

Return # 10

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

Al Jerome is a married ordained minister whose social security is 400-00-1810. His date of birth is September 13, 1969. His wife Sherry is a nurse whose social security number is 400-00-7008. Her data of birth is November 12, 1973.

Al and Sherry's filing status is Married Filing Jointly.

Al and Sherry live at:
234 Bright Dawn Lane
Amity, AR 71921

The Jerome's 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, 1999. They have a daughter Mary whose SSN is 400-00-7010. Her birthday is May 31, 2001.

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.

Al has a W-2 for \$35,000 which is attached. He elects to pay his own Social Security, and Medicare taxes. Enter a **P** in the **F** box.

Verify Wages and Federal W/H at the bottom of the **W2** screen.

a Employee's social security number 400-00-1810		Safe, accurate, FAST! Use e-file		Visit the IRS website at www.irs.gov/efile.	
b Employer identification number (EIN) 33-3333333		1 Wages, tips, other compensation 35,000	2 Federal income tax withheld 4,200		
c Employer's name, address, and ZIP code NEW DAY CHURCH 500 GRACE RD AMITY AR 71921		3 Social security wages 35,000	4 Social security tax withheld		
		5 Medicare wages and tips 35,000	6 Medicare tax withheld		
		7 Social security tips	8 Allocated tips		
d Control number		9 Advance EIC payment	10 Dependent care benefits		
e Employee's first name and initial Last name Suffix AL JEROME 234 BRIGHT DAWN LANE AMITY AR 71921		11 Nonqualified plans	12a See instructions for box 12		
		13 Statutory employee Retiree plan Third-party sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	12b		
		14 Other PARSON 11,600 UTILITY 1,700	12c		
f Employee's address and ZIP code		15 State Employee's state ID no. AR 11111112	16 State wages, tips, etc. 35,000	17 State income tax 2,700	18 Local wages, tips, etc.
				19 Local income tax	20 Locality name

Form **W-2 Wage and Tax Statement** **2008** 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 2008 Federal tax return by Drake Tax Service.

Sherry has a W-2 for \$44,000 which is attached.

Verify Wages and Federal W/H at the bottom of the **W2** screen.

a Employee's social security number 400-00-7008		Safe, accurate, FAST! Use e-file		Visit the IRS website at www.irs.gov/efile.	
b Employer identification number (EIN) 44-4444444		1 Wages, tips, other compensation 44,000	2 Federal income tax withheld 5,100		
c Employer's name, address, and ZIP code SMITHS HOSPITAL 12 HEALING WAY AMITY AR 71921		3 Social security wages 44,000	4 Social security tax withheld 2,728		
		5 Medicare wages and tips 44,000	6 Medicare tax withheld 638		
		7 Social security tips	8 Allocated tips		
d Control number		9 Advance EIC payment	10 Dependent care benefits		
e Employee's first name and initial Last name Suffix SHERRY JEROME 234 BRIGHT DAWN LANE AMITY AR 71921		11 Nonqualified plans	12a See instructions for box 12		
		13 Statutory employee Retiree plan Third-party sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	12b		
		14 Other	12c		
f Employee's address and ZIP code		15 State Employee's state ID no. AR 7777777777777	16 State wages, tips, etc. 44,000	17 State income tax 3,100	18 Local wages, tips, etc.
				19 Local income tax	20 Locality name

Form **W-2 Wage and Tax Statement** **2008** Department of the Treasury-Internal Revenue Service
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As a minister, The New Day Church provides the Jerome's with a rental or parsonage allowance. The Parsonage Allowance is \$11,600. They provide a separate utility allowance of \$1,700. The actual expenses for the parsonage are \$10,800. The actual expenses for utilities are \$1,500. The Fair Rental Value is \$11,000. (CLGY screen)

Al Jerome 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 – \$1,450
- Meals/Entertainment – \$425

Mileage Information: Vehicle 1

- Date placed in service – March 12, 2003
- Total Mileage for the year – \$24,000
- Business miles before July 1 – \$6,800
- Business miles after June 30 - \$9,200

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 Jerome's have the following deductions:

Health Insurance Premiums	\$7,000
Number of Medical Miles before July 1	\$ 225
Number of Medical Miles after June 30	\$ 150
Other medical and dental expenses	\$1,500
Home mortgage interest and points on Form 1098	\$7,300
Gifts to Charity - Total gifts by cash or check	\$4,800
Charitable miles	\$ 730
Tax preparation fees	\$ 150

Pastor Al 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: Al Jerome
- Address – 234 Bright Dawn Lane
Amity, AR 71921
- Business Code – 813000
- Accounting Method – Cash
- He materially participated in the business

Gross receipts – \$5,000 – he did not receive a 1099-MISC

Office expense – \$450

Other expenses – Marriage Books – \$94

Baptismal certificates – \$68

*Select to suppress Schedule C-EZ.

Al and Sherry received a \$1,800 economic stimulus payment in 2008.

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