

| | | | |
|--|---|--|---|
| Label (See instructions on page 14.) Use the IRS label. Otherwise, please print or type. | For the year Jan. 1-Dec. 31, 2009, or other tax year beginning _____, 2009, ending _____, 20 | OMB No. 1545-0074 | |
| | Your first name and initial PAUL | Last name MATTHEWS | Your social security number 400-00-1910 |
| | If a joint return, spouse's first name and initial SARAH | Last name MATTHEWS | Spouse's social security number 400-00-7008 |
| | Home address (number and street). If you have a P.O. box, see page 14. 234 BRIGHT DAWN LANE | Apt. no. | ▲ You must enter your SSN(s) above. ▲ |
| City, town or post office, state, and ZIP code. If you have a foreign address, see page 14. AMITY AR 71921 | | Checking a box below will not change your tax or refund. | |

Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 14) **You** **Spouse**

Filing Status

1 Single **4** Head of household (with qualifying person). (See page 15.) If the qualifying person is a child but not your dependent, enter this child's name here.

2 Married filing jointly (even if only one had income)

3 Married filing separately. Enter spouse's SSN above and full name here. **5** Qualifying widow(er) with dependent child (see page 16)

Exemptions

6a Yourself. If someone can claim you as a dependent, do not check box 6a

b Spouse

| c Dependents: | | (2) Dependent's social security number | (3) Dependent's relationship to you | (4) Check if qualifying child for child tax credit (see pg 17) | Boxes checked on 6a and 6b No. of children on 6c who: ● lived with you 2 ● did not live with you due to divorce or separation (see page 18) |
|----------------|-----------|--|-------------------------------------|--|---|
| (1) First name | Last name | | | | |
| JOSHUA | MATTHEWS | 400-00-7009 | SON | <input checked="" type="checkbox"/> | 2 |
| MARY | MATTHEWS | 400-00-7010 | DAUGHTER | <input checked="" type="checkbox"/> | |
| | | | | <input type="checkbox"/> | Dependents on 6c not entered above |
| | | | | <input type="checkbox"/> | Add numbers on lines above 4 |

d Total number of exemptions claimed **4**

| | | | | | |
|---|-----|---|--------------|--------------------------------|--------|
| Income | 7 | Wages, salaries, tips, etc. Attach Form(s) W-2 | Clergy 1,000 | 7 | 88,500 |
| | 8a | Taxable interest. Attach Schedule B if required | | 8a | |
| | b | Tax-exempt interest. Do not include on line 8a | 8b | | |
| | 9a | Ordinary dividends. Attach Schedule B if required | | 9a | |
| | b | Qualified dividends (see page 22) | 9b | | |
| | 10 | Taxable refunds, credits, or offsets of state and local income taxes (see page 23) | | 10 | |
| | 11 | Alimony received | | 11 | |
| | 12 | Business income or (loss). Attach Schedule C or C-EZ | | 12 | 5,021 |
| | 13 | Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/> | | 13 | |
| | 14 | Other gains or (losses). Attach Form 4797 | | 14 | |
| Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld. | 15a | IRA distributions | 15a | b Taxable amount (see page 24) | 15b |
| | 16a | Pensions and annuities | 16a | b Taxable amount (see page 25) | 16b |
| | 17 | Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E | | 17 | |
| | 18 | Farm income or (loss). Attach Schedule F | | 18 | |
| If you did not get a W-2, see page 22. | 19 | Unemployment compensation in excess of \$2,400 per recipient (see page 27) | | 19 | |
| | 20a | Social security benefits | 20a | b Taxable amount (see page 27) | 20b |
| | 21 | Other income | | 21 | |
| | 22 | Add the amounts in the far right column for lines 7 through 21. This is your total income | | 22 | 93,521 |

| | | | | |
|------------------------------|-----|--|-----|--------|
| Adjusted Gross Income | 23 | Educator expenses (see page 29) | 23 | |
| | 24 | Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ | 24 | |
| | 25 | Health savings account deduction. Attach Form 8889 | 25 | |
| | 26 | Moving expenses. Attach Form 3903 | 26 | |
| | 27 | One-half of self-employment tax. Attach Schedule SE | 27 | 3,656 |
| | 28 | Self-employed SEP, SIMPLE, and qualified plans | 28 | |
| | 29 | Self-employed health insurance deduction (see page 30) | 29 | |
| | 30 | Penalty on early withdrawal of savings | 30 | |
| | 31a | Alimony paid b Recipient's SSN | 31a | |
| | 32 | IRA deduction (see page 31) | 32 | |
| | 33 | Student loan interest deduction (see page 34) | 33 | |
| | 34 | Tuition and fees deduction. Attach Form 8917 | 34 | |
| | 35 | Domestic production activities deduction. Attach Form 8903 | 35 | |
| | 36 | Add lines 23 through 31a and 32 through 35 | 36 | 3,656 |
| | 37 | Subtract line 36 from line 22. This is your adjusted gross income | 37 | 89,865 |

**SCHEDULE A
(Form 1040)**

Itemized Deductions

OMB No. 1545-0074

2009

Attachment
Sequence No. **07**

Department of the Treasury
Internal Revenue Service (99)

▶ **Attach to Form 1040.** ▶ **See Instructions for Schedule A (Form 1040).**

Name(s) shown on Form 1040

PAUL & SARAH MATTHEWS

Your social security number

400-00-1910

| Medical and Dental Expenses | Caution. Do not include expenses reimbursed or paid by others. | | | | |
|---|--|-----------|-------|-----------|-----------|
| | 1 Medical and dental expenses (see page A-1) | 1 | 7,340 | | |
| | 2 Enter amount from Form 1040, line 38 2 89,865 | | | | |
| | 3 Multiply line 2 by 7.5% (.075) | 3 | 6,740 | | |
| | 4 Subtract line 3 from line 1. If line 3 is more than line 1, enter -0- | | | 4 | 600 |
| Taxes You Paid (See page A-2.) | 5 State and local (check only one box): | | | | |
| | a <input checked="" type="checkbox"/> Income taxes, or | 5 | 6,900 | | |
| | b <input type="checkbox"/> General sales taxes } | | | | |
| | 6 Real estate taxes (see page A-5) | 6 | | | |
| | 7 New motor vehicle taxes from line 11 of the worksheet on page 2. Skip this line if you checked box 5b. | 7 | | | |
| | 8 Other taxes. List type and amount ▶ _____ | 8 | | | |
| | | | | | |
| | 9 Add lines 5 through 8 | | | | 9 |
| Interest You Paid (See page A-6.) | 10 Home mortgage interest and points reported to you on Form 1098. | 10 | 6,800 | | |
| | 11 Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see page A-7 and show that person's name, identifying no., and address ▶ _____ | 11 | | | |
| | Note. Personal interest is not deductible. | | | | |
| | 12 Points not reported to you on Form 1098. See page A-7 for special rules | 12 | | | |
| | 13 Qualified mortgage insurance premiums (see page A-7) | 13 | | | |
| | 14 Investment interest. Attach Form 4952 if required. (See page A-8.) | 14 | | | |
| | 15 Add lines 10 through 14 | | | 15 | 6,800 |
| Gifts to Charity If you made a gift and got a benefit for it, see page A-8. | 16 Gifts by cash or check. If you made any gift of \$250 or more, see page A-8 | 16 | 5,068 | | |
| | 17 Other than by cash or check. If any gift of \$250 or more, see page A-8. You must attach Form 8283 if over \$500 | 17 | | | |
| | 18 Carryover from prior year | 18 | | | |
| | 19 Add lines 16 through 18 | | | | 19 |
| Casualty and Theft Losses | 20 Casualty or theft loss(es). Attach Form 4684. (See page A-10.) | | | 20 | |
| Job Expenses and Certain Miscellaneous Deductions (See page A-10.) | 21 Unreimbursed employee expenses - job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See page A-10.) ▶ FORM 2106-EZ 7,988 | 21 | 7,988 | | |
| | 22 Tax preparation fees | 22 | 150 | | |
| | 23 Other expenses - investment, safe deposit box, etc. List type and amount ▶ _____ | 23 | | | |
| | 24 Add lines 21 through 23 | 24 | 8,138 | | |
| | 25 Enter amount from Form 1040, line 38 25 89,865 | | | | |
| | 26 Multiply line 25 by 2% (.02) | 26 | 1,797 | | |
| | 27 Subtract line 26 from line 24. If line 26 is more than line 24, enter -0- | | | | 27 |
| Other Miscellaneous Deductions | 28 Other - from list on page A-11. List type and amount ▶ _____ | | | 28 | |
| Total Itemized Deductions | 29 Is Form 1040, line 38, over \$166,800 (over \$83,400 if married filing separately)? <input checked="" type="checkbox"/> No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 28. Also, enter this amount on Form 1040, line 40a. ▶ | | | 29 | 25,709 |
| | <input type="checkbox"/> Yes. Your deduction may be limited. See page A-11 for the amount to enter. 30 If you elect to itemize deductions even though they are less than your standard deduction, check here <input type="checkbox"/> | | | | |

For Paperwork Reduction Act Notice, see Form 1040 instructions.

EEA

Schedule A (Form 1040) 2009

**SCHEDULE C
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

Profit or Loss From Business
(Sole Proprietorship)

▶ Partnerships, joint ventures, etc., generally must file Form 1065 or 1065-B.

▶ Attach to Form 1040, 1040NR, or 1041. ▶ See Instructions for Schedule C (Form 1040).

OMB No. 1545-0074

2009

Attachment
Sequence No. **09**

| | |
|---|---|
| Name of proprietor PAUL MATTHEWS | Social security number (SSN) 400-00-1910 |
| A Principal business or profession, including product or service (see page C-2 of the instructions) MINISTER | B Enter code from pages C-9, 10, & 11 813000 |
| C Business name. If no separate business name, leave blank. PAUL MATTHEWS | D Employer ID number (EIN), if any |
| E Business address (including suite or room no.) ▶ 234 BRIGHT DAWN LANE City, town or post office, state, and ZIP code AMITY AR 71921 | |
| F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ▶ | |
| G Did you "materially participate" in the operation of this business during 2009? If "No," see page C-3 for limit on losses . . . <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | |
| H If you started or acquired this business during 2009, check here ▶ | |

| | |
|--|---------|
| Part I Income | |
| 1 Gross receipts or sales. Caution. See page C-4 and check the box if: <ul style="list-style-type: none"> • This income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked, or <input type="checkbox"/> • You are a member of a qualified joint venture reporting only rental real estate income not subject to self-employment tax. Also see page C-3 for limit on losses. | 1 5,500 |
| 2 Returns and allowances | 2 |
| 3 Subtract line 2 from line 1. | 3 5,500 |
| 4 Cost of goods sold (from line 42 on page 2). | 4 |
| 5 Gross profit. Subtract line 4 from line 3 | 5 5,500 |
| 6 Other income, including federal and state gasoline or fuel tax credit or refund (see page C-4) | 6 |
| 7 Gross income. Add lines 5 and 6 ▶ | 7 5,500 |

| | | | |
|--|----------|---|--------|
| Part II Expenses. Enter expenses for business use of your home only on line 30. | | | |
| 8 Advertising | 8 | 18 Office expense | 18 450 |
| 9 Car and truck expenses (see page C-4) | 9 | 19 Pension and profit-sharing plans | 19 |
| 10 Commissions and fees | 10 | 20 Rent or lease (see page C-6): | |
| 11 Contract labor (see page C-4) | 11 | a Vehicles, machinery, and equipment | 20a |
| 12 Depletion | 12 | b Other business property | 20b |
| 13 Depreciation and section 179 expense deduction (not included in Part III) (see page C-5) | 13 | 21 Repairs and maintenance | 21 |
| 14 Employee benefit programs (other than on line 19) | 14 | 22 Supplies (not included in Part III) | 22 |
| 15 Insurance (other than health) | 15 | 23 Taxes and licenses | 23 |
| 16 Interest: | | 24 Travel, meals, and entertainment: | |
| a Mortgage (paid to banks, etc.) | 16a | a Travel | 24a |
| b Other | 16b | b Deductible meals and entertainment (see page C-6) | 24b |
| 17 Legal and professional services | 17 | 25 Utilities | 25 |
| | | 26 Wages (less employment credits) | 26 |
| | | 27 Other expenses (from line 48 on page 2) | 27 147 |
| 28 Total expenses before expenses for business use of home. Add lines 8 through 27 ▶ | 28 597 | | |
| 29 Tentative profit or (loss). Subtract line 28 from line 7. | 29 4,903 | | |
| 30 Expenses for business use of your home. Attach Form 8829 | 30 | | |
| 31 Net profit or (loss). Subtract line 30 from line 29. <ul style="list-style-type: none"> • If a profit, enter on both Form 1040, line 12, and Schedule SE, line 2, or on Form 1040NR, line 13 (If you checked the box on line 1, see page C-7). Estates and trusts, enter on Form 1041, line 3. • If a loss, you must go to line 32. | 31 5,021 | SEE CLERGY ATTACHMENT | |
| 32 If you have a loss, check the box that describes your investment in this activity (see page C-7). <ul style="list-style-type: none"> • If you checked 32a, enter the loss on both Form 1040, line 12, and Schedule SE, line 2, or on Form 1040NR, line 13 (if you checked the box on line 1, see the line 31 instructions on page C-7). Estates and trusts, enter on Form 1041, line 3. • If you checked 32b, you must attach Form 6198. Your loss may be limited. | | 32a <input type="checkbox"/> All investment is at risk. | |
| | | 32b <input type="checkbox"/> Some investment is not at risk. | |

Name(s) PAUL MATTHEWS SSN 400-00-1910

Part III Cost of Goods Sold (see page C-8)

33 Method(s) used to value closing inventory: a Cost b Lower of cost or market c Other (attach explanation)

34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation Yes No

| | | |
|--|----|--|
| 35 Inventory at beginning of year. If different from last year's closing inventory, attach explanation. . . . | 35 | |
| 36 Purchases less cost of items withdrawn for personal use | 36 | |
| 37 Cost of labor. Do not include any amounts paid to yourself. | 37 | |
| 38 Materials and supplies | 38 | |
| 39 Other costs | 39 | |
| 40 Add lines 35 through 39 | 40 | |
| 41 Inventory at end of year | 41 | |
| 42 Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on page 1, line 4 | 42 | |

Part IV Information on Your Vehicle. Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 on page C-5 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (year, month, day) ▶ _____

44 Of the total number of miles you drove your vehicle during 2009, enter the number of miles you used your vehicle for:

a Business _____ b Commuting (see instructions) _____ c Other _____

45 Was your vehicle available for personal use during off-duty hours? Yes No

46 Do you (or your spouse) have another vehicle available for personal use? Yes No

47 a Do you have evidence to support your deduction? Yes No

b If "Yes," is the evidence written? Yes No

Part V Other Expenses. List below business expenses not included on lines 8-26 or line 30.

| | |
|------------------------|----|
| MARRIAGE BOOKS | 92 |
| BAPTISMAL CERTIFICATES | 55 |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |

48 **Total other expenses.** Enter here and on page 1, line 27 48 147

**SCHEDULE SE
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

Self-Employment Tax

OMB No. 1545-0074

2009

Attachment
Sequence No. **17**

▶ **Attach to Form 1040.** ▶ **See Instructions for Schedule SE (Form 1040).**

| | |
|---|--|
| Name of person with self-employment income (as shown on Form 1040) PAUL MATTHEWS | Social security number of person with self-employment income ▶ 400-00-1910 |
|---|--|

Who Must File Schedule SE

You must file Schedule SE if:

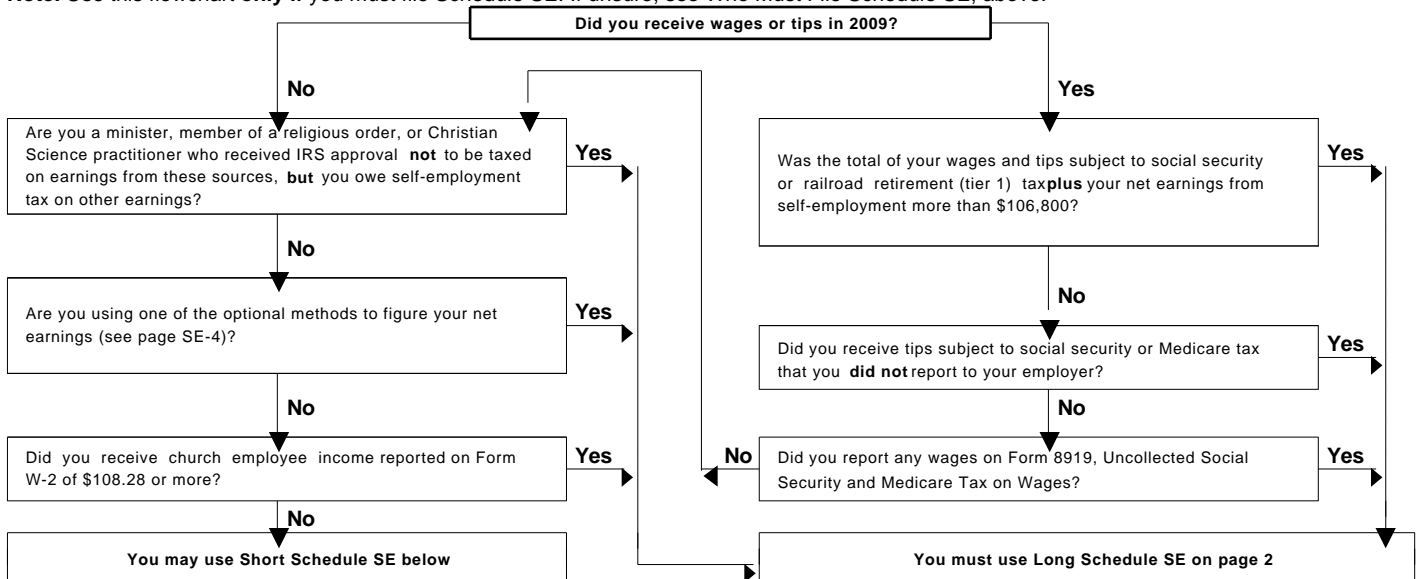
- You had net earnings from self-employment from **other than** church employee income (line 4 of Short Schedule SE or line 4c of Long Schedule SE) of \$400 or more, **or**
- You had church employee income of \$108.28 or more. Income from services you performed as a minister or a member of a religious order **is not** church employee income (see page SE-1).

Note. Even if you had a loss or a small amount of income from self-employment, it may be to your benefit to file Schedule SE and use either "optional method" in Part II of Long Schedule SE (see page SE-4).

Exception. If your only self-employment income was from earnings as a minister, member of a religious order, or Christian Science practitioner **and** you filed Form 4361 and received IRS approval not to be taxed on those earnings, **do not** file Schedule SE. Instead, write "Exempt-Form 4361" on Form 1040, line 56.

May I Use Short Schedule SE or Must I Use Long Schedule SE?

Note. Use this flowchart **only** if you must file Schedule SE. If unsure, see Who Must File Schedule SE, above.



Section A - Short Schedule SE. Caution. Read above to see if you can use Short Schedule SE.

| | | |
|---|-----------|---------------|
| 1a Net farm profit or (loss) from Schedule F, line 36, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A | 1a | |
| b If you received social security retirement or disability benefits, enter the amount of Conservation Reserve Program payments included on Schedule F, line 6b, or listed on Schedule K-1 (Form 1065), box 20, code Y | 1b | () |
| 2 Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), box 14, code A (other than farming); and Schedule K-1 (Form 1065-B), box 9, code J1. Ministers and members of religious orders, see page SE-1 for types of income to report on this line. See page SE-3 for other income to report | 2 | <u>51,750</u> |
| 3 Combine lines 1a, 1b, and 2 | 3 | <u>51,750</u> |
| 4 Net earnings from self-employment. Multiply line 3 by 92.35% (.9235). If less than \$400, do not file this schedule; you do not owe self-employment tax ▶ | 4 | <u>47,791</u> |
| 5 Self-employment tax. If the amount on line 4 is: • \$106,800 or less, multiply line 4 by 15.3% (.153). Enter the result here and on Form 1040, line 56. • More than \$106,800, multiply line 4 by 2.9% (.029). Then, add \$13,243.20 to the result. Enter the total here and on Form 1040, line 56 | 5 | <u>7,312</u> |
| 6 Deduction for one-half of self-employment tax. Multiply line 5 by 50% (.5). Enter the result here and on Form 1040, line 27 | 6 | <u>3,656</u> |

Child and Dependent Care Expenses

Department of the Treasury
Internal Revenue Service (99)

▶ **Attach to Form 1040, Form 1040A, or Form 1040NR.**

2009

Attachment
Sequence No. **21**

▶ **See separate instructions.**

Name(s) shown on return

Your social security number

PAUL & SARAH MATTHEWS

400-00-1910

Part I **Persons or Organizations Who Provided the Care -** You must complete this part.

(If you have more than two care providers, see the instructions.)

| 1 (a) Care provider's name | (b) Address (number, street, apt. no., city, state, and ZIP code) | (c) Identifying number (SSN or EIN) | (d) Amount paid (see instructions) |
|----------------------------|--|--|---------------------------------------|
| ADVENTURE HOUSE | 444 EVENING SUNSET AVE AMITY, AR 71921 | 88-4444444 | 5,000 |
| | | | |
| | | | |

| | | | |
|--|------------------------------------|--|---|
| Did you receive dependent care benefits? | <input type="checkbox"/> No | <input checked="" type="checkbox"/> Yes | Complete only Part II below. Complete Part III on page 2 next. |
|--|------------------------------------|--|---|

Caution. If the care was provided in your home, you may owe employment taxes. If you do, you cannot file Form 1040A. For details, see the instructions for Form 1040, line 59, or Form 1040NR, line 56.

Part II **Credit for Child and Dependent Care Expenses**

2 Information about your **qualifying person(s)**. If you have more than two qualifying persons, see the instructions.

| (a) Qualifying person's name | | (b) Qualifying person's social security number | (c) Qualified expenses you incurred and paid in 2009 for the person listed in column (a) |
|------------------------------|----------|--|--|
| First | Last | | |
| JOSHUA | MATTHEWS | 400-00-7009 | 2,500 |
| MARY | MATTHEWS | 400-00-7010 | 2,500 |

| | | |
|---|----------|--------|
| 3 Add the amounts in column (c) of line 2. Do not enter more than \$3,000 for one qualifying person or \$6,000 for two or more persons. If you completed Part III, enter the amount from line 34. | 3 | 5,000 |
| 4 Enter your earned income . See instructions | 4 | 49,094 |
| 5 If married filing jointly, enter your spouse's earned income (if your spouse was a student or was disabled, see the instructions); all others , enter the amount from line 4 | 5 | 44,000 |
| 6 Enter the smallest of line 3, 4, or 5 | 6 | 5,000 |

7 Enter the amount from Form 1040, line 38; Form 1040A, line 22; or Form 1040NR, line 36 7 89,865

8 Enter on line 8 the decimal amount shown below that applies to the amount on line 7

| If line 7 is: | | | If line 7 is: | | |
|-----------------|--------------|-------------------|-------------------|--------------|-------------------|
| Over | But not over | Decimal amount is | Over | But not over | Decimal amount is |
| \$0 - 15,000 | | .35 | \$29,000 - 31,000 | | .27 |
| 15,000 - 17,000 | | .34 | 31,000 - 33,000 | | .26 |
| 17,000 - 19,000 | | .33 | 33,000 - 35,000 | | .25 |
| 19,000 - 21,000 | | .32 | 35,000 - 37,000 | | .24 |
| 21,000 - 23,000 | | .31 | 37,000 - 39,000 | | .23 |
| 23,000 - 25,000 | | .30 | 39,000 - 41,000 | | .22 |
| 25,000 - 27,000 | | .29 | 41,000 - 43,000 | | .21 |
| 27,000 - 29,000 | | .28 | 43,000 - No limit | | .20 |

8 x .20

9 Multiply line 6 by the decimal amount on line 8. If you paid 2008 expenses in 2009, see the instructions **9** 1,000

10 Enter the amount from Form 1040, line 46; Form 1040A, line 28; or Form 1040NR, line 43 10 6,601

11 Enter the amount from Form 1040, line 47; or Form 1040NR, line 44. Form 1040A filers, enter -0- 11

12 Subtract line 11 from line 10. If zero or less, **stop**. You cannot take the credit **12** 6,601

13 **Credit for child and dependent care expenses.** Enter the **smaller** of line 9 or line 12 here and on Form 1040, line 48; Form 1040A, line 29; or Form 1040NR, line 45 **13** 1,000

Unreimbursed Employee Business Expenses

▶ **Attach to Form 1040 or Form 1040NR.**

| | | |
|-----------------------------------|--|--|
| Your name PAUL MATTHEWS | Occupation in which you incurred expenses MINISTER | Social security number 400-00-1910 |
|-----------------------------------|--|--|

You May Use This Form Only if All of the Following Apply.

- You are an employee deducting ordinary and necessary expenses attributable to your job. An ordinary expense is one that is common and accepted in your field of trade, business, or profession. A necessary expense is one that is helpful and appropriate for your business. An expense does not have to be required to be considered necessary.
- You **do not** get reimbursed by your employer for any expenses (amounts your employer included in box 1 of your Form W-2 are not considered reimbursements for this purpose).
- If you are claiming vehicle expense, you are using the standard mileage rate for 2009.

Caution: You can use the standard mileage rate for 2009 **only if:** (a) you owned the vehicle and used the standard mileage rate for the first year you placed the vehicle in service, or (b) you leased the vehicle and used the standard mileage rate for the portion of the lease period after 1997.

Part I Figure Your Expenses

| | | |
|---|----------|-------|
| 1 Vehicle expense using the standard mileage rate. Complete Part II and multiply line 8a by 55 cents (.55) | 1 | 8,415 |
| 2 Parking fees, tolls, and transportation, including train, bus, etc., that did not involve overnight travel or commuting to and from work | 2 | |
| 3 Travel expense while away from home overnight, including lodging, airplane, car rental, etc. Do not include meals and entertainment | 3 | 1,200 |
| 4 Business expenses not included on lines 1 through 3. Do not include meals and entertainment. | 4 | |
| 5 Meals and entertainment expenses: \$ <u>675</u> x 50% (.50). (Employees subject to Department of Transportation (DOT) hours of service limits: Multiply meal expenses incurred while away from home on business by 80% (.80) instead of 50%. For details, see instructions.) | 5 | 338 |
| 6 Total expenses. Add lines 1 through 5. Enter here and on Schedule A (Form 1040), line 21 (or on Schedule A (Form 1040NR), line 9). (Armed Forces reservists, fee-basis state or local government officials, qualified performing artists, and individuals with disabilities: See the instructions for special rules on where to enter this amount.) | 6 | 7,988 |

SEE CLERGY ATTACHMENT

Part II Information on Your Vehicle. Complete this part **only** if you are claiming vehicle expense on line 1.

- 7 When did you place your vehicle in service for business use? (year, month, day) ▶ 2003-03-12
- 8 Of the total number of miles you drove your vehicle during 2009, enter the number of miles you used your vehicle for:
 a Business 15,300 b Commuting (see instructions) _____ c Other 8,700
- 9 Was your vehicle available for personal use during off-duty hours? **Yes** **No**
- 10 Do you (or your spouse) have another vehicle available for personal use? **Yes** **No**
- 11a Do you have evidence to support your deduction? **Yes** **No**
- b If "Yes," is the evidence written? **Yes** **No**

Figuring the Allowable Deduction for Form 2106 or 2106-EZ Expenses

2009

(Keep for your records)

Name(s) as shown on return

PAUL MATTHEWS

Your social security number

400-00-1910

| | | Column A | Column B |
|----|--|----------|----------|
| 1 | Percentage of expenses that are nondeductible (from Worksheet 1, line 6): | 0.1974 % | |
| 2 | Use of car for church business: 15,300 miles x 55 cents (.55) | 2 8,415 | |
| 3 | Meals and entertainment: | 3 | 675 |
| 4 | Other expenses (list item and amount) | | |
| a | Travel Expense Away From Home | 4a 1,200 | |
| b | | 4b | |
| c | | 4c | |
| d | | 4d | |
| e | | 4e | |
| 5 | Total expenses. In column A, add lines 2 and 4a through 4e and enter the result. In column B, enter the amount from line 3. | 5 9,615 | 675 |
| 6 | Enter reimbursements received for other expenses (Column A) and meals and entertainment (Column B) that were not included in box 1 of Form W-2. | 6 | |
| 7 | Total Form 2106 or 2106-EZ unreimbursed expenses (subtract line 6 from line 5) | 7 9,615 | 675 |
| 8 | In Column A, enter the amount from line 7. In Column B, multiply line 7 by 50% (.50). | 8 9,615 | 338 |
| 9 | Add the amounts on line 8 of both columns and enter the total here. | 9 9,953 | |
| 10 | Nondeductible part of Form 2106 or 2106-EZ expenses (multiply line 9 by the percent in line 1) | 10 1,965 | |
| 11 | Ministerial employee business expense deduction allowed.* Subtract line 10 from line 9. Enter the result here and on Form 2106, line 10, or Form 2106-EZ, line 6. | 11 | 7,988 |

* None of the other deductions claimed in this return are allocable to tax-free income.

Worksheet 4

2009

(Keep for your records)

Name(s) as shown on return

PAUL MATTHEWS

Your social security number

400-00-1910

Worksheet 4. Figuring Net Self-Employment Income for Schedule SE (Form 1040)

| | | | | |
|-----------|---|-----------|--------|--------|
| 1 | W-2 salary as a minister (from box 1 of Form W-2) | 1 | | 43,500 |
| 2 | Net profit from Schedule C, line 31, or Schedule C-EZ, line 3 | 2 | | 5,021 |
| 3a | Parsonage allowance (from Worksheet 1, line 3a or 4a) | 3a | 11,600 | |
| b | Utility allowance (from Worksheet 1, line 3b or 4b) | 3b | 1,700 | |
| c | Total allowance (add lines 3a and 3b) | 3c | | 13,300 |
| 4 | Add lines 1, 2, and 3c | 4 | | 61,821 |
| 5 | Schedule C or C-EZ expenses allocable to tax-free income (from Worksheet 2, line 6) | 5 | 118 | |
| 6 | Unreimbursed ministerial employee business expenses (from Worksheet 3, line 7) | 6 | 9,953 | |
| 7 | Total business expenses not deducted in lines 1 and 2 above (add lines 5 and 6) | 7 | | 10,071 |
| 8 | Net self-employment income. Subtract line 7 from line 4. Enter here and on Schedule SE, Section A, line 2, or Section B, line 6. | 8 | | 51,750 |

Worksheet 1

2009

(Keep for your records)

Name(s) as shown on return

PAUL MATTHEWS

Your social security number

400-00-1910

Worksheet 1. Figuring the Percentage of Tax-Free Income

Note. For each line, enter the appropriate amount in **all** boxes that are not shaded.

| | Source of Income | | (a) Taxable | (b) Tax-free | (c) Total | | | | | | |
|---|--|-----------|--|------------------------------|----------------------|--------|---------------------|----|--------|---|------------|
| 1 | W-2 salary as a minister (from box 1 of Form W-2) | 1 | 43,500 | | 43,500 | | | | | | |
| 2 | Gross income from weddings, baptisms, writing, lecturing, etc. (from line 1 of Schedule C or C-EZ) | 2 | 5,500 | | 5,500 | | | | | | |
| Note. Complete either lines 3a-3e or lines 4a-4i. | | | | | | | | | | | |
| <ul style="list-style-type: none"> ● If your church provides you with a parsonage, complete lines 3a-3e. ● If, instead of providing a parsonage, your church provides you with a rental or parsonage allowance, complete lines 4a-4i. | | | | | | | | | | | |
| 3a | FRV* of parsonage provided by church | 3a | | | | | | | | | |
| b | Utility allowance, if any | 3b | | | | | | | | | |
| c | Actual expenses for utilities | 3c | | | | | | | | | |
| d | Enter the smaller of line 3b or 3c | 3d | | | | | | | | | |
| e | Excess utility allowance (subtract line 3d from line 3b) | 3e | | | | | | | | | |
| 4a | Parsonage or rental allowance | 4a | 11,600 | | | | | | | | |
| b | Utility allowance, if separate | 4b | 1,700 | | | | | | | | |
| c | Total allowance (add lines 4a and 4b) | 4c | 13,300 | | | | | | | | |
| d | Actual expenses for parsonage | 4d | 10,800 | | | | | | | | |
| e | Actual expenses for utilities | 4e | 1,500 | | | | | | | | |
| f | Total actual expenses for parsonage and utilities (add lines 4d and 4e) | 4f | 12,300 | | | | | | | | |
| g | FRV* of home, plus the cost of utilities | 4g | 12,500 | | | | | | | | |
| h | Enter the smaller of line 4c, 4f, or 4g | 4h | | 12,300 | 12,300 | | | | | | |
| i | Excess allowance (Subtract line 4h from line 4c) | 4i | 1,000 | | 1,000 | | | | | | |
| 5 | Ministerial income (for columns (a), (b), and (c), add lines 1 through 4i) | 5 | 50,000 | 12,300 | 62,300 | | | | | | |
| 6 | Percentage of tax-free income: | | <table style="margin-left: auto; margin-right: auto;"> <tr> <td align="right">Total Tax-Free income</td> <td align="right">\$</td> <td align="right">12,300</td> </tr> <tr> <td align="right">Total income</td> <td align="right">\$</td> <td align="right">62,300</td> </tr> </table> | Total Tax-Free income | \$ | 12,300 | Total income | \$ | 62,300 | = | 0.1974 %** |
| Total Tax-Free income | \$ | 12,300 | | | | | | | | | |
| Total income | \$ | 62,300 | | | | | | | | | |

* FRV (Fair Rental Value): As determined objectively and between unrelated parties, what it would cost to rent a comparable home (including furnishings) in a similar location.

** This percentage of your ministerial expenses will not be deductible. Use Worksheets 2 and 3 to figure your allowable deductions.