

Practice Tax Return # 4 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, moving expense, and education expenses (credit).

Facts:

INDIVIDUAL TAX RETURNS

Personal Data: Michael and Elizabeth Samuelson are married and file a joint tax return. They have no children. Michael's birth date is May 21, 1975, his Social Security Number is 400-00-3004, and he is a computer programmer. Elizabeth's birth date is August 7, 1974, her Social Security Number is 400-00-2073, and she is a clerical worker for a pest control company. The Samuelson's daytime phone number is 916-524-2222. Their evening number is 916-545-1901. They live at 219 Pasadena Ave, Sacramento, CA 95841, Sacramento County, and their email address is michaelelizabethsamuelson@oal.com.

Wages and Salaries: For 2011 Michael has one W-2 for \$55,000 and another for \$18,500. Elizabeth has one W-2 for \$8,000. See Exhibit A for copies of their W-2s.

Interest Income: Elizabeth had interest income from BB & T Bank for \$194, from Wells Fargo Bank for \$259, and from Wachovia for \$410. Michael had interest income from Wells Fargo Bank for \$99 and Wachovia for \$420. They have interest income from a joint account at Citibank for \$35.

Dividend Income: Michael had ordinary dividend income from Dominion Resources for \$300 of which \$300 is a qualified dividend, and from Infidelity Investment Company for \$2,200 of which \$1,500 was qualified dividends.

Adjustment: Moving expenses: Michael and Elizabeth moved from Raleigh, NC to Sacramento, CA in September 2011 so Michael could take another programming job. There are 2,350 miles between his old residence and his new workplace and five miles between his old residence and his old workplace. They spent \$7,250 to transport their furniture to California plus another \$800 for travel and lodging during the move. No expenses were reimbursed by Michael's new employer.

Credits: Elizabeth went back to college during 2011 to get her nursing degree. She paid a total of \$8,300 in tuition between the two state universities she attended during the year, and would like to take advantage of the Education Credit or deduction. Elizabeth does not qualify for the American Opportunity Credit.

Practice Tax Return # 4 Tax Year 2011
 Exhibit A page 1 of 3
 Michael and Elizabeth Samuelson
 W-2

a Employee's social security number 400-00-3004		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) 61-9514555			1 Wages, tips, other compensation 55,000		2 Federal income tax withheld 8,500					
c Employer's name, address, and ZIP code MAYFLOWER TECHNOLOGIES 1522 CAPITAL BLVD RALEIGH NC 27604			3 Social security wages 55,000		4 Social security tax withheld 2,310					
			5 Medicare wages and tips 55,000		6 Medicare tax withheld 798					
			7 Social security tips		8 Allocated tips					
d Control number			9		10 Dependent care benefits					
e Employee's first name and Initial Last name Suff. MICHAEL SAMUELSON 219 PASADENA AVE SACRAMENTO CA 95841			11 Nonqualified plans		12a See instructions for box 12					
			13 Statutory employee Retmt. 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 Employer's state ID no. NC 4111111		16 State wages, tips, etc. 55,000		17 State income tax 600		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



Practice Tax Return # 4 Tax Year 2011
 Exhibit A page 2 of 3
 Michael and Elizabeth Samuelson
 W-2

a Employee's social security number 400-00-3004		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) 95-9596543				1 Wages, tips, other compensation 18,500		2 Federal income tax withheld 2,500									
c Employer's name, address, and ZIP code SMT SOLUTIONS INC 9150 EMBERS BLVD SACRAMENTO CA 95841				3 Social security wages 18,500		4 Social security tax withheld 777									
				5 Medicare wages and tips 18,500		6 Medicare tax withheld 268									
				7 Social security tips		8 Allocated tips									
d Control number				9		10 Dependent care benefits									
e Employee's first name and initial Last name Suffix MICHAEL SAMUELSON 219 PASADENA AVE SACRAMENTO CA 95841				11 Nonqualified plans		12a See instructions for box 12 <small>Optional</small>									
				13 Statutory employee Retmt. plan Third-party sick pay <small>Optional</small>		12b <small>Optional</small>									
				14 Other <small>Optional</small>		12c <small>Optional</small>									
				14 Other <small>Optional</small>		12d <small>Optional</small>									
f Employee's address and ZIP code				15 State Employer's state ID no. CA 42222222		16 State wages, tips, etc. 18,500		17 State income tax		18 Local wages, tips, etc.		19 Local income tax		20 Locality name	

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Practice Tax Return # 4 Tax Year 2011
 Exhibit A page 3 of 3
 Michael and Elizabeth Samuelson
 W-2

a Employee's social security number 400-00-2073		Safe, accurate, FAST! Use		IRS e-file		Visit the IRS website at www.irs.gov/efile	
b Employer identification number (EIN) 14-8871749		1 Wages, tips, other compensation 8,000		2 Federal income tax withheld 850			
c Employer's name, address, and ZIP code CERTIFIED PEST CONTROL 9100 MADISON AVE SACRAMENTO CA 95841		3 Social security wages 8,000		4 Social security tax withheld 336			
		5 Medicare wages and tips 8,000		6 Medicare tax withheld 116			
		7 Social security tips		8 Allocated tips			
d Control number		9		10 Dependent care benefits			
e Employee's first name and Initial Last name Suffix ELIZABETH SAMUELSON 219 PASADENA AVE SACRAMENTO CA 95841		11 Nonqualified plans		12a See instructions for box 12			
		13 Statutory employee Retmnt. 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 Employer's state ID no. CA 433333		16 State wages, tips, etc. 8,000		17 State income tax 100	
		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

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