

## Practice Tax Return # 1 Tax Year 2011

*Before starting this practice return, review the General Instructions.*

**Issues:** This practice situation involves a 2011 individual tax return for a divorced (Head of Household) taxpayer who has one dependent, W-2 earnings, and child care expenses.

**Comments:** For EIC, complete Drake Software screens **8867**, **EIC1**, **EIC2** and **EIC3** (Paid Preparer Checklist and Due Diligence screens).

**Facts:**

### *INDIVIDUAL TAX RETURNS*

**Personal Data** (screen **1**): Mary R. Clark (divorced) files as Head of Household, her Social Security Number is 400-00-3001, her birth date is July 11, 1974, and she lives at 452 Lake Shore Drive, Chicago, IL 60611, Cook County. Mary is a florist for East Side Florist, her evening phone number is 312-404-0404 and her daytime phone number is 312-555-1234. Her e-mail address is [maryrclark@oal.com](mailto:maryrclark@oal.com).

**Dependents** (screen **2**): Mary's son, Anthony, lived with her the entire year. Anthony's Social Security Number is 400-00-2042; his birthdate is March 23, 2006, and he is unmarried. No other person qualifies to claim him as a dependent. Anthony will start school in 2012.

**Child and Dependent Care** (screen **2441**): Mary pays Julie Day, who lives at 465 Lake Shore Drive, Chicago, IL 60611, Cook County, Tax Identification Number 400-00-2089, to take care of Anthony. For 2011, Mary paid Julie \$3,200.

**Wages and Salaries** (screen **W2**): For 2011 Mary has one W-2 with wages of \$20,000. See Exhibit A for W-2.

Practice Tax Return # 1 Tax Year 2011  
 Exhibit A  
 Mary Clark  
 W-2

<b>a</b> Employee's social security number <b>400-00-3001</b>		Safe, accurate, FAST! Use		IRS e-file		Visit the IRS website at www.irs.gov/efile	
<b>b</b> Employer identification number (EIN) <b>14-5556668</b>		<b>1</b> Wages, tips, other compensation <b>20,000</b>		<b>2</b> Federal income tax withheld <b>3,000</b>			
<b>c</b> Employer's name, address, and ZIP code <b>EAST SIDE FLORIST</b>  <b>624 ROSE LANE</b> <b>CHICAGO IL 60606</b>		<b>3</b> Social security wages <b>20,000</b>		<b>4</b> Social security tax withheld <b>840</b>			
		<b>5</b> Medicare wages and tips <b>20,000</b>		<b>6</b> Medicare tax withheld <b>290</b>			
		<b>7</b> Social security tips		<b>8</b> Allocated tips			
<b>d</b> Control number		<b>9</b>		<b>10</b> Dependent care benefits			
<b>e</b> Employee's first name and Initial Last name Suf.  <b>MARY CLARK</b>  <b>452 LAKE SHORE DRIVE</b> <b>CHICAGO IL 60611</b>		<b>11</b> Nonqualified plans		<b>12a</b> See instructions for box 12			
		<b>13</b> Statutory employee Retmnt. plan Third-party sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		<b>12b</b>			
		<b>14</b> Other		<b>12c</b>			
<b>f</b> Employee's address and ZIP code							
<b>15</b> State Employer's state ID no. <b>IL 111111111</b>	<b>16</b> State wages, tips, etc. <b>20,000</b>	<b>17</b> State income tax <b>275</b>	<b>18</b> Local wages, tips, etc.	<b>19</b> Local income tax	<b>20</b> Locality name		

Form **W-2** Wage and Tax Statement EEA 2011 Department of the Treasury-Internal Revenue Service

Copy B - To Be Filed With Employee's FEDERAL Tax Return.  
 This information is being furnished to the Internal Revenue Service.

The information on the Form W-2 was used to prepare the taxpayer's 2011 Federal tax return by Taxes R Us