

Return #7

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

Michael Girardi is a single lawyer whose social security number is 400-00-1807. His date of birth is June 22, 1949.

Michael lives at:
333 Bird Brown Rd
Franklin, NC 28734

His daytime phone is 828-222-2222.

Michael has one W-2 (attached).

a Employee's social security number 400-00-1807		OMB No. 1545-0008		Safe, accurate, FAST! Use		e-file		Visit the IRS website at www.irs.gov/efile .	
b Employer identification number (EIN) 88-2212345				1 Wages, tips, other compensation 84,340		2 Federal income tax withheld 7,300			
c Employer's name, address, and ZIP code CITY OF HIGHLANDS 222 RIDGE ST HIGHLANDS NC 28741				3 Social security wages 84,340		4 Social security tax withheld 5,229			
				5 Medicare wages and tips 84,340		6 Medicare tax withheld 1,223			
				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 MICHAEL		Last name GIRARDI		Suff. 		11 Nonqualified plans		12a See instructions for box 12	
333 BIRD BROWN RD FRANKLIN NC 28734				13 SSBY/Retiree/Third-party employee/plan/sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		12b			
				14 Other		12c			
				14 Other		12d			
f Employee's address and ZIP code		15 State Employer's state ID no. NC 77223333		16 State wages, tips, etc. 84,340		17 State income tax 4,723		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.

Michael paid \$3,000 each quarter in estimated taxes. Payments were made on the proper due dates.

Michael had interest from Citi Bank for \$6,500.

He had dividend income from Hometown Bank of \$450.00 and capital gain distributions of \$3,500.

Michael did not qualify for a Recovery Rebate Credit. Enter 0 on the **RRC** screen.

Michael has three rental properties.

1) Property 1 – Kind of property - House rental 444 Bluebird Way, Highlands, NC

Select 'B' from the **Activity Type** field.
All the investment was at risk
Property was not disposed of in 2008
Property was not used for personal purposes

Michael's rent income was \$18,750. His expenses included:

Cleaning & maintenance	\$1,400
Insurance	\$1,100
Legal and professional	\$ 650
Management fees	\$2,100
Interest – Mortgage	\$4,100
Repairs	\$ 655
Supplies	\$ 125
Taxes	\$1,300
Utilities	\$1,725

2) Property 2 – Kind of property - Rental house 2 – 777 Red Bird Way, Highlands, NC

Select 'B' from the **Activity Type** field.
All the investment was at risk
Property was not disposed of in 2008
Property was not used for personal purposes

Michael's rent income was \$21,500. His expenses included:

Cleaning & maintenance	\$1,400
Insurance	\$1,100
Legal and professional	\$ 750
Management fees	\$2,200
Interest – Mortgage	\$5,600
Repairs	\$ 900
Supplies	\$ 125
Taxes	\$1,750
Utilities	\$1,600

3) Property 3 – Kind of property - Rental House 3 - 444 Snow Bridge Court, Highlands, NC

Select 'A' from the **Activity Type** field.
All the investment was at risk
Property was not disposed of in 2008
Property was not used for personal purposes

Michael's rent income was \$17,500. His expenses included:

Advertising	\$ 575
Auto & travel	\$ 340
Cleaning & maintenance	\$1,500

Insurance	\$1,100
Legal and professional	\$ 475
Interest – Mortgage	\$3,225
Repairs	\$ 690
Supplies	\$ 125
Taxes	\$1,390
Utilities	\$1,690

Enter all depreciation on the properties. Enter multi-form codes.

Business use 100% on each property

Description	Date Acquired	Cost	Method	Life	Prior Depreciation
Rental House 1 Bluebird	02/19/2001	\$155,000	ARR	27.5	\$43,211
Rental House 2 Red Bird	04/12/2002	\$125,000	ARR	27.5	\$27,272
Rental House 3 Snow	01/12/2003	\$175,000	ARR	27.5	\$31,818

Michael had 3,700 shares of ABC stock that he sold June 13, 2008 for \$55,500. He bought the shares of ABC stock January 12, 2002 for \$12.00 a share. There were no commissions or sales fees.

Michael sold his primary home July 12, 2008. He purchased the home February 12, 1980. The purchase price was \$90,000. He sold the home for \$325,000. The selling expenses of the home were \$3,500. He used the home for 1,825 days during the last five years. He owned the home 1,825 days during the last five years.

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