

Return # 10

*Please suppress the state on screen 1 of data entry by selecting 0 from the **Resident State** field.*

Paul Matthews is a married ordained minister whose social security is 400-00-1910. His date of birth is September 13, 1969. His wife Sarah is a nurse whose social security number is 400-00-7008. Her data of birth is November 12, 1973.

Paul and Sarah's filing status is Married Filing Jointly.

Paul and Sarah live at:
234 Bright Dawn Lane
Amity, AR 71921

The Matthews daytime phone number is 870-870-1111. Their evening phone number is 870-870-9999.

They have two children: Joshua whose SSN is 400-00-7009. His birthday is June 21, 2000. They have a daughter Mary whose SSN is 400-00-7010. Her birthday is May 31, 2002.

They paid \$2500 a year child day care for each child.

- Both children are unmarried and can be claimed as the taxpayer's dependents.
- Both children lived with the taxpayer in the U.S. for over half the year.
- No other person can claim these children.

They paid the day care (\$5,000) to Adventure House Day Care. EIN 88-4444444. They are located at:

444 Evening Sunset Ave
Amity, AR 71921
Phone 870-870-1234

The preparer of the return completes the following on the **8867** screen:

- The taxpayer was not a non resident alien for any part of the year.
- The taxpayer, or the taxpayer's spouse if filing jointly, is not a qualifying child of another person for the year.
- The taxpayer's main home, and the main home of the taxpayer's spouse if filing jointly, was in the U.S.
- Neither the taxpayer nor the taxpayer's spouse if filing jointly, can be claimed on another return

The tax preparer did the following:

- Completed Form 8867 based on information provided by the taxpayer.
- Complied with the knowledge requirements
- The tax preparer kept 1) Form 8867, 2) the EIC worksheet, and 3) a record of how, when, and from whom the information used to prepare the form and worksheet(s) were obtained.

Paul has a W-2 for \$43,500 which is attached. He elects to pay his own Social Security, and Medicare taxes. Enter a **P** in the **F** box.

the parsonage are \$10,800. The actual expenses for utilities are \$1,500. The Fair Rental Value is \$11,000. (CLGY screen)

Paul Matthews uses his personal vehicle for church visitations and other church sponsored events. Enter a P in the F box.

2106 expenses include:

- Travel away from home – \$1,200
- Meals/Entertainment – \$675

Mileage Information: Vehicle 1

- Date placed in service – March 12, 2003
- Total Mileage for the year – 24,000
- Business miles – 15,300

They have another vehicle available for personal use.
The vehicle was available for personal use during off-duty hours.
They have written evidence to support the deduction.

The Matthews have the following deductions:

Health Insurance Premiums	\$ 6,500
Number of Medical Miles	\$ 375
Other medical and dental expenses	\$ 750
Home mortgage interest and points on Form 1098	\$ 6,800
Gifts to Charity - Total gifts by cash or check	\$ 4,900
Charitable miles	\$ 1,200
Tax preparation fees	\$ 150

Pastor Paul performs weddings, funerals, and other functions and receives fees for these functions that are treated as income. He has the following income and expenses:

- Profession: Minister
- Business Name: Paul Matthews
- Address – 234 Bright Dawn Lane
Amity, AR 71921
- Business Code – 813000
- Accounting Method – Cash
- He materially participated in the business

Gross receipts – \$5,500 – he did not receive a 1099-MISC

Office expense – \$450

Other expenses – Marriage Books – \$92

Baptismal certificates – \$55

*Select to suppress Schedule C-EZ.

They paid \$1,200 in estimated taxes entered on screen 5.

After keying all relevant data, you must **always** recalculate the return before selecting files to transmit.