and expenses reported on the return? Check all that apply. **Keep a copy of any documents you relied on.** See the instructions before answering. If there is no Schedule C, check box a.

Documents or Other Information	
<input checked="" type="checkbox"/> a	No Schedule C
<input type="checkbox"/> b	Business license
<input type="checkbox"/> c	Forms 1099
<input type="checkbox"/> d	Records of gross receipts provided by taxpayer
<input type="checkbox"/> e	Taxpayer summary of income
<input type="checkbox"/> f	Records of expenses provided by taxpayer
<input type="checkbox"/> g	Taxpayer summary of expenses
<input type="checkbox"/> h	Bank statements
<input type="checkbox"/> i	Reconstruction of income and expenses
<input type="checkbox"/> j	Other (specify) ▼
<input type="checkbox"/> k	Did not rely on any documents, but made notes in file
<input type="checkbox"/> l	Did not rely on any documents

- ▶ You have complied with all the due diligence requirements if you:
 1. Completed the actions described on lines 20 and 21 and checked **"Yes"** on those lines,
 2. Completed the actions described on lines 22, 23, 24, and 25 (if they apply) and checked **"Yes"** (or **"Does not apply"**) on those lines,
 3. Submit Form 8867 in the manner required, **and**
 4. Keep all five of the following records for 3 years from the latest of the dates specified in the instructions under Document Retention:
 - a. Form 8867, Paid Preparer's Earned Income Credit Checklist,
 - b. The EIC worksheet(s) or your own worksheet(s),
 - c. Copies of any taxpayer documents you relied on to determine eligibility for or amount of EIC,
 - d. A record of how, when, and from whom the information used to prepare the form and worksheet(s) was obtained, and
 - e. A record of any additional questions you asked and your client's answers.

▶ If you checked **"No"** on line 20, 21, 22, 23, 24, or 25, you have not complied with all the due diligence requirements and may have to pay a \$500 penalty for each failure to comply.

Depreciation and Amortization
(Including Information on Listed Property)

Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return RENTAL INVESTOR	Business or activity to which this form relates SCH E P1 SINGL FMLY RESIDENCE	Identifying number 600-00-1007
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Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1 Maximum amount (see instructions)	1	
2 Total cost of section 179 property placed in service (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation (see instructions)	3	
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6 (a) Description of property	(b) Cost (business use only)	(c) Elected cost
7 Listed property. Enter the amount from line 29	7	
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9 Tentative deduction. Enter the smaller of line 5 or line 8.	9	
10 Carryover of disallowed deduction from line 13 of your 2012 Form 4562	10	
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11.	12	
13 Carryover of disallowed deduction to 2014. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instr.)

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15 Property subject to section 168(f)(1) election	15	
16 Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2013	17	
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B - Assets Placed in Service During 2013 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		1,000		5HY	200 DB	200
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	

Section C - Assets Placed in Service During 2013 Tax Year Using the Alternative Depreciation System

20a Class life						
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21 Listed property. Enter amount from line 28	21	
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	22	200
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

KBA For Paperwork Reduction Act Notice, see separate instructions.

Election Not to Take Special Depreciation Allowance

The above taxpayer(s) elect not to have the additional special depreciation allowance apply to the following classes of property:

3 Year	<input type="checkbox"/>
5 Year	<input checked="" type="checkbox"/>
7 Year	<input type="checkbox"/>
10 Year	<input type="checkbox"/>
15 Year	<input type="checkbox"/>
20 Year	<input type="checkbox"/>
Autos and other listed property used more than 50% in a qualified business use	<input type="checkbox"/>
Residential Rental Property	<input type="checkbox"/>
Non- Residential Real Property	<input type="checkbox"/>

Supporting Schedules

2013

Name: RENTAL INVESTOR & LUCKY GAMBLER

SSN: 600-00-1007

Form 1040, Page 1
Line 6c - Dependents

Name	SSN	Relationship	Child Tax Credit
SLOT MACHINE	600-00-2007	DAUGHTER	X
BLACK JACK	600-00-3007	SON	X
POKER TABLE	600-00-4007	SON	X
HORSE RACING	600-00-5007	DAUGHTER	X
SPORTS BOOK	600-00-6007	SON	
BINGO HALL	600-00-7007	SON	

Federal
Schedule E, Page 1
Part I, Type Description

Column	Type	Description
A.	1	SINGL FMLY RESIDENCE
B.	1	SINGL FMLY RESIDENCE
C.	1	SINGL FMLY RESIDENCE

Federal
Schedule E, Page 1
Part I, Type Description

Column	Type	Description
A.	1	SINGL FMLY RESIDENCE