

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!

Tutorial/Scenario 1

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:

Federal refund:	\$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

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 2017 Form W-2G Certain Gambling Winnings For Privacy Act and Paperwork Reduction Act Notice, see the 2017 General Instructions for Certain Information Returns. File with Form 1096 Copy A For Internal Revenue Service Center
		3 Type of wager SLOTS	4 Federal income tax withheld \$3269	
		5 Transaction	6 Race	
7 Winnings from identical wagers \$0	8 Cashier			
PAYER'S federal identification number 31-7754321	PAYER'S telephone number - -	9 Winner's taxpayer identification no. 408-00-1001	10 Window	
WINNER'S name CHARLES SMITH		11 First I.D.	12 Second I.D.	
Street address (including apt. no.) 2575 BLACK HILLS DRIVE		13 State/Payer's state identification no.	14 State winnings \$0	
City or town, province or state, country, and ZIP or foreign postal code EL DORADO CA 95623		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.

Signature ►

Date ►

Form **W-2G**

www.irs.gov/w2g

Department of the Treasury - Internal Revenue Service

2NA

Do Not Cut or Separate Forms on This Page – Do Not Cut or Separate Forms on This Page

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 Rejected Clients TaxesToGo Clients

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 * MI

Last Name * Suffix (Jr, Sr, etc.)

Social Security Number * - -

Date of Birth * / /

Occupation

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 bellow:

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.

W-2G Gambling Winning

+ Add a W-2G Gambling Winning

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

+ Add a W-2G Gambling Winning

CONTINUE

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

i 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.

Category	Amount
Total Income	\$63,329.00
Adjusted Gross Income	\$63,329.00
Tax and Credits	\$0.00
Total Tax	\$8,970.00
Payments	\$11,094.00
Refund	\$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:

Federal refund:	\$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 PAMELA 5674 TEMPLE TX 76504		Last name SIMPSON			
f Employee's address and ZIP code		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	
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

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

Form 8962 Department of the Treasury Internal Revenue Service Name shown on your return	Premium Tax Credit (PTC) ▶ Attach to Form 1040, 1040A, or 1040NR. ▶ Go to www.irs.gov/Form8962 for instructions and the latest information.	OMB No. 1545-0074 2017 Attachment Sequence No. 73
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 <input type="checkbox"/>		
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)? <input type="checkbox"/> Yes. Skip to Part IV, Allocation of Policy Amounts, or Part V, Alternative Calculation for Year of Marriage. <input checked="" type="checkbox"/> No. Continue to line 10.		
10 See the instructions to determine if you can use line 11 or must complete lines 12 through 23. <input checked="" type="checkbox"/> Yes. Continue to line 11. Compute your annual PTC. Then skip lines 12-23 and continue to line 24. <input type="checkbox"/> 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)	400
	(b) Annual applicable SLCSP premium (Form(s) 1095-A, line 33B)	400
	(c) Annual contribution amount (line 8a)	7720
	(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)	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

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".

The screenshot shows a web form titled "Dependent / Qualifying Child Information". At the top left is a blue "CANCEL" button. The form contains the following fields and options:

- First Name ***: Text input field containing "Amanda".
- Middle**: Text input field (empty).
- Last Name ***: Text input field containing "Simpson".
- Date of Birth ***: Three dropdown menus showing "4", "2", and "2007".
- Social Security Number ***: Three input fields showing "431", "12", and "6953".
- ☐ Check if the dependent does not have an SSN/ITIN/ATIN
- Relationship ***: Dropdown menu showing "Daughter".
- Number of months this person lived in your home during 2017**: Dropdown menu showing "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.

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**
 - 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**.

Schedule C

CANCEL

This business belongs to *

- ☒ Charles Simpson
- ☐ Pamela Simpson

Here it will allow you to choose which Taxpayer this Schedule C belongs.

Name and Address

Business Name
Leave blank if no separate business name.

Stables Acres

Employer ID
Leave blank if EIN = SSN

42 - 3656871

Address (Number and Street)

5674 Red Bud Rd

ZIP Code

76504 -

City, Town, or Post Office

Temple

State

Texas

Business Type

Business Code
[Click here for a list of Business Codes](#)

487000

Description of Business *

Scenic sightseeing

- 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)

\$22594

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

\$ 1200

Contract Labor

\$

Commission and fees

\$

Depletion

\$

Employee benefit 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

\$ 1650

Rent or lease of property

\$

Repairs and maintenance

\$ 2500

Supplies

\$ 955

Taxes and licenses

\$ 500

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!

The screenshot shows the 'Submission' page of a tax software interface. At the top, there is a 'Change Preparer' button. Below it, a pink message box states: 'There is currently no PTIN entered in for this Preparer. All bank products requires a valid PTIN for transmitting bank products.' A note instructs the user to review the information and click the submit button. There are two buttons: 'Print Return' and 'Email Return'. The 'Electronic Signature' section has two rows: 'Taxpayer Signature' and 'Spouse Signature', each with a 'Sign' button. The 'ERO Information' section contains fields for 'EPIN' (001111) and 'Company Name' (Demo Tax Office 1). The 'Client Information' section shows the 'Client Name' as Charles Simpson.

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.	
<div>One Copy - Federal and State</div>	
Print Return	
Email Return	
Electronic Signature	
Taxpayer Signature	Sign
Spouse Signature	Sign
ERO Information	
EPIN	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 house hold, 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:

Federal refund:	\$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	
d Control number		9 Verification code		10 Dependent care benefits	
e Employee's first name and initial MARY E		Last name WILSON		Suff.	
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 Employer's state ID number GA 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 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
3	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
	b 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 and continue to line 24. ☐ 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 Dependant 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/ITIN/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	EDIT
State and Local Refunds Form 1099-G Box 2	DEEM
Interest and Dividends Form 1099-INT / 1099-DIV	EDIT
IRA/Pension Distributions Form 1099-R / RRB, SSA	DEEM
Unemployment Compensation Form 1099-G Box 1	DEEM
Form 1099-Misc	DEEM
Profit or Loss From A Business Schedule C	DEEM
Payment Card and Third Party Network Transactions Form 1099-K	DEEM
Reimbursements and Royalties Schedule E	DEEM
Capital Gain and Losses Schedule D	EDIT
Profit or Loss From Farming Schedule F	DEEM
Alimony Received	DEEM
Other Income	DEEM

BACK

CONTINUE

Interest and Dividend Income

Interest or Dividend Income

EDIT

Did you have interest in a foreign bank account?

BEGIN

Exclusion of interest from Series EE & I US Savings Bonds

BEGIN

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.

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	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
BACK	
CONTINUE	

Schedule D Capital Gains	
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
CONTINUE	

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

MM ▼

DD ▼

YYYY ▼

Date Sold

☐ * Alternate Option:

☐ Check here if a short sale.

MM ▼

DD ▼

YYYY ▼

Sales Price

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

\$

Select cost basis type *

- Please Select - ▼

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	BEGIN
Standard Deduction	BEGIN
Itemized Deductions	EDIT
Credits Menu	BEGIN
Compare Deductions	BEGIN

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)

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

4. Child Care Credit - Page 1, Step 1 - Child Care Providers; click on **Add a Child Care Provider**.

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	-	\$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](#).

3. 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
<hr/>		
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

4. 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	BEGIN
Medical and Dental Expenses	BEGIN
Taxes You Paid	BEGIN
Mortgage Interest and Expenses	BEGIN
Gifts to Charity	BEGIN
Unreimbursed Employee Business Expense	BEGIN
Job-Related Travel Expenses Form 2106	BEGIN
Miscellaneous Deductions	BEGIN
Less Common Deductions	BEGIN
CONTINUE	

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)

Enter the Form Number...

i Basic Information

⚖ Federal Section

- Income
 - W-2 Wage Statement
 - State & Local Refunds
 - Unemployment Compensation
- Deductions
- Other Taxes
- Payments & Estimates
- Miscellaneous Forms

⚖ 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

- 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

- 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:

Federal refund:	\$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 www.irs.gov/efile	
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 89 COWEN WAY CAVE SPRING GA 30124		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 GA	Employer's state ID number 124123456	16 State wages, tips, etc. 22465	17 State income tax 1426	18 Local wages, tips, etc.	19 Local income tax
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

4. 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	

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

Schedule E Rental/Royalty Expense

CANCEL

Advertising
\$

Travel
\$

Cleaning
\$1

Commission
\$

Insurance
\$

Legal Fees
\$

6. 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

5. 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**.

The screenshot shows a web interface titled "Deductions". It contains a list of options on the left and corresponding buttons on the right. The options are: Adjustments, Standard Deduction, Itemized Deductions, Credits Menu, and Compare Deductions. Each option has a "BEGIN" button next to it. At the bottom left is a "BACK" button, and at the bottom right is a "CONTINUE" button.

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!!