Test Package for Electronic Filers of Individual Income Tax Returns For Tax Year 2008

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TY 2008
PARTICIPANTS ACCEPTANCE TESTING SYSTEM (PATS)

WHO MUST TEST?

The Electronic Program Operations requires that all Software Developers and Transmitters pass the Participants Acceptance Testing (PATS) and perform the suggested tests in this Test Package before they can be accepted into the electronic filing program for the 2009 (Tax Year 2008) filing season.

WHY TEST?

The purpose of testing is to ensure, prior to live processing that:

- ► *filers transmit in the correct format and meet the IRS electronic filing specifications;*
- ► *returns have few validation or math errors;*
- ► *required fields post to the IRS master file; and*
- ► *filers understand and are familiar with the mechanics of electronic filing.*

WHAT IS TESTED?

IRS will provide limited testing criteria that all software developers must follow and include when developing their test scenarios. Test scenarios must be accepted with no error reject codes before the software can be accepted into the electronic filing program for Tax Year 2008. Since Software Developers will be creating their own test scenarios, there will be no Answer File provided, eliminating the need for a compare process. Participants Acceptance Testing begins November 12, 2008**.**

You are required to transmit test scenarios using the Forms 1040/A/EZ and 1040-SS return, and forms and schedules associated with the 1040 series tax return. A test file consisting of at least ten (10) returns, but not more than thirty-eight (38), with the related forms, schedules and attachments must be transmitted. A range of test Social Security Numbers 400-00-1001 through 400-00-1038 will be used in all test scenarios. If your return rejects, you can make the correction and re-transmit as many times as necessary until the return is accepted.

If you will be participating in the Federal/State electronic filing program, you will need to test your Federal/State returns using one of the Federal scenarios you create. You should add the appropriate information in the generic state record and transmit the return as part of your regular transmission. Specific instructions are available from participating states.

The criteria for the test scenarios provide some of the information needed to prepare the appropriate forms and schedules; however, computations and data for all lines have not been provided. Therefore, some knowledge of tax law and tax preparation is necessary. You must correctly prepare and compute these returns before transmitting to the IRS.

NOTE: It is important that you enter the correct Return Type and Source Return Indicator.

WHEN TO TEST

When you are ready to test November 12, 2008, please call the e-help Desk at the centralized toll-free number:

1-866-255-0654

The e-help Desk is responsible for assigning an assistor to provide support during the PATS testing process. This assignment will be made October 31, 2008.

TEST PASSWORD

New applicants will receive a password letter when their application is processed and the Electronic Transmitter Identification Number (ETIN) is assigned. All other transmitters/software developers will use their current password.

TESTING GUIDELINES FOR SOFTWARE DEVELOPERS

Before testing begins, you must advise the e-help Desk of all limitations to your software package at the time of first contact. Your software does not have to provide for all forms and schedules, nor for all occurrences of a particular form or schedule. If your software cannot provide for all occurrences of a particular form or schedule or series of fields, as specified in Publication 1346, no statement record is allowed. You must enter data in all of the required fields. An acceptable limitation would be the number of field occurrences. Your software must be able to create a statement if a statement is necessary to complete a form. Your software must be able to accept different addresses from multiple W-2 forms. The 1040 entity address must "NOT" automatically transfer to the W-2 address. All information on Form W-2 must be entered in the Form W-2 record. There are no exceptions. You must advise the service center of all names you will be using to market your product.

NOTE: Beginning TY2008/PY2009, individuals or firms who purchase another developers' current year PATS approved software for the purpose of using and/or marketing it under their own name, must complete and submit an application requesting a separate Software Identification Number (SIN).

REVIEWING ACK FILES AND CORRECTING TESTS

You may transmit as many test returns as necessary until you receive no error messages. You may modify tests to include only conditions your software will handle. You must inform the tax examiners of any forms you do not intend to file.

SOFTWARE DEVELOPER ACCEPTANCE PROCEDURES

The Submission Processing Centers will process each test transmission and the e-help Desk assistor will communicate by telephone if necessary with the Software Developer concerning their transmission. If the test file is not correctly formatted, or if the test returns contain errors, the assistor at the e-help Desk will work with the Software Developer to resolve any reject conditions. The Software Developer must review their acknowledgement files, correct the software to eliminate any errors, and retransmit the test file. When all reject conditions have been resolved, the Software Developer must then send two separate same-day transmissions in order to test the ability of their software to increment the transmission sequence number that appears in the TRANA record. When the test file is accepted, the approving site will notify the Software Developer and ensure that the appropriate ETINS are moved to production status. Once a Software package has been approved, the customer may continue to test using their Software Developer ETIN and the range of test Social Security Numbers designated for the test scenarios. You must use the word **"TEST"** as the first name of the taxpayer, and you may use any of the SSNs (400-00-1001 thru 400-00-1038). DO NOT use any other SSNs.

COMMUNICATIONS TEST FOR THE e-file SYSTEM

There are two primary EMS sites: Enterprise Computing Center at Memphis (ECC-MEM), (which hosts Kansas City and Fresno) and Martinsburg (ECC-MTB) (which hosts Andover, Austin and Philadelphia). If you are a *Software Developer/Transmitter* and plan to transmit test returns to more than one service center, you are only required to send a transmission to one site (i.e., your primary home service center).

If you are a *Preparer/Transmitter* using accepted software, you must complete an error-free communications test by transmitting five returns in two same-day transmissions (three returns in one transmission and two in the other) to one EMS site. The communication test must reflect the types of returns you will be filing (i.e. if you will be transmitting all four types of Forms 1040, your test should consist of at least one 1040, 1040A, 1040EZ and 1040 SS)

A Software Developer, who will not be transmitting, will not need to perform a communications test through the ELF system.

TESTING ON THE ELECTRONIC TRANSMITTED DOCUMENT (ETD) SYSTEM

The Electronic Transmitted Document, or (ETD) System, processes forms that are not attached to a Form 1040, 1040A, or Form 1040EZ. A separate transmission file (PATS II) should be created for the ETD System. Once you receive no rejects, you will be required to transmit the returns in two separate same-day transmissions in order to test the ability of your software to increment the transmission sequence number that appears in the TRANA record.

COMMUNICATIONS TEST FOR THE ETD SYSTEM

If you are a Software Developer/Transmitter and plan to transmit test returns to more than one service center, you are only required to send a transmission to one site (i.e., your primary home service center). **If you are a Preparer/Transmitter using accepted ETD software and you have passed PATS communications testing for 1040 electronic returns, it will not be necessary for you to do an ETD communications test. A Software Developer, who will "NOT" be transmitting, will not need to perform a communications test through the ETD system.**

FEDERAL/STATE PARTICIPANTS ACCEPTANCE TESTING (PATS)

Software Developers will be tested by each individual state using a state provided test package. The applicable State Liaison will respond to all Software Developer questions related to state testing.

CONCURRENT TESTING

Concurrent Testing allows Software Developers to begin state testing, through any IRS ELF service center, prior to obtaining final acceptance from the IRS for the Federal PATS process. The primary home service center is defined as the center that supports the state where the Software Developer is physically located. The Software Developer must contact the state coordinator who, in turn, will schedule state testing with the primary home service center.

The Software Developer may be required to create specific data from state test scenarios. For specific testing procedures, you must contact the appropriate state coordinator.

The Software Developer will continue separate federal testing, at the primary EMS site, using the Federal test scenarios until they are accepted for federal filing. Procedures in place for Federal Participants Acceptance Testing will not change.

TECHNICAL ASSISTANCE

The primary home service center will provide technical assistance on Federal returns only. The state coordinator must respond to any problem encountered by the Software Developer with state data and will work with the Software Developer to resolve all reject conditions on state returns.

Limited testing on the state generic and unformatted records will be performed by the IRS. If these records are not rejected by the automatic checks in the IRS programs, the IRS will make the state data available to each state agency for further testing.

Each state will test the state data and provide feedback to electronic filers. Filers should refer to each state's procedures and specifications.

Software Developers and Transmitters have requested that the IRS and states use different Social Security Numbers (SSNs) for their respective Acceptance Testing process. The following range of Test SSNs has been designated for use by the participating states in the state test packages:

ELF STATE ASSIGNED TEST SSNS

Arkansas	400-00-5500 to 400-00-5599
Alabama	400-00-7400 to 400-00-7499
Arizona	400-00-7500 to 400-00-7599
Colorado	400-00-5600 to 400-00-5699
Connecticut	400-00-5700 to 400-00-5799
Delaware	400-00-5800 to 400-00-5899
District of Columbia	400-00-7300 to 400-00-7399
Georgia	400-00-6600 to 400-00-6699
Hawaii	400-00-7900 to 400-00-7999
Idaho	400-00-5900 to 400-00-5999
Illinois	400-00-3500 to 400-00-3599
Indiana	400-00-4000 to 400-00-4099
Iowa	400-00-6000 to 400-00-6099
Kansas	400-00-4100 to 400-00-4199
Kentucky	400-00-4200 to 400-00-4299
Louisiana	400-00-4300 to 400-00-4399
Maryland	400-00-7200 to 400-00-7299
Michigan	400-00-4500 to 400-00-4599
Mississippi	400-00-4600 to 400-00-4699
Missouri	400-00-6100 to 400-00-6199
Montana	400-00-6800 to 400-00-6899
Nebraska	400-00-6200 to 400-00-6299
New Jersey	400-00-6300 to 400-00-6399
New Mexico	700-00-0000 to 700-00-2000
New York	400-00-4800 to 400-00-4899
North Carolina	400-00-4900 to 400-00-4999
North Dakota	400-00-7700 to 400-00-7799
Ohio	400-00-7600 to 400-00-7699
Oklahoma	400-00-5000 to 400-00-5099
Oregon	400-00-6400 to 400-00-6499
Pennsylvania	400-00-7100 to 400-00-7199
Rhode Island	400-00-6900 to 400-00-6999
South Carolina	400-00-5100 to 400-00-5199
Utah	400-00-5200 to 400-00-5299
Vermont	400-00-8000 to 400-00-8099
Virginia	400-00-7000 to 400-00-7099
West Virginia	400-00-5300 to 400-00-5399
Wisconsin	400-00-5400 to 400-00-5499

The IRS will only accept these SSNs during Participants Acceptance Testing (PATS). These test SSNs will be rejected if submitted during live processing. The IRS Error Reject Code provided will advise filers that the SSN is not within the valid range of Social Security Numbers.

Electronic filers who have been accepted into the Federal Electronic Filing System, and have begun transmitting federal returns, but wish to continue state testing must obtain a Test ETIN from the applicable IRS service center. Check the state procedures to determine if the state allows testing beyond January 2009.

TEST SCENARIOS

You are required to transmit test scenarios using the Form 1040 return, and forms and schedules associated with the 1040 return. "ESP" Only Returns can be tested in PATS. Please use and/or acquire a software test Electronic Transmitter Identification Number (ETIN) for PATS testing.

A test file consisting of at least ten (10) returns, but not more than thirty-eight (38), with the related forms, schedules and attachments must be transmitted. A range of test Social Security Numbers 400-00-1001 through 400-00-1038 will be used in all test scenarios. The testing requirements listed below are based on system changes as well as tax form (record layouts) and validation criteria changes for Tax Year 2008. If any of the criteria below falls within the scope of the type of tax returns you prepare for yourself or your clients, you must develop test scenarios with the requirements provided below:

Note: We will validate the Tax Amount, Earned Income Tax Credit (EITC) Amount, Child Tax Credit (CTC) Amount and Additional Child Tax Credit in Test Scenarios 1, 2 and 3. Some of the fields on the tax forms for Test 1, 2 and 3 are already completed. The remaining fields must be completed by the Software Developer.

Test Scenario 1

Test Scenario 1 includes the following forms:

- Form 1040
- Schedule D
- Form 1099-R

Form 1099 –R information:

Payer's name, address and zip code	ABC COMPANY 11 ELM STREET SACRAMENTO, CA 94203
Payer's federal identification number	69-0000006
Recipient's identification number	400-00-1001
Recipient's name	DAWN GREEN
Recipient's address	2300 FIRST TEST STREET
Recipient city, state and zip code	SAN FRANCISCO, CA 94102
Filing Status	MARRIED FILING JOINTLY

Box 1: Gross distribution	85000
Box 2a: Taxable amount	80000
Box 4: Federal income tax withheld	7000
Box 7: Distribution Code	7

Additional Instructions: Use self-select pin for On-line Filer

Form **1040** Department of the Treasury—Internal Revenue Service

U.S. Individual Income Tax Return 2008

(99) IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2008, or other tax year beginning , 2008, ending , 20

OMB No. 1545-0074

Label

(See instructions on page 12.)

Use the IRS label. Otherwise, please print or type.

LABEL HERE

Your first name and initial	Last name	Your social security number
DAWN	GREEN	400 00 1001
If a joint return, spouse's first name and initial	Last name	Spouse's social security number
GARY	GREEN	400 00 2001
Home address (number and street). If you have a P.O. box, see page 12.	Apt. no.	
2300 FIRST TEST STREET		
City, town or post office, state, and ZIP code. If you have a foreign address, see page 12.		
SAN FRANCISO, CA 94102		

▲ You **must** enter your SSN(s) above. ▲

Checking a box below will not change your tax or refund.

Presidential Election Campaign ▶ Check here if you, or your spouse if filing jointly, want $3 to go to this fund (see page 12) ▶ ☑ **You** ☑ **Spouse**

Filing Status

Check only one box.

1 ☐ 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 page 13.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶

5 ☐ Qualifying widow(er) with dependent child (see page 14)

Exemptions

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

b ☑ **Spouse**

Boxes checked on 6a and 6b: 2

c **Dependents:**

(1) First name Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) ✓ if qualifying child for child tax credit (see page 15)
			☐
			☐
			☐
			☐

If more than four dependents, see page 15.

No. of children on 6c who:
- lived with you
- did not live with you due to divorce or separation (see page 16)

Dependents on 6c not entered above

d Total number of exemptions claimed

Add numbers on lines above ▶ 2

Income

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a W-2, see page 19.

Enclose, but do not attach, any payment. Also, please use **Form 1040-V.**

7	Wages, salaries, tips, etc. Attach Form(s) W-2		7	
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 19)	9b		
10	Taxable refunds, credits, or offsets of state and local income taxes (see page 20)		10	
11	Alimony received		11	
12	Business income or (loss). Attach Schedule C or C-EZ		12	
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ ☐		13	
14	Other gains or (losses). Attach Form 4797		14	
15a	IRA distributions	15a	b Taxable amount (see page 21)	15b
16a	Pensions and annuities	16a	b Taxable amount (see page 22)	16b
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E		17	
18	Farm income or (loss). Attach Schedule F		18	
19	Unemployment compensation		19	
20a	Social security benefits	20a	b Taxable amount (see page 24)	20b
21	Other income. List type and amount (see page 24)		21	
22	Add the amounts in the far right column for lines 7 through 21. This is your **total income** ▶		22	

Adjusted Gross Income

23	Archer MSA deduction. Attach Form 8853	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		
28	Self-employed SEP, SIMPLE, and qualified plans	28		
29	Self-employed health insurance deduction (see page 26)	29		
30	Penalty on early withdrawal of savings	30		
31a	Alimony paid b Recipient's SSN ▶	31a		
32	IRA deduction (see page 27)	32		
33	Student loan interest deduction (see page 30)	33		
34	Jury duty pay you gave to your employer	34		
35	Domestic production activities deduction. Attach Form 8903	35		
36	Add lines 23 through 31a and 32 through 35		36	
37	Subtract line 36 from line 22. This is your **adjusted gross income** ▶		37	

Tax and Credits

Standard Deduction for—

- People who checked any box on line 39a or 39b **or** who can be claimed as a dependent, see page 31.
- All others:

Single or Married filing separately, $5,450

Married filing jointly or Qualifying widow(er), $10,900

Head of household, $8,000

38	Amount from line 37 (adjusted gross income)	38	
39a	Check if: ☑ **You** were born before January 2, 1944, ☐ Blind. ☐ **Spouse** was born before January 2, 1944, ☐ Blind. **Total boxes checked ▶ 39a**		
b	If your spouse itemizes on a separate return or you were a dual-status alien, see page 31 and check here ▶39b ☐		
40	**Itemized deductions** (from Schedule A) **or** your **standard deduction** (see left margin)	40	
41	Subtract line 40 from line 38	41	
42	If line 38 is $119,975 or less, multiply $3,500 by the total number of exemptions claimed on line 6d. If line 38 is over $119,975, see the worksheet on page 33	42	
43	**Taxable income.** Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	
44	**Tax** (see page 33). Check if any tax is from: **a** ☐ Form(s) 8814 **b** ☐ Form 4972	44	
45	**Alternative minimum tax** (see page 36). Attach Form 6251	45	
46	Add lines 44 and 45 ▶	46	
47	Credit for child and dependent care expenses. Attach Form 2441	47	
48	Credit for the elderly or the disabled. Attach Schedule R	48	
49	Education credits. Attach Form 8863	49	
50	Foreign tax credit. Attach Form 1116 if required	50	
51	Child tax credit (see page 39). Attach Form 8901 if required	51	
52	Retirement savings contributions credit. Attach Form 8880	52	
53	Credits from: **a** ☐ Form 8396 **b** ☐ Form 5695 **c** ☐ Form 8839	53	
54	Other credits: **a** ☐ Form 3800 **b** ☐ Form 8801 **c** ☐ Form	54	
55	Add lines 47 through 54. These are your **total credits**	55	
56	Subtract line 55 from line 46. If line 55 is more than line 46, enter -0- ▶	56	

Other Taxes

57	Self-employment tax. Attach Schedule SE	57	
58	Unreported social security and Medicare tax from: **a** ☐ Form 4137 **b** ☐ Form 8919	58	
59	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	59	
60	Advance earned income credit payments from Form(s) W-2, box 9	60	
61	Household employment taxes. Attach Schedule H	61	
62	Add lines 56 through 61. This is your **total tax** ▶	62	

Payments

If you have a qualifying child, attach Schedule EIC.

63	Federal income tax withheld from Forms W-2 and 1099	63	
64	2008 estimated tax payments and amount applied from 2007 return	64	
65a	**Earned income credit (EIC)**	65a	
b	Nontaxable combat pay election 65b		
66	Excess social security and tier 1 RRTA tax withheld (see page 59)	66	
67	Additional child tax credit. Attach Form 8812	67	
68	Amount paid with request for extension to file (see page 59)	68	
69	Payments from: **a** ☐ Form 2439 **b** ☐ Form 4136 **c** ☐ Form 8885	69	
70	Refundable credit for prior year minimum tax from Form 8801, line 27	70	
71	Recovery rebate credit (see worksheet on page xx)	71	
72	Add lines 63 through 71. These are your **total payments** ▶	72	

Refund

Direct deposit? See page 59 and fill in 74b, 74c, and 74d, or Form 8888.

73	If line 72 is more than line 62, subtract line 62 from line 72. This is the amount you **overpaid**	73	
74a	Amount of line 73 you want **refunded to you.** If Form 8888 is attached, check here ▶ ☐	74a	
▶ b	Routing number ▶ **c** Type: ☐ Checking ☐ Savings		
▶ d	Account number		
75	Amount of line 73 you want **applied to your 2009 estimated tax** ▶	75	

Amount You Owe

76	**Amount you owe.** Subtract line 72 from line 62. For details on how to pay, see page 60 ▶	76	
77	Estimated tax penalty (see page 61)	77	

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see page 61)? ☐ **Yes.** Complete the following. ☐ **No**

Designee's name ▶ Phone no. ▶ ( ) Personal identification number (PIN) ▶

Sign Here

Joint return? See page 13. Keep a copy for your records.

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.

Your signature	Date	Your occupation	Daytime phone number ( )
Spouse's signature. If a joint return, **both** must sign.	Date	Spouse's occupation	

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-employed ☐	Preparer's SSN or PTIN
Firm's name (or yours if self-employed), address, and ZIP code		EIN	
		Phone no. ( )	

Printed on recycled paper

SCHEDULE D (Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Capital Gains and Losses

▶ Attach to Form 1040 or Form 1040NR. ▶ See Instructions for Schedule D (Form 1040).

▶ Use Schedule D-1 to list additional transactions for lines 1 and 8.

OMB No. 1545-0074

2008

Attachment Sequence No. 12

Name(s) shown on return: DAWN & GARY GREEN

Your social security number: 400 00 1001

Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-7 of the instructions)	(e) Cost or other basis (see page D-7 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
1 100 SH XYZ CO	02/01/2008	09/13/2008	8000	3000	
200 SH ABC CO	02/01/2008	10/04/2008	14000	17000	

2 Enter your short-term totals, if any, from Schedule D-1, line 2	2		
3 **Total short-term sales price amounts.** Add lines 1 and 2 in column (d)	3		
4 Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824	4		
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1	5		
6 Short-term capital loss carryover. Enter the amount, if any, from line 10 of your **Capital Loss Carryover Worksheet** on page D-7 of the instructions	6	( )	
7 **Net short-term capital gain or (loss).** Combine lines 1 through 6 in column (f)	7		

Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-7 of the instructions)	(e) Cost or other basis (see page D-7 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
8 500 SH EFG CO	08/04/2000	05/22/2008	21000	23000	
700 SH HIJ CO	01/20/2001	05/22/2008	31000	23000	

9 Enter your long-term totals, if any, from Schedule D-1, line 9	9		
10 **Total long-term sales price amounts.** Add lines 8 and 9 in column (d)	10		
11 Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824	11		
12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1	12		
13 Capital gain distributions. See page D-2 of the instructions	13		
14 Long-term capital loss carryover. Enter the amount, if any, from line 15 of your **Capital Loss Carryover Worksheet** on page D-7 of the instructions	14	( )	
15 **Net long-term capital gain or (loss).** Combine lines 8 through 14 in column (f). Then go to Part III on the back	15		

Part III Summary

16 Combine lines 7 and 15 and enter the result **16**

If line 16 is:

- A **gain**, enter the amount from line 16 on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 17 below.
- A **loss**, skip lines 17 through 20 below. Then go to line 21. Also be sure to complete line 22.
- **Zero**, skip lines 17 through 21 below and enter -0- on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 22.

17 Are lines 15 and 16 **both** gains?

☐ **Yes.** Go to line 18.

☐ **No.** Skip lines 18 through 21, and go to line 22.

18 Enter the amount, if any, from line 7 of the **28% Rate Gain Worksheet** on page D-8 of the instructions . . . . . ▶ **18**

19 Enter the amount, if any, from line 18 of the **Unrecaptured Section 1250 Gain Worksheet** on page D-9 of the instructions . . . . . ▶ **19**

20 Are lines 18 and 19 **both** zero or blank?

☑ **Yes.** Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the **Qualified Dividends and Capital Gain Tax Worksheet** on page 35 of the Instructions for Form 1040 (or in the Instructions for Form 1040NR). **Do not** complete lines 21 and 22 below.

☐ **No.** Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the **Schedule D Tax Worksheet** on page D-10 of the instructions. **Do not** complete lines 21 and 22 below.

21 If line 16 is a loss, enter here and on Form 1040, line 13, or Form 1040NR, line 14, the **smaller** of:

- The loss on line 16 or
- ($3,000), or if married filing separately, ($1,500)

. . . . . **21** ( )

Note. When figuring which amount is smaller, treat both amounts as positive numbers.

22 Do you have qualified dividends on Form 1040, line 9b, or Form 1040NR, line 10b?

☐ **Yes.** Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the **Qualified Dividends and Capital Gain Tax Worksheet** on page 35 of the Instructions for Form 1040 (or in the Instructions for Form 1040NR).

☐ **No.** Complete the rest of Form 1040 or Form 1040NR.

Printed on recycled paper

Test Scenario 2

Test Scenario 2 includes the following forms:

Form 1040
Schedule EIC
Form 8812
Form 8888
Form W-2

Form W-2 information:

Box a: Employee's social security number	400-00-1002
Box b: Employer identification number	69-0000099
Box c: Employer's name, address and zip code	THE GALLERY 3 SOUTH STREET EASY EZ, NJ 07002
Filing Status	HEAD OF HOUSEHOLD

Box e: Employee's first name, initial, last name	MARY WHITE
Box f: Employee's address and zip code	4 THIRD TEST STREET NEWARK, NJ 07022
Box 1: Wages, tips, other compensation	19350
Box 2: Federal income tax withheld	300
Box 4: Social Security tax withheld	1200
Box 5: Medicare wages and tips:	19350
Box 6: Medicare taxes withheld:	280
Box 15: State	NJ
Employer's state ID number	69-0000001
Box 16: State wages, tips, etc	19350
Box 17: State income tax:	500

Taxpayer's Occupation: ARTIST

Additional information: Pin Type Code = "S"

Form **1040** Department of the Treasury—Internal Revenue Service **U.S. Individual Income Tax Return** **2008** (99) IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2008, or other tax year beginning , 2008, ending , 20 OMB No. 1545-0074

Label

(See instructions on page 12.)

Use the IRS label. Otherwise, please print or type.

LABEL HERE

Your first name and initial	Last name	Your social security number
MARY	WHITE	400 00 1002
If a joint return, spouse's first name and initial	Last name	Spouse's social security number
Home address (number and street). If you have a P.O. box, see page 12.	Apt. no.	▲ You **must** enter your SSN(s) above. ▲
4 THIRD TEST STREET		
City, town or post office, state, and ZIP code. If you have a foreign address, see page 12.		Checking a box below will not change your tax or refund.
NEWARK, NJ 07102		

Presidential Election Campaign ▶ Check here if you, or your spouse if filing jointly, want $3 to go to this fund (see page 12) ▶ ☑ **You** ☐ **Spouse**

Filing Status

Check only one box.

1 ☐ 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 page 13.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶

5 ☐ Qualifying widow(er) with dependent child (see page 14)

Exemptions

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

b ☐ **Spouse**

Boxes checked on 6a and 6b: 1

c **Dependents:**

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) ✓ if qualifying child for child tax credit (see page 15)
SARA	WHITE	400 00 2002	daughter	☑
				☐
				☐
				☐

If more than four dependents, see page 15.

No. of children on 6c who:
- lived with you
- did not live with you due to divorce or separation (see page 16)

Dependents on 6c not entered above: 1

d Total number of exemptions claimed

Add numbers on lines above ▶ 2

Income

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a W-2, see page 19.

Enclose, but do not attach, any payment. Also, please use **Form 1040-V.**

7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	19350
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 19) — 9b		
10	Taxable refunds, credits, or offsets of state and local income taxes (see page 20)	10	
11	Alimony received	11	
12	Business income or (loss). Attach Schedule C or C-EZ	12	
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ ☐	13	
14	Other gains or (losses). Attach Form 4797	14	
15a	IRA distributions — 15a — b Taxable amount (see page 21)	15b	
16a	Pensions and annuities — 16a — b Taxable amount (see page 22)	16b	
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	
18	Farm income or (loss). Attach Schedule F	18	
19	Unemployment compensation	19	
20a	Social security benefits — 20a — b Taxable amount (see page 24)	20b	
21	Other income. List type and amount (see page 24)	21	
22	Add the amounts in the far right column for lines 7 through 21. This is your **total income** ▶	22	

Adjusted Gross Income

23	Archer MSA deduction. Attach Form 8853	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	
28	Self-employed SEP, SIMPLE, and qualified plans	28	
29	Self-employed health insurance deduction (see page 26)	29	
30	Penalty on early withdrawal of savings	30	
31a	Alimony paid b Recipient's SSN ▶	31a	
32	IRA deduction (see page 27)	32	
33	Student loan interest deduction (see page 30)	33	
34	Jury duty pay you gave to your employer	34	
35	Domestic production activities deduction. Attach Form 8903	35	
36	Add lines 23 through 31a and 32 through 35	36	
37	Subtract line 36 from line 22. This is your **adjusted gross income** ▶	37	

Tax and Credits

Standard Deduction for—

- People who checked any box on line 39a or 39b **or** who can be claimed as a dependent, see page 31.
- All others:

Single or Married filing separately, $5,450

Married filing jointly or Qualifying widow(er), $10,900

Head of household, $8,000

38	Amount from line 37 (adjusted gross income)		38
39a	Check if: ☐ **You** were born before January 2, 1944, ☐ Blind. ☐ **Spouse** was born before January 2, 1944, ☐ Blind. **Total boxes checked** ▶ 39a		
b	If your spouse itemizes on a separate return or you were a dual-status alien, see page 31 and check here ▶39b ☐		
40	**Itemized deductions** (from Schedule A) **or** your **standard deduction** (see left margin)		40
41	Subtract line 40 from line 38		41
42	If line 38 is $119,975 or less, multiply $3,500 by the total number of exemptions claimed on line 6d. If line 38 is over $119,975, see the worksheet on page 33		42
43	**Taxable income.** Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-		43
44	**Tax** (see page 33). Check if any tax is from: **a** ☐ Form(s) 8814 **b** ☐ Form 4972		44
45	**Alternative minimum tax** (see page 36). Attach Form 6251		45
46	Add lines 44 and 45 ▶		46
47	Credit for child and dependent care expenses. Attach Form 2441	47	
48	Credit for the elderly or the disabled. Attach Schedule R	48	
49	Education credits. Attach Form 8863	49	
50	Foreign tax credit. Attach Form 1116 if required	50	
51	Child tax credit (see page 39). Attach Form 8901 if required	51	
52	Retirement savings contributions credit. Attach Form 8880	52	
53	Credits from: **a** ☐ Form 8396 **b** ☐ Form 5695 **c** ☐ Form 8839	53	
54	Other credits: **a** ☐ Form 3800 **b** ☐ Form 8801 **c** ☐ Form	54	
55	Add lines 47 through 54. These are your **total credits**		55
56	Subtract line 55 from line 46. If line 55 is more than line 46, enter -0- ▶		56

Other Taxes

57	Self-employment tax. Attach Schedule SE	57
58	Unreported social security and Medicare tax from: **a** ☐ Form 4137 **b** ☐ Form 8919	58
59	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	59
60	Advance earned income credit payments from Form(s) W-2, box 9	60
61	Household employment taxes. Attach Schedule H	61
62	Add lines 56 through 61. This is your **total tax** ▶	62

Payments

If you have a qualifying child, attach Schedule EIC.

63	Federal income tax withheld from Forms W-2 and 1099	63	
64	2008 estimated tax payments and amount applied from 2007 return	64	
65a	**Earned income credit (EIC)**	65a	
b	Nontaxable combat pay election	65b	
66	Excess social security and tier 1 RRTA tax withheld (see page 59)	66	
67	Additional child tax credit. Attach Form 8812	67	
68	Amount paid with request for extension to file (see page 59)	68	
69	Payments from: **a** ☐ Form 2439 **b** ☐ Form 4136 **c** ☐ Form 8885	69	
70	Refundable credit for prior year minimum tax from Form 8801, line 27	70	
71	Recovery rebate credit (see worksheet on page xx)	71	
72	Add lines 63 through 71. These are your **total payments** ▶		72

Refund

Direct deposit? See page 59 and fill in 74b, 74c, and 74d, or Form 8888.

73	If line 72 is more than line 62, subtract line 62 from line 72. This is the amount you **overpaid**	73
74a	Amount of line 73 you want **refunded to you.** If Form 8888 is attached, check here ▶ ☐	74a
▶ b	Routing number ▶ **c** Type: ☐ Checking ☐ Savings	
▶ d	Account number	
75	Amount of line 73 you want **applied to your 2009 estimated tax** ▶ 75	

Amount You Owe

76	**Amount you owe.** Subtract line 72 from line 62. For details on how to pay, see page 60 ▶	76
77	Estimated tax penalty (see page 61) 77	

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see page 61)? ☐ **Yes.** Complete the following. ☐ **No**

Designee's name ▶ Phone no. ▶ ( ) Personal identification number (PIN) ▶

Sign Here

Joint return? See page 13. Keep a copy for your records.

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.

Your signature	Date	Your occupation	Daytime phone number
		ARTIST	(111) 222-1213
Spouse's signature. If a joint return, **both** must sign.	Date	Spouse's occupation	

Paid Preparer's Use Only

Preparer's signature ▶	Date	Check if self-employed ☐	Preparer's SSN or PTIN P00000001
Firm's name (or yours if self-employed), address, and ZIP code ▶ Grey Accounting 500 Main St New York, NY 14202		EIN 69-0000003	Phone no. (555) 555-5995

Printed on recycled paper

SCHEDULE EIC
(Form 1040A or 1040)

Department of the Treasury
Internal Revenue Service (99)

Earned Income Credit

Qualifying Child Information

Complete and attach to Form 1040A or 1040 only if you have a qualifying child.

OMB No. 1545-0074

2008

Attachment Sequence No. **43**

Name(s) shown on return: MARY WHITE

Your social security number: 400 | 00 | 1002

- Be sure the child's name on line 1 and social security number (SSN) on line 2 agree with the child's social security card. Otherwise, at the time we process your return, we may reduce or disallow your EIC. If the name or SSN on the child's social security card is not correct, call the Social Security Administration at 1-800-772-1213.

Before you begin:

- See the instructions for Form 1040A, line 40, or Form 1040, line 65, to make sure that **(a)** you can take the EIC, and **(b)** you have a qualifying child.

CAUTION

- If you take the EIC even though you are not eligible, you may not be allowed to take the credit for up to 10 years. See back of schedule for details.
- It will take us longer to process your return and issue your refund if you do not fill in all lines that apply for each qualifying child.

Qualifying Child Information	Child 1	Child 2
1 Child's name If you have more than two qualifying children, you only have to list two to get the maximum credit.	First name / Last name SARA WHITE	First name / Last name
2 Child's SSN The child must have an SSN as defined on page 41 of the Form 1040A instructions or page 47 of the Form 1040 instructions unless the child was born and died in 2008. If your child was born and died in 2008 and did not have an SSN, enter "Died" on this line and attach a copy of the child's birth certificate.	400 | 00 | 2002	
3 Child's year of birth	Year 1 9 9 6 *If born after 1989, skip lines 4a and 4b; go to line 5.*	Year ___ ___ ___ ___ *If born after 1989, skip lines 4a and 4b; go to line 5.*
4 If the child was born before 1990— **a** Was the child under age 24 at the end of 2008 and a student?	☐ Yes. *Go to line 5.* ☐ No. *Continue.*	☐ Yes. *Go to line 5.* ☐ No. *Continue.*
b Was the child permanently and totally disabled during any part of 2008?	☐ Yes. *Continue.* ☐ No. The child is not a qualifying child.	☐ Yes. *Continue.* ☐ No. The child is not a qualifying child.
5 Child's relationship to you (for example, son, daughter, grandchild, niece, nephew, foster child, etc.)	DAUGHTER	
6 Number of months child lived with you in the United States during 2008 • If the child lived with you for more than half of 2008 but less than 7 months, enter "7." • If the child was born or died in 2008 and your home was the child's home for the entire time he or she was alive during 2008, enter "12."	12 months *Do not enter more than 12 months.*	___ months *Do not enter more than 12 months.*

TIP

You may also be able to take the additional child tax credit if your child **(a)** was under age 17 at the end of 2008, **and** **(b)** is a U.S. citizen or resident alien. For more details, see the instructions for line 41 of Form 1040A or line 67 of Form 1040.

Form **8812**

Department of the Treasury
Internal Revenue Service (99)

Additional Child Tax Credit

Complete and attach to Form 1040, Form 1040A, or Form 1040NR.

OMB No. 1545-0074

2008

Attachment Sequence No. **47**

Name(s) shown on return: MARY WHITE

Your social security number: 400 00 1002

Part I All Filers

1 Enter the amount from line 1 of your Child Tax Credit Worksheet on page XX of the Form 1040 instructions, page XX of the Form 1040A instructions, or page XX of the Form 1040NR instructions. If you used Pub. 972, enter the amount from line 8 of the worksheet on page X of the publication 1

2 Enter the amount from Form 1040, line 51, Form 1040A, line 32, or Form 1040NR, line 46 2

3 Subtract line 2 from line 1. If zero, **stop**; you cannot take this credit 3

4a Enter your total earned income (see instructions on back) 4a 19350

b Nontaxable combat pay (see instructions on back) 4b

5 Is the amount on line 4a more than $12,050?

☐ **No.** Leave line 5 blank and enter -0- on line 6.

☑ **Yes.** Subtract $12,050 from the amount on line 4a. Enter the result . 5

6 Multiply the amount on line 5 by 15% (.15) and enter the result 6

Next. Do you have three or more qualifying children?

☑ **No.** If line 6 is zero, stop; you cannot take this credit. Otherwise, skip Part II and enter the **smaller** of line 3 or line 6 on line 13.

☐ **Yes.** If line 6 is equal to or more than line 3, skip Part II and enter the amount from line 3 on line 13. Otherwise, go to line 7.

Part II Certain Filers Who Have Three or More Qualifying Children

7 Withheld social security and Medicare taxes from Form(s) W-2, boxes 4 and 6. If married filing jointly, include your spouse's amounts with yours. If you worked for a railroad, see instructions on back 7

8 **1040 filers:** Enter the total of the amounts from Form 1040, lines 27 and 58, plus any taxes that you identified using code "UT" and entered on the dotted line next to line 62. 8

1040A filers: Enter -0-.

1040NR filers: Enter the total of the amounts from Form 1040NR, line 53, plus any taxes that you identified using code "UT" and entered on the dotted line next to line 57.

9 Add lines 7 and 8 9

10 **1040 filers:** Enter the total of the amounts from Form 1040, lines 65 and 66.

1040A filers: Enter the total of the amount from Form 1040A, line 40, plus any excess social security and tier 1 RRTA taxes withheld that you entered to the left of line 44 (see instructions on back). 10

1040NR filers: Enter the amount from Form 1040NR, line 60.

11 Subtract line 10 from line 9. If zero or less, enter -0- 11

12 Enter the **larger** of line 6 or line 11 12

Next, enter the **smaller** of line 3 or line 12 on line 13.

Part III Additional Child Tax Credit

13 **This is your additional child tax credit** 13

Enter this amount on Form 1040, line 67, Form 1040A, line 41, or Form 1040NR, line 61.

For Paperwork Reduction Act Notice, see back of form.

Cat. No. 10644E

Form **8812** (2008)

Form **8888**

Department of the Treasury
Internal Revenue Service

Direct Deposit of Refund to More Than One Account

▶ See instructions below and on back.

▶ Attach to Form 1040, Form 1040A, Form 1040EZ, Form 1040NR, Form 1040NR-EZ, Form 1040-SS, or Form 1040-PR.

OMB No. 1545-0074

2008

Attachment Sequence No. 56

Name(s) shown on return: MARY WHITE

Your social security number: 400 00 1002

1a	Amount to be deposited in first account	1a	1500
b	Routing number 2 5 0 2 5 0 0 2 5 ▶c ☑ Checking ☐ Savings		
d	Account number 8 8 8 8		
2a	Amount to be deposited in second account	2a	500
b	Routing number 2 5 0 2 5 0 0 2 6 ▶c ☐ Checking ☑ Savings		
d	Account number 9 9 9 9		
3a	Amount to be deposited in third account	3a	679
b	Routing number 2 5 0 2 5 0 0 2 6 ▶c ☑ Checking ☐ Savings		
d	Account number 3 3 3 3 3		
4	**Total amount to be directly deposited.** Add lines 1a, 2a, and 3a. The total must equal the amount shown on Form 1040, line 75a; Form 1040A, line 46a; Form 1040EZ, line 13a; Form 1040NR, line 71a; Form 1040NR-EZ, line 23a; Form 1040-SS, line 12a; or Form 1040-PR, line 12a	4	2679

Test Scenario 3

Test Scenario 3 includes the following forms:

- Form 1040
- Form 2106
- Form 8283
- Schedule A
- Schedule B
- Form W-2

Form W-2 information:

Box a: Employee's social security number	400-00-1003
Box b: Employer identification number	69-0000002
Box c: Employer's name, address and zip code	THE LAW FIRM 3 COURT DRIVE BUFFALO, NY 14202
Filing Status	MARRIED FILING SEPERATELY
Box e: Employee's first name, initial, last name	JEFF BROWN
Box f: Employee's address and zip code	5 SECOND TEST AVENUE NEW YORK, NY 10007
Box 1: Wages, tips, other compensation	42000
Box 2: Federal income tax withheld	4000
Box 3: Social Security wages	42000
Box 4: Social Security tax withheld	2604
Box 5: Medicare wages and tips	42000
Box 6: Medicare taxes withheld	609
Box 15: State	NY
Employer's state ID number	69-0000098
Box 16: State wages, tips, etc	42000
Box 17: State income tax	3000

Taxpayer's Occupation: ARTIST

Additional Instructions: Pin Type Code = "P"

Form **1040** Department of the Treasury—Internal Revenue Service **U.S. Individual Income Tax Return** **2008** (99) IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2008, or other tax year beginning , 2008, ending , 20 OMB No. 1545-0074

Label

(See instructions on page 12.)

Use the IRS label. Otherwise, please print or type.

LABEL HERE

Your first name and initial	Last name	Your social security number
JEFF	BROWN	400 00 1003
If a joint return, spouse's first name and initial	Last name	Spouse's social security number
		400 00 2003

Home address (number and street). If you have a P.O. box, see page 12. Apt. no.
5 SECOND TEST AVENUE

City, town or post office, state, and ZIP code. If you have a foreign address, see page 12.
NEW YORK, NY 10007

▲ You **must** enter your SSN(s) above. ▲

Checking a box below will not change your tax or refund.

Presidential Election Campaign ▶ Check here if you, or your spouse if filing jointly, want $3 to go to this fund (see page 12) ▶ ☑ **You** ☐ **Spouse**

Filing Status

Check only one box.

1 ☐ Single
2 ☐ Married filing jointly (even if only one had income)
3 ☑ Married filing separately. Enter spouse's SSN above and full name here. ▶ WANDA BROWN
4 ☐ Head of household (with qualifying person). (See page 13.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶
5 ☐ Qualifying widow(er) with dependent child (see page 14)

Exemptions

6a ☑ **Yourself.** If someone can claim you as a dependent, **do not** check box 6a
b ☐ **Spouse**

Boxes checked on 6a and 6b: 1

c **Dependents:**

(1) First name Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) ✓ if qualifying child for child tax credit (see page 15)
			☐
			☐
			☐
			☐

If more than four dependents, see page 15.

No. of children on 6c who:
- lived with you
- did not live with you due to divorce or separation (see page 16)

Dependents on 6c not entered above

d Total number of exemptions claimed — Add numbers on lines above ▶ 1

Income

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a W-2, see page 19.

Enclose, but do not attach, any payment. Also, please use **Form 1040-V.**

7	Wages, salaries, tips, etc. Attach Form(s) W-2		7	42000
8a	**Taxable** interest. Attach Schedule B if required		8a	3000
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 19)	9b		
10	Taxable refunds, credits, or offsets of state and local income taxes (see page 20)		10	700
11	Alimony received		11	
12	Business income or (loss). Attach Schedule C or C-EZ		12	
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ ☐		13	
14	Other gains or (losses). Attach Form 4797		14	
15a	IRA distributions	15a	b Taxable amount (see page 21)	15b
16a	Pensions and annuities	16a	b Taxable amount (see page 22)	16b
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E		17	
18	Farm income or (loss). Attach Schedule F		18	
19	Unemployment compensation		19	
20a	Social security benefits	20a	b Taxable amount (see page 24)	20b
21	Other income. List type and amount (see page 24)		21	
22	Add the amounts in the far right column for lines 7 through 21. This is your **total income** ▶		22	

Adjusted Gross Income

23	Archer MSA deduction. Attach Form 8853	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		
28	Self-employed SEP, SIMPLE, and qualified plans	28		
29	Self-employed health insurance deduction (see page 26)	29		
30	Penalty on early withdrawal of savings	30		
31a	Alimony paid b Recipient's SSN ▶	31a		
32	IRA deduction (see page 27)	32		
33	Student loan interest deduction (see page 30)	33		
34	Jury duty pay you gave to your employer	34		
35	Domestic production activities deduction. Attach Form 8903	35		
36	Add lines 23 through 31a and 32 through 35		36	
37	Subtract line 36 from line 22. This is your **adjusted gross income** ▶		37	

Tax and Credits

Standard Deduction for—

- People who checked any box on line 39a or 39b **or** who can be claimed as a dependent, see page 31.
- All others:

Single or Married filing separately, $5,450

Married filing jointly or Qualifying widow(er), $10,900

Head of household, $8,000

38	Amount from line 37 (adjusted gross income)	38	
39a	Check if: ☐ **You** were born before January 2, 1944, ☐ Blind. ☐ **Spouse** was born before January 2, 1944, ☐ Blind. **Total boxes checked ▶ 39a**		
b	If your spouse itemizes on a separate return or you were a dual-status alien, see page 31 and check here ▶39b ☐		
40	**Itemized deductions** (from Schedule A) **or** your **standard deduction** (see left margin)	40	
41	Subtract line 40 from line 38	41	
42	If line 38 is $119,975 or less, multiply $3,500 by the total number of exemptions claimed on line 6d. If line 38 is over $119,975, see the worksheet on page 33	42	
43	**Taxable income.** Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	
44	**Tax** (see page 33). Check if any tax is from: **a** ☐ Form(s) 8814 **b** ☐ Form 4972	44	
45	**Alternative minimum tax** (see page 36). Attach Form 6251	45	
46	Add lines 44 and 45 ▶	46	
47	Credit for child and dependent care expenses. Attach Form 2441	47	
48	Credit for the elderly or the disabled. Attach Schedule R	48	
49	Education credits. Attach Form 8863	49	
50	Foreign tax credit. Attach Form 1116 if required	50	
51	Child tax credit (see page 39). Attach Form 8901 if required	51	
52	Retirement savings contributions credit. Attach Form 8880	52	
53	Credits from: **a** ☐ Form 8396 **b** ☐ Form 5695 **c** ☐ Form 8839	53	
54	Other credits: **a** ☐ Form 3800 **b** ☐ Form 8801 **c** ☐ Form	54	
55	Add lines 47 through 54. These are your **total credits**	55	
56	Subtract line 55 from line 46. If line 55 is more than line 46, enter -0- ▶	56	

Other Taxes

57	Self-employment tax. Attach Schedule SE	57	
58	Unreported social security and Medicare tax from: **a** ☐ Form 4137 **b** ☐ Form 8919	58	
59	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	59	
60	Advance earned income credit payments from Form(s) W-2, box 9	60	
61	Household employment taxes. Attach Schedule H	61	
62	Add lines 56 through 61. This is your **total tax** ▶	62	

Payments

If you have a qualifying child, attach Schedule EIC.

63	Federal income tax withheld from Forms W-2 and 1099	63	
64	2008 estimated tax payments and amount applied from 2007 return	64	
65a	**Earned income credit (EIC)**	65a	
b	Nontaxable combat pay election 65b		
66	Excess social security and tier 1 RRTA tax withheld (see page 59)	66	
67	Additional child tax credit. Attach Form 8812	67	
68	Amount paid with request for extension to file (see page 59)	68	
69	Payments from: **a** ☐ Form 2439 **b** ☐ Form 4136 **c** ☐ Form 8885	69	
70	Refundable credit for prior year minimum tax from Form 8801, line 27	70	
71	Recovery rebate credit (see worksheet on page xx)	71	
72	Add lines 63 through 71. These are your **total payments** ▶	72	

Refund

Direct deposit? See page 59 and fill in 74b, 74c, and 74d, or Form 8888.

73	If line 72 is more than line 62, subtract line 62 from line 72. This is the amount you **overpaid**	73	
74a	Amount of line 73 you want **refunded to you.** If Form 8888 is attached, check here ▶ ☐	74a	
▶ b	Routing number ▶ **c** Type: ☐ Checking ☐ Savings		
▶ d	Account number		
75	Amount of line 73 you want **applied to your 2009 estimated tax** ▶	75	

Amount You Owe

76	**Amount you owe.** Subtract line 72 from line 62. For details on how to pay, see page 60 ▶	76	
77	Estimated tax penalty (see page 61)	77	

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see page 61)? ☑ **Yes.** Complete the following. ☐ **No**

Designee's name ▶ JACK BROWN Phone no. ▶ (555) 555-5555 Personal identification number (PIN) ▶ 8 2 3 1 6

Sign Here

Joint return? See page 13. Keep a copy for your records.

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.

Your signature	Date	Your occupation	Daytime phone number ( )
Spouse's signature. If a joint return, **both** must sign.	Date	Spouse's occupation	

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-employed ☐	Preparer's SSN or PTIN P00000001
Firm's name (or yours if self-employed), address, and ZIP code ▶ Grey Accounting 500 Main Street New York, NY 14202		EIN 69-0000003	Phone no. (555) 555-5995

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Form **2106**

Department of the Treasury
Internal Revenue Service (99)

Employee Business Expenses

▶ See separate instructions.

▶ Attach to Form 1040 or Form 1040NR.

OMB No. 1545-0074

2008

Attachment Sequence No. **54**

Your name	Occupation in which you incurred expenses	Social security number
JEFF BROWN	ARTIST	400 00 1003

Part I Employee Business Expenses and Reimbursements

Step 1 Enter Your Expenses

		Column A Other Than Meals and Entertainment	Column B Meals and Entertainment
1	Vehicle expense from line 22c or line 29. (Rural mail carriers: See instructions.)		
2	Parking fees, tolls, and transportation, including train, bus, etc., that **did not** involve overnight travel or commuting to and from work	500	
3	Travel expense while away from home overnight, including lodging, airplane, car rental, etc. **Do not** include meals and entertainment	1200	
4	Business expenses not included on lines 1 through 3. **Do not** include meals and entertainment		
5	Meals and entertainment expenses (see instructions)		1000
6	**Total expenses.** In Column A, add lines 1 through 4 and enter the result. In Column B, enter the amount from line 5		

Note: *If you were not reimbursed for any expenses in Step 1, skip line 7 and enter the amount from line 6 on line 8.*

Step 2 Enter Reimbursements Received From Your Employer for Expenses Listed in Step 1

7	Enter reimbursements received from your employer that were **not** reported to you in box 1 of Form W-2. Include any reimbursements reported under code "L" in box 12 of your Form W-2 (see instructions)		

Step 3 Figure Expenses To Deduct on Schedule A (Form 1040 or Form 1040NR)

8	Subtract line 7 from line 6. If zero or less, enter -0-. However, if line 7 is greater than line 6 in Column A, report the excess as income on Form 1040, line 7 (or on Form 1040NR, line 8)		
	Note: *If **both columns** of line 8 are zero, you cannot deduct employee business expenses. Stop here and attach Form 2106 to your return.*		
9	In Column A, enter the amount from line 8. In Column B, multiply line 8 by 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.)		
10	Add the amounts on line 9 of both columns and enter the total here. **Also, enter the total on Schedule A (Form 1040), line 21** (or on **Schedule A (Form 1040NR), line 9**). (Reservists, qualified performing artists, fee-basis state or local government officials, and individuals with disabilities: See the instructions for special rules on where to enter the total.) ▶		

Form **8283**

(Rev. December 2006)

Department of the Treasury
Internal Revenue Service

Noncash Charitable Contributions

▶ **Attach to your tax return if you claimed a total deduction of over $500 for all contributed property.**

▶ **See separate instructions.**

OMB No. 1545-0908

Attachment Sequence No. **155**

Name(s) shown on your income tax return: JEFF BROWN

Identifying number: 400-00-1003

Note. Figure the amount of your contribution deduction before completing this form. See your tax return instructions.

Section A. Donated Property of $5,000 or Less and Certain Publicly Traded Securities—List in this section **only** items (or groups of similar items) for which you claimed a deduction of $5,000 or less. Also, list certain publicly traded securities even if the deduction is more than $5,000 (see instructions).

Part I **Information on Donated Property—**If you need more space, attach a statement.

1	(a) Name and address of the donee organization	(b) Description of donated property (For a donated vehicle, enter the year, make, model, condition, and mileage, and attach Form 1098-C if required.)
A	XYZ HOUSE 50 M STREET KANSAS CITY, KS 66101	PERSONAL COMPUTER
B	ABC MUSEUM 9 K STREET, KANSAS CITY, KS 66101	COIN COLLECTION
C		
D		
E		

Note. If the amount you claimed as a deduction for an item is $500 or less, you do not have to complete columns (d), (e), and (f).

	(c) Date of the contribution	(d) Date acquired by donor (mo., yr.)	(e) How acquired by donor	(f) Donor's cost or adjusted basis		(g) Fair market value (see instructions)		(h) Method used to determine the fair market value
A	09/06/2008	10/2007	PURCHASE	900		700		COMPARABLE SALES
B	08/09/2008	06/1990	PURCHASE			1000		CATALOG
C								
D								
E								

Part II **Partial Interests and Restricted Use Property—**Complete lines 2a through 2e if you gave less than an entire interest in a property listed in Part I. Complete lines 3a through 3c if conditions were placed on a contribution listed in Part I; also attach the required statement (see instructions).

2a Enter the letter from Part I that identifies the property for which you gave less than an entire interest ▶ _____ . If Part II applies to more than one property, attach a separate statement.

b Total amount claimed as a deduction for the property listed in Part I: **(1)** For this tax year ▶ _____ .
(2) For any prior tax years ▶ _____ .

c Name and address of each organization to which any such contribution was made in a prior year (complete only if different from the donee organization above):

Name of charitable organization (donee)

Address (number, street, and room or suite no.)

City or town, state, and ZIP code

d For tangible property, enter the place where the property is located or kept ▶ _____

e Name of any person, other than the donee organization, having actual possession of the property ▶ _____

		Yes	No
3a	Is there a restriction, either temporary or permanent, on the donee's right to use or dispose of the donated property?		
b	Did you give to anyone (other than the donee organization or another organization participating with the donee organization in cooperative fundraising) the right to the income from the donated property or to the possession of the property, including the right to vote donated securities, to acquire the property by purchase or otherwise, or to designate the person having such income, possession, or right to acquire?		
c	Is there a restriction limiting the donated property for a particular use?		

Name(s) shown on your income tax return | **Identifying number**

Section B. Donated Property Over $5,000 (Except Certain Publicly Traded Securities)—List in this section only items (or groups of similar items) for which you claimed a deduction of more than $5,000 per item or group (except contributions of certain publicly traded securities reported in Section A). An appraisal is generally required for property listed in Section B (see instructions).

Part I Information on Donated Property—To be completed by the taxpayer and/or the appraiser.

4 Check the box that describes the type of property donated:

- ☐ Art* (contribution of $20,000 or more)
- ☐ Art* (contribution of less than $20,000)
- ☐ Collectibles**
- ☐ Qualified Conservation Contribution
- ☐ Other Real Estate
- ☐ Intellectual Property
- ☐ Equipment
- ☐ Securities
- ☐ Other

*Art includes paintings, sculptures, watercolors, prints, drawings, ceramics, antiques, decorative arts, textiles, carpets, silver, rare manuscripts, historical memorabilia, and other similar objects.

**Collectibles include coins, stamps, books, gems, jewelry, sports memorabilia, dolls, etc., but not art as defined above.

Note. In certain cases, you must attach a qualified appraisal of the property. See instructions.

5	**(a)** Description of donated property (if you need more space, attach a separate statement)	**(b)** If tangible property was donated, give a brief summary of the overall physical condition of the property at the time of the gift	**(c)** Appraised fair market value
A			
B			
C			
D			

	(d) Date acquired by donor (mo., yr.)	**(e)** How acquired by donor	**(f)** Donor's cost or adjusted basis	**(g)** For bargain sales, enter amount received	See instructions **(h)** Amount claimed as a deduction	See instructions **(i)** Average trading price of securities
A						
B						
C						
D						

Part II Taxpayer (Donor) Statement—List each item included in Part I above that the appraisal identifies as having a value of $500 or less. See instructions.

I declare that the following item(s) included in Part I above has to the best of my knowledge and belief an appraised value of not more than $500 (per item). Enter identifying letter from Part I and describe the specific item. See instructions. ▶ _____

Signature of taxpayer (donor) ▶ Date ▶

Part III Declaration of Appraiser

I declare that I am not the donor, the donee, a party to the transaction in which the donor acquired the property, employed by, or related to any of the foregoing persons, or married to any person who is related to any of the foregoing persons. And, if regularly used by the donor, donee, or party to the transaction, I performed the majority of my appraisals during my tax year for other persons.

Also, I declare that I hold myself out to the public as an appraiser or perform appraisals on a regular basis; and that because of my qualifications as described in the appraisal, I am qualified to make appraisals of the type of property being valued. I certify that the appraisal fees were not based on a percentage of the appraised property value. Furthermore, I understand that a false or fraudulent overstatement of the property value as described in the qualified appraisal or this Form 8283 may subject me to the penalty under section 6701(a) (aiding and abetting the understatement of tax liability). In addition, I understand that a substantial or gross valuation misstatement resulting from the appraisal of the value of the property that I know, or reasonably should know, would be used in connection with a return or claim for refund, may subject me to the penalty under section 6695A. I affirm that I have not been barred from presenting evidence or testimony by the Office of Professional Responsibility.

Sign Here Signature ▶ Title ▶ Date ▶

Business address (including room or suite no.) | **Identifying number**

City or town, state, and ZIP code

Part IV Donee Acknowledgment—To be completed by the charitable organization.

This charitable organization acknowledges that it is a qualified organization under section 170(c) and that it received the donated property as described in Section B, Part I, above on the following date ▶ _____

Furthermore, this organization affirms that in the event it sells, exchanges, or otherwise disposes of the property described in Section B, Part I (or any portion thereof) within 3 years after the date of receipt, it will file **Form 8282,** Donee Information Return, with the IRS and give the donor a copy of that form. This acknowledgment does not represent agreement with the claimed fair market value.

Does the organization intend to use the property for an unrelated use? . . . . . ▶ ☐ Yes ☐ No

Name of charitable organization (donee)	**Employer identification number**	
Address (number, street, and room or suite no.)	City or town, state, and ZIP code	
Authorized signature	Title	Date

SCHEDULES A&B
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Schedule A—Itemized Deductions

(Schedule B is on back)

▶ **Attach to Form 1040.** ▶ **See Instructions for Schedules A&B (Form 1040).**

OMB No. 1545-0074

2008

Attachment Sequence No. **07**

Name(s) shown on Form 1040: JEFF BROWN

Your social security number: 400 00 1003

Medical and Dental Expenses		**Caution.** Do not include expenses reimbursed or paid by others.			
	1	Medical and dental expenses (see page A-1)	1	4500	
	2	Enter amount from Form 1040, line 38 [2]			
	3	Multiply line 2 by 7.5% (.075)	3		
	4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-			4
Taxes You Paid (See page A-2.)	5	State and local income taxes	5	3000	
	6	Real estate taxes (see page A-5)	6		
	7	Personal property taxes	7	1200	
	8	Other taxes. List type and amount ▶	8		
	9	Add lines 5 through 8			9
Interest You Paid (See page A-5.)	10	Home mortgage interest and points reported to you on Form 1098	10	4920	
	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-6 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-6 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-7.)	14		
	15	Add lines 10 through 14			15
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	600	
	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	1700	
	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-9.)			20
Job Expenses and Certain Miscellaneous Deductions (See page A-9.)	21	Unreimbursed employee expenses—job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See page A-9.) ▶	21	2200	
	22	Tax preparation fees	22	100	
	23	Other expenses—investment, safe deposit box, etc. List type and amount ▶ SAFE DEPOSIT BOX	23	75	
	24	Add lines 21 through 23	24		
	25	Enter amount from Form 1040, line 38 [25]			
	26	Multiply line 25 by 2% (.02)	26		
	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-10. List type and amount ▶			28
Total Itemized Deductions	29	Is Form 1040, line 38, over $159,950 (over $79,975 if married filing separately)? ☐ **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 40. ☐ **Yes.** Your deduction may be limited. See page A-10 for the amount to enter. ▶			29
	30	If you elect to itemize deductions even though they are less than your standard deduction, check here ▶ ☐			

For Paperwork Reduction Act Notice, see Form 1040 instructions. Cat. No. 11330X **Schedule A (Form 1040) 2008**

Name(s) shown on Form 1040. Do not enter name and social security number if shown on other side.

JEFF BROWN

Your social security number: 400 00 1003

Schedule B—Interest and Ordinary Dividends

Attachment Sequence No. 08

Part I Interest

(See page B-1 and the instructions for Form 1040, line 8a.)

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.

		Amount
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 page B-1 and list this interest first. Also, show that buyer's social security number and address ▶		
PAYER 1	1	700
PAYER 2	1	200
PAYER 3	1	2100
2 Add the amounts on line 1	2	
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 1040, line 8a ▶	4	

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

Part II Ordinary Dividends

(See page B-1 and the instructions for Form 1040, line 9a.)

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

		Amount
5 List name of payer ▶	5	
6 Add the amounts on line 5. Enter the total here and on Form 1040, line 9a ▶	6	

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

Part III Foreign Accounts and Trusts

(See page B-2.)

You must complete this part if you **(a)** had over $1,500 of taxable interest or ordinary dividends; or **(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 2008, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See page B-2 for exceptions and filing requirements for Form TD F 90-22.1.		✔
b If "Yes," enter the name of the foreign country ▶		
8 During 2008, 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 page B-2		✔

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Test Criteria - Scenario #4

Create a scenario to test the Form 5405 (First-Time Homebuyer Credit)

Test Criteria - Scenario #5

Create a scenario to test Self-Select PIN for Online Filing Products.

Test Criteria - Scenario #6

If Form 1040-SS(PR), U.S. Self-Employment Tax Return (Including the Additional Child Tax Credit for Bona Fide Residents of Puerto Rico), is within the scope of returns you plan to prepare, create a scenario to test a 1040 return with the new Form 1040-SS(PR).

Test Criteria - Scenario #7

Create a scenario to test the Form 8835 (Renewable Electricity, Refined Coal, and Indian Coal Production Credit)

Test Criteria - Scenario #8

Create a scenario to test the Form 2555 (Foreign Earned Income)

Test Criteria - Scenario #9

Create a scenario to test a Federal/State return.

Test Criteria - Scenario #10

Create a scenario to test a Foreign Address (not APO, FPO, or military address overseas) using the appropriate record layout fields.

Test Criteria - Scenario #11

Create a test scenario that will reject.

Test Criteria - Scenario #12

Create a scenario to test the Form 4868 (Application for Automatic Extension of Time to File U.S. Individual Income Tax Return)

Procedures for forms not in test scenarios – All forms were not included in the suggested test scenarios. However, you may include additional forms in the test scenarios you develop. If there are no reject codes related to that particular form(s), this will indicate that you have met the file specification and may file the form(s). Your acceptance notification will include the additional forms tested.

Comments and Suggestions

Please send any comments or suggestions regarding Publication 1436 to:

Internal Revenue Service
Attn: Karen L. Russell
SE:W:CAS:SP:ES:I Room C5-337
5000 Ellin Road
Lanham, MD 20706

Official Business Penalty for Private Use, $300