

# **2020 Software Tutorials**

## **Scenarios 1-4**

Below you will find four step-by-step tutorials that progressively increase in complexity. These taxpayer scenarios are to be entered into the 2017 Tax Year Pro Web Software and your goal is to produce matching results. With that said...have fun!

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# Tutorial/Scenario 1

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## In this Scenario you will practice the following:

- Select a filing status
- Enter Form W-2 information
- Report health coverage
- Enter Form W-2G information

### Average Time to Complete:

25 Minutes

### Taxpayer Profile:

**Name:** Charles Smith

**SSN:** 408-00-1001

**Birth date:** 07/24/1970

**Address:** 2575 Black Hills Drive, El Dorado, CA 95623

**Primary Phone Number:** 209-835-2720

**Occupation:** Manager

### **Additional information**

- *Charles is not married, and has no children.*
- *He received health insurance through his employer for the entire year.*
- *Charles likes to gamble and has a W-2G.*
- *Charles wants to E-file the return and have the preparation fees deducted from his refund and receive his refund as a paper check.*

### **Answer Check:**

<b>Federal refund:</b>	\$2,124
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- *Page 3 includes source documents to be used for the preparation of this return.*
- *Page 4-16 provides step by step instructions for completing this return.*

**Available documentation:**

- 1 Form W-2
- 1 Form W-2G

a Employee's social security number 408-00-1001		Safe, accurate, FAST! Use		Visit the IRS website at www.irs.gov/efile		
b Employer identification number (EIN) 90-2334567		1 Wages, tips, other compensation 53329	2 Federal income tax withheld 7825			
c Employer's name, address, and ZIP code PERFECT SNOW PLACE 123 CAPLES CREST OLYMPIC VALLEY CA 96146		3 Social security wages 53329		4 Social security tax withheld 3306		
		5 Medicare wages and tips 53329		6 Medicare tax withheld 773		
		7 Social security tips		8 Allocated tips		
d Control number		9 Verification code		10 Dependent care benefits		
e Employee's first name and initial Last name CHARLES SMITH 2575 BLACK HILLS DRIVE EL DORADO CA 95623		11 Nonqualified plans		12a See instructions for box 12		
		13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		12b		
		14 Other		12c		
				12d		
f Employee's address and ZIP code						
15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	
					20 Locality name	

3232  VOID  CORRECTED

PAYER'S name, street address, city or town, province or state, country, and ZIP or foreign postal code MONEYMAKER CASINO 321 ATLANTIC DRIVE JACKSON CA 95642		1 Reportable winnings \$10000	2 Date won 06/20/2017	OMB No. 1545-0238  <b>2017</b> <b>Form W-2G</b> <b>Certain Gambling Winnings</b>
PAYER'S federal identification number 31-7754321		3 Type of wager SLOTS	4 Federal income tax withheld \$3269	
PAYER'S telephone number - -		5 Transaction	6 Race	
WINNER'S name CHARLES SMITH		7 Winnings from identical wagers \$0	8 Cashier	
Street address (including apt. no.) 2575 BLACK HILLS DRIVE		9 Winner's taxpayer identification no. 408-00-1001	10 Window	
City or town, province or state, country, and ZIP or foreign postal code EL DORADO CA 95623		11 First I.D.	12 Second I.D.	
		13 State/Payer's state identification no.	14 State winnings \$0	For Privacy Act and Paperwork Reduction Act Notice, see the 2017 General Instructions for Certain Information Returns.  <b>File with Form 1096</b>
		15 State income tax withheld \$0	16 Local winnings \$0	
		17 Local income tax withheld \$0	18 Name of locality	
Under penalties of perjury, I declare that, to the best of my knowledge and belief, the name, address, and taxpayer identification number that I have furnished correctly identify me as the recipient of this payment and any payments from identical wagers, and that no other person is entitled to any part of these payments.				Copy A For Internal Revenue Service Center
Signature ▶		Date ▶		

# Tutorial #1

## Tutorial #1 Objective:

Once you have completed this tutorial you will know how to:

- Create a new return
- Complete forms: W-2, W-2G, 1040 and 8879

## Enter Client Data:

The first step to creating a tax return is to enter the client's information. The following instructions will walk you through entering the client's information into the Tax program.

1. In our Main Menu click on [Start New 2017 Tax Return](#) and enter SSN number.

Welcome to demo office 1

Message Center 0 Rejected Clients 0 TaxesToGo Clients 0

**Start New 2017 Tax Return**  
Create a brand new tax return for a client. Select

**Import App User**  
Import a user from the Mobile App Select

**Client Search**  
Edit returns you previously started. Select

Available Taxpayer Profiles >

Enter Social Security Number ▾

**Social Security Number**

... - .. - ....

**Confirm Social Security Number**

... - .. - 1001|

Please fix all fields with errors (marked in red) before starting this return. Start Return

After entering the **Social Security Number** it will prompt you to select a **filing status**. For this tutorial you will choose **Single** and click **Continue**.

**What's your filing status?**

Single  
 Married Filing Joint  
 Married Filing Separate  
 Head of Household  
 Qualifying Widow(er) with Dependent Children  
 Nonresident Alien

Need help determining your filing status?  
FILING STATUS WIZARD

BACK CONTINUE

2. You will now be viewing the **Personal Information** entry screen. Enter the Taxpayers information here using the details provided to you on [page 2](#).

**Personal Information**

FILING STATUS CANCEL CONTINUE

Taxpayer Information

Primary First Name \* Charles MI

Last Name \* Smith Suffix (Jr, Sr, etc.) ---

Social Security Number \* 408 - 00 - 1001

Date of Birth \* 7 / 24 / 1970

Occupation Manager

**Navigation Tip** - Tab between data entry fields and avoid using the mouse, this will improve your speed. When entering the zip code data, the program will auto populate city and state.

**Note** - You must input two phone #'s for taxpayers requesting a bank product. The email address is used if the client wants a copy of his or her tax return emailed. In a real tax return you would enter your customer's email address.

3. Charles has no Dependents so we are going to click **NO** to continue.

**Dependents or Qualifying Person(s)**

Do you have any dependents or qualifying person(s) to claim on your return?

Individuals who rely on you for support and reside in your house generally qualify for dependent tax exemptions. However, there are situations when a child's exemption status is more complicated. The IRS has special rules for these situations.

YES NO

4. You should now be in the **Federal Section, Income**, screen of the return. You can identify what section of the return you are in by referencing the red line in the *"Navigation Bar"* on the left labeled **Federal Section and Income**. The arrows in the image below show the different options you have for adding tax forms and data.

Pro Tax Software 2017 Preview Return Help & Support

Let's look at the money you earned

Money isn't everything, except on your tax return. Tell us about your W-2, interest and dividends and retirement distributions. Follow our step-by-step guide to ensure accurate entry of your income. Or, enter the information on your own if you are familiar with the forms.

GUIDE ME -OR- ENTER MYSELF

BACK SKIP INCOME

5. Navigate to form W-2 using one of the three navigation options presented in the image above. If you are an experienced preparer you will likely be using the **Enter the Form Number** option as your primary navigation tool. If you are less experienced you may want to use the **Guide Me** option until you have more experience. Please reference [page 3](#) for source documents. As an exercise you should try using all the options for finding forms and data entry, this will help you determine your preferred method for navigation.

6. Enter the **W-2** information from page 3. Below is how the screen appears after completing a W-2. In a situation where you have to enter multiple W-2's, click on the **+ Add a W-2 Wage Statement** link below (or above) the completed W-2. When finished, click on **Continue**.

**W-2 Wage Statement**

+ Add a W-2 Wage Statement

Employee	Employer	Income	Tax Withheld
Taxpayer	Perfect Snow Place	\$53,329	\$7,825

+ Add a W-2 Wage Statement

**CONTINUE**

**Check point:** At this point you have completed a Form W-2 data entry and the FEDERAL REFUND amount should total **\$1,355**.

7. The next Income item to be reported is the W-2G. To add a form W-2G, follow the steps below:

When using the **Enter Myself** option shown below, the W-2G is located under **Other Income**.

**Income**

- Wages and Salaries Form W-2 **EDIT**
- State and Local Refunds Form 1099-G Box 2 **BEGIN**
- Interest and Dividends Form 1099-INT / 1099-DIV **BEGIN**
- IRA/Pension Distributions Form 1099-R / RRB, SSA **BEGIN**
- Unemployment Compensation Form 1099-G Box 1 **BEGIN**
- Form 1099-Misc **BEGIN**
- Profit or Loss From A Business Schedule C **BEGIN**
- Payment Card and Third Party Network Transactions Form 1099-K **BEGIN**
- Rents and Royalties Schedule E **BEGIN**
- Capital Gain and Losses Schedule D **BEGIN**
- Profit or Loss From Farming Schedule F **BEGIN**
- Alimony Received **BEGIN**
- Other Income **BEGIN**

8. Begin by entering the **Payer's ID Number**. Please refer to [page 3](#) for W-2G details. Form W-2G is completed and should look as shown below. Click **Continue** if everything is correct.

**Payer Information**

Payer's ID Number \*

31 - 7754321

Payer's Name \*

Moneymaker casino

Payer's Address \*

Check here if foreign address

Address (Number and Street) \*

321 atlantic drive

ZIP Code \*

95642 -

City, Town, or Post Office \*

Jackson

State \*

California

Payer's Phone Number

( ) -

**Winnings Information**

Gross Winnings \*

\$10000

Federal Tax Withheld

\$3269

Type of Wager \*

slots

Date Won \*

6 20 2017

 Leave the "State Tax Withholdings, State Taxes Paid To and State ID Number" section blank if no state tax withholdings were included on the W-2G form you received.

State Winnings

\$

State Tax Withheld

\$

State Taxes Paid To

- Please Select -

9. The **W-2G Gambling Winning** menu will appear for review. If there is nothing to add, edit or delete, click **Continue** to leave the *Form W-2G* menu.

Winner	Payer	Gross Winnings	Federal Tax Withheld	
Taxpayer	Moneymaker casino	\$10,000.00	\$3,269.00	 

Click on **Health Insurance** on the left side navigation bar to skip other sections.

10. **Health Insurance** data entry – please follow the prompts screen-by-screen.

Did you or your family have health insurance at any time in 2017?

Yes  
 No

Below are some examples of healthcare plans that may be purchased or qualify as a purchased plan under the Affordable Care Act.

- A private plan purchased from a health insurance company
- An employer-sponsored health insurance plan or insurance through your work, spouse's work or parent's work
- A university or college where you are enrolled
- Your parent's health insurance plan if you're under age 26
- A State Medicaid program
- State high-risk pools for plan or policy years
- The Children's Health Insurance Program (CHIP) in your state
- Medicare
- Veteran's Administration (VA), CHAMPVA, or Tricare
- A former employer's retirement program
- A union you belong to
- The Peace Corps
- COBRA
- Refugee Medical Assistance (RMA)
- The Nonappropriated Fund Health Benefit Program

**BACK** **CONTINUE**

**Health Insurance Questionnaire**

Did you purchase health insurance via HealthCare.gov or a State Marketplace?

Yes  
 No

**BACK** **CONTINUE**

## Verify Your Household Members



If you have additional family members that are neither a spouse nor a dependent, click ["Add a New Household Member."](#)  
If you need to add or remove dependents, [click here to go to Personal Information.](#)

◆ Add New Household Member

Name	SSN	Date of Birth
Charles Smith	408-00-1001	7/24/1970

◆ Add New Household Member

CONTINUE

## Months Insured

Was your entire household insured for all 12 months of 2017? \*

- Yes  
 No

BACK

CONTINUE

## Your Federal Return is Complete!

Congratulations! You have completed your Federal Return.

We're ready to add your state return. We'll automatically transfer all the necessary information into your state return for you.

Please choose from the following options:

- Add a State Return to your account.

The following states do not have state income tax returns that can be filed through Pro Tax Software: **Alaska, Florida, Nevada, New**

**Hampshire, South Dakota, Tennessee, Texas, Washington and Wyoming**

- Skip the State Return process and Continue to the Summary.
- Return to the Federal Section to review or make changes to your Federal Return.

RETURN TO FEDERAL SECTION

ADD STATE RETURN(S)

CONTINUE TO SUMMARY

11. Once the W-2, W-2G and Health Insurance sections are completed, we will begin the Tax Return completion process. Click on **CONTINUE TO SUMMARY**.

The **Calculation Summary** is a break down of all the tax data entered. The green button on the right **1040 View** or **Summary View** will toggle views and allows you to see **Form 1040**-which actually links directly to other forms.

The screenshot shows the 'Calculation Summary' page. At the top right, there are links for 'Preview Return', 'Help & Support', and 'Charles Smith - Logout'. The main heading is 'Calculation Summary'. To the right of the heading, the amount '\$2,124' is displayed in green, with 'Federal Refund' below it and 'N/A Refund Amount' to the right. Below this, there are two buttons: 'GO TO LAST CHECKPOINT' on the left and 'VIEW/PRINT RETURN' on the right. A green box contains the text 'REASONS FOR NO EARNED INCOME CREDIT (EIC)' with a toggle switch. Below this, there are three reasons listed: 'There are No Qualifying Children Listed.', 'Your Earned Income is Greater than the Earned Income Tax Credit Limits.', and 'Your Adjusted Gross Income is Greater than the Earned Income Tax Credit Limits.'. At the bottom left of the green box is a 'BACK' button, and at the bottom right is a 'CONTINUE' button. Below the green box is a table of tax data:

Total Income <small>show details</small>	\$63,329.00
Adjusted Gross Income <small>show details</small>	\$63,329.00
Tax and Credits <small>show details</small>	\$0.00
Total Tax <small>show details</small>	\$8,970.00
Payments <small>show details</small>	\$11,094.00
Refund <small>show details</small>	\$2,124.00

**Check point:** Verify the FEDERAL REFUND amount is **\$2,124**

Charles wants his return filed electronically, the fees deducted from the tax return refund amount and his refund received in a check.

- To mark return electronic, click **Continue** and go to the **E-File page**.
- The **Federal Return Type** will be **Refund Advantage ERC**.

**12. E-file page;** there are multiple sections on this page. Fill out each section using bogus information and use the **Next** button to navigate to the next section. Click **Save** when the entire page is complete.

- Return Type:** Here you select what Federal Return Type the customer would like. For this return select **Refund Advantage ERC** and click **Next**.
- Tax Preparation and E-File Information:** fees, discounts, PINS and email. **Next**
- Bank Account/Product:** 7216 Disclosure (Bank Consent), Military Status, Text Message Information. **Next**
- Bank Application Information:** home address, phone number, Taxpayer ID and bank account information-if direct deposit was selected for either a bank product or regular IRS direct deposit. **Next**

CAUTION: Your client's return will not be sent to the IRS unless you complete ALL steps. None of the information is saved until all information is entered and the "Continue" button below is clicked.

To continue the e-File process, please first select a return type and the form will ask for all required information.

Refund and Estimated Check Summary

**Federal Return Type**

Please Select

- Please Select
- E-file: Paper Check
- E-file: Direct Deposit
- Refund Advantage ERC**
- Refund Advantage ERD
- Refund Advantage Card
- Paper Return with Direct Deposit
- Paper Return

001111

**ERO Name**

ero2

**Self Prepared**

Self Prepared

Next

e. **Third Party Designee Info:** tax preparer information (when required)

**13. Submission page:** here we capture the taxpayers **Electronic Signature, Print Return** with bank documents, mark the return **Complete** (and/or **Ready For Review** if applicable). Other information is also captured here, depending on each tax office's operating procedure, such as Referral Tracking and Return tags.

**14.** Click on **Save And Exit Return**.

**Referrer**

Referrer Name (Lookup)

Add New Referrer

**Review/Retransmit Status**

Ready For Review

< Back

Save And Exit Return

Save And Transmit Return >

**Congratulations! You have completed Tutorial 1!!!**

# Tutorial/Scenario 2

## In this Scenario you will practice the following:

- Select filing status
- Report Health Insurance coverage
- Complete Schedule C with income and expenses
- W-2 Entry
- Enter Dependent Information
- Enter a 1095-A

**Average Time to Complete:**  
25 Minutes

### Taxpayer Profile:

**Name:** Charles Simpson

**SSN:** 302-55-8798

**Birth date:** 01/21/1983

**Address:** 5674 Red Bud Rd, Temple, TX, 76504

**Primary Phone Number:** (706) 555-3002

**Occupation:** Business owner

### Spouse Info:

**Name:** Pamela Simpson

**SSN:** 243-67-3223

**Birth date:** 05/14/1983

**Occupation:** Teacher

### Dependent/s information:

**Name:** Amanda Simpson

**SSN:** 431-12-6953

**Birth date:** 04/02/2007

**Relationship:** Daughter

### **Additional information**

- Charles is married and has one child.
- Charles' wife received health insurance through his employer for the entire year.
- Charles owns his own horse stable business.
- Charles wants to E-file the return and have preparation fees deducted from his refund and to receive his refund directly into his bank account.

### **Answer Check:**

<b>Federal refund:</b>	\$578
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- Pages 14 and 15 show the source documents to be used for the preparation of this return.
- Pages 15-21 provide step-by-step instructions on how to complete this return. For video Tutorials click [here](#)

**Available Documentation**

- Business income and expenses
- W-2

**Business Information and Income:**

**Company Name:** Stable Acres **EIN:** 42-3656871

**Services Provided:** Horse Boarding and riding lessons.

- Charles uses the cash method of accounting, and materially participated in the business.
- Charles received \$22,594 for boarding 10 horses and giving riding lessons during the year.

**Business Expenses:**

- Advertising = \$1,200 : Rent machinery = \$1650 : Licenses = \$500 : Supplies = \$955  
Repairs = \$2500

a Employee's social security number 243-67-3223		Safe, accurate, FAST! Use		Visit the IRS website at www.irs.gov/efile	
b Employer identification number (EIN) 44-1334752		1 Wages, tips, other compensation 65000	2 Federal income tax withheld 9500		
c Employer's name, address, and ZIP code KENESAW STATE UNIVERSITY 1 OWL CIRCLE TEMPLE TX 76504		3 Social security wages 65000	4 Social security tax withheld 4030		
		5 Medicare wages and tips 65000	6 Medicare tax withheld 943		
		7 Social security tips	8 Allocated tips		
d Control number		9 Verification code	10 Dependent care benefits		
e Employee's first name and initial Last name Suff. PAMELA SIMPSON 5674 TEMPLE TX 76504		11 Nonqualified plans		12a See instructions for box 12	
f Employee's address and ZIP code		13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	12b		
		14 Other	12c		
			12d		
15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax

Form **W-2** Wage and Tax Statement

**2017**

Department of the Treasury—Internal Revenue Service

Form **8962** **Premium Tax Credit (PTC)** OMB No. 1545-0074  
 Department of the Treasury Internal Revenue Service **2017** Attachment Sequence No. 73  
 ▶ Attach to Form 1040, 1040A, or 1040NR. ▶ Go to [www.irs.gov/Form8962](http://www.irs.gov/Form8962) for instructions and the latest information.

Name shown on your return: CHARLES SIMPSON Your social security number: 302-55-8798

You cannot take the PTC if your filing status is married filing separately unless you qualify for an exception (see instructions). If you qualify, check the box

**Part I Annual and Monthly Contribution Amount**

1	Tax family size. Enter the number of exemptions from Form 1040 or Form 1040A, line 6d, or Form 1040NR, line 7d	1	3
2a	Modified AGI. Enter your modified AGI (see instructions)	2a	79673
b	Enter the total of your dependents' modified AGI (see instructions)	2b	
3	Household income. Add the amounts on lines 2a and 2b (see instructions)	3	79673
4	Federal poverty line. Enter the federal poverty line amount from Table 1-1, 1-2, or 1-3 (see instructions). Check the appropriate box for the federal poverty table used. a <input type="checkbox"/> Alaska b <input type="checkbox"/> Hawaii c <input checked="" type="checkbox"/> Other 48 states and DC	4	20160
5	Household income as a percentage of federal poverty line (see instructions)	5	395%
6	Did you enter 401% on line 5? (See instructions if you entered less than 100%). <input checked="" type="checkbox"/> No. Continue to line 7. <input type="checkbox"/> Yes. You are not eligible to take the PTC. If advance payment of the PTC was made, see the instructions for how to report your excess advance PTC repayment amount.		
7	Applicable Figure. Using your line 5 percentage, locate your "applicable figure" on the table in the instructions	7	0.0969
8a	Annual contribution amount. Multiply line 3 by line 7. Round to nearest whole dollar amount	8a	7720
b	Monthly contribution amount. Divide line 8a by 12. Round to nearest whole dollar amount	8b	643

**Part II Premium Tax Credit Claim and Reconciliation of Advance Payment of Premium Tax Credit**

9 Are you allocating policy amounts with another taxpayer or do you want to use the alternative calculation for year of marriage (see instructions)?  
 Yes. Skip to Part IV, Allocation of Policy Amounts, or Part V, Alternative Calculation for Year of Marriage.  No. Continue to line 10.

10 See the instructions to determine if you can use line 11 or must complete lines 12 through 23.  
 Yes. Continue to line 11. Compute your annual PTC. Then skip lines 12-23  No. Continue to lines 12-23. Compute your monthly PTC and continue to line 24.

Annual Calculation	(a) Annual enrollment premiums (Form(s) 1095-A, line 33A)	(b) Annual applicable SLCSP premium (Form(s) 1095-A, line 33B)	(c) Annual contribution amount (line 8a)	(d) Annual maximum premium assistance (subtract (c) from (b), if zero or less, enter -0-)	(e) Annual premium tax credit allowed (smaller of (a) or (d))	(f) Annual advance payment of PTC (Form(s) 1095-A, line 33C)	
11 Annual Totals	400	400	7720			400	
Monthly Calculation	(a) Monthly enrollment premiums (Form(s) 1095-A, lines 21-32, column A)	(b) Monthly applicable SLCSP premium (Form(s) 1095-A, lines 21-32, column B)	(c) Monthly contribution amount (amount from line 8b or alternative marriage monthly calculation)	(d) Monthly maximum premium assistance (subtract (c) from (b), if zero or less, enter -0-)	(e) Monthly premium tax credit allowed (smaller of (a) or (d))	(f) Monthly advance payment of PTC (Form(s) 1095-A, lines 21-32, column C)	
12 January							
13 February							
14 March							
15 April							
16 May							
17 June							
18 July							
19 August							
20 September							
21 October							
22 November							
23 December							
24	Total premium tax credit. Enter the amount from line 11(e) or add lines 12(e) through 23(e) and enter the total here					24	
25	Advance payment of PTC. Enter the amount from line 11(f) or add lines 12(f) through 23(f) and enter the total here					25	400
26	Net premium tax credit. If line 24 is greater than line 25, subtract line 25 from line 24. Enter the difference here and on Form 1040, line 69; Form 1040A, line 45; or Form 1040NR, line 65. If line 24 equals line 25, enter -0-. Stop here. If line 25 is greater than line 24, leave this line blank and continue to line 27					26	

**Part III Repayment of Excess Advance Payment of the Premium Tax Credit**

27	Excess advance payment of PTC. If line 25 is greater than line 24, subtract line 24 from line 25. Enter the difference here	27	400
28	Repayment limitation (see instructions)	28	2550
29	Excess advance premium tax credit repayment. Enter the smaller of line 27 or line 28 here and on Form 1040, line 46; Form 1040A, line 29; or Form 1040NR, line 44	29	400

For Diagrammatic Reduction and Notices, see your tax return instructions. Form **8962** (2017)

## Tutorial/Scenario 2

### Tutorial #2 Objective:

Once you have completed this tutorial you will know how to:

- Complete forms: 1040, Schedule C, 8962 (with a 1095-A), and E-file with a Direct Deposit Bank Product.
- The forms completed in this return will consist of 1040, 8879, 8962, Schedule C, Schedule SE, W-2 and Bank Application

## **ENTERING CLIENT INFORMATION:**

Use the Taxpayer Profile information (page 13) and the Spouse's W-2 information (page 14).

**Note:** Please refer to tutorial #1 for the process to enter client and W-2 information. Information covered in previous tutorials will not be repeated.

### **1. Basic Client Data Entry**

- a. Input Taxpayer and Spouse Information
- b. When done entering the client's information press **Continue**.
- c. When asked "Do you have any dependants or qualifying person(s) to claim on your return?" click **Yes**.
- d. Enter **Dependent/Qualifying Child Information**, then click **Continue**.
- e. Click on **Continue** until you reach; "**Let's look at the money you earned**".

**Dependent / Qualifying Child Information**

**CANCEL**

First Name \*  Middle

Last Name \*

Date of Birth \*

Social Security Number \*  -  -

Check if the dependent does not have an SSN/ITIN/ATIN

Relationship \*

Number of months this person lived in your home during 2017

**Note:** If this dependent was born in 2017, you must select 12 months

**Please answer the following**

Check if this person was over age 18 and a full-time student at an eligible educational institution.

Check if this person was DISABLED.

Check if this qualifying child is NOT YOUR DEPENDENT.

Check if you wish NOT to claim this dependent for Earned Income Credit purposes.

Check if this dependent is married.

When finished, the dependent information should look as shown above.

- f. Enter the **W-2** information for the Spouse.
- g. Enter **Schedule C** information for the **Horse Boarding** business, details below.

## 2. ENTERING SCHEDULE C INFORMATION

Charles is a business owner and has information to report. Information at the top of [Page 2](#)

- a. In the **Income** menu click on **Profit or Loss From A Business Schedule C**
  - o Alternate method; enter **Schedule C** on the left where it says "Enter the Form Number" and the screen will go to **Schedule C Income from Business**.

The screenshot shows the 'Schedule C' form with the following fields and values:

- Business Owner:** Charles Simpson (selected), Pamela Simpson
- Business Name:** Stables Acres
- Employer ID:** 42 - 3656871
- Address:** 5674 Red Bud Rd
- ZIP Code:** 76504
- City:** Temple
- State:** Texas
- Business Code:** 487000
- Description of Business:** Scenic sightseeing

A callout box points to the taxpayer selection area with the text: "Here it will allow you to choose which Taxpayer this Schedule C belongs."

- b. Enter the information as specified on page 14 under **Business Information and Income**. For this exercise, you'll enter 487000 as the Business Code.
- c. Use the home address for the business **Address**. Refer to page 14.

- d. Back at the **Schedule C** main menu, click on **BEGIN** next to **Income**. Enter the amount that "Charles received for boarding 10 horses and giving riding lessons", in this example it is \$22,594. Click **Continue** once you are done.

### Schedule C - Income

#### Income

Gross receipts or sales (including income reported on Form 1099-K)

Income reported to you on Form W-2 as Statutory Employee

Returns and allowances

Other Income

**CANCEL**

**CONTINUE**

- e. Next we will enter the **Expenses** for the **Stables Acres** business. (Refer to page 14 under **Business Expenses**). Click **BEGIN** next to **General Expenses**.
- f. Enter each expense in the appropriate box.
- g. Click on **Continue** until you reach the **Health Insurance Questionnaire**.

### Schedule C - Expenses

**CANCEL**

**CONTINUE**

Advertising

Contract Labor

Commission and fees

Depletion

Employee benefits programs

Health Insurance  
(will carry automatically to worksheet)

Insurance  
(other than health)

Mortgage interest

Other interest

Legal and professional services

Pension and profit sharing

Rent or lease of equipment

Rent or lease of property

Repairs and maintenance

Supplies

Taxes and licenses

Travel

Meals and entertainment (50%) Enter 100% of the expenses.

Meals and entertainment (80%) Enter 100% of the expenses.

Utilities

**You have completed entering the Schedule C.**

3. The **Healthcare Insurance Questionnaire** uses form 8962 to report information from a taxpayer's 1095-A form, if the questions are answered accordingly.

- a. Looking at a taxpayer's **1095-A** part 3 form; The monthly amounts may be equal or may differ depending on the situation. For this tutorial the amounts will be considered equal throughout the year.
- b. Select **Yes** for **Did you or your family have health insurance at any time in 2017?** Select **Yes** for **Did you purchase health insurance via HealthCare.gov or a State Marketplace?** Click **Continue** at **Verify Your Household Members**. Select **Yes** for **Was your entire household insured for all 12 months of 2017?** Select **Yes** for **Did you receive a 1095-A statement or any Premium Tax Credits...?**
- c. Answer questions as show below on screenshot **Advanced Premium Tax Credit (1095-A)**. We will now enter Form **1095-A** amounts; enter the \$400 for each item. Click **Continue** until to reach "**Your Federal Return is Complete!**".

Health Insurance Questionnaire

Did you or your family have health insurance at any time in 2017?

Yes

No

Below are some examples of healthcare plans that may be purchased or qualify as a purchased plan under the Affordable Care Act.

- A private plan purchased from a health insurance company
- An employer-sponsored health insurance plan or insurance through your work, spouse's work or parent's work
- A university or college where you are enrolled
- Your parent's health insurance plan if you're under age 26
- A State Medicaid program
- State high-risk pools for plan or policy years
- The Children's Health Insurance Program (CHIP) in your state
- Medicare
- Veteran's Administration (VA), CHAMPVA, or Tricare
- A former employer's retirement program
- A union you belong to
- The Peace Corps
- COBRA
- Refugee Medical Assistance (RMA)
- The Nonappropriated Fund Health Benefit Program

BACK CONTINUE

### Health Insurance Questionnaire

Did you purchase health insurance via HealthCare.gov or a State Marketplace? \*

- Yes
- No

BACK

CONTINUE

## Verify Your Household Members



If you have additional family members that are neither a spouse nor a dependent, click ["Add a New Household Member."](#)

If you need to add or remove dependents, [click here to go to Personal Information.](#)

[Add New Household Member](#)

Name	SSN	Date of Birth
Charles Simpson	302-55-8798	1/21/1983
Pamela Simpson	243-67-3223	5/14/1985
Amanda Simpson	431-12-6953	4/2/2007

[Add New Household Member](#)

CONTINUE

### Months Insured

Was your entire household insured for all 12 months of 2017? \*

- Yes  
 No

BACK

CONTINUE

## Advanced Premium Tax Credit (1095-A)

Did you receive a 1095-A statement or any Premium Tax Credits to assist you in paying for your health care for 2017? \*

- Yes  
 No

Are you required to repay all of the APTC received? In most cases, the answer is NO. ONLY answer YES if you were not considered lawfully present in the U.S. or you meet the Health Coverage Tax Credit criteria. Note: We will automatically calculate a full repayment of APTC when MAGI is greater than 400 percent of Federal Poverty Line.

- Yes  
 No

Is your household income below 100% of the Federal poverty line, and do you meet all of the requirements under either "Estimated household income at least 100% of the Federal poverty line" or "Alien lawfully present in the United States"?

- Yes  
 No

Do all Forms 1095-A include coverage for January through December, with no changes in monthly amounts?

- Yes  
 No

Please enter your annual Advance Premium Tax Credit information

Premium Amount (Form 1095-A, line 33A)

\$ 400

Annual Premium Amount of SLCSP (Form 1095-A, line 33B)

\$ 400

Annual Advance Payment of PTC (Form 1095-A, line 33C)

\$ 400

BACK

CONTINUE

**Congratulations!! you are done with the 1095-A and the 8962.**

#### 4. CONTINUE TO E-FILE PAGE:

- a. Answer the **Due Diligence Checklist** as best you can-it will have no bearing on this practice return and refund (the taxpayers income disqualifies them). Click **Continue..**
- b. The Federal Refund amount should be \$578. Click **Continue** to E-File page.
- c. Under Federal Return Type, Select **Refund Advantage ERD**---Terminology will vary by bank
- d. Tax Prep and E-file Information – Fees should be calculated based off populated forms. Also, make sure to always enter the clients email!

- e. Complete bank application and input all fields related to Client Bank Account Information. Sample Information – Account Type = Checking - Bank Routing # = **011500337** and Account = **000021000021**. Taxpayer Account information does require double entry to ensure accuracy.

- 5. Complete all required fields and answer all questions. **Continue** to **Submission** page (reference Tutorial 1 if you have any questions). This the final page of the return. After you have reviewed all the information and it looks correct, click on **Save And Exit Return**.

**Congratulations at this point you are done with practice return 2!**

Submission

[Change Preparer](#)

There is currently no PTIN entered in for this Preparer. All bank products requires a valid PTIN for transmitting bank products.

Please review all information on this screen. To finalize your return please click on the submit button located below.

One Copy - Federal and State

[Print Return](#)

[Email Return](#)

Electronic Signature

Taxpayer Signature [Sign](#)

Spouse Signature [Sign](#)

ERO Information

EFIN 001111

Company Name Demo Tax Office 1

Client Information

Client Name Charles Simpson

# Tutorial/Scenario 3

## In this Scenario you will practice the following:

- Select filing status
- Report health coverage
- Complete Schedule B,D,A

**Average Time to Complete:**  
25 Minutes

### Taxpayer Profile:

**Name:** Mary E Wilson

**SSN:** 302-55-8765

**Birth date:** 01/21/1953

**Address:** 89 Cowen Way, Cave Spring, GA 30124

**Primary Phone Number:** (706) 555-3003

**Occupation:** Production Manager

### Dependent/s information:

**Name:** Hunter Wilson

**SSN:** 623-55-4321

**Birth date:** 09/06/2006

**Relationship:** Grand daughter

### **Additional information**

- *Mary is single head of household, and has one dependent her granddaughter for whom she is the legal guardian*
- *Mary purchased health insurance through the market place*
- *Mary owns stocks*
- *Mary wants to E-file the return have preparation fees deducted from her refund and to receive her refund directly put into her bank account*

### **Answer Check:**

<b>Federal refund:</b>	\$2105
------------------------	--------

- *Page 23-24 shows the source documents to be used for the preparation of this return.*
- *Page 24-38 provides step by step instructions on how to complete this return.*

### Available documentation

W-2, Stocks, 8962, Dependent information, Schedule A, B and D Information

**Dependent Care information:**

- Paid dependent care expenses: **\$1500**
- Child care provider name: **Little Wonders.**
- ID Number: **45-6987651**
- Address: **2525 Old Danton Road, Cave Spring GA, 30124.**

a Employee's social security number 369-00-9632		Safe, accurate, FAST! Use 		Visit the IRS website at www.irs.gov/efile		
b Employer identification number (EIN) 45-6987651		1 Wages, tips, other compensation 40635	2 Federal income tax withheld 3865			
c Employer's name, address, and ZIP code LITTLE WONDERS 2525 OLD DANTON ROAD CAVE SPRING GA 30124		3 Social security wages 40635	4 Social security tax withheld 2519			
		5 Medicare wages and tips 40635	6 Medicare tax withheld 589			
		7 Social security tips	8 Allocated tips			
		9 Verification code		10 Dependent care benefits		
d Control number		e Employee's first name and initial MARY E		Last name WILSON		
f Employee's address and ZIP code 89 COWEN WY CAVE SPRING GA 30124		11 Nonqualified plans		12a See instructions for box 12		
		13 Statutory employee <input type="checkbox"/>	Retirement plan <input type="checkbox"/>	Third-party sick pay <input type="checkbox"/>	12b	
		14 Other		12c		
				12d		
15 State GA	Employer's state ID number 13369871230	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

Form **W-2** Wage and Tax Statement **2017** Department of the Treasury—Internal Revenue Service

**Schedule A information:**

Medical and dental expenses:

- Amount Paid to Doctors, Dentist, Eye Doctor: **\$650**
- Prescription Medicine, Drugs or Insulin: **\$1350**
- X ray, Lab work, Insulin Treatment etc: **\$2500**
- Hospital care including meals and lodging: **\$2200**
- Medical miles Driven: **(525 miles) \$121**

Taxes you paid

- Real State Taxes(non-Business Property): **\$1320**

Mortgage Interest and Expenses

- Mortgage Interest Reported on Form 1098 (Coldwell Banker) :**\$1754**
- Private mortgage Insurance Deduction :**\$900**

Gifts to Charity

- Cash contribution: **\$975**

**Schedule B information:**

- Type of Transaction: **Interest Income**
- Payer's name: **Cherokee Bank**
- Interest amount: **\$321**

## Schedule D information: Capital Gains or Losses

### Description: WWW

- 1099- B not received
- Date Acquired: **05/01/2000**
- Date Sold: **06/01/2017**
- Sales Price: **\$100**
- Cost: **\$250**

### Description: MAC

- 1099- B not received
- Date Acquired: **01/01/2015**
- Date Sold: **10/01/2017**
- Sales price: **\$800**
- Cost: **\$1100**

### Description: COM

- 1099- B not received
- Date Acquired: **06/30/2005**
- Date Sold: **12/01/2017**
- Sales price: **\$55**
- Cost: **\$50**

### Description: JUS

- 1099- B not received
- Date Acquired: **01/01/2015**
- Date Sold: **12/31/2017**
- Sales price: **\$300**
- Cost: **\$200**

Form **8962** **Premium Tax Credit (PTC)** OMB No. 1545-0074  
 Department of the Treasury Internal Revenue Service **2017** Attachment Sequence No. **73**  
 Attach to Form 1040, 1040A, or 1040NR. Go to [www.irs.gov/Form8962](http://www.irs.gov/Form8962) for instructions and the latest information.

Name shown on your return: **MARK WHITMORE** Your social security number: **204-55-2004**

You cannot take the PTC if your filing status is married filing separately unless you qualify for an exception (see instructions). If you qualify, check the box

**Part I Annual and Monthly Contribution Amount**

1	Tax family size. Enter the number of exemptions from Form 1040 or Form 1040A, line 6d, or Form 1040NR, line 7d	1	3
2a	Modified AGI. Enter your modified AGI (see instructions)	2a	25822
2b	Enter the total of your dependents' modified AGI (see instructions)	2b	
3	Household income. Add the amounts on lines 2a and 2b (see instructions)	3	25822
4	Federal poverty line. Enter the federal poverty line amount from Table 1-1, 1-2, or 1-3 (see instructions). Check the appropriate box for the federal poverty table used. a <input type="checkbox"/> Alaska b <input type="checkbox"/> Hawaii c <input checked="" type="checkbox"/> Other 48 states and DC	4	20160
5	Household income as a percentage of federal poverty line (see instructions)	5	128%
6	Did you enter 401% on line 5? (See instructions if you entered less than 100%.) <input checked="" type="checkbox"/> No. Continue to line 7. <input type="checkbox"/> Yes. You are not eligible to take the PTC. If advance payment of the PTC was made, see the instructions for how to report your excess advance PTC repayment amount.		
7	Applicable Figure. Using your line 5 percentage, locate your "applicable figure" on the table in the instructions	7	0.0204
8a	Annual contribution amount. Multiply line 3 by line 7. Round to nearest whole dollar amount	8a	527
8b	Monthly contribution amount. Divide line 8a by 12. Round to nearest whole dollar amount	8b	44

**Part II Premium Tax Credit Claim and Reconciliation of Advance Payment of Premium Tax Credit**

9 Are you allocating policy amounts with another taxpayer or do you want to use the alternative calculation for year of marriage (see instructions)?  
 Yes. Skip to Part IV, Allocation of Policy Amounts, or Part V, Alternative Calculation for Year of Marriage.  No. Continue to line 10.

10 See the instructions to determine if you can use line 11 or must complete lines 12 through 23.  
 Yes. Continue to line 11. Compute your annual PTC. Then skip lines 12-23  No. Continue to lines 12-23. Compute your monthly PTC and continue to line 24.

Annual Calculation	(a) Annual enrollment premiums (Form(s) 1095-A, line 33A)	(b) Annual applicable SLCSP premium (Form(s) 1095-A, line 33B)	(c) Annual contribution amount (line 8a)	(d) Annual maximum premium assistance (subtract (c) from (b), if zero or less, enter -0-)	(e) Annual premium tax credit allowed (smaller of (a) or (d))	(f) Annual advance payment of PTC (Form(s) 1095-A, line 33C)
11 Annual Totals	281	281	527		281	
Monthly Calculation	(a) Monthly enrollment premiums (Form(s) 1095-A, lines 21-32, column A)	(b) Monthly applicable SLCSP premium (Form(s) 1095-A, lines 21-32, column B)	(c) Monthly contribution amount (amount from line 8b or alternative marriage monthly calculation)	(d) Monthly maximum premium assistance (subtract (c) from (b), if zero or less, enter -0-)	(e) Monthly premium tax credit allowed (smaller of (a) or (d))	(f) Monthly advance payment of PTC (Form(s) 1095-A, lines 21-32, column C)
12 January						
13 February						
14 March						
15 April						
16 May						
17 June						
18 July						
19 August						

## Tutorial #3 Objective:

Once you have completed this tutorial you will know how to complete forms; 1040, EIC, Schedule A, Schedule B, Schedule D, 2441, 1095-A, 8962 and E-file with a direct deposit bank product.

## ENTER ALL CLIENT DATA

**Note:** Please refer to tutorial 1 and 2 to learn how to enter client information, W-2, dependent information and 1095-A amounts.

- Enter Taxpayer information
- Enter Dependand information presented on page 22
- When done entering dependant information click **Continue** to reach the **Federal Section - Income**

**Dependent / Qualifying Child Information**

**CANCEL** **CONTINUE**

First Name \* Hunter Middle

Last Name \* Wilson

Date of Birth \* 9 / 0 / 2006

Social Security Number \* 623 - 55 - 4321

Check if the dependent does not have an SSN/TIN/ATIN

Relationship \* Grandchild

Number of months this person lived in your home during 2017 12

Note: If this dependent was born in 2017, you must select 12 months

**Please answer the following**

Check if this person was over age 18 and a full-time student at an eligible educational institution.

Check if this person was DISABLED.

Check if this qualifying child is NOT YOUR DEPENDENT.

Check if you wish NOT to claim this dependent for Earned Income Credit purposes.

Check if this dependent is married.

**Dependent or Qualifying Child**

[Add a Dependent or Qualifying Child](#)

First Name	Last Name	Social Security Number
Hunter	Wilson	623-55-4321

[Add a Dependent or Qualifying Child](#)

**CONTINUE**

We will now input the taxpayer **Income**.

## **INCOME ENTRY - ENTER ALL INCOME ITEMS**

1. Begin entering W2 information. (At this point forms navigation should not be a challenge.)

2. Refer to page 23 to enter W-2 information, scroll down to enter wages.

3. On the **Income** Menu click on **Interest and Dividends Form 1099-INT / 1099-DIV**

4. Select **Interest or Divided Income**, then select **Dividend Income, Form 1099-DIV** (as shown below)

**Income**

Wages and Salaries Form W-2	<b>EDIT</b>
State and Local Refunds Form 1099-G Box 2	<b>EDIT</b>
Interest and Dividends Form 1099-INT / 1099-DIV	<b>EDIT</b>
IRA/Pension Distributions Form 1099-R / RRB, SSA	<b>EDIT</b>
Unemployment Compensation Form 1099-G Box 1	<b>EDIT</b>
Form 1099-Misc	<b>EDIT</b>
Profit or Loss From A Business Schedule C	<b>EDIT</b>
Payment Card and Third Party Network Transactions Form 1099-K	<b>EDIT</b>
Rents and Royalties Schedule E	<b>EDIT</b>
Capital Gain and Losses Schedule D	<b>EDIT</b>
Profit or Loss From Farming Schedule F	<b>EDIT</b>
Alimony Received	<b>EDIT</b>
Other Income	<b>EDIT</b>

**BACK** **CONTINUE**

### Interest and Dividend Income

Interest or Dividend Income EDIT

Did you have interest in a foreign bank account? YES

Exclusion of interest from Series EE & I US Savings Bonds YES

CONTINUE

### 1099 Description Schedule B

Choose the type of Interest or Dividend item you want to enter:

- Interest Income, Form 1099-INT, Form 1099-DIV (including interest income < 1,500)
- Tax Exempt Interest Income, Form 1099-INT, Box 8 or Form 1099-DIV, Box 10
- Dividend Income, Form 1099-DIV
- Seller Financed Interest Income

CANCEL

CONTINUE

**5. The Dividend Income (Form 1099-DIV) page will appear. Refer to page 23 (Schedule B Information) to input the information (as shown below). Click **Continue** when finished.**

### Interest Income

CANCEL CONTINUE

Type of transaction  
Interest Income

Payer's Name \*

Cherokee Bank

Interest Income (Box 1)  
\$ 321

Early Withdrawal Penalty (Box 2)  
\$

Interest on U.S. Savings Bonds and Treasury obligations (Box 3)  
**(Note: Enter Taxable amount only)**  
\$

Federal Tax Withheld (Box 4)  
\$

Foreign Tax Paid (Box 6)  
\$

Amount of interest on U.S. Savings Bonds and Treasury Obligations that you want subtracted from your state return  
\$

Nominee Interest  
\$

OID Adjustment  
\$

Accrued Interest  
\$

ABP Adjustment  
\$

**6. Check Point:** Your Refund amount should reflect \$2,004. This will obviously change but based on current inputs your numbers should match ours!

**7.** Return to the **Income** menu and we will begin to enter **Capital Gain and Losses Schedule D**.

**8.** Refer to page 24 (**Schedule D information**) to find the information for our **Capital Gains** entries. We have four entries in this section, after entering information for one click **SAVE & ENTER ANOTHER**. Please reference the images below to complete this task.

The screenshot shows a web interface titled "Income". It contains a list of tax forms with corresponding action buttons:

Form Name	Action
Wages and Salaries Form W-2	EDIT
State and Local Refunds Form 1099-G Box 2	BEGIN
Interest and Dividends Form 1099-DIV / 1099-DIV	EDIT
IRA/Pension Distributions Form 1099-R / RRB, SSA	BEGIN
Unemployment Compensation Form 1099-G Box 1	BEGIN
Form 1099-Misc	BEGIN
Profit or Loss From A Business Schedule C	BEGIN
Payment Card and Third Party Network Transactions Form 1099-K	BEGIN
Rents and Royalties Schedule E	BEGIN
Capital Gain and Losses Schedule D	EDIT
Profit or Loss From Farming Schedule F	BEGIN
Alimony Received	BEGIN
Other Income	BEGIN

At the bottom left is a "BACK" button and at the bottom right is a "CONTINUE" button.

The screenshot shows a web interface titled "Schedule D Capital Gains". It contains a list of capital gain categories with corresponding action buttons:

Category	Action
Capital Gains and Loss Items	EDIT
Additional Capital Gains Distributions	BEGIN
Other Capital Gains Data (including Capital Loss Carryover)	BEGIN
Sale of Main Home Worksheet	BEGIN
PDF Attachments	BEGIN

At the bottom right is a "CONTINUE" button.

## Capital Gains Transaction

Form belongs to  
Taxpayer

Description of Property \*

### Date Acquired

\* Alternate Option: If Date Acquired is not known, leave the date blank and select an option here

  

### Date Sold

\* Alternate Option:

Check here if a short sale.

  

### Sales Price

\* Alternate Option: If Sale Price is Expired, leave the sales price blank and select an option here

Select cost basis type \*

### Cost

\* Alternate Option: If Cost is Expired, leave the cost blank and select an option here

### Adjustments

Enter any necessary adjustments to Gain or Loss

NOTE: If this entry is to be shown as a loss, please enter a negative sign before the number.

If you entered an adjustment amount above, please select all adjustment explanations that apply.

- B - Form 1099-B with Basis shown in Box 3 is Incorrect
- T - Form 1099-B & Type of Gain/Loss shown in Box 1c is Incorrect
- N - Received 1099-B/1099-S as a Nominee for the Actual Owner of the Property
- H - Exclude Some/All of the Gain from the Sale of Your Main Home
- D - Form 1099-B showing accrued market discount in box 1g
- Q - Exclude Part of the Gain from the Sale of Qualified Small Business Stock
- X - Exclude Gain from DC Zone Assets or Qualified Community Assets
- R - Rollover of Gain from QSB Stock, Empowerment Zone, Publicly Traded Securities
- W - Nondeductible Loss from a Wash Sale
- L - Nondeductible Loss other than a Wash Sale

9. When done entering all **Capital Gain and Losses Schedule D** information, click **Continue** until you are back at the **Income** menu. At this point we should have entered all of the income items.

=====

**DEDUCTIONS ENTRY** - Next is the **Deductions** menu, click **Enter Myself** to continue to the **Deductions** menu.

**Let's see how we can cut your tax bill**

Here's a reason to smile. You may be able to get tax deductions for education costs, child care, charitable contributions and more. Follow our step-by-step guide to ensure accurate entry of your tax deductions. Or, enter the information on your own if you are familiar with the forms.

[GUIDE ME](#) -OR- [ENTER MYSELF](#)

[BACK](#) [SKIP DEDUCTIONS](#)

1. Refer to page 23 for the information to enter as **Itemized Deductions**. Click on **BEGIN** to enter **Itemized Deductions** and select each corresponding deduction as detailed on page 23 (Schedule - A information).

**Deductions**

Adjustments	<a href="#">BEGIN</a>
Standard Deduction	<a href="#">BEGIN</a>
Itemized Deductions	<a href="#">EDIT</a>
Credits Menu	<a href="#">BEGIN</a>
Compare Deductions	<a href="#">BEGIN</a>

[BACK](#) [CONTINUE](#)

## Itemized Deductions

Use Standard or Itemized Deduction

BEGIN

Medical and Dental Expenses

EDIT

Taxes You Paid

EDIT

Mortgage Interest and Expenses

EDIT

Gifts to Charity

EDIT

Unreimbursed Employee Business Expense

BEGIN

Job-Related Travel Expenses [Form 2106](#)

BEGIN

Miscellaneous Deductions

BEGIN

Less Common Deductions

BEGIN

CONTINUE

2. Click **CONTINUE** until you are in the **Deductions** menu. In the **Deductions menu**, click **BEGIN** next to the **Credits Menu**.

## Deductions

Adjustments

BEGIN

Standard Deduction

BEGIN

Itemized Deductions

EDIT

Credits Menu

BEGIN

Compare Deductions

BEGIN

BACK

CONTINUE

3. In the **Credits** menu click on **BEGIN** to enter the **Child Care Credit** (Form 2441)

<b>Credits</b>	
Foreign Tax Credit Form 1116	<b>BEGIN</b>
Child Care Credit Form 2441	<b>BEGIN</b>
Education Credits Form 1098-T	<b>BEGIN</b>
Retirement Savings Credit Form 8880	<b>BEGIN</b>
Residential Energy Credit Form 5695	<b>BEGIN</b>
Adoption Credit Form 8839	<b>BEGIN</b>
DC First-Time Homebuyer Credit Form 8859	<b>BEGIN</b>
Mortgage Interest Credit Form 8396	<b>BEGIN</b>
Claiming Refundable Credits after Disallowance Form 8862	<b>BEGIN</b>
EIC Check-list	<b>BEGIN</b>
Credit for the Elderly or Disabled Schedule R	<b>BEGIN</b>
Alternative Motor Vehicle Credit (Hybrid Cars) Form 8910	<b>BEGIN</b>
Qualified Electric Motor Vehicle Credit Form 8936	<b>BEGIN</b>
Small Employer Health Insurance Premiums Form 8941	<b>BEGIN</b>
Credit for Federal Tax Paid on Fuels Form 4136	<b>BEGIN</b>
Credit for Increasing Research Activities from Pass-through Entities Form 6765	<b>BEGIN</b>
	<b>CONTINUE</b>

**4. Child Care Credit - Page 1, Step 1 - Child Care Providers;** click on [Add a Child Care Provider](#).

### F2441 - Child Care Credit - Page 1

**i** The 2441 covers expenses paid for child care. The amount paid to the provider(s) of the child care must equal the total expenses of the dependents and any qualified person not listed on the return as a dependent. If the totals do not balance out to a difference of \$0, then there is a risk of rejection of the return.

Total Expenses	-	\$0.00
Total Amount Paid To Providers	-	\$0.00
Difference	-	\$0.00

#### Step 1 - Child Care Providers

Enter the required information about the child care provider you paid to care for your dependents and qualified persons. Once you have entered all providers, continue to Step 2 - Dependents.

Provider	ID Number	Amount
 Add a Child Care Provider		

#### Step 2 - Dependents

#### Step 3 - Qualifying Persons

**CANCEL** **CONTINUE TO PAGE 2**

\*Refer to page 23 (**Dependant Care Information**) to fill out **Form 2441-Child Care Provider information**.

## Form 2441 - Child Care Provider Information

CANCEL

CONTINUE

### Basic Provider Information

Please select if ID Number is a SSN, ITIN, or EIN

SSN/ITIN

EIN

Provider's ID Number  
(SSN, ITIN, or EIN)

 - 

Provider's Name \*

Provider's Address \*

Check here if foreign address

Address (Number and Street) \*

ZIP Code \*

 - 

City, Town, or Post Office \*

State \*

- Please Select - ▼

Check here if provider is Tax Exempt

Check here if you were living abroad and used a foreign care provider

Amount Paid to Provider for Child Care

(Enter the total amount paid to provider, including amounts from W-2, Box 10) \*

\$

Hawaii Tax ID Number

Enter the 12 digit number (numbers only)

Provider's Phone Number

\* You MUST provide a phone number if you intend to file a CALIFORNIA state return.

(  )  -

CANCEL

CONTINUE

When finished entering information, scroll down and click on [Continue](#).

- In the **Child Care Credit - Page 1**, click on **Step 2 - Dependents** and click on the pencil icon on the right to **Edit**.

### F2441 - Child Care Credit - Page 1

The 2441 covers expenses paid for child care. The amount paid to the provider(s) of the child care must equal the total expenses of the dependents and any qualified person not listed on the return as a dependent. If the totals do not balance out to a difference of \$0, then there is a risk of rejection of the return.

Total Expenses	-	\$0.00
Total Amount Paid To Providers	-	\$1,500.00
Difference	-	\$1,500.00

**Step 1 - Child Care Providers** ▼

**Step 2 - Dependents** ▲

Dependents entered on your return are pulled and listed below. Enter the total annual qualifying expenses paid for each dependent listed below. If you have qualified expenses for a qualifying person not listed below, continue to step 3.

Dependent's Name	Social Security Number	Qualifying Expenses	
HUNTER WILSON	623-55-4321	\$0.00	

**Step 3 - Qualifying Persons** ▼

CANCEL

CONTINUE TO PAGE 2

- Enter **Dependant Expenses for Hunter Wilson** and click **Continue**.

### Form 2441 - Child Care Credit

Total to Providers	Total for Qualifying Persons	Additions	Benefits	
\$1,500.00	\$0.00	\$0.00	\$0.00	

CONTINUE

5. In the **Child Care Credit - Page 1**, click on **CONTINUE** to go to **Page 2**. Click Continue until you are back at the **Deductions** menu. Click on **BEGIN** next to **Itemized Deductions**.

## Itemized Deductions

Use Standard or Itemized Deduction	<b>BEGIN</b>
Medical and Dental Expenses	<b>BEGIN</b>
Taxes You Paid	<b>BEGIN</b>
Mortgage Interest and Expenses	<b>BEGIN</b>
Gifts to Charity	<b>BEGIN</b>
Unreimbursed Employee Business Expense	<b>BEGIN</b>
Job-Related Travel Expenses Form 2106	<b>BEGIN</b>
Miscellaneous Deductions	<b>BEGIN</b>
Less Common Deductions	<b>BEGIN</b>
	<b>CONTINUE</b>

6. Enter each item from **Schedule-A Information page 23** in **Itemized Deductions**. Click **Continue** until you are back at **Deductions**.

## **HEALTH INSURANCE SECTION:**

1. Select the **Health Insurance** on the left hand side as depicted in the image below. (bottom left)

Q Enter the Form Number...

**i** Basic Information

**iii** Federal Section

Income

- W-2 Wage Statement
- State & Local Refunds
- Unemployment Compensation

Deductions

Other Taxes

Payments & Estimates

Miscellaneous Forms

**U** Health Insurance

## Deductions

Adjustments **BEGIN**

Standard Deduction **BEGIN**

Itemized Deductions **BEGIN**

Credits Menu **BEGIN**

Compare Deductions **BEGIN**

**BACK** **CONTINUE**

2. In the **Health insurance Questionnaire** select yes and click **Continue**.

## Health Insurance Questionnaire

Did you or your family have health insurance at any time in 2017?

Yes

No

Below are some examples of healthcare plans that may be purchased or qualify as a purchased plan under the Affordable Care Act.

- A private plan purchased from a health insurance company
- An employer-sponsored health insurance plan or insurance through your work, spouse's work or parent's work
- A university or college where you are enrolled
- Your parent's health insurance plan if you're under age 26
- A State Medicaid program
- State high-risk pools for plan or policy years
- The Children's Health Insurance Program (CHIP) in your state
- Medicare
- Veteran's Administration (VA), CHAMPVA, or Tricare
- A former employer's retirement program
- A union you belong to
- The Peace Corps
- COBRA
- Refugee Medical Assistance (RMA)
- The Nonappropriated Fund Health Benefit Program

## Health Insurance Questionnaire

Did you purchase health insurance via HealthCare.gov or a State Marketplace? \*

Yes

No

BACK

CONTINUE

3. Based on the information in the taxpayer profile, select **Yes** and click **Continue**.

### Verify Your Household Members

 If you have additional family members that are neither a spouse nor a dependent, click "[Add a New Household Member](#)."  
If you need to add or remove dependents, [click here to go to Personal Information](#).

[Add New Household Member](#)

Name	SSN	Date of Birth
Mary Wilson	302-55-8765	1/21/1953
Hunter Wilson	623-55-4321	9/6/2006

[Add New Household Member](#)

CONTINUE

4. Answer **YES** to **Months Insured**. Click on **Continue**. Answer **YES** to "**Did you receive a 1095-A statement or any Premium Tax Credits..?**" and fill out the form as instructed below.

5. Enter information to complete **Advanced Premium Tax Credit (1095-A)**, as shown below (\$281).

### Advanced Premium Tax Credit (1095-A)

Did you receive a 1095-A statement or any Premium Tax Credits to assist you in paying for your health care for 2017? \*

- Yes  
 No

Are you required to repay all of the APTC received? In most cases, the answer is NO. ONLY answer YES if you were not considered lawfully present in the U.S. or you meet the Health Coverage Tax Credit criteria. Note: We will automatically calculate a full repayment of APTC when MAGI is greater than 400 percent of Federal Poverty Line.

- Yes  
 No

Is your household income below 100% of the Federal poverty line, and do you meet all of the requirements under either "Estimated household income at least 100% of the Federal poverty line" or "Alien lawfully present in the United States"?

- Yes  
 No

Do all Forms 1095-A include coverage for January through December, with no changes in monthly amounts?

- Yes  
 No

Please enter your annual Advance Premium Tax Credit information

Premium Amount (Form 1095-A, line 33A)

\$ 281

Annual Premium Amount of SLCSP (Form 1095-A, line 33B)

\$ 281

Annual Advance Payment of PTC (Form 1095-A, line 33C)

\$ 281

6. When done click **Continue** twice.
7. Complete the remainder of the return as previously instructed in tutorials 1 and 2.

**Congratulations you have finished tutorial number 3!**

# Tutorial/Scenario 4

## In this Scenario you will practice the following:

- Select filing status
- Claim Earned Income Credit
- Report health coverage
- Complete Schedule A, E

**Average Time to Complete:**  
25 Minutes

### **Taxpayer Profile:**

**Name:** Mark Whitmore

**SSN:** 204-55-2004

**Birth date:** 06/15/1974

**Address:** 89 Cowen Way, Cave Spring, GA 30124

**Primary Phone Number:** (706) 555-3003

**Occupation:** Production Manager

### **Spouse Info:**

**Name:** Miranda Whitmore

**SSN:** 404-55-2006

**Birth date:** 10/11/1979

**Occupation:** administrative assistant

### **Dependent/s information:**

**Name:** Samantha Whitmore

**SSN:** 424-55-2008

**Birth date:** 05/16/2004

**Relationship:** Daughter

### **Additional information**

- *Mark is married filing jointly, and have one dependent.*
- *The Family received health insurance through Miranda's employer for the entire year.*
- *Mark wants to E-file the return preparation fees deducted from his refund and to receive his refund directly put into his bank account.*

### **Answer Check:**

<b>Federal refund:</b>	\$5,977
------------------------	---------

- *Page 40 shows the source documents to be used for the preparation of this return.*
- *Page 41-46 provides step by step instructions on how to complete this return.*

**Available Documentation:**

W-2

Schedule A information

Schedule E information.

a Employee's social security number 404-55-2006		Safe, accurate, FAST! Use		Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a>		
b Employer identification number (EIN) 02-4556423		1 Wages, tips, other compensation 22465	2 Federal income tax withheld 1976			
c Employer's name, address, and ZIP code BROOKS BARNUM AND SAMPSON LEGAL SER 6312 EAST 2ND STREET ROME GA 30161		3 Social security wages 22465	4 Social security tax withheld 1393			
		5 Medicare wages and tips 22465	6 Medicare tax withheld 326			
		7 Social security tips	8 Allocated tips			
d Control number		9 Verification code		10 Dependent care benefits		
e Employee's first name and initial Last name MIRANDA WHITMORE		11 Nonqualified plans		12a See instructions for box 12		
89 COWEN WAY CAVE SPRING GA 30124		13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		12b		
		14 Other		12c		
f Employee's address and ZIP code				12d		
15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name
GA	124123456	22465	1426			

Form **W-2** Wage and Tax Statement **2017** Department of the Treasury—Internal Revenue Service

**Schedule A:**

Taxes You Paid:

- Real Estate Taxes: \$1426

**Schedule E:**

**Type of property:** Multi-Family Residence.

**Location:** 2216 Huffaker Road. Cave Spring, GA 30124

**Fair Rental Days:** 360

**Personal use only:** 0

**Rental Income:** \$11250

**Expenses:** Utilities> \$5000 Cleaning> \$293

**Type of property:** Single-Family Residence.

**Location:** 8 Mongolia Lane Cave Spring, GA 30124

**Fair Rental Days:** 300

**Personal use only:** 0

**Rental Income:** \$7125

**Expenses:** Utilities> \$9000 Cleaning> \$725

# Tutorial #4

## Tutorial #4 Objective:

Once you have completed this tutorial you will know how to:

**Complete Forms:** 1040, EIC, Schedule E, and E-file with a bank account.

### ENTER ALL CLIENT DATA

**Note:** *This tutorial begins after entering client information (personal info, spouse, dependent, income)*

### INCOME ENTRY - ENTER ALL INCOME ITEMS

**Note:** Please refer to tutorial #1 to learn how to enter client information and W-2.

1. In the **Income** menu click **BEGIN** next to **Rents and Royalties Schedule E**

#### Income

Wages and Salaries Form W-2	EDIT
State and Local Refunds Form 1099-G Box 2	BEGIN
Interest and Dividends Form 1099-INT / 1099-DIV	BEGIN
IRA/Pension Distributions Form 1099-R / RRB, SSA	BEGIN
Unemployment Compensation Form 1099-G Box 1	BEGIN
Form 1099-Misc	BEGIN
Profit or Loss From A Business Schedule C	BEGIN
Payment Card and Third Party Network Transactions Form 1099-K	BEGIN
Rents and Royalties Schedule E	BEGIN
Capital Gain and Losses Schedule D	BEGIN
Profit or Loss From Farming Schedule F	BEGIN
Alimony Received	BEGIN
Other Income	BEGIN

BACK CONTINUE

2. Click on **Continue** to proceed past "Schedule E Required Information".

## Schedule E Required Information

Check here if you made any payments in 2017 that would require you to file Form(s) 1099.

CANCEL

CONTINUE

3. **Schedule E Rent and Royalty Information** screen will appear. Refer to page 40 to enter corresponding information. When finished click **Continue**.

## Schedule E Rent and Royalty Information

CANCEL

### Form belongs to \*

- Mark Whitmore  
 Miranda Whitmore  
 Both

Type \*

--Select--

Description \*

Check here if foreign address

Address (Number and Street) \*

ZIP Code \*

City, Town, or Post Office \*

State \*

- Please Select -

Check if personal use

Percent of ownership \*

100

Rental Payments Received (including rental income reported on Form 1099-K)

\$

Enter the number of days the property was rented at fair rental value

Enter the number of days the property was used for personal purposes

- Click on **Begin** to enter **Expenses**.

**Schedule E Rentals and Royalties**

Currently Editing: 2216 Huffaker

Rent and Royalty Basic Information	EDIT
Depreciation	BEGIN
Expenses	BEGIN
Car and Truck Expenses	BEGIN

CONTINUE

- Refer to page 40 for **Expenses** detail.

**Schedule E Rental/Royalty Expense**

CANCEL

Advertising \$

Travel \$

Cleaning \$

Commission \$

Insurance \$

Legal Fees \$

- When done click **Continue** twice, until you are in the **Schedule E Rental/Royalty** menu again and click on **+Add Another**.

**Schedule E Rental/Royalty**

Add Another

Description	Address (Number and Street)	Amount
2216 Huffaker	2216 Huffaker Road	\$11,250.00

Add Another

CONTINUE

- Repeat steps 2 through 5 to enter second property. When done click **Continue** until you are in the **Income** menu once again.

=====

**ITEMIZED DEDUCTIONS ENTRY** - Next is the **Deductions** menu.

**Schedule A**

1. In the **Income** menu click **Continue** to enter the **Deductions** menu then click **ENTER MYSELF**
2. In the **Deductions** menu click **BEGIN** next to **Itemized Deductions**.
3. Refer to Tutorial 3 regarding **Schedule A** information. Enter amounts for **Taxes You Paid (Schedule A)** using amounts from page 40. When done click **Continue**.

Option	Action
Adjustments	BEGIN
Standard Deduction	BEGIN
Itemized Deductions	BEGIN
Credits Menu	BEGIN
Compare Deductions	BEGIN
BACK	CONTINUE

=====

**Health insurance**

1. Click on **Continue** until you reach the **Health Insurance Questionnaire**.
2. Select **YES** to "Did you or your family have health insurance an any time in 2017?"
3. Select **NO** to "Did you purchase health insurance via HealthCare.gov..?".
4. The **Household Members** page will appear, click **Continue**.
5. Select **YES** to "Was your entire household insured for all 12 months of 2017?". Click **Continue**.

**Your Federal Return is Complete!** For this practice return we are not going to ADD STATE RETURN(S). Click on **CONTINUE TO SUMMARY**.

## **E-file**

1. Click E-file on the left hand corner then click continue.
2. The 8867 EIC **Due Diligence Checklist** will appear. Answer questions as shown below. When finished, click **Continue**.

---

### **Due Diligence Checklist**

**CONTINUE**

---

#### Qualifying Information

Was the taxpayer (or spouse) a nonresident alien for any part of the year? \*

- Yes
- No

Is the taxpayer (or spouse) a qualifying child of another person? \*

- Yes
- No

Did you complete the return based on information for tax year 2017 provided by the taxpayer or reasonably obtained by you? \*

- Yes
- No

Did you interview the taxpayer, ask adequate questions, and document the taxpayer's responses to determine that the taxpayer is eligible to claim the credit(s)? \*

- Yes
- No

Did any information provided by the taxpayer, a third party, or reasonably known to you in connection with preparing the return appear to be incorrect, incomplete, or inconsistent? \*

- Yes
- No

Did you satisfy the record retention requirement? \*

To meet the record retention requirement, did you keep a copy of any document(s) provided by the taxpayer that you relied on to determine eligibility or to compute the amount for the credit(s)?

- Yes
- No

Did you ask the taxpayer whether he/she could provide documentation to substantiate eligibility for and the amount of the credit(s) claimed on the return? \*

- Yes
- No

Did you ask the taxpayer if any credits were disallowed or reduced in a prior year? \*

- Yes
- No

Were any of these credits disallowed or reduced in a previous year? \*

- Yes
- No

Have you determined that this taxpayer is, in fact, eligible to claim the EIC for the number of children for whom the EIC is claimed? \*

- Yes
- No

Was the taxpayer's main home (and the taxpayer's spouse if filing jointly) in the United States for more than half the year? (military personnel on extended active duty outside the U.S. are considered to be living in the U.S. during that duty period. \*

- Yes
- No

Is the taxpayer (or the taxpayer's spouse if filing jointly) eligible to be claimed as a dependent on anyone else's federal income tax return for tax year 2017? \*

- Yes
- No

## Child Tax Credit Questions

Does the child reside with the taxpayer who is claiming the CTC/ACTC? \*

- Yes
- No

Have you determined that the taxpayer has not released the claim to another person? \*

- Yes
- No

Do you certify that all answers on this Form 8867 are, to the best of your knowledge, true, correct and complete? \*

- Yes
- No

3. Click [Continue](#) to proceed past **Form 8867** and **Miscellaneous Statement**. Refer to Tutorial #2 on how to complete all the sections on the **E-File** page.

**Congratulations you have finished tutorial number 4!!**