

EFSTATUS	EF Transmission Status (Keep for your records)	2011
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Name(s) as shown on return NEAL GEADELLI	Your social security number 400-00-3007
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The following will be transmitted to the IRS.

- 1040
 4868
 2350
 9465
 Form 56

The following state returns will be transmitted:

_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

The following returns have been suppressed or are not eligible and will NOT be transmitted.

_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

EF Notes

For the year Jan. 1-Dec. 31, 2011, or other tax year beginning , 2011, ending , 20

See separate instructions.

Your first name and initial
NEAL
If a joint return, spouse's first name and initial

Last name
GEADELLI
Last name

Your social security number
400-00-3007
Spouse's social security number

Home address (number and street). If you have a P.O. box, see instructions.
333 BIRD BROWN RD
Apt. no.

Make sure the SSN(s) above and on line 6c are correct.

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).
FRANKLIN NC 28734
Foreign country name Foreign province/county Foreign postal code

Presidential Election Campaign
Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.
You Spouse

Filing Status
1 [X] Single
2 [] Married filing jointly (even if only one had income)
3 [] Married filing separately. Enter spouse's SSN above and full name here.

4 [] Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here.
5 [] Qualifying widow(er) with dependent child

Exemptions
6a [X] Yourself. If someone can claim you as a dependent, do not check box 6a
6b [] Spouse

Boxes checked on 6a and 6b
No. of children on 6c who:
- lived with you
- did not live with you due to divorce or separation (see instructions)
Dependents on 6c not entered above
Add numbers on lines above 1

Table with columns: (1) First name, Last name, (2) Dependent's social security number, (3) Dependent's relationship to you, (4) If child under age 17 qualifying for child tax credit (see instructions)

d Total number of exemptions claimed 1

Income section table with rows 7-22. Includes wages (76,000), taxable interest (5,000), qualified dividends (300), capital gain (3,500), and total income (86,056).

Adjusted Gross Income section table with rows 23-37. Includes educator expenses, health savings account deduction, and adjusted gross income (86,056).

Tax and Credits

Standard Deduction for - People who check any box on line 39a or 39b or who can be claimed as a dependent, see instructions. All others: Single or Married filing separately, \$5,800 Married filing jointly or Qualifying widow(er), \$11,600 Head of household, \$8,500

Table with 3 columns: Line number, Description, and Amount. Rows include: 38 Amount from line 37 (adjusted gross income) 86,056; 39a Check boxes for blindness 0; 40 Itemized deductions (from Schedule A) or your standard deduction 5,800; 41 Subtract line 40 from line 38 80,256; 42 Exemptions. Multiply \$3,700 by the number on line 6d 3,700; 43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0- 76,556; 44 Tax (see instructions). Check if any from: a Form(s) 8814 b Form 4972 c 962 election 14,889; 45 Alternative minimum tax (see instructions). Attach Form 6251 0; 46 Add lines 44 and 45 14,889; 47 Foreign tax credit. Attach Form 1116 if required; 48 Credit for child and dependent care expenses. Attach Form 2441; 49 Education credits from Form 8863, line 23; 50 Retirement savings contributions credit. Attach Form 8880; 51 Child tax credit (see instructions); 52 Residential energy credits. Attach Form 5695; 53 Other credits from Form: a 3800 b 8801 c; 54 Add lines 47 through 53. These are your total credits 14,889; 55 Subtract line 54 from line 46. If line 54 is more than line 46, enter -0-

Other Taxes

Table with 3 columns: Line number, Description, and Amount. Rows include: 56 Self-employment tax. Attach Schedule SE; 57 Unreported social security and Medicare tax from Form: a 4137 b 8919; 58 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required; 59a Household employment taxes from Schedule H; 59b First-time homebuyer credit repayment. Attach Form 5405 if required; 60 Other taxes. Enter code(s) from instructions; 61 Add lines 55 through 60. This is your total tax 14,889

Payments

If you have a qualifying child, attach Schedule EIC.

Table with 3 columns: Line number, Description, and Amount. Rows include: 62 Federal income tax withheld from Forms W-2 and 1099 8,000; 63 2011 estimated tax payments and amount applied from 2010 return 14,000; 64a Earned income credit (EIC); 64b Nontaxable combat pay election; 65 Additional child tax credit. Attach Form 8812; 66 American opportunity credit from Form 8863, line 14; 67 First-time homebuyer credit from Form 5405, line 10; 68 Amount paid with request for extension to file; 69 Excess social security and tier 1 RRTA tax withheld; 70 Credit for federal tax on fuels. Attach Form 4136; 71 Credits from Form: a 2439 b 8839 c 8801 d 8885; 72 Add lines 62, 63, 64a, and 65 through 71. These are your total payments 22,000

Refund

Direct deposit? See instructions.

Table with 3 columns: Line number, Description, and Amount. Rows include: 73 If line 72 is more than line 61, subtract line 61 from line 72. This is the amount you overpaid 7,111; 74a Amount of line 73 you want refunded to you. If Form 8888 is attached, check here 7,111; 74b Routing number XXXXX XXXX Type: Checking Savings; 74d Account number XXXXX XXXX XXXX XXXX XXXX XXXX; 75 Amount of line 73 you want applied to your 2012 estimated tax

Amount You Owe

Table with 3 columns: Line number, Description, and Amount. Rows include: 76 Amount you owe. Subtract line 72 from line 61. For details on how to pay, see instructions; 77 Estimated tax penalty (see instructions)

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? Yes. Complete below. [X] No Designee's name Phone no. Personal identification number (PIN)

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Joint return? See instructions. Keep a copy for your records. Your signature: 02007 Date: 01-01-2012 Your occupation: LAWYER Daytime phone number: 828-546-2222 Spouse's signature: both must sign. Date: Spouse's occupation: Identity Protection PIN (see inst.):

Preparer's signature Date: 12-20-2011 Check self-employed if PTIN: P00000777

Paid Preparer Use Only

Print/Type preparer's name: Preparer1 Firm's name: Drake Software Firm's EIN: 11-1222333 Firm's address: 235 East Main Street Franklin, NC 28734 Phone no.: 828-524-1234

SCHEDULE B
(Form 1040A or 1040)

Interest and Ordinary Dividends

OMB No. 1545-0074

2011

Attachment
Sequence No. **08**

Department of the Treasury
Internal Revenue Service (99)

▶ **Attach to Form 1040A or 1040.**

▶ **See instructions.**

Name(s) shown on return

Your social security number

NEAL GEADELLI

400-00-3007

Part I
Interest

1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see instructions and list this interest first. Also, show that buyer's social security number and address ▶

Amount

(See instructions for Form 1040A, or Form 1040, line 8a.)

CITYBANK

5,000

Note. If you received a Form 1099-INT, Form 1099-OID, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

INTEREST SUBTOTAL

5,000

2 Add the amounts on line 1 **2**

5,000

3 Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815 **3**

4 Subtract line 3 from line 2. Enter the result here and on Form 1040A, or Form 1040, line 8a ▶ **4**

5,000

Note. If line 4 is over \$1,500, you must complete Part III.

Amount

Part II
Ordinary Dividends

5 List name of payer ▶

HOMETOWN INVESTMENT SERVICES

450

(See instructions for Form 1040A, or Form 1040, line 9a.)

DIVIDEND SUBTOTAL

450

6 Add the amounts on line 5. Enter the total here and on Form 1040A, or Form 1040, line 9a ▶ **6**

450

Note. If line 6 is over \$1,500, you must complete Part III.

Part III
Foreign Accounts and Trusts

(See instructions.)

You must complete this part if you **(a)** had over \$1,500 of taxable interest or ordinary dividends; **(b)** had a foreign account; or **(c)** received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

Yes

No

7a At any time during 2011, did you have a financial interest in or signature authority over a financial account (such as a bank account, securities account, or brokerage account) located in a foreign country? See instructions

X

If "Yes," are you required to file Form TD F 90-22.1 to report that financial interest or signature authority?

See Form TD F 90-22.1 and its instructions for filing requirements and exceptions to those requirements

X

b If you are required to file Form TD F 90-22.1, enter the name of the foreign country where the financial account is located ▶

8 During 2011, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See instructions

X

SCHEDULE E

(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Name(s) shown on return

Supplemental Income and Loss

(From rental real estate, royalties, partnerships,
S corporations, estates, trusts, REMICs, etc.)

▶ Attach to Form 1040, 1040NR, or Form 1041. ▶ See separate instructions.

OMB No. 1545-0074

2011

Attachment
Sequence No. **13**

Your social security number

400-00-3007

A Did you make any payments in 2011 that would require you to file Form(s) 1099? (see instructions) Yes No

B If "Yes," did you or will you file all required Forms 1099? Yes No

Part I **Income or Loss From Rental Real Estate and Royalties** **Note.** If you are in the business of renting personal property, use **Schedule C** (see instructions). If you are an individual, report farm rental income or loss from **Form 4835** on page 2, line 40.

Caution. For each rental property listed on line 1, check the box in the last column only if you owned that property as a member of a qualified joint venture (QJV) reporting income not subject to self-employment tax.

1 Physical address of each property - street, city, state, zip	Type-from list below	2 For each rental real estate property listed, report the number of days rented at fair rental value and days with personal use. See instructions.	Fair Rental		QJV
			Days	Personal Use Days	
A 444 BLUEBIRD WAY HIGHLANDS NC 28741	1		A 365	0	
B 777 RED BIRD WAY HIGHLANDS NC 28741	1		B 365	0	
C 444 SNOW BRIDGE COURT HIGHLANDS NC 28741	1		C 365	0	

Type of Property:

- 1 Single Family Residence 3 Vacation/Short-Term Rental 5 Land 7 Self-Rental
- 2 Multi-Family Residence 4 Commercial 6 Royalties 8 Other (describe)

Income:	Properties		
	A	B	C
3a Merchant card and third party payments (see instructions)	3a 0		
3b Payments not reported to you on line 3a	3b 20,000	20,000	15,000
4 Total not including amounts on line 3a that are not income (see instructions)	4 20,000	20,000	15,000
Expenses:			
5 Advertising	5		500
6 Auto and travel (see instructions)	6		500
7 Cleaning and maintenance	7 1,500	1,500	1,500
8 Commissions	8		
9 Insurance	9 1,200	1,200	1,100
10 Legal and other professional fees	10 650	1,000	600
11 Management fees	11		
12 Mortgage interest paid to banks, etc. (see instructions)	12 3,800	5,000	3,000
13 Other interest	13		
14 Repairs	14 1,000	1,000	700
15 Supplies	15 500	500	100
16 Taxes	16 1,500	2,000	1,400
17 Utilities	17 2,000	1,800	1,800
18 Depreciation expense or depletion	18 5,636	4,545	6,363
19 Other (list) ▶	19		
20 Total expenses. Add lines 5 through 19	20 17,786	18,545	17,563
21 Subtract line 20 from line 4. If result is a (loss), see instructions to find out if you must file Form 6198	21 2,214	1,455	(2,563)
22 Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)	22 ()	()	(2,563)
23a Total of all amounts reported on line 3a for all rental properties	23a		
23b Total of all amounts reported on line 3a for all royalty properties	23b		
23c Total of all amounts reported on line 4 for all rental properties	23c 55,000		
23d Total of all amounts reported on line 4 for all royalty properties	23d		
23e Total of all amounts reported on line 12 for all properties	23e 11,800		
23f Total of all amounts reported on line 18 for all properties	23f 16,544		
23g Total of all amounts reported on line 20 for all properties	23g 53,894		
24 Income. Add positive amounts shown on line 21. Do not include any losses	24		3,669
25 Losses. Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here	25 (2,563)
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2	26		1,106

For Paperwork Reduction Act Notice, see instructions.

EEA

Schedule E (Form 1040) 2011

Alternative Minimum Tax - Individuals

Form **6251**

Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions.

▶ Attach to Form 1040 or Form 1040NR.

OMB No. 1545-0074

2011

Attachment
Sequence No. **32**

Name(s) shown on Form 1040 or Form 1040NR

Your social security number

NEAL GEADELLI

400-00-3007

Part I Alternative Minimum Taxable Income (See instructions for how to complete each line.)

1	If filing Schedule A (Form 1040), enter the amount from Form 1040, line 41, and go to line 2. Otherwise, enter the amount from Form 1040, line 38, and go to line 7. (If less than zero, enter as a negative amount.)	1	86,056
2	Medical and dental. Enter the smaller of Schedule A (Form 1040), line 4, or 2.5% (.025) of Form 1040, line 38. If zero or less, enter -0-	2	
3	Taxes from Schedule A (Form 1040), line 9	3	
4	Enter the home mortgage interest adjustment, if any, from line 6 of the worksheet in the instructions for this line	4	
5	Miscellaneous deductions from Schedule A (Form 1040), line 27	5	
6	Skip this line. It is reserved for future use	6	
7	Tax refund from Form 1040, line 10 or line 21	7	()
8	Investment interest expense (difference between regular tax and AMT)	8	
9	Depletion (difference between regular tax and AMT)	9	
10	Net operating loss deduction from Form 1040, line 21. Enter as a positive amount	10	
11	Alternative tax net operating loss deduction	11	()
12	Interest from specified private activity bonds exempt from the regular tax	12	
13	Qualified small business stock (7% of gain excluded under section 1202)	13	
14	Exercise of incentive stock options (excess of AMT income over regular tax income)	14	
15	Estates and trusts (amount from Schedule K-1 (Form 1041), box 12, code A)	15	
16	Electing large partnerships (amount from Schedule K-1 (Form 1065-B), box 6)	16	
17	Disposition of property (difference between AMT and regular tax gain or loss)	17	
18	Depreciation on assets placed in service after 1986 (difference between regular tax and AMT)	18	
19	Passive activities (difference between AMT and regular tax income or loss)	19	(1)
20	Loss limitations (difference between AMT and regular tax income or loss)	20	
21	Circulation costs (difference between regular tax and AMT)	21	
22	Long-term contracts (difference between AMT and regular tax income)	22	
23	Mining costs (difference between regular tax and AMT)	23	
24	Research and experimental costs (difference between regular tax and AMT)	24	
25	Income from certain installment sales before January 1, 1987	25	()
26	Intangible drilling costs preference	26	
27	Other adjustments, including income-based related adjustments	27	
28	Alternative minimum taxable income. Combine lines 1 through 27. (If married filing separately and line 28 is more than \$223,900, see instructions.)	28	86,055

Part II Alternative Minimum Tax (AMT)

29	Exemption. (If you were under age 24 at the end of 2011, see instructions.) IF your filing status is AND line 28 is not over THEN enter on line 29 Single or head of household \$112,500 \$48,450 Married filing jointly or qualifying widow(er) 150,000 74,450 Married filing separately 75,000 37,225	29	48,450
If line 28 is over the amount shown above for your filing status, see instructions.			
30	Subtract line 29 from line 28. If more than zero, go to line 31. If zero or less, enter -0- here and on lines 31, 33, and 35, and go to line 34	30	37,605
31	• If you are filing Form 2555 or 2555-EZ, see instructions for the amount to enter. • If you reported capital gain distributions directly on Form 1040, line 13; you reported qualified dividends on Form 1040, line 9b; or you had a gain on both lines 15 and 16 of Schedule D (Form 1040) (as refigured for the AMT, if necessary), complete Part III on page 2 and enter the amount from line 54 here. • All others: If line 30 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 30 by 26% (.26). Otherwise, multiply line 30 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result.	31	9,359
32	Alternative minimum tax foreign tax credit (see instructions)	32	
33	Tentative minimum tax. Subtract line 32 from line 31	33	9,359
34	Tax from Form 1040, line 44 (minus any tax from Form 4972 and any foreign tax credit from Form 1040, line 47). If you used Schedule J to figure your tax, the amount from line 44 of Form 1040 must be refigured without using Schedule J (see instructions)	34	14,889
35	AMT. Subtract line 34 from line 33. If zero or less, enter -0-. Enter here and on Form 1040, line 45	35	

For Paperwork Reduction Act Notice, see your tax return instructions.

EEA

Form **6251** (2011)

Part III Tax Computation Using Maximum Capital Gains Rates

Complete Part III only if you are required to do so by line 31 or by the Foreign Earned Income Tax Worksheet in the instructions.

36	Enter the amount from Form 6251, line 30. If you are filing Form 2555 or 2555-EZ, enter the amount from line 3 of the worksheet in the instructions for this line		36	<u>37,605</u>
37	Enter the amount from line 6 of the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44, or the amount from line 13 of the Schedule D Tax Worksheet in the instructions for Schedule D (Form 1040), whichever applies (as refigured for the AMT, if necessary) (see instructions). If you are filing Form 2555 or 2555-EZ, see instructions for the amount to enter	37		<u>3,800</u>
38	Enter the amount from Schedule D (Form 1040), line 19 (as refigured for the AMT, if necessary) (see instructions). If you are filing Form 2555 or 2555-EZ, see instructions for the amount to enter	38		<u>0</u>
39	If you did not complete a Schedule D Tax Worksheet for the regular tax or the AMT, enter the amount from line 37. Otherwise, add lines 37 and 38, and enter the smaller of that result or the amount from line 10 of the Schedule D Tax Worksheet (as refigured for the AMT, if necessary). If you are filing Form 2555 or 2555-EZ, see instructions for the amount to enter	39		<u>3,800</u>
40	Enter the smaller of line 36 or line 39		40	<u>3,800</u>
41	Subtract line 40 from line 36		41	<u>33,805</u>
42	If line 41 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 41 by 26% (.26). Otherwise, multiply line 41 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result ▶		42	<u>8,789</u>
43	Enter: <ul style="list-style-type: none"> • \$69,000 if married filing jointly or qualifying widow(er), • \$34,500 if single or married filing separately, or • \$46,250 if head of household. 		43	<u>34,500</u>
44	Enter the amount from line 7 of the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44, or the amount from line 14 of the Schedule D Tax Worksheet in the instructions for Schedule D (Form 1040), whichever applies (as figured for the regular tax). If you did not complete either worksheet for the regular tax, enter -0-	44		<u>72,756</u>
45	Subtract line 44 from line 43. If zero or less, enter -0-	45		
46	Enter the smaller of line 36 or line 37	46		<u>3,800</u>
47	Enter the smaller of line 45 or line 46	47		
48	Subtract line 47 from line 46	48		<u>3,800</u>
49	Multiply line 48 by 15% (.15) ▶		49	<u>570</u>
If line 38 is zero or blank, skip lines 50 and 51 and go to line 52. Otherwise, go to line 50.				
50	Subtract line 46 from line 40	50		
51	Multiply line 50 by 25% (.25) ▶		51	
52	Add lines 42, 49, and 51		52	<u>9,359</u>
53	If line 36 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 36 by 26% (.26). Otherwise, multiply line 36 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result		53	<u>9,777</u>
54	Enter the smaller of line 52 or line 53 here and on line 31. If you are filing Form 2555 or 2555-EZ, do not enter this amount on line 31. Instead, enter it on line 4 of the worksheet in instructions for line 31		54	<u>9,359</u>

Depreciation and Amortization (Including Information on Listed Property)

Department of the Treasury Internal Revenue Service (99) Name(s) shown on return

See separate instructions. Attach to your tax return.

2011 Attachment Sequence No. 179

NEAL GEADELLI

SCHEDULE E - 1

Identifying number 400-00-3007

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

Table with 5 main rows for Section 179 election. Line 1: Maximum amount. Line 2: Total cost. Line 3: Threshold cost. Line 4: Reduction in limitation. Line 5: Dollar limitation. Line 6-13: Detailed property information and calculations.

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

Table with 3 rows for Special Depreciation Allowance. Line 14: Special depreciation allowance. Line 15: Property subject to section 168(f)(1) election. Line 16: Other depreciation (including ACRS).

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

Table with 2 rows for Section A. Line 17: MACRS deductions for assets placed in service in tax years beginning before 2011. Line 18: If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here.

Section B - Assets Placed in Service During 2011 Tax Year Using the General Depreciation System

Table with 7 columns: (a) Classification of property, (b) Month and year placed in service, (c) Basis for depreciation, (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction. Rows include 3-year, 5-year, 7-year, 10-year, 15-year, 20-year, 25-year property, Residential rental property, and Nonresidential real property.

Section C - Assets Placed in Service During 2011 Tax Year Using the Alternative Depreciation System

Table with 7 columns: (a) Class life, (b) Month and year placed in service, (c) Basis for depreciation, (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction. Rows include 12-year and 40-year class life.

Part IV Summary (See instructions.)

Table with 3 rows for Summary. Line 21: Listed property. Line 22: Total. Line 23: For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs.

Passive Activity Loss Limitations

Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions.
▶ Attach to Form 1040 or Form 1041.

2011
Attachment
Sequence No. **88**

Name(s) shown on return

Identifying number

NEAL GEADELLI

400-00-3007

Part I 2011 Passive Activity Loss

Caution: Complete Worksheets 1, 2, and 3 before completing Part I.

Rental Real Estate Activities With Active Participation (For the definition of active participation, see **Special Allowance for Rental Real Estate Activities** in the instructions.)

1a Activities with net income (enter the amount from Worksheet 1, column (a))	1a	3,669		
b Activities with net loss (enter the amount from Worksheet 1, column (b))	1b	(2,563)		
c Prior years unallowed losses (enter the amount from Worksheet 1, column (c))	1c	()		
d Combine lines 1a, 1b, and 1c	1d		1,106	

Commercial Revitalization Deductions From Rental Real Estate Activities

2a Commercial revitalization deductions from Worksheet 2, column (a)	2a	()		
b Prior year unallowed commercial revitalization deductions from Worksheet 2, column (b)	2b	()		
c Add lines 2a and 2b	2c	()		

All Other Passive Activities

3a Activities with net income (enter the amount from Worksheet 3, column (a))	3a	()		
b Activities with net loss (enter the amount from Worksheet 3, column (b))	3b	()		
c Prior years unallowed losses (enter the amount from Worksheet 3, column (c))	3c	()		
d Combine lines 3a, 3b, and 3c	3d			

4 Combine lines 1d, 2c, and 3d. If this line is zero or more, stop here and include this form with your return; all losses are allowed, including any prior year unallowed losses entered on line 1c, 2b, or 3c. Report the losses on the forms and schedules normally used	4		1,106	
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- If line 4 is a loss and:
- Line 1d is a loss, go to Part II.
 - Line 2c is a loss (and line 1d is zero or more), skip Part II and go to Part III.
 - Line 3d is a loss (and lines 1d and 2c are zero or more), skip Parts II and III and go to line 15.

Caution: If your filing status is married filing separately and you lived with your spouse at any time during the year, **do not** complete Part II or Part III. Instead, go to line 15.

Part II Special Allowance for Rental Real Estate Activities With Active Participation

Note: Enter all numbers in Part II as positive amounts. See instructions for an example.

5 Enter the smaller of the loss on line 1d or the loss on line 4	5			
6 Enter \$150,000. If married filing separately, see instructions	6			
7 Enter modified adjusted gross income, but not less than zero (see inst.)	7			
Note: If line 7 is greater than or equal to line 6, skip lines 8 and 9, enter -0- on line 10. Otherwise, go to line 8.				
8 Subtract line 7 from line 6	8			
9 Multiply line 8 by 50% (.5). Do not enter more than \$25,000. If married filing separately, see instructions	9			
10 Enter the smaller of line 5 or line 9	10		0	

If line 2c is a loss, go to Part III. Otherwise, go to line 15.

Part III Special Allowance for Commercial Revitalization Deductions From Rental Real Estate Activities

Note: Enter all numbers in Part III as positive amounts. See the example for Part II in the instructions.

11 Enter \$25,000 reduced by the amount, if any, on line 10. If married filing separately, see instructions	11			
12 Enter the loss from line 4	12			
13 Reduce line 12 by the amount on line 10	13			
14 Enter the smallest of line 2c (treated as a positive amount), line 11, or line 13	14			

Part IV Total Losses Allowed

15 Add the income, if any, on lines 1a and 3a and enter the total	15			
16 Total losses allowed from all passive activities for 2011. Add lines 10, 14, and 15. See instructions to find out how to report the losses on your tax return	16		0	

Department of the Treasury
Internal Revenue Service

▶ **Do not send to the IRS. This is not a tax return.**
▶ **Keep this form for your records. See instructions.**

2011

Declaration Control Number (DCN) ▶

00-561332-020072

Taxpayer's name

NEAL GEADELLI

Social security number

400-00-3007

Spouse's name

Spouse's social security number

Part I Tax Return Information - Tax Year Ending December 31, 2011 (Whole Dollars Only)

1	Adjusted gross income (Form 1040, line 38; Form 1040A, line 22; Form 1040EZ, line 4)	1	<u>86,056</u>
2	Total tax (Form 1040, line 61; Form 1040A, line 35; Form 1040EZ, line 10)	2	<u>14,889</u>
3	Federal income tax withheld (Form 1040, line 62; Form 1040A, line 36; Form 1040EZ, line 7)	3	<u>8,000</u>
4	Refund (Form 1040, line 74a; Form 1040A, line 43a; Form 1040EZ, line 11; Form 1040-SS, Part I, line 12a) . .	4	<u>7,111</u>
5	Amount you owe (Form 1040, line 76; Form 1040A, line 45; Form 1040EZ, line 12)	5	

Part II Taxpayer Declaration and Signature Authorization (Be sure you get and keep a copy of your return)

Under penalties of perjury, I declare that I have examined a copy of my electronic individual income tax return and accompanying schedules and statements for the tax year ending December 31, 2011, and to the best of my knowledge and belief, it is true, correct, and complete. I further declare that the amounts in Part I above are the amounts from my electronic income tax return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send my return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an ACH electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of my Federal taxes owed on this return and/or a payment of estimated tax, and the financial institution to debit the entry to this account. I further understand that this authorization may apply to future Federal tax payments that I direct to be debited through the Electronic Federal Tax Payment System (EFTPS). I authorize EFTPS to issue me a personal identification number (PIN) to access EFTPS. This authorization is to remain in full force and effect until I notify the U.S. Treasury Financial Agent to terminate the authorization. To request that my PIN be mailed to me, or to revoke (cancel) a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537. Payment cancellation requests must be received no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I further acknowledge that the personal identification number (PIN) below is my signature for my electronic income tax return and, if applicable, my Electronic Funds Withdrawal Consent.

Taxpayer's PIN: check one box only

I authorize Drake Software to enter or generate my PIN 02007
ERO firm name Enter five numbers, but do not enter all zeros
as my signature on my tax year 2011 electronically filed income tax return.

I will enter my PIN as my signature on my tax year 2011 electronically filed income tax return. Check this box **only** if you are entering your own PIN **and** your return is filed using the Practitioner PIN method. The ERO must complete Part III below.

Your signature ▶ _____ Date ▶ 12-20-2011

Spouse's PIN: check one box only

I authorize _____ to enter or generate my PIN _____
ERO firm name Enter five numbers, but do not enter all zeros
as my signature on my tax year 2011 electronically filed income tax return.

I will enter my PIN as my signature on my tax year 2011 electronically filed income tax return. Check this box **only** if you are entering your own PIN **and** your return is filed using the Practitioner PIN method. The ERO must complete Part III below.

Spouse's signature ▶ _____ Date ▶ _____

Practitioner PIN Method Returns Only - continue below

Part III Certification and Authentication - Practitioner PIN Method Only

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN. 561332-12345
do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature for the tax year 2011 electronically filed income tax return for the taxpayer(s) indicated above. I confirm that I am submitting this return in accordance with the requirements of the Practitioner PIN method and **Publication 1345**, Handbook for Authorized IRS e-file Providers of Individual Income Tax Returns.

ERO's signature ▶ _____ Date ▶ 12-20-2011

ERO Must Retain This Form - See Instructions
Do Not Submit This Form to the IRS Unless Requested To Do So

**Acknowledgement and General Information for
Taxpayers Who File Returns Electronically**

Thank you for participating in IRS e-file.

Taxpayer name NEAL GEADELLI

Taxpayer address (optional)

333 BIRD BROWN RD
FRANKLIN, NC 28734

1. Your federal income tax return for 2011 was filed electronically with the PHILADELPHIA Submission Processing Center. The electronic filing services were provided by Drake Software.
2. Your return was accepted on _____ using a Personal Identification Number (PIN) as your electronic signature. You entered a PIN or authorized the Electronic Return Originator (ERO) to enter or generate a PIN for you. The Declaration Control Number (DCN) assigned to your return is _____.
3. Your return was accepted on _____. Please allow 4-6 weeks for the processing of your return. The Earned Income Credit or a dependent's exemption on your return may be reduced or disallowed due to a child's name and social security number mismatch.
4. Your electronic funds withdrawal payment was accepted.
5. Your electronic funds withdrawal payment was not accepted. You must pay the balance due by the prescribed due date. You may see your payment options in the "If You Owe Tax" section.
6. Your Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return, was accepted on _____. The Declaration Control Number (DCN) assigned to your extension is _____.

**PLEASE DO NOT SEND A PAPER COPY OF YOUR RETURN TO THE IRS.
IF YOU DO, IT WILL DELAY THE PROCESSING OF THE RETURN.**

If You Need to Make a Change to Your Return

If you need to make a change or correct the return you filed electronically, you should send a Form 1040X, Amended U.S. Individual Income Tax Return, to the IRS Submission Processing Center that processes paper returns for your area. The address is available at www.irs.gov, or you can call the IRS toll-free at 1-800-829-1040.

If You Need to Ask About Your Refund

The IRS notifies your Electronic Return Originator (ERO) when your return is accepted, usually within 48 hours. If your return was not accepted, the IRS notifies your ERO of the reasons for rejection. If it has been more than three weeks since the IRS accepted your return and you have not received your refund, go to www.irs.gov and click on "Where's My Refund?" to view your refund status. Exception: If box 3 above is checked, please allow 4 to 6 weeks for processing of your return. A notice will be sent to you advising of changes to your return.

Also, you can call the TeleTax line at 1-800-829-4477, for automated refund information. You should have available the first social security number shown on your return, your filing status, and the exact amount of the refund you expect. TeleTax gives you the date for mailing or depositing your refund. You should receive your refund check within 30 days of the date given by TeleTax, or within one week of that date, if you chose direct deposit. If you do not receive it by then, or if TeleTax does not give your refund information, call the Refund Hotline at 1-800-829-1954.

The IRS uses refunds to cover overdue taxes and notifies you when this occurs. The Financial Management Service (FMS) offsets refunds through the Treasury Offset Program (TOP) to cover past due child support, federal agency non-tax debts such as student loans and state income tax obligations. FMS sends you an offset notice if it applies your refund or part of your refund to non-tax debts. If you have questions about the offset, contact the agency identified in the notice. You may also call the Treasury Offset Program Call Center at 1-800-304-3107, if you have additional questions.

If You Owe Tax

If your return has a balance due, you must pay the amount you owe by the prescribed due date. If you paid by electronic funds withdrawal (direct debit) or by credit card, no voucher is needed. The credit card service providers will charge a convenience fee based on the amount of taxes you are paying. The fees and the type of credit or debit cards accepted may vary between providers. You will be told the amount of the fee during the transaction and you will be given the option to either continue or end the transaction. For information on paying your taxes electronically, including by credit or debit card, go to www.irs.gov/e-pay.

If you are not paying electronically, you may use the Form 1040-V, Payment Voucher, which you can obtain from your Electronic Return Originator. If the IRS does not receive your payment by the prescribed due date, you will receive a notice that requests full payment of the tax due, plus penalties and interest. If you can not pay the amount in full, complete Form 9465, Installment Agreement Request, which you may file electronically. To apply for an installment agreement online, go to www.irs.gov. You may also order Form 9465 by calling 1-800-TAX-FORM (1-800-829-3676). If approved, the IRS charges a user fee to set up an installment agreement.

If You Need to Inquire About Your Electronic Funds Withdrawal Payment

You may call 1-888-353-4537, to inquire about the status of an electronic funds withdrawal payment. If there is a change to the bank account information included on your return, you should call this number to cancel a scheduled payment. You should have available the social security number of the first person listed on the tax return, the payment amount, and the bank account number. Cancellation requests must be received no later than 8:00 p.m. Eastern time, two business days prior to the scheduled payment date.

Refund Anticipation Loans

A refund anticipation loan is money borrowed from a lender based on the refund you expect to receive. This loan is a contract between you and a lender. The IRS is not associated with this contract, nor does it grant or deny the loan. **If you have questions about a refund anticipation loan, contact your Electronic Return Originator or the lender.**

Instructions to Electronic Return Originators

Line 2 - PIN Presence Indicator - Check box 2 if the taxpayer entered a PIN or authorized the ERO to enter or generate the PIN for the taxpayer, and the Acknowledgement File PIN Presence Indicator is a 1, 2, or 3. Form 8879, IRS e-file Signature Authorization, is required if the ERO enters or generates the PIN or if the Practitioner PIN method is used.

Use Form 8453, U.S. Individual Income Tax Transmittal for an IRS e-file Return, to send required paper forms or supporting documentation listed next to the form check boxes (do not send Forms W-2, W-2G, or 1099-R).

Line 3 - Exception Processing - Check box 3 if the Acknowledgement File Acceptance Code equals "E." The acceptance code indicates that this return has been previously rejected and this subsequent submission still has invalid data.

Line 4 - Payment Acknowledgement Literal - Check box 4 if the taxpayer requested to use electronic funds withdrawal to pay the balance due, and the Acknowledgement File Payment Acknowledgement Literal field equals "PYMNT RQST RECD."

Line 5 - Payment Acknowledgement Literal - Check box 5 if the taxpayer requested to use electronic funds withdrawal to pay the balance due, and the Acknowledgement File Payment Acknowledgement Literal field does not equal "PYMNT RQST RECD." If box 5 is checked, inform the taxpayer that he/she must pay by check, money order, debit card, or credit card.

Note: EROs can use the Acknowledgement File information, translated by the transmitter, to complete Form 9325.

Name as shown on return NEAL GADELLI

Your Social Security Number 400-00-3007

Keep for Your Records

Interest and Dividends

- 1. Enter any amount from Form 1040, line 8a ... 1. 5,000
2. Enter any amount from Form 1040, line 8b, plus any amount on Form 8814, line 1b ... 2.
3. Enter any amount from Form 1040, line 9a ... 3. 450
4. Enter the amount from Form 1040, line 21, that is from Form 8814 if you are filing that form to report your child's interest and dividend income on your return. (If your child received an Alaska Permanent Fund dividend, use Worksheet 2, on the next page, to figure the amount to enter on this line.) ... 4.

Capital Gain Net Income

- 5. Enter the amount from Form 1040, line 13. If the amount on that line is a loss, enter -0- ... 5. 3,500
6. Enter any gain from Form 4797, Sales of Business Property, line 7. If the amount on that line is a loss, enter -0-. (But, if you completed lines 8 and 9 of Form 4797, enter the amount from line 9 instead.) ... 6.
7. Subtract line 6 of this worksheet from line 5 of this worksheet. (If the result is less than zero, enter -0-.) ... 7. 3,500

Royalties and Rental Income from Personal Property

- 8. Enter any royalty income from Schedule E, line 4, plus any income from the rental of personal property shown on Form 1040, line 21, minus any expenses from Schedule E, line 21, related to royalty income, plus any expenses from the rental of personal property deducted on Form 1040, line 36 of personal property deducted on Form 1040, line 36 (If the result is less than zero, enter -0-.) ... 8.

Passive Activities

- 9. Enter the total of all net income or losses from qualified joint ventures that are passive activities with rental real estate income reported on your (and your spouse's) Schedule C, line 31, or Schedule C-EZ, line 3, but not included in net earnings from self-employment. Do not include this amount on line 10 below ... 9.
10. Enter the total of any net income from passive activities (such as income included on Schedule E, lines 26, 29a (col. (g)), 34a (col. (d)), or 40) and the total of any losses from passive activities (included on Schedule E, lines 26, 29b (col. (f)), 34b (col. (c)), or 40). (See instructions below for line 10.) Do not include any amount you included on line 9 above ... 10. 1,106
11. Combine the amounts on lines 9 and 10 of this worksheet. (If the result is less than zero, enter -0-.) ... 11. 1,106
12. Adjustment from EIC screen ... 12.
13. Add the amounts on lines 1, 2, 3, 4, 7, 8, 11 and 12. Enter the total. This is your Investment Income ... 13. 10,056

- 14. Is the amount on line 13 more than \$3,150?
[X] Yes. You cannot take the credit.
[] No. Go to Step 3 of the Form 1040 instructions for lines 64a and 64b to find out if you can take the credit (unless you are using this publication to find out if you can take the credit; in that case, go to Rule 7, next).

Instructions for line 10. In figuring the amount to enter on line 10, do not take into account any royalty income (or loss) included on line 26 of Schedule E or any amount included in your earned income. To find out if the income on line 26 or line 40 of Schedule E is from a passive activity, see the Schedule E instructions. If any of the rental real estate income (or loss) included on Schedule E, line 26, is not from a passive activity, print "NPA" and the amount of that income (or loss) on the dotted line next to line 26.

**Qualified Dividends and Capital Gain Tax Worksheet - Line 44 (Form 1040)
Line 28 (Form 1040A)**

(Keep for Your Records)

NAME NEAL GEADELLI	SSN 400-00-3007
------------------------------	---------------------------

Before you begin:

- See the instructions for line 44 to see if you can use this worksheet to figure your tax.
- If you do not have to file Schedule D and you received capital gain distributions, be sure you checked the box on line 13 of Form 1040.

1. Enter the amount from Form 1040, line 43 (Form 1040A, line 27). However, if you are filing Form 2555 or 2555-EZ (relating to foreign earned income), enter the amount from line 3 of the Foreign Earned Income Tax Worksheet	1.	76,556
2. Enter the amount from Form 1040, line 9b (Form 1040A, line 9b)*	2.	300
3. Are you filing Schedule D?*		
<input type="checkbox"/> Yes. Enter the smaller of line 15 or 16 of Schedule D. If either line 15 or line 16 is blank or a loss, enter -0-	3.	3,500
<input checked="" type="checkbox"/> No. Enter the amount from Form 1040, line 13 (or Form 1040A, line 10)		
4. Add lines 2 and 3	4.	3,800
5. If filing Form 4952 (used to figure investment interest expense deduction), enter any amount from line 4g of that form. Otherwise, enter -0-	5.	-
6. Subtract line 5 from line 4. If zero or less, enter -0-	6.	3,800
7. Subtract line 6 from line 1. If zero or less, enter -0-	7.	72,756
8. Enter: \$34,500 if single or married filing separately, \$69,000 if married filing jointly or qualifying widow(er), \$46,250 if head of household.	8.	34,500
9. Enter the smaller of line 1 or line 8	9.	34,500
10. Enter the smaller of line 7 or line 9	10.	34,500
11. Subtract line 10 from line 9. This amount is taxed at 0%	11.	-
12. Enter the smaller of line 1 or line 6	12.	3,800
13. Enter the amount from line 11	13.	-
14. Subtract line 13 from line 12	14.	3,800
15. Multiply line 14 by 15% (.15)	15.	570
16. Figure the tax on the amount on line 7. If the amount on line 7 is less than \$100,000, use the Tax Table to figure this tax. If the amount on line 7 is \$100,000 or more, use the Tax Computation Worksheet	16.	14,319
17. Add lines 15 and 16	17.	14,889
18. Figure the tax on the amount on line 1. If the amount on line 1 is less than \$100,000, use the Tax Table to figure this tax. If the amount on line 1 is \$100,000 or more, use the Tax Computation Worksheet	18.	15,269
19. Tax on all taxable income. Enter the smaller of line 17 or line 18. Also include this amount on Form 1040, line 44 (Form 1040A, line 28). If you are filing Form 2555 or 2555-EZ, do not enter this amount on Form 1040, line 44 (or Form 1040A, line 28). Instead, enter it on line 4 of the Foreign Earned Income Tax Worksheet	19.	14,889

*If you are filing Form 2555 or 2555-EZ, see the footnote in the Foreign Earned Income Tax Worksheet before completing this line.

Worksheet 1
For Form 8582, Lines 1a, 1b, and 1c
(See page 8 of the instructions.)

2011

Name as shown on return

Social Security Number

NEAL GEADELLI

400-00-3007

	Name of activity	Current year		Prior years	Overall gain or loss	
		(a) Net income (line 1a)	(b) Net loss (line 1b)	(c) Unallowed loss (line 1c)	(d) Gain	(e) Loss
1	RESIDENTIAL RE	2,214	0	0	2,214	0
2	RESIDENTIAL RE	1,455	0	0	1,455	0
3	RESIDENTIAL RE	0	2,563	0	0	2,563
Total. Enter on Form 8582, lines 1a, 1b, and 1c. ▶		3,669	2,563	0	3,669	2,563

Modified Adjusted Gross Income (MAGI)
Form 8582, Line 7
(Keep for your records)

2011

Name(s) as shown on return

Your social security number

NEAL GEADELLI

400-00-3007

Income	Regular tax	Alt Min Tax
Wages	<u>76,000</u>	<u>76,000</u>
Interest income before Series EE bond exclusion	<u>5,000</u>	<u>5,000</u>
Dividend income	<u>450</u>	<u>450</u>
Taxable state and local refunds	<u> </u>	<u> </u>
Alimony received	<u> </u>	<u> </u>
Nonpassive business income or (loss)	<u> </u>	<u> </u>
Schedule D and Form 4797	<u>3,500</u>	<u>3,500</u>
Taxable IRA distributions	<u> </u>	<u> </u>
Taxable pensions and annuities	<u> </u>	<u> </u>
Nonpassive partnership income or (loss) (including overall PTP gains and sold PTP losses)	<u> </u>	<u> </u>
Nonpassive S corporation income or (loss)	<u> </u>	<u> </u>
Nonpassive estate and trust income or (loss)	<u> </u>	<u> </u>
Real Estate Mortgage Investment Conduits (REMICs)	<u> </u>	<u> </u>
Royalty Income	<u> </u>	<u> </u>
Net rental real estate gains for a real estate professional or non-passive rental	<u> </u>	<u> </u>
Overall loss from the entire disposition of a passive activity	<u> </u>	<u> </u>
Nonpassive farm income or (loss)	<u> </u>	<u> </u>
Unemployment compensation	<u> </u>	<u> </u>
Other income	<u> </u>	<u> </u>
Total income	<u>84,950</u>	<u>84,950</u>

Adjustments

Educator expenses	<u> </u>	<u> </u>
Certain business expenses of reservists, performing artists, and fee-based government officials	<u> </u>	<u> </u>
Health savings account deduction	<u> </u>	<u> </u>
Moving expenses	<u> </u>	<u> </u>
Self-employed SEP, SIMPLE, and qualified plans	<u> </u>	<u> </u>
Self-employed health insurance deduction	<u> </u>	<u> </u>
Penalty on early withdrawal of savings	<u> </u>	<u> </u>
Alimony paid	<u> </u>	<u> </u>
Other adjustments	<u> </u>	<u> </u>
Total adjustments	<u>0</u>	<u>0</u>
Subtract total adjustments from total income	<u>84,950</u>	<u>84,950</u>
MAGI adjustment from input screen E2	<u> </u>	<u> </u>
Modified adjusted gross income	<u>84,950</u>	<u>84,950</u>

Depreciation Detail Listing

RESIDENTIAL RE

For your records only

2011

PAGE 1

* Item was disposed
of during current year.

Name(s) as shown on return

Social security number/EIN

NEAL GEADELLI

400-00-3007

No.	Description	Date	Cost	Salvage	Business percentage	Section 179	Depreciation Basis	Life	Method	Rate	Current depr.	Accumulated Depreciation	Prior expense	Bonus depreciation	AMT Current
1	444 BLUEBIRD WAY RES	20020219	155,000		100.00		155,000	27.5	SL MM	3.636	5,636	60,119			5,636
1	LAND	20020219	51,250		100.00		0		NDA						
Totals			206,250				155,000				5,636	60,119			5,636

Land Amount 51,250
 Net Depreciable Cost 155,000

ST ADJ:

Depreciation Detail Listing

RESIDENTIAL RE

For your records only

2011

PAGE 1

* Item was disposed
of during current year.

Name(s) as shown on return

Social security number/EIN

NEAL GEADELLI

400-00-3007

No.	Description	Date	Cost	Salvage	Business percentage	Section 179	Depreciation Basis	Life	Method	Rate	Current depr.	Accumulated Depreciation	Prior expense	Bonus depreciation	AMT Current
2	777 RED BIRD RES RENT	20030412	125,000		100.00		125,000	27.5	SL MM	3.636	4,545	40,907			4,545
2	LAND	20030412	42,567		100.00		0		NDA						
Totals			167,567				125,000				4,545	40,907			4,545

Land Amount 42,567
 Net Depreciable Cost 125,000

ST ADJ:

Depreciation Detail Listing

RESIDENTIAL RE

For your records only

2011

PAGE 1

* Item was disposed
of during current year.

Name(s) as shown on return

Social security number/EIN

NEAL GEADELLI

400-00-3007

No.	Description	Date	Cost	Salvage	Business percentage	Section 179	Depreciation Basis	Life	Method	Rate	Current depr.	Accumulated Depreciation	Prior expense	Bonus depreciation	AMT Current
3	444 SNOW BRIDGE COURT	20040112	175,000		100.00		175,000	27.5	SL MM	3.636	6,363	50,907			6,364
3	LAND	20040112	61,250		100.00		0		NDA						
Totals			236,250				175,000				6,363	50,907			6,364

Land Amount 61,250
 Net Depreciable Cost 175,000

ST ADJ:

Carryover Worksheet
List of items that will carryover to the 2012 tax return
 (Keep for your records)

2011

Name(s) as shown on return

Your social security number

NEAL GEADELLI

400-00-3007

Carryover Amount

Itemized Deductions

Contributions subject to 100% of AGI limitations	_____
Contributions subject to 50% of AGI limitations	_____
Contributions subject to 30% of AGI limitations (50% capital gains appreciated property)	_____
Contributions subject to 30% of AGI limitations	_____
Contributions subject to 20% of AGI limitations (30% capital gains appreciated property)	_____
Taxable state and local refunds to Form 1040, line 10	_____
State/local taxes paid in 2012 to flow to the Schedule A	_____
Preparer Fee to flow to the Schedule A	_____
State donations and contributions carryover	_____
State overpayment applied to next year	_____

Expenses

Office in home operating expenses	_____
Office in home excess casualty losses and depreciation	_____
Disallowed investment interest expense	_____
Section 179 expense	_____
Operating expenses, from Form WK_E, Sch E - Rental limitation on deductions when used for personal use	_____
Excess depreciation, from Form WK_E, Sch E - Rental limitation on deductions when used for personal use	_____

Losses

Short-term capital loss	_____
Long-term capital loss	_____
Net operating loss	_____
Nonrecaptured net section 1231 losses	_____

Credits

Mortgage interest credit	_____	Investment credit	_____
General business credit (should be carried back before being carried forward)	_____	Work opportunity credit	_____
Credit for prior year minimum tax	_____	Alcohol and cellulosic biofuel credit	_____
Foreign Tax credit	_____	Low-income housing credit	_____
District of Columbia first time home owner's credit	_____	Renewable electricity credit	_____
Employer SS and Medicare taxes paid on tips credit	_____	Small employer health ins. credit	_____
		Res. energy efficient property credit	_____

Other

Overpayment applied to next year's estimates	_____
Federal tax liability for 2210 calculation	14,889
State tax liability for state 2210 calculation	_____
IRA basis	_____

Taxpayer _____ Spouse _____

Passive Activity

_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

At Risk Limitations

_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Passive Activity Deduction Worksheet

2011

(Keep for your records)

Name(s) as shown on return

Your social security number

NEAL GEADELLI

400-00-3007

PAN 3 Activity RESIDENTIAL RE Form SCH E 100% Disposed Of NO

Regular Tax Loss Calculations

	Prior Year Suspended Losses	Current Year Income/Loss	Utilized in Current Year	Losses Suspended To Next Year
Operating	_____	<u>(2,563)</u>	<u>(2,563)</u>	_____
Form 4797 - Part I	_____	_____	_____	_____
Form 4797 - Part II	_____	_____	_____	_____
TOTALS	_____	<u>(2,563)</u>	<u>(2,563)</u>	_____

Alternative Minimum Tax Loss Calculations

	Prior Year Suspended Losses	Current Year Income/Loss	Utilized in Current Year	Losses Suspended To Next Year
Operating	_____	<u>(2,564)</u>	<u>(2,564)</u>	_____
Form 4797 - Part I	_____	_____	_____	_____
Form 4797 - Part II	_____	_____	_____	_____
TOTALS	_____	<u>(2,564)</u>	<u>(2,564)</u>	_____

FOR ALT MIN TAX PURPOSES ONLY

**Qualified Dividends and Capital Gain Tax Worksheet - Line 44 (Form 1040)
Line 28 (Form 1040A)**

(Keep for Your Records)

NAME NEAL GEADELLI	SSN 400-00-3007
------------------------------	---------------------------

- Before you begin:**
- See the instructions for line 44 to see if you can use this worksheet to figure your tax.
 - If you do not have to file Schedule D and you received capital gain distributions, be sure you checked the box on line 13 of Form 1040.

1. Enter the amount from Form 1040, line 43 (Form 1040A, line 27). However, if you are filing Form 2555 or 2555-EZ (relating to foreign earned income), enter the amount from line 3 of the Foreign Earned Income Tax Worksheet	1.	76,556
2. Enter the amount from Form 1040, line 9b (Form 1040A, line 9b)*	2.	300
3. Are you filing Schedule D?*		
<input type="checkbox"/> Yes. Enter the smaller of line 15 or 16 of Schedule D. If either line 15 or line 16 is blank or a loss, enter -0-	3.	3,500
<input type="checkbox"/> No. Enter the amount from Form 1040, line 13 (or Form 1040A, line 10)		
4. Add lines 2 and 3	4.	3,800
5. If filing Form 4952 (used to figure investment interest expense deduction), enter any amount from line 4g of that form. Otherwise, enter -0-	5.	_____
6. Subtract line 5 from line 4. If zero or less, enter -0-	6.	3,800
7. Subtract line 6 from line 1. If zero or less, enter -0-	7.	72,756
8. Enter: \$34,500 if single or married filing separately, \$69,000 if married filing jointly or qualifying widow(er), \$46,250 if head of household.	8.	_____
9. Enter the smaller of line 1 or line 8	9.	_____
10. Enter the smaller of line 7 or line 9	10.	_____
11. Subtract line 10 from line 9. This amount is taxed at 0%	11.	_____
12. Enter the smaller of line 1 or line 6	12.	_____
13. Enter the amount from line 11	13.	_____
14. Subtract line 13 from line 12	14.	_____
15. Multiply line 14 by 15% (.15)	15.	_____
16. Figure the tax on the amount on line 7. If the amount on line 7 is less than \$100,000, use the Tax Table to figure this tax. If the amount on line 7 is \$100,000 or more, use the Tax Computation Worksheet	16.	_____
17. Add lines 15 and 16	17.	_____
18. Figure the tax on the amount on line 1. If the amount on line 1 is less than \$100,000, use the Tax Table to figure this tax. If the amount on line 1 is \$100,000 or more, use the Tax Computation Worksheet	18.	_____
19. Tax on all taxable income. Enter the smaller of line 17 or line 18. Also include this amount on Form 1040, line 44 (Form 1040A, line 28). If you are filing Form 2555 or 2555-EZ, do not enter this amount on Form 1040, line 44 (or Form 1040A, line 28). Instead, enter it on line 4 of the Foreign Earned Income Tax Worksheet	19.	_____

*If you are filing Form 2555 or 2555-EZ, see the footnote in the Foreign Earned Income Tax Worksheet before completing this line.

Form 6251, Line 19 - Passive Activities

2011

(Keep for your records)

Name(s) as shown on return

Your social security number

NEAL GEADELLI

400-00-3007

Description	Form/ Sch	AMT Inc/Loss	Regular Inc/Loss	Difference Line 19
RESIDENTIAL RE	SCH E	(2,564)	(2,563)	(1)
	TOTALS	<u>(2,564)</u>	<u>(2,563)</u>	<u>(1)</u>

FOR ALT MIN TAX PURPOSES ONLY

Passive Activity Loss Limitations

Form **8582**

OMB No. 1545-1008

Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions.
▶ Attach to Form 1040 or Form 1041.

2011
Attachment
Sequence No. **88**

Name(s) shown on return

Identifying number

NEAL GEADELLI

400-00-3007

Part I 2011 Passive Activity Loss

Caution: Complete Worksheets 1, 2, and 3 before completing Part I.

Rental Real Estate Activities With Active Participation (For the definition of active participation, see **Special Allowance for Rental Real Estate Activities** in the instructions.)

1a Activities with net income (enter the amount from Worksheet 1, column (a))	1a	3,669		
b Activities with net loss (enter the amount from Worksheet 1, column (b))	1b	(2,564)		
c Prior years unallowed losses (enter the amount from Worksheet 1, column (c))	1c	()		
d Combine lines 1a, 1b, and 1c	1d		1,105	

Commercial Revitalization Deductions From Rental Real Estate Activities

2a Commercial revitalization deductions from Worksheet 2, column (a)	2a	()		
b Prior year unallowed commercial revitalization deductions from Worksheet 2, column (b)	2b	()		
c Add lines 2a and 2b	2c	()		

All Other Passive Activities

3a Activities with net income (enter the amount from Worksheet 3, column (a))	3a	()		
b Activities with net loss (enter the amount from Worksheet 3, column (b))	3b	()		
c Prior years unallowed losses (enter the amount from Worksheet 3, column (c))	3c	()		
d Combine lines 3a, 3b, and 3c	3d			

4 Combine lines 1d, 2c, and 3d. If this line is zero or more, stop here and include this form with your return; all losses are allowed, including any prior year unallowed losses entered on line 1c, 2b, or 3c. Report the losses on the forms and schedules normally used	4		1,105	
--	----------	--	--------------	--

If line 4 is a loss and:

- Line 1d is a loss, go to Part II.
- Line 2c is a loss (and line 1d is zero or more), skip Part II and go to Part III.
- Line 3d is a loss (and lines 1d and 2c are zero or more), skip Parts II and III and go to line 15.

Caution: If your filing status is married filing separately and you lived with your spouse at any time during the year, **do not** complete Part II or Part III. Instead, go to line 15.

Part II Special Allowance for Rental Real Estate Activities With Active Participation

Note: Enter all numbers in Part II as positive amounts. See instructions for an example.

5 Enter the smaller of the loss on line 1d or the loss on line 4	5			
6 Enter \$150,000. If married filing separately, see instructions	6			
7 Enter modified adjusted gross income, but not less than zero (see inst.)	7			
Note: If line 7 is greater than or equal to line 6, skip lines 8 and 9, enter -0- on line 10. Otherwise, go to line 8.				
8 Subtract line 7 from line 6	8			
9 Multiply line 8 by 50% (.5). Do not enter more than \$25,000. If married filing separately, see instructions	9			
10 Enter the smaller of line 5 or line 9	10		0	

If line 2c is a loss, go to Part III. Otherwise, go to line 15.

Part III Special Allowance for Commercial Revitalization Deductions From Rental Real Estate Activities

Note: Enter all numbers in Part III as positive amounts. See the example for Part II in the instructions.

11 Enter \$25,000 reduced by the amount, if any, on line 10. If married filing separately, see instructions	11			
12 Enter the loss from line 4	12			
13 Reduce line 12 by the amount on line 10	13			
14 Enter the smallest of line 2c (treated as a positive amount), line 11, or line 13	14			

Part IV Total Losses Allowed

15 Add the income, if any, on lines 1a and 3a and enter the total	15			
16 Total losses allowed from all passive activities for 2011. Add lines 10, 14, and 15. See instructions to find out how to report the losses on your tax return	16		0	

For Paperwork Reduction Act Notice, see instructions.

EEA

Form **8582** (2011)

FOR ALT MIN TAX PURPOSES ONLY

Worksheet 1

For Form 8582, Lines 1a, 1b, and 1c

(See page 8 of the instructions.)

2011

Name as shown on return

Social Security Number

NEAL GEADELLI

400-00-3007

	Name of activity	Current year		Prior years	Overall gain or loss	
		(a) Net income (line 1a)	(b) Net loss (line 1b)	(c) Unallowed loss (line 1c)	(d) Gain	(e) Loss
1	RESIDENTIAL RE	2,214	0	0	2,214	0
2	RESIDENTIAL RE	1,455	0	0	1,455	0
3	RESIDENTIAL RE	0	2,564	0	0	2,564
Total. Enter on Form 8582, lines 1a, 1b, and 1c. ▶		3,669	2,564	0	3,669	2,564

1040

**Individual
Diagnostic Summary**

2011

Name(s)

NEAL GEADELLI

Social Security #

400-00-3007

Demographics**Mailing Address:**

333 BIRD BROWN RD
FRANKLIN, NC 28734

Daytime Phone: 828-546-2222

Evening Phone: 828-333-4444

Cell Phone:

Resident State: 0

Date of Birth: Taxpayer 06-22-1949 Spouse

Dependent Information: (*If more than 5 dependents see last page of summary)

NameSSNRelationshipDate of Birth**Diagnostics**

Preparer: Preparer1

Invoice:

Date: 12-20-2011

Return Information

Form Type: 1040

Item on Return	2011 Federal	2010 Federal (If available)
Filing Status	1	1
Exemptions	1	1
Total Income	86,056	86,056
AGI	86,056	86,056
Deductions	5,800	5,700
Taxable Income	76,556	76,706
Tax (before credits)	14,889	14,983
Tax (after credits)	14,889	14,983
Tax Rate Percentage	25	25
EIC		
Overpayment	7,111	7,196
Refund	7,111	7,196
Refund Applied to ES		
Balance Due		

Form of Refund/Payment: The client will be receiving a check from the IRS

State/City Information (* If more than 4 states see last page of summary)T/S/JState/CityAGITaxable
IncomeTaxRefund/
(Balance Due)

TAX RETURN COMPARISON
2009 / 2010 / 2011

2011

Name(s) as shown on return
NEAL GEADELLI

Identifying number
400-00-3007

	2009	2010	2011	Difference 2010-2011
Filing Status		1	1	
Number of Exemptions		1	1	
Income				
Wages, salaries, tips, etc.		76,000	76,000	
Taxable interest and dividends		5,450	5,450	
Taxable state and local refunds				
Alimony.				
Business income (loss)				
Gains (losses)		3,500	3,500	
Pensions and IRA distributions				
Rent and royalty income (loss)		1,106	1,106	
Part, S-corps, trusts income (loss).				
Farm income (loss).				
Unemployment compensation.				
Total SS benefits received.				
Taxable SS benefits.				
Other income (loss).				
Total Income.		86,056	86,056	
Adjusted Gross Income				
Half of self-employment tax				
IRA deduction.				
Other adjustments				
Total Adjusted Gross Income		86,056	86,056	
Deductions				
Medical deductions				
State and local taxes				
Interest.				
Contributions				
Employee business expenses.				
Standard or other deductions		5,700	5,800	100
Total Itemized or Standard Ded		5,700	5,800	100
Exemption Amount		3,650	3,700	50
Tax and Credits				
Taxable Income		76,706	76,556	(150)
Tax.		14,983	14,889	(94)
Credits				
Self-employment tax				
Other taxes.				
Total Tax.		14,983	14,889	(94)
Payments				
Withholdings		8,000	8,000	
Estimated tax payments.		14,000	14,000	
Earned income credit				
Other payments and credits.		179		(179)
Refund		7,196	7,111	(85)
Balance Due.				
Resident State		0		
Taxable income.				
Tax.				
Refund				
Balance Due.				
Marginal tax rate.		25.00	25.00	
Effective tax rate.		20.00	19.45	(0.55)