

# Advanced Tax Law Test Study Guide

## Advanced Scenario 1: Sharon Smith

	<i>Tax Topic</i>	<i>Page # in 4012</i>	<i>Notes</i>
1	Filing Status	B-13 through B-15	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: Jeff and Jane Spring

	<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-16	

## Advanced Scenario 3: Mary Wood

	<i>Tax Topic</i>	<i>Page # in 4012</i>	<i>Notes</i>
6	Health Savings Account (HSA)	E-12	What is the maximum extra amount?
7	Health Savings Account (HSA)	E-10 through E-14	Refer to Pub. 4491 pages 17-9 through 17-12 It's also helpful to look at the actual form 8889: <a href="https://www.irs.gov/pub/irs-dft/f8889--dft.pdf">irs.gov/pub/irs-dft/f8889--dft.pdf</a>
8	Health Savings Account (HSA)	See Note	Refer to Pub. 4491 pages 17-9 through 17-12 Learn more here: <a href="https://vitaresources.net/hsa/html">vitaresources.net/hsa/html</a>

### Advanced Scenario 4: Cheryl Brown

<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-3
10	Earned Income Credit	Section I	

### Advanced Scenario 5: Elizabeth Greene

<i>Tax Topic</i>	<i>Page # in 4012</i>	<i>Notes</i>	
11	Deductions	F5-F14	Pub. 4491 page 20-1 through 20-13 (last bullet point under Real Estate Taxes)
12	Deductions	F5-F14	Also Pub. 4491-pages 20-1 through 20-13

### Advanced Scenario 6: David Stone

<i>Tax Topic</i>	<i>Page # in 4012</i>	<i>Notes</i>	
13	Education Credit	Section J	Also see Pub. 4491 section 22
14	Retirement Income (Early Withdrawal)	H-7	See table on H-7, if entitled to exception, use PUB 4012 page H-6

### Advanced Scenario 7: Vincent and Faith Hunter

- 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 D44-50.  
-Pay close attention to D48-49 that shows the information needed to fill in the Simplified Method Worksheet
- Cancellation of Debt: Pub. 4012 D-71 through D-73
- Jury Duty Income: Pub. 4012 D-65 (See Pub. 4491 page 17-17 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.

	<b>Tax Topic</b>	<b>Page # in 4012</b>	<b>Notes</b>
15	Pension (taxable portion)	D-44 through D-49	See your 1040 Line 5b
16	Credits	Section G	See your 1040 page 1, Dependent Section, the box for the type of credit given to taxpayer. Then look on 1040 page 2 for how much of the credit they received.
17	Other Income (Schedule 1)		See your 1040 Schedule 1 (Line 10) which also carries to 1040 Line 8
18	Adjustments (Education Expenses)	E-8	See your 1040 Schedule 1 (Line 11)
19	Deductions (Standard Deduction)	B-13 F-3 and F-4	See your 1040 Line 12. Use the decision tree on B-13 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 6B) to see if there is a dollar amount present
22	Federal Tax Withholding		See your 1040 Line 25d

### **Advanced Scenario 8: Stephanie Winter**

- Brokerage Statement: See Pub. 4012 D-32 through D-39
- Self-Employment: reported income from cash, 1099-K & 1099-NEC, expenses & mileage. See Pub 4012 D21-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 the table on H-7 and if they are entitled to exception, Form 5329
- Education Expenses: See Pub. 4012 Section J
- Student Loan Interest: Pub. 4012 E-17

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	<b>Tax Topic</b>	<b>Page # in 4012</b>	<b>Notes</b>
23	Income (Capital Gains)	D-32 through D-39	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  See D31 – great resource to share with taxpayers
27	Education Credit	J-5	Print your PDF, Form 8863. What is generated as credit? Or look at Schedule 3 Line 3 and 1040 Line 29
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	K24-27	

### Advanced Scenario 9: Joe Lopez

Marketplace Health Insurance.

- Information on who and what qualifies for dependent care credit can be found in PUB 4012 pages G12-17
- To learn about Child Tax Credit, see PUB 4012 page G4-G7
- To learn about Marketplace, see PUB 4012 H10-13

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	<b>Tax Topic</b>	<b>Page # in 4012</b>	<b>Notes</b>
30	Filing Status	B-13 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 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)		See PDF, look at Form 8962

11/18/2024: This study guide was created by Mary Meador of United Way of Lee, Hendry, and Glades and shared with other VITA programs. Changes or updates to the study guides will be posted at [vitaresources.net/studyguides.html](http://vitaresources.net/studyguides.html). There are a lot of VITA related resources found on [vitaresources.net](http://vitaresources.net)