

Advanced Tax Law Test Study Guide

Advanced Scenario 1: Lydia Roadway

	<i>Tax Topic</i>	<i>Page # in 4012</i>	<i>Notes</i>
1	Filing Status	B-12 through B-14	Choose the best one
2	Earned Income Credit	Tab I	Review eligibility rules for credit
3	Income (Gambling Winnings)	D-3 and D-4	

Advanced Scenario 2: Scott and Barbara Gyms

	<i>Tax Topic</i>	<i>Page # in 4012</i>	<i>Notes</i>
4	Nonrefundable Credits (CTC)	G-4 through G-7	Keyword is "eligible".
5	Nonrefundable Credits (Child and Dependent Care)	G-12 through G-15	

Advanced Scenario 3: Rose Jones

	<i>Tax Topic</i>	<i>Page # in 4012</i>	<i>Notes</i>
6	Health Savings Account (HSA)	See Note	Refer to Pub. 4491 page 17-13 Look at Form 8889 This resource is good to review: vitaresources.net/hsa.html
7	Health Savings Account (HSA)	E-10 through E-14	Make note of age
8	Health Savings Account (HSA)	See Note	Refer to Pub. 4491 pages 17-11 through 17-12

Advanced Scenario 4: Carmen Gomez

	<i>Tax Topic</i>	<i>Page # in 4012</i>	<i>Notes</i>
9	Dependents	Section C	Read overview, go in order, and look closely at C-2
10	Earned Income Credit	Section I	

Advanced Scenario 5: Helen White

	<i>Tax Topic</i>	<i>Page # in 4012</i>	<i>Notes</i>
11	Deductions	F-14	Pub. 4491 page 20-4 (last bullet point under Real Estate Taxes)
12	Deductions	F-15	Also Pub. 4491-page 20-11

Advanced Scenario 6: Mike Cooper

	<i>Tax Topic</i>	<i>Page # in 4012</i>	<i>Notes</i>
13	Education Credit	Section J	Also see Pub. 4491 section 22
14	Earned Income Credit	Section I	See table on I-4 of Pub. 4012

Advanced Scenario 7: Matthew and Rebecca Monroe

- School supplies: Look in Pub. 4012 (E-8) to see what the requirements are and the maximum benefit amount.
- 1099R (2A blank and taxable amount not determined box check) See D-43 to begin.
-Pay close attention to D-46 that shows the information needed to fill in the Simplified Method Worksheet
- Cancellation of Debt: Pub. 4012 D-69 through D-71
- Jury Duty Income: Pub. 4012 D-65 (See Pub. 4491 page 17-15 for interesting note)
- Higher Education Expenses: Pub. 4012 (Section J)

Use the TaxSlayer Practice Lab to prepare the tax return. The summary print view of the 1040 may not be correct. Take the action to print the return as a PDF to see the 1040.

NOTE for Test: Page 79, Form 1099-R is missing the Payer's TIN. Use any EIN for this scenario. Remember-the lab is open to everyone going through training. If someone else chose your same EIN it may have a different company name that populates. Simply type in the name shown on the tax document.

<i>Tax Topic</i>		<i>Page # in 4012</i>	<i>Notes</i>
15	Pension (taxable portion)	D-43 through D-47	See your 1040 Line 5b
16	Social Security (taxable portion)		See your 1040 Line 6-compare 6a to 6b
17	Other Income (Schedule 1)		See your Schedule 1 (Line 10) which also carries to 1040 Line 8
18	Adjustments (Education Expenses)	E-8	See your 1040 (Line 11)
19	Deductions (Standard Deduction)	B-12 F-3 and F-4	See your 1040 Line 12. Use the decision tree on B-12 to select correct filing status
20	Education Credit	J-10 and J-11	Section J has everything you need to know
21	Credits	G-4 through G-7	Look at 1040 Schedule 8812 (Line 5 and Line 7) to see if there is a dollar amount present
22	Federal Tax Withholding		See your 1040 Line 25d

Advanced Scenario 8: Julia Oakley

- Brokerage Statement: See Pub. 4012 D-32 through D-36
- Self-Employment: reported income from cash, 1099-K & 1099-NEC, expenses & mileage. See Pub 4012 D30-D31 or Read Pub. 4491 9-1 through 9-16. Tip: Are expenses reasonable, ordinary, and necessary to run the business?
- Retirement: See Pub. 4012 H-6 through H-7 and Pub. 4491 page 11-12
- Education Expenses: See Pub. 4012 Section J
- Student Loan Interest: Pub. 4012 E-4 and E-17

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NOTE: EIN on W2 needs to have 9 digits. Input any numbers for the X's

<i>Tax Topic</i>		<i>Page # in 4012</i>	<i>Notes</i>
23	Income (Capital Gains)	D-23 through D-26	Print your PDF-Look at Schedule D Line 15
24	Income (Self-Employment)		Which expenses are reasonable, ordinary, and necessary to run the business
25	Adjustments (Student Loan Interest)	E-17	Print your PDF-Look at 1040 Schedule 1

26	Income (Self-Employment)		How many miles did you enter on Schedule C page 2? What was that worth as a business expense in dollars? See Schedule C Line 9
27	Education Credit	J-5	Print your PDF, Form 8863. What is generated as credit? Or look at Schedule 3 Line 3
28	Other Taxes	H-6 through H-7	How much did she take out—and for what purpose was all or part of it used for?
29	Balance Due	K-27	

Advanced Scenario 9: David MacLee

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	<i>Tax Topic</i>	<i>Page # in 4012</i>	<i>Notes</i>
30	Filing Status	B-12 through B-15	Pick the best one that yields highest standard deduction
31	Adjusted Gross Income		Print PDF-Look at your 1040, Line 11
32	Credits	Section G and Section H	1040 Schedule 3, Form 2441, Form 8962, and Form 8812.
33	Credit (Retirement Savers)	G-17 though G-19	Print your PDF-Look at your 1040, Schedule 3, Line 4
34	Credits (Premium Tax Credit)		
35	Credits (Child and Dependent Care)		Print your PDF-Look at Schedule 3 Where is the credit reporting?