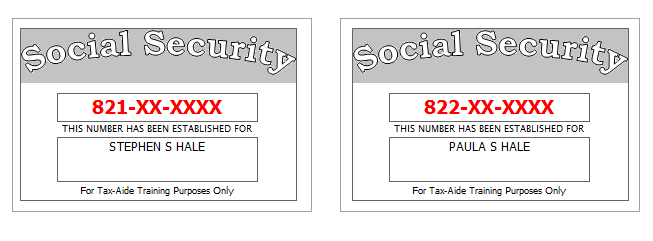
Step 0 Source: Intake 🡺 Result: Filing Status, Dependency





Stephen’s sister, Wanda Winters, lived with them all year. She is totally and permanently disabled and relies upon her brother for her support. She receives $250 per month in social security benefits. She is covered by Medicare.

Paula has less than 20/200 vision in both eyes. She provided a doctor’s statement.

**Reference:** 4012 Tab A, B, C

**Tool:** IRS Interactive Tax Assistant (link on Preparer page)

**Tool:** AARP Resource Tool for Counselors (Laminated Flow Chart)

**Tool:** TP4F Qualifying Child/Qualifying Relative Flowchart Tool (link on Preparer page)

**Tool:** Dependent Calculator (link on Preparer page)

Step 1a Source: Intake Part I, II, VII 🡺 TWO Screen: Main Info

**Reference**: 4012 K-6, K-7, K-22

Use the Filing Status and Dependency Status from Step 0

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Refund Monitor** | | | | |
| **AGI** | **Refund** | **NJ 39** | **NJ 56/66** | **Notes** |
|  |  |  |  | Hint: Don’t worry about RTN / DAN for direct deposit at this point. |

Step 1b Source: Intake Part I 🡺 TWO Screen: NJ 1040 Pg1

They lived in Dover (Morris County) for the first half of the year (through June 30) and in Pluckemin (Somerset County) for the second half of the year.

**Reference:** NJ Special Handling p5

**Tool:** NJ Municipality Code Lookup Tool (link on Preparer page)

**Tool:** NJ 1040 Instructions – Municipality Code Table

**Tool:** TWO State Help

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Refund Monitor** | | | | |
| **AGI** | **Refund** | **NJ 39** | **NJ 56/66** | **Notes** |
|  |  |  |  | Hint: Use NJ Municipality Code Lookup Tool  Hint: Are there any other questions on this page that should be answered? |

Step 1c Source: Intake Part VII 🡺 TWO Screen: NJ 1040 Pg 2

Stephen and Paula want their contribution to the Gubernatorial Election Campaign Fund to be handled the same as their contribution to the Presidential Election Campaign Fund.

Everyone on the return had MEC (Not from the Marketplace) all year.

**Reference:** NJ Special Handling p5

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Refund Monitor** | | | | |
| **AGI** | **Refund** | **NJ 39** | **NJ 56/66** | **Notes** |
|  |  |  |  | Hint: Gubernatorial Elections Fund – see Notes |

Step 1d Source: Intake Part VII 🡺 TWO Screen: Prep Use

If asked, neither Steve nor Paula is a Veteran from the US Armed Forces.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Refund Monitor** | | | | |
| **AGI** | **Refund** | **NJ 39** | **NJ 56/66** | **Notes** |
|  |  |  |  | BP: Do not fill in line 14 until after QR |

Step 2a Source: Prior Year Return 🡺 TWO Screen: 1040 Pg 1

Although they received a federal refund on last year’s return, they owed $203 to NJ

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Refund Monitor** | | | | |
| **AGI** | **Refund** | **NJ 39** | **NJ 56/66** | **Notes** |
| 0 | 0 | 0 | 0 | Hint: Answer the question above line 10 |

Step 2b Source: Prior Year Return 🡺 TWO Screen: F/S Tax Pd

Although they received a federal refund on last year’s return, they owed $203 to NJ (which they paid on time). The also owed $42 from their NJ return from three years ago, which they paid on 06-15-2014.

**Reference**: NJ Special Handling p11

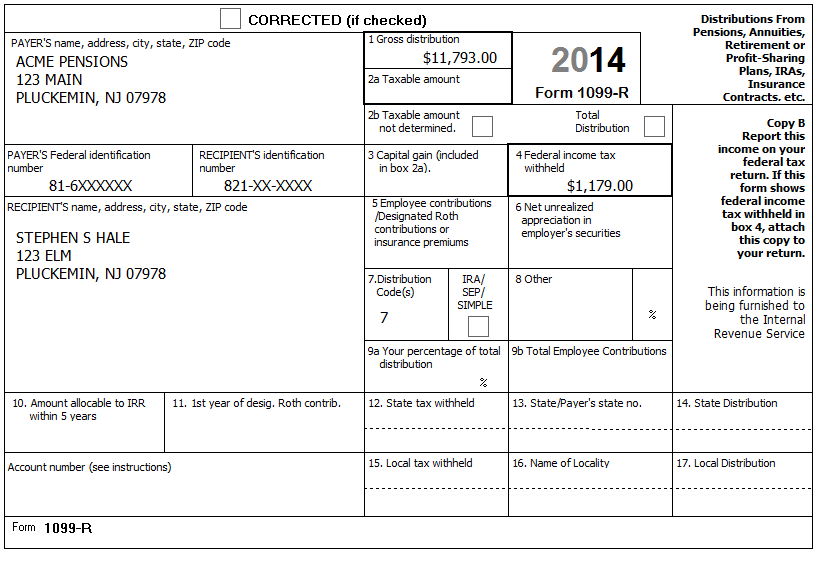
|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Refund Monitor** | | | | |
| **AGI** | **Refund** | **NJ 39** | **NJ 56/66** | **Notes** |
| 0 | 0 | 0 | 0 | BP: Use a Scratch Pad attached to “NJ state and/or local balance due…” to document multiple payments (and manually un-red box)  Check: Sch A, Line 5a = 245 |

Step 2c Source: Prior Year Return 🡺 TWO Screen: Sch D Pg 1

Their prior year return (not prepared at your site) shows a long-term capital loss carryover of $15,454. There is no short-term capital loss carryover.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Refund Monitor** | | | | |
| **AGI** | **Refund** | **NJ 39** | **NJ 56/66** | **Notes** |
| (3,000) | 0 | 0 | 0 | Hint: Might as well un-red Sch D, Line 6 while screen is open  Check: 1040 Pg 1, Line 13 = -3,000 |

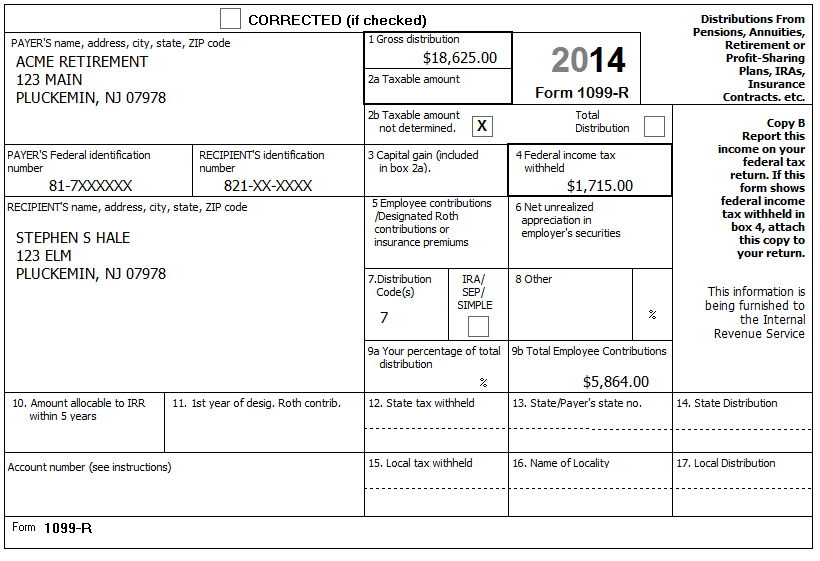
Step 3 Source: 1099-R 🡺 TWO Screen: 1099R



**Reference**: 4012 D-20, D-21, D-27 A. Example 1

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Refund Monitor** | | | | |
| **AGI** | **Refund** | **NJ 39** | **NJ 56/66** | **Notes** |
| 8,793 | 1,179 | 0 | 0 | Hint: Can make red box 2 un-red – box 1 amount will be used for taxable amount  Check: NJ 1040, line 19a = 11,793; Line 28 = 0 |

Step 4a Source: 1099-R 🡺 TWO Screen: 1099R



Stephen receives a pension from Acme Retirement for his years as a member of the International Brotherhood of Electrical Workers. He retired on January 1, 2011. Paula, who is a housewife, is covered by the plan. He recovered a total of $681 of his cost in previous years.

**Reference**: 4012 D-20, D-21, D-24, D-27 B. Example 2

**Reference**: NJ Special Handling p3

**Tool**: Annuity Calculator (link on Preparer page)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Refund Monitor** | | | | |
| **AGI** | **Refund** | **NJ 39** | **NJ 56/66** | **Notes** |
| 27,191 | 2,840 | 4,691 | 0 | Hint: Annuity Calculator tool helpful for filling Simplified Method section  Check: 1099R, Simplified Method Line 7 = 4,956  Check: NJ 1040, line 19a = 30,191; Line 28 = 10,191 |

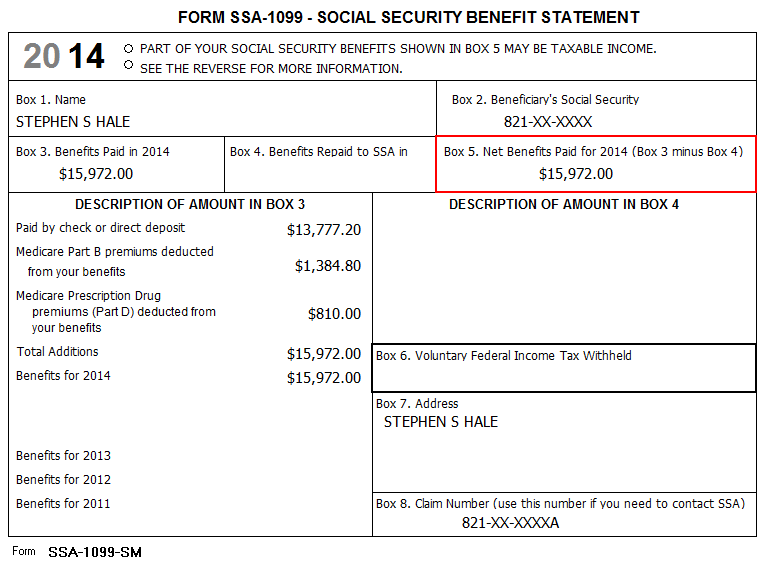
Step 4b Source: 1099R 🡺 TWO Screen: NJ 1040 Pg 2, Line 19b

\* Scratch Pad attached to NJ 1040 Pg 2, Line 19b

**Reference**: NJ Special Handling p5

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Refund Monitor** | | | | |
| **AGI** | **Refund** | **NJ 39** | **NJ 56/66** | **Notes** |
| 27,191 | 2,840 | 4,691 | 0 | Hint: Follow procedure in NJ Special Handling, p5 for NJ 1040 Pg 2, Line 19b (Excludable pensions)  Check: NJ 1040, line 19b = 227 |

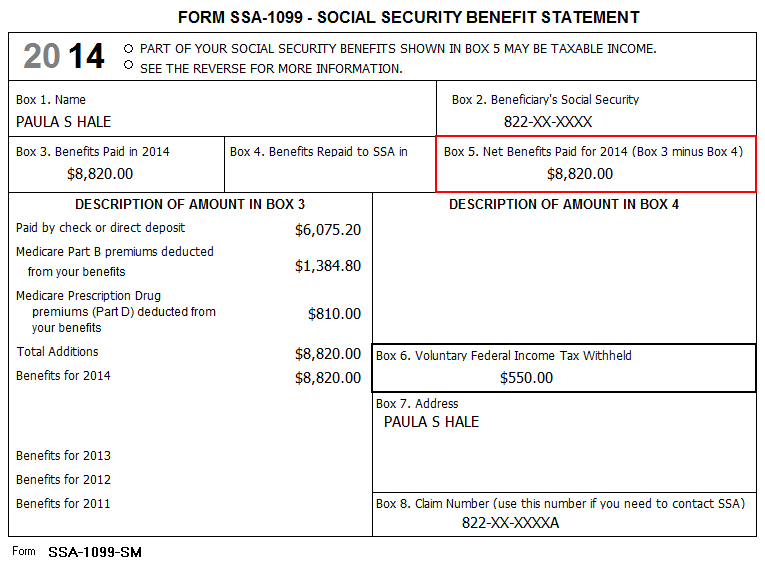
Step 5 Source: SSA-1099 🡺 TWO Screen: 1040 Wkt1



**Reference**: 4012 D-26

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Refund Monitor** | | | | |
| **AGI** | **Refund** | **NJ 39** | **NJ 56/66** | **Notes** |
| 28,780 | 2,680 | 2,700 | 0 | BP: Use Scratch Pad linked to “Medicare Parts B, C, and D to Schedule A” row, Taxpayer column to document breakdown of Medicare premiums if more than one of Part B, C, D  Check: A Detail, Medicare from 1040 worksheet box = 2,195  Q: Why is NJ line 39 going down? |

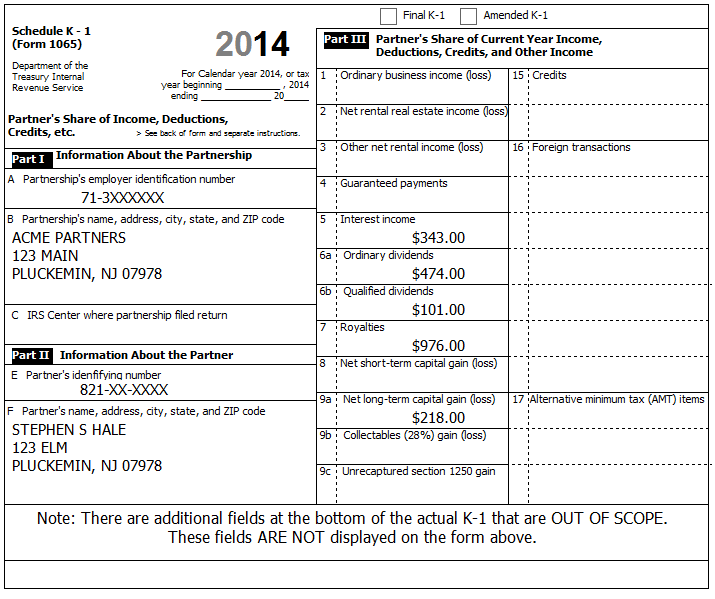
Step 6 Source: SSA-1099 🡺 TWO Screen: 1040 Wkt1



**Reference**: 4012 D-26

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Refund Monitor** | | | | |
| **AGI** | **Refund** | **NJ 39** | **NJ 56/66** | **Notes** |
| 30,985 | 3,011 | 505 | 0 | BP: Use Scratch Pad linked to “Medicare Parts B, C, and D to Schedule A” row, Spouse column to document breakdown of Medicare premiums if more than one of Part B, C, D  Check: A Detail, Medicare from 1040 worksheet box = 4.390 |

Step 7 Source: K-1 🡺 TWO Screen: See Sub-Steps



**Reference**: Special Topic Document – K-1 Income Entry

Step 7a Source: K-1 🡺 TWO Screen: Interest Stmt

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Refund Monitor** | | | | |
| **AGI** | **Refund** | **NJ 39** | **NJ 56/66** | **Notes** |
| 31,499 | 2,961 | 855 | 0 | Hint: Do NOT use K-1 form in TW !  Q: Why does AGI go up by 514 if interest amount was only 343?  Q: Why does NJ 39 go up by 350 if interest amount was only 343? |

Step 7b Source: K-1 🡺 TWO Screen: Dividend Stmt

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Refund Monitor** | | | | |
| **AGI** | **Refund** | **NJ 39** | **NJ 56/66** | **Notes** |
| 32,210 | 2,896 | 1,338 | 0 | Hint: Do NOT use K-1 form in TW ! |

Step 7c Source: K-1 🡺 TWO Screen: Sch E Pg 1

No payments were made that would require filing Form(s) 1099.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Refund Monitor** | | | | |
| **AGI** | **Refund** | **NJ 39** | **NJ 56/66** | **Notes** |
| 33,674 | 2,751 | 2,334 | 0 | Hint: Do NOT use K-1 form in TW !  Hint: Probably need to manually add Sch E to tree |

Step 7d Source: K-1 🡺 TWO Screen: Sch D Pg 1

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Refund Monitor** | | | | |
| **AGI** | **Refund** | **NJ 39** | **NJ 56/66** | **Notes** |
| 33,674 | 2,751 | 2,556 | 0 | Hint: Do NOT use K-1 form in TW !  BP: Use Scratch Pad attached to Sch D, Line 12 to document source of amount  Q: Federal AGI doesn’t change – why?  Q: Cap Gain amount is 218, but NJ 39 goes up by 222 – why? |

Step 8 Source: 1099-INT 🡺 TWO Screen: Interest Stmt

|  |  |  |  |
| --- | --- | --- | --- |
| Acme Financial | End of Year Tax Information Statement  Tax Year 2014 • Account 203040506 | Statement Date: 01-30-2015  Page 1 of 4 | 2014 |
| 123 Main  P.O. Box 07978-123  Pluckemin, NJ 07978  PAYER’S Federal ID No: **71-9XXXXXX** | Stephen S. Hale  123 Elm  Pluckemin, NJ 07978  RECIPIENT’S ID No: **821-XX-XXXX** | Your Broker:  SERGE BRONSKI  888-555-5555  sbronski@rjones.com | |

|  |  |  |
| --- | --- | --- |
| **Interest Income – 1099-INT – Reported to IRS** | | |
| 1 | Interest Income (not included in line 3) | 124.73 |
| 2 | Early withdrawal penalty | 0.00 |
| 3 | Interest on US Savings Bonds & Treasury obligations | 506.00 |
| 4 | Federal Income tax withheld | 50.60 |
| 5 | Investment expenses | 0.00 |
| 6 | Foreign tax paid | 0.00 |
| 7 | Foreign country or US possession |  |
| 8 | Tax-exempt interest (includes line 9) | 337.86 |
| 9 | Specified private activity bond interest (AMT) | 0.00 |
| 10 | Tax-exempt bond CUSIP numbers (see instructions) |  |
| 11 | State |  |
| 12 | State ID numbers |  |
| 13 | State tax withheld | 0.00 |
|  | FATCA filing requirement | NO |

**Interest Detail (only summary 1099-INT reported to IRS)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | **1** Interest Income | **2** Early withdrawal penalty | **3** Interest on US Savings Bonds | **4** Federal withholding | **8** Tax-exempt interest |
| **Safe Stuff** | | |  |  |  |
| 12-30-2014 | 124.73 | 0.00 | 506.00 | 50.60 | 0.00 |
|  |  |  |  |  |  |
| **New Jersey Muni Bond** | | |  |  |  |
| 03-15-2014 | 0.00 | 0.00 | 0.00 | 0.00 | 37.16 |
| 06-15-2014 | 0.00 | 0.00 | 0.00 | 0.00 | 37.16 |
| 09-15-2014 | 0.00 | 0.00 | 0.00 | 0.00 | 37.16 |
| 12-15-2014 | 0.00 | 0.00 | 0.00 | 0.00 | 37.16 |
| Total | 0.00 | 0.00 | 0.00 | 0.00 | 148.64 |
|  |  |  |  |  |  |
| **New York Muni Bond** | | |  |  |  |
| 12-30-2014 | 0.00 | 0.00 | 0.00 | 0.00 | 189.22 |
| **Totals:** | **124.73** | **0.00** | **506.00** | **50.60** | **337.86** |

The Savings Bond interest was not used for any tax-exempt purpose.

**Reference**: 4012 D-9

**Reference**: NJ Special Handling p1, p2

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Refund Monitor** | | | | |
| **AGI** | **Refund** | **NJ 39** | **NJ 56/66** | **Notes** |
| 34,790 | 2,692 | 2,876 | 0 | Hint: Easier if use separate line for each type of interest  Check: Fed 1040, line 8a=974, 8b=338  Check: NJ 1040, line 15a=657, 15b=655 |

Step 9 Source: 1099-DIV 🡺 TWO Screen: Various

|  |  |  |  |
| --- | --- | --- | --- |
| Acme Financial | End of Year Tax Information Statement  Tax Year 2014 • Account 203040506 | Statement Date: 01-30-2015  Page 2 of 4 | 2014 |
| 123 Main  P.O. Box 07978-123  Pluckemin, NJ 07978  PAYER’S Federal ID No: **71-9XXXXXX** | Stephen S. Hale  123 Elm  Pluckemin, NJ 07978  RECIPIENT’S ID No: **821-XX-XXXX** | Your Broker:  SERGE BRONSKI  888-555-5555  sbronski@rjones.com | |

|  |  |  |
| --- | --- | --- |
| **Dividends and Distributions – 1099-DIV – Reported to IRS** | | |
| 1a | Total ordinary dividends (includes line 1b) | 231.86 |
| 1b | Qualified dividends | 125.25 |
| 2a | Total capital gain distributions (includes lines 2b, 2c, 2d) | 68.75 |
| 2b | Unrecaptured Section 1250 gain | 0.00 |
| 2c | Section 1202 gain | 0.00 |
| 2d | Collectibles (28%) gain | 0.00 |
| 3 | Nondividend distributions | 32.44 |
| 4 | Federal Income tax withheld | 0.00 |
| 5 | Investment expenses | 0.00 |
| 6 | Foreign tax paid | 43.75 |
| 7 | Foreign country or US passion |  |
| 8 | Cash liquidation distributions | 0.00 |
| 9 | Noncash liquidation distributions | 0.00 |
| 10 | Exempt-interest dividends (includes line 11) | 400.00 |
| 11 | Specified private activity bond interest dividends (AMT) | 22.00 |
| 12 | State |  |
| 13 | State ID number |  |
| 14 | State tax withheld | 0.00 |
|  | FATCA filing requirement | NO |

**Dividend Detail (only summary 1099-DIV reported to IRS)**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Date | **1a** Ordinary dividends | **1b** Qualified dividends | **2a** Capital gains | **3** Nondiv. Dists. | **4** Federal w/h | **6** Foreign tax paid | **10** Exempt Interest | **11** Sp. PAB |
| **Boring Mutual Fund (BMF)** | | |  |  |  |  |  |  |
| 12-30-2014 | 231.86 | 125.25 | 68.75 | 32.44 | 0.00 | 43.75 | 0.00 | 0.00 |
|  |  |  |  |  |  |  |  |  |
| **Select US Tax-Exempt Fund (SUSTE)** | | |  |  |  |  |  |  |
| 12-30-2014 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 200.00 | 0.00 |
|  |  |  |  |  |  |  |  |  |
| **Select NJ Qualified Fund (SNJQTE)** | | |  |  |  |  |  |  |
| 12-30-2014 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 200.00 | 22.00 |
| **Totals:** | **231.86** | **125.25** | **68.75** | **32.44** | **0.00** | **43.75** | **400.00** | **22.00** |

**Exempt-Interest Dividends by Area**

|  |  |  |
| --- | --- | --- |
| **Area** | **SUSTE** | **SNJQTE** |
| Alabama | 1.3% | - |
| Alaska … Nevada | 28.2% | - |
| New Hampshire | 0.5% | - |
| New Jersey | 10.0% | 70.0% |
| New Mexico | 0.7% | - |
| New York … Wisconsin | 29.1% | 7.0% |
| Wyoming | 0.2% | - |
| District of Columbia obligations | 0.2% | 1.0% |
| Puerto Rico obligations | 9.7% | 2.0% |
| US Possessions obligations | 20.1% | 20.0% |

Step 9a Source: 1099-DIV 🡺 TWO Screen: Dividend Stmt

**Reference**: 4012 D-11

**Reference**: NJ Special Handling p2

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Refund Monitor** | | | | |
| **AGI** | **Refund** | **NJ 39** | **NJ 56/66** | **Notes** |
| 35,338 | 2,647 | 3,340 | 0 | Check: Fed 1040, line 8a=974; 8b=738; 9a=706  Check: NJ 1040, line 15a=657; 15b=901; 16=860 |

Step 9b Source: 1099-DIV 🡺 TWO Screen: 1116 Pg 1

**Reference**: 4012 G-2

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Refund Monitor** | | | | |
| **AGI** | **Refund** | **NJ 39** | **NJ 56/66** | **Notes** |
| 35,338 | 2,691 | 3,340 | 0 | Hint: May need to manually add 1116 Pg 1  Hint: Do NOT worry about red stuff on form 1116 below “Simplified Limitation Election” |

Step 10 Source: 1099-B 🡺 TWO Screen: Cap Gn Wkt

|  |  |  |  |
| --- | --- | --- | --- |
| Acme Financial | End of Year Tax Information Statement  Tax Year 2014 • Account 203040506 | Statement Date: 01-30-2015  Page 3 of 4 | 2014 |
| 123 Main  P.O. Box 07978-123  Pluckemin, NJ 07978  PAYER’S Federal ID No: **71-9XXXXXX** | Stephen S. Hale  123 Elm  Pluckemin, NJ 07978  RECIPIENT’S ID No: **821-XX-XXXX** | Your Broker:  SERGE BRONSKI  888-555-5555  sbronski@rjones.com | |

**FORM 1099-B 2015 Proceeds from Broker and Barter Exchange Transactions**

**Long-term** transactions for which **basis is not reported** to the IRS - Report on form 8949 with **Box E** checked

**1a** Description, **2** Long-term, **3** Basis not reported to IRS, **6** Net Proceeds

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Quantity | **1b** Date Acquired | **1c** Date Sold | **1d** Proceeds | **1e** Cost or other Basis | **1f** Code | **1g** Adj | Gain / Loss(-) | **4** Federal Tax Withheld |
| **Acme Corp (ZACO)** | | |  |  |  |  |  |  |
| 50.000 | 09-01-1992 | 05-10-2014 | 3,462.00 | 3.181.00 |  |  | 281.00 | 0.00 |
| 100.000 | 09-01-1992 | 10-20-2014 | 7,226.00 | 6,362.00 |  |  | 864.00 | 0.00 |
| 150.000 |  |  | 10,688.00 | 9,543.00 |  | 0.00 | 1.145.00 | 0.00 |
|  |  |  |  |  |  |  |  |  |
| **Acme Inc (ZAI)** | | |  |  |  |  |  |  |
| 65.000 | \*\* | 10-20-2014 | 5.663.00 | \*\* |  |  | \*\* | 0.00 |
| **Totals** |  |  | **16,351.00** |  |  |  |  | **0.00** |
| \*\* Information not available | | |  |  |  |  |  |  |

Acme Financial does not have a record for the purchase of ZAI stock. Stephen inherited the 65 shares from his uncle who paid $6,500 for the shares on 10/15/2005. The stock was worth $7,222 on 11/29/2008, the day his uncle died.

**Reference**: 4012 D-16 to D-18

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Refund Monitor** | | | | |
| **AGI** | **Refund** | **NJ 39** | **NJ 56/66** | **Notes** |
| 35,338 | 2,691 | 3,048 | 0 | Check: Sch D Pg 1, Long-term totals = -414; Line 15 = -15,581  Check: NJ 1040 Pg 2, Line 18 = 0 |

Step 11 Source: 1099-B 🡺 TWO Screen: Cap Gn Wkt

|  |  |  |  |
| --- | --- | --- | --- |
| Acme Financial | End of Year Tax Information Statement  Tax Year 2014 • Account 203040506 | Statement Date: 01-30-2015  Page 4 of 4 | 2014 |
| 123 Main  P.O. Box 07978-123  Pluckemin, NJ 07978  PAYER’S Federal ID No: **71-9XXXXXX** | Stephen S. Hale  123 Elm  Pluckemin, NJ 07978  RECIPIENT’S ID No: **821-XX-XXXX** | Your Broker:  SERGE BRONSKI  888-555-5555  sbronski@rjones.com | |

**FORM 1099-B 2015 Proceeds from Broker and Barter Exchange Transactions**

**Long-term** transactions for which **basis is reported** to the IRS - Report on form 8949 with **Box D** checked

**1a** Description, **2** Long-term, **3** Basis reported to IRS, **6** Net Proceeds

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Quantity | **1b** Date Acquired | **1c** Date Sold | **1d** Proceeds | **1e** Cost or other Basis | **1f** Code | **1g** Adj | Gain / Loss(-) | **4** Federal Tax Withheld |
| **Acme Corp (ZACO)** | | |  |  |  |  |  |  |
| 10.000 | 07-02-1999 | 01-15-2014 | 350.00 | 340.00 |  |  | 10.00 | 0.00 |
| 10.000 | 07-02-1999 | 02-15-2014 | 340.00 | 340.00 |  |  | 0.00 | 0.00 |
| 10.000 | 07-02-2000 | 03-15-2014 | 350.00 | 320.00 |  |  | 30.00 | 0.00 |
| 10.000 | 07-02-2000 | 04-15-2014 | 340.00 | 320.00 |  |  | 20.00 | 0.00 |
| 10.000 | 07-02-2000 | 05-15-2014 | 350.00 | 320.00 |  |  | 30.00 | 0.00 |
| 10.000 | 07-02-2000 | 06-15-2014 | 340.00 | 320.00 |  |  | 20.00 | 0.00 |
| 10.000 | 07-02-2000 | 07-15-2014 | 350.00 | 320.00 |  |  | 30.00 | 0.00 |
| 10.000 | 07-02-2000 | 08-15-2014 | 340.00 | 320.00 |  |  | 20.00 | 0.00 |
| 10.000 | 07-02-2000 | 09-15-2014 | 350.00 | 320.00 |  |  | 30.00 | 0.00 |
| 10.000 | 07-02-2000 | 10-15-2014 | 340.00 | 320.00 |  |  | 20.00 | 0.00 |
| 10.000 | 07-02-2000 | 11-15-2014 | 350.00 | 320.00 |  |  | 30.00 | 0.00 |
| 10.000 | 07-02-2000 | 12-15-2014 | 340.00 | 320.00 |  |  | 20.00 | 0.00 |
| 120.000 |  |  | 4,140.00 | 3,880.00 |  | 0.00 | 260.00 | 0.00 |
|  |  |  |  |  |  |  |  |  |
| **Acme Inc (ZAI)** | | |  |  |  |  |  |  |
| 30.000 | 07-02-2004 | 03-15-2014 | 330.00 | 300.00 |  |  | 30.00 | 0.00 |
| 30.000 | 07-02-2004 | 06-15-2014 | 330.00 | 300.00 |  |  | 30.00 | 0.00 |
| 30.000 | 07-02-2005 | 09-15-2014 | 330.00 | 340.00 | W | 20.88 | -10.00 | 0.00 |
| 30.000 | 07-02-2005 | 12-15-2014 | 330.00 | 340.00 |  |  | -10.00 | 0.00 |
| 120.000 |  |  | 1.320.00 | 1,280.00 |  | 20.88 | 40.00 | 0.00 |
|  |  |  |  |  |  |  |  |  |
| **Acme Ltd (ZALTD)** | | |  |  |  |  |  |  |
| 30.000 | 07-02-2004 | 03-15-2014 | 3,210.00 | 700.00 |  |  | 2,510.00 | 0.00 |
| 30.000 | 07-02-2004 | 06-15-2014 | 3,220.00 | 700.00 |  |  | 2,520.00 | 0.00 |
| 30.000 | 07-02-2005 | 09-15-2014 | 3,230.00 | 720.00 |  |  | 2,510.00 | 0.00 |
| 30.000 | 07-02-2005 | 12-15-2014 | 3,240.00 | 720.00 |  |  | 2,520.00 | 0.00 |
| 120.000 |  |  | 12,900.00 | 2,840.00 |  | 0.00 | 10,060.00 | 0.00 |
| **Totals** |  |  | **18,360.00** | **8,000.00** |  | **20.88** | **10,360.00** | **0.00** |

After checking with your LC / ERO, it is ok for you to consolidate these transactions.

**Reference**: Special Topic: Consolidating Capital Gains (ST14-12)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Refund Monitor** | | | | |
| **AGI** | **Refund** | **NJ 39** | **NJ 56/66** | **Notes** |
| 35,338 | 2,691 | 13,507 | (189) | Check: Sch D Pg 1, Long-term totals = 9,967; Line 15 = -5,200  Check: Sch D Wkt 2, Line 13 = 2,200  Check: NJ 1040 Pg 2, Line 18 = 10,254 |

Step 12 Source: Notes 🡺 TWO Screen: 1040 ACA Wkt

Everyone on the return had MEC (Not from the Marketplace) all year.

**Reference**: 4012 ACA Tab

**Reference**: ACA TaxWise Procedures (TY2014 version)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Refund Monitor** | | | | |
| **AGI** | **Refund** | **NJ 39** | **NJ 56/66** | **Notes** |
| 35,338 | 2,691 | 13,507 | (189) | Hint: Everyone marked as Full |

Step 13 Source: Notes 🡺 TWO Screen: Diagnostics

Should be done with Federal return – Run Diagnostics – Resolve any issues.

Step 14 Source: Notes 🡺 TWO Screen: F/S Tax Pd

They made the following NJ estimated payments:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Tax Year | TY2013 | TY2014 | TY2014 | TY2014 | TY2014 |
| Date | 01-03-2014 | 04-14-2014 | 06-15-2014 | 09-11-2014 | 12-28-2014 |
| Amount | $50.00 | $60.00 | $60.00 | $60.00 | $70.00 |

**Reference**: 4012 H-3

**Reference**: NJ Special Handling p11

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Refund Monitor** | | | | |
| **AGI** | **Refund** | **NJ 39** | **NJ 56/66** | **Notes** |
| 35,338 | 2,691 | 13,507 | 61 | Check: Sch A, line 5a = 545  Check: NJ 1040 Pg 3, Line 50 = 250 |

Step 15 Source: Notes 🡺 TWO Screen: NJ 1040 Pg 3, Line 45

Stephen and Paula discovered last year that they could buy things online and not pay NJ sales taxes so they did some Christmas shopping and purchased various other items online. When the NJ Use Tax rules were explained to them, they decided they better follow the NJ guidelines for reporting Use Tax on their NJ return because they had no easy way to calculate an exact total of purchases. None of the items cost more than $1,000.

**Reference**: NJ 1040 Instructions or link to Use Tax table on Preparer page

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Refund Monitor** | | | | |
| **AGI** | **Refund** | **NJ 39** | **NJ 56/66** | **Notes** |
| 35,338 | 2,691 | 13,507 | 17 | Hint: Use NJ 1040, Line 28 amount to look up estimated amount in chart  BP: Use Scratch Pad linked to Line 45 to document how Use Tax amount was calculated  Hint: Will still need to un-red line 45 |

Step 16 Source: Notes 🡺 TWO Screen: NJ 1040 Pg 3, Worksheet F

They lived in Dover (Morris County) for the first half of the year (through June 30) and in Pluckemin (Somerset County) for the second half of the year. They paid $1,000 per month in rent for the Dover apartment and $1,100 per month rent for the new Pluckemin apartment. They paid rent on both apartments in June and July.

**Reference**: NJ Special Handling p12

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Refund Monitor** | | | | |
| **AGI** | **Refund** | **NJ 39** | **NJ 56/66** | **Notes** |
| 35,338 | 2,691 | 13,507 | 67 | BP: Use Scratch Pad attached to Wkt F, Rent box to document total rent calculation |

Step 17 Source: Notes 🡺 TWO Screen: Diagnostics

Should be done with NJ return – Run Diagnostics – Resolve any issues.

Step 18 Source: Intake 🡺 TWO Screen: 1040 Pg 2

Refund via check for federal refund – nothing to do.

Step 19 Source: Notes 🡺 TWO Screen: NJ DD Wkt

They would like any NJ refund or amount due handled the same way as on their federal return.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Refund Monitor** | | | | |
| **AGI** | **Refund** | **NJ 39** | **NJ 56/66** | **Notes** |
| 35,338 | 2,691 | 13,507 | 67 | Hint: Select appropriate option |

Step 20 Source: Notes 🡺 TWO Screen: NJ ES Wkt

They ask you to prepare TY2015 NJ estimated payment vouchers for $50 each quarter.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Refund Monitor** | | | | |
| **AGI** | **Refund** | **NJ 39** | **NJ 56/66** | **Notes** |
| 35,338 | 2,691 | 13,507 | 67 | Hint: Probably need to manually add NJ ES Wkt to tree  Hint: Only need to enter one number in one box to get all four vouchers for $50 per quarter |

Step 21 Source: Notes 🡺 TWO Screen: Diagnostics

Run Diagnostics (and Create e-File) – Resolve any issues

For a client return, the next step would be Quality Review…