

Practice Tax Return # 3 Tax Year 2011

Before starting this practice return, review the General Instructions.

Issues: This practice situation involves a 2011 individual tax return for a married couple with W-2 income, two dependent children, and child care expenses. The couple qualifies for the Earned Income Credit (EIC).

Facts:

INDIVIDUAL TAX RETURNS

Personal Data: Peter and Susan Beach are married, file a joint tax return, and have two children (a son and a daughter) who lived with them the entire year. Peter's birth date is August 30, 1973, his Social Security Number is 400-00-3003, and he is a truck driver. Susan's birth date is September 9, 1975, her Social Security Number is 400-00-0203, and she is an office worker. They live at 10 Hope Street, Austin TX 78731, in Travis County. Peter's daytime phone number is 512-458-1234, Susan's daytime phone number is 512-458-3412, and their evening phone number is 512-458-4321. Their e-mail is petersusanbeach@oal.com.

Dependents: Peter Jr.'s birth date is May 1, 2001, and his Social Security Number is 400-00-6002. Suzann's birth date is June 2, 2003 and her Social Security Number is 400-00-6003. Both children are unmarried; no other person qualifies to claim either child.

Child and Dependent Care: Both children went to ABC Day Care Center, at a cost of \$2,500 per child for the entire year. ABC Day Care Center is located on Bailey Street, Austin TX 78731; its Employer Identification Number (EIN) is 72-3333333.

Wages and Salaries: For 2011, Peter has one W-2 for \$25,000, and Susan had two W-2s, one for \$5,000 and another W-2 for \$6,000. See Exhibit A for copies of W-2's.

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 Exhibit A page 1 of 3
 Peter and Susan Beach
 W-2

a Employee's social security number 400-00-3003		Safe, accurate, FAST! Use		IRS e-file		Visit the IRS website at www.irs.gov/efile		
b Employer identification number (EIN) 32-1124896			1 Wages, tips, other compensation 25,000	2 Federal income tax withheld 1,400				
c Employer's name, address, and ZIP code TRUCKING COMPANY 12 PORTER ST AUSTIN TX 78731			3 Social security wages 25,000	4 Social security tax withheld 1,050				
			5 Medicare wages and tips 25,000	6 Medicare tax withheld 363				
			7 Social security tips	8 Allocated tips				
d Control number			9	10 Dependent care benefits				
e Employee's first name and initial PETER BEACH 10 HOPE STREET AUSTIN TX 78731			11 Nonqualified plans		12a See instructions for box 12			
			13 Statutory employee <input type="checkbox"/> Retiree plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>	12b		12c		12d
			14 Other		12e		12f	
					12g		12h	
f Employee's address and ZIP code			15 State Employer's state ID no.	16 State wages, tips, etc. 25,000	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 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 Drake Software



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 Exhibit A page 2 of 3
 Peter and Susan Beach
 W-2

a Employee's social security number 400-00-0203		OMB No. 1545-0008		Safe, accurate, FAST! Use		IRS e-file		Visit the IRS website at www.irs.gov/efile		
b Employer identification number (EIN) 36-8888888				1 Wages, tips, other compensation 5,000		2 Federal income tax withheld 400				
				3 Social security wages 5,000		4 Social security tax withheld 210				
c Employer's name, address, and ZIP code BIG COUNTY LIBRARY 15TH STREET AUSTIN TX 78731				5 Medicare wages and tips 5,000		6 Medicare tax withheld 73				
				7 Social security tips		8 Allocated tips				
				9		10 Dependent care benefits				
d Control number				11 Nonqualified plans		12a See instructions for box 12				
				13 Statutory employee <input type="checkbox"/> Retmt. plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>		12b				
				14 Other		12c				
						12d				
e Employee's first name and Initial SUSAN BEACH 10 HOPE STREET AUSTIN TX 78731				f Employee's address and ZIP code						
15 State Employer's state ID no.		16 State wages, tips, etc. 5,000		17 State income tax		18 Local wages, tips, etc.		19 Local income tax		20 Locality name

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 Exhibit A page 3 of 3
 Peter and Susan Beach
 W-2

a Employee's social security number 400-00-0203		OMB No. 1545-0008		Safe, accurate, FAST! Use		IRS e-file		Visit the IRS website at www.irs.gov/efile					
b Employer identification number (EIN) 40-0009103			1 Wages, tips, other compensation 6,000		2 Federal income tax withheld 800								
			3 Social security wages 6,000		4 Social security tax withheld 252								
c Employer's name, address, and ZIP code MARY GARDEN CITY ROUND HERE AUSTIN TX 78731			5 Medicare wages and tips 6,000		6 Medicare tax withheld 87								
			7 Social security tips		8 Allocated tips								
			9		10 Dependent care benefits								
d Control number			e Employee's first name and Initial SUSAN		Last name BEACH		Suff.		11 Nonqualified plans				
			10 HOPE STREET AUSTIN TX 78731			13 Statutory employee		Retrmt. plan		Third-party sick pay		12a See instructions for box 12	
						14 Other						12b	
												12c	
f Employee's address and ZIP code			15 State Employer's state ID no.		16 State wages, tips, etc. 6,000		17 State income tax		18 Local wages, tips, etc.				
									19 Local income tax				
									20 Locality name				

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