



EX-03 Caldwell Scenario

Driver's License (Tax Training Only)		Driver's License (Tax Training Only)	
License No. 20201112101835		License No. 20201112101648	
Name and Address RAY M CALDWELL 6744 NORTH ELM SUMMIT, NJ 07901		Name and Address MALLORY S CALDWELL 6744 NORTH ELM SUMMIT, NJ 07901	
Birth Date 03/15/1988		Birth Date 06/24/1990	
Issue Date 02/24/2020	Expiration Date 02/24/2025	Issue Date 06/04/2020	Expiration Date 06/04/2025

Social Security

013-00-XXXX

THIS NUMBER HAS BEEN ESTABLISHED FOR

RAY M CALDWELL

For Tax Training Purposes Only

Social Security

113-00-XXXX

THIS NUMBER HAS BEEN ESTABLISHED FOR

MALLORY S HUGHES

For Tax Training Purposes Only

Social Security

213-00-XXXX

THIS NUMBER HAS BEEN ESTABLISHED FOR

JASON CALDWELL

For Tax Training Purposes Only

Social Security

313-00-XXXX

THIS NUMBER HAS BEEN ESTABLISHED FOR

NANCY HUGHES

For Tax Training Purposes Only

Step 0

Complete Basic Information section of TaxSlayer using information from the Intake/Interview & Quality Review Sheet

Note: Be sure the last 4 digits of the SSN are different than the one used last year and advise new recruits that there may be other returns in TY 2019 with the same name

New Jersey Return

Answer "NO" to the "Do you meet Property Tax Credit or Deduction Eligibility Requirements?"

Answer "YES" to the health insurance question


Stop the NJ return at this point by selecting "Continue". We will come back to NJ later.

"Continue"

Make sure that the information for all those who need to be listed on the return, including dependents, have been entered.

EX-03 Caldwell Scenario

Step 1: W-2 Carson County School District

a. Employee's social security number 013-00-XXXX		Save. accurate, FAST! Use				Visit the IRS website at www.irs.gov/efile	
OMB No. 1545-0008							
b. Employer identification number (EIN) 45-9000252		1. Wages, tips, other compensation \$39,419.53		2. Federal income tax withheld \$3,950.00			
c. Employer's name, address, and ZIP code CARSON COUNTY SCHOOL DISTRICT 34 WEST PINE CIRCLE SUMMIT, NJ 07901		3. Social security wages \$43,619.53		4. Social security tax withheld \$2,704.41			
		5. Medicare wages and tips \$43,619.53		6. Medicare tax withheld \$632.48			
		7. Social security tips		8. Allocated tips			
d. Control number		9.		10. Dependant care benefits			
e. Employee's first name and initial Last name Suff. Employee's address and ZIP code RAY M. CALDWELL 6744 NORTH ELM SUMMIT, NJ 07901		11. Nonqualified plans		12a. See instructions for box 12 E \$2,000.00			
		13. Statutory Retirement Third-party Employee Plan sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b. DD \$8,956.00			
		14. Other NJSUI 146.20		12c. C \$98.00			
		NJSDI 58.48		12d.			
		NJFLI 27.52					
414(H) 2,200.00							
15. State NJ	Employer's state ID number 459000252	16. State wages, tips, etc. \$45,419.53	17. State income tax 2,081.00	18. Local wages, tips, etc.	19. Local income tax	20. Locality name	
<p>Form W-2 Wage and Tax Statement 2019</p> <p>Copy B - To Be Filed With Employee's FEDERAL Tax Return.</p> <p>This information is being furnished to the Internal Revenue Service.</p>							


Federal AGI: 39,420

Federal Refund: 5,039

NJ Refund: 1,909

EX-03 Caldwell Scenario

Step 2: W-2 Second Street Bar

		a. Employee's social security number 013-00-XXXX		Save. accurate, FAST! Use				Visit the IRS website at www.irs.gov/efile	
b. Employer identification number (EIN) 61-3000252		1. Wages, tips, other compensation \$10,000.00		2. Federal income tax withheld \$300.00					
c. Employer's name, address, and ZIP code SECOND STREET BAR 123 PARK BLVD SUMMIT, NJ 07901		3. Social security wages \$9,000.00		4. Social security tax withheld \$620.00					
		5. Medicare wages and tips \$10,000.00		6. Medicare tax withheld \$145.00					
		7. Social security tips \$1,000.00		8. Allocated tips					
d. Control number		9.		10. Dependant care benefits					
e. Employee's first name and initial Employee's address and ZIP code RAY M. CALDWELL 6744 NORTH ELM SUMMIT, NJ 07901		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 NJSUI 42.50		12c.					
		NJSDI 17.00		12d.					
NJFLI 8.00									
15. State NJ	Employer's state ID number 613000252/000	16. State wages, tips, etc. \$10,000.00	17. State income tax 75.00	18. Local wages, tips, etc.	19. Local income tax	20. Locality name			
<p>Form W-2 Wage and Tax Statement 2019</p> <p>Copy B - To Be Filed With Employee's FEDERAL Tax Return.</p> <p>This information is being furnished to the Internal Revenue Service.</p>									

Federal AGI: 49,420	Federal Refund: 2,835	NJ Refund: 1,409
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Step 3: Interest – ACME Financial Corporation

<input type="checkbox"/> CORRECTED (if checked)						
PAYER'S name Street address City or town, state or province, country, ZIP or foreign postal code Telephone no. ACME FINANCIAL CORPORATION 412 WALL ST NEW YORK, NY 10003		Payer's RTN (optional) 1 Interest income 2 Early withdrawal penalty		OMB No. 1545-0112 <h1 style="margin: 0;">2019</h1> Form 1099-INT		Interest Income
PAYER'S TIN 89-6000752		RECIPIENT'S TIN 013-00-XXXX		3 Interest on US Savings Bonds and Treas. obligations 4 Federal income tax withheld 5 Investment expenses 6 Foreign Tax Paid 7 Foreign Country or US possession 8 Tax exempt interest \$2,000.00 9 Specified private activity bond interest 10 Market Discount 11 Bond Premium 12 Bond premium on Treasury obligations 13 Bond Premium on tax-exempt bond		Copy B For Recipient
RECIPIENT'S name Street address (including apt.no.) City or town, state or province, country, ZIP or foreign postal code RAY M CALDWELL 6744 NORTH ELM SUMMIT, NJ 07901		FATCA filing requirement <input type="checkbox"/>		14 Tax-exempt and tax credit bond CUSIP no. 15 State 16 State Identification no. 17 State tax withheld		This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported
Account number (see instructions)		14 Tax-exempt and tax credit bond CUSIP no.		15 State ----- 16 State Identification no. ----- 17 State tax withheld -----		
Form 1099-INT						

The supplemental information provided states that the tax-exempt interest came from the following sources:

New Jersey Turnpike Bond	\$200
California Freeway Bonds	\$800
Arizona Build The Wall Bonds	\$1,000

Federal AGI: 49,420

Federal Refund: 2,835

NJ Refund: 1,364

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Step 4: Dividends- Ace Financial Corp

<input type="checkbox"/> CORRECTED (if checked)			
PAYER'S name Street address City or town, state or province, country, ZIP or foreign postal code Telephone no. ACE FINANCIAL CORP 714 S MAIN ST CHERRYVILLE, NC 28201		1 Total Ordinary Dividends \$256.50	OMB No. 1545--0110 <div style="font-size: 2em; font-weight: bold;">2019</div> Form 1099-DIV
		1b Qualified Dividends \$197.49	
		2a Total capital gain distr. \$86.00	2b Unrecap. Sec. 1250 gain
PAYER'S TIN 72-6000456	RECIPIENT'S TIN 013-00-XXXX	2c Section 1202 gain	2d Collectables (28%) gain
RECIPIENT'S name Street address (including apt.no.) City or town, state or province, country, ZIP or foreign postal code RAY M. CALDWELL 6744 NORTH ELM SUMMIT, NJ 07901		3 Nondividend distributions \$52.00	4 Federal income tax withheld
		5 Section 199A dividends	6 Investment expenses
		7 Foreign Tax Paid \$19.15	8 Foreign Country or US possession
FATCA filing requirement <input type="checkbox"/>	9 Cash liquidation distributions	10 Noncash liquidation distribution	
	11 Exempt-Interest dividends \$200.16	12 Specified private activity bond interest dividends \$74.10	
Account number (see instructions)		13 State	14 State Identification no.
		15 State tax withheld	
Form 1099-DIV			

Dividends and Distributions

Copy B For Recipient

This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

The exempt interest dividends on line 11 of the 1099-DIV is:

- \$50.16 from Dreyfuss NJ Tax-Exempt Fund
- \$150 from Fidelity Municipal Tax-Exempt Fund
- The following table was provided by Ray which he obtained from ACE Financial Corp.

	Dreyfus New Jersey Tax-Exempt Fund	Fidelity Municipal Tax-Exempt Fund
Puerto Rico Recovery Bonds	5%	9%
Federal Treasury Bonds	4%	1%
New York Thruway Bonds	8%	40%
New Jersey Turnpike Bonds	81%	45%
Misc	2%	5%

Federal AGI: 49,763

Federal Refund: 2,848

NJ Refund: 1,352

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Step 5: IRA Distribution- Liberty Trust Corp

<input type="checkbox"/> CORRECTED (if checked)						Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.		
PAYER'S name Street address City or town, state or province, country, ZIP or foreign postal code Telephone no. LIBERTY TRUST CORP PO BOX 1697 FAIRVIEW, KY 42221			1 Gross distribution align="right">\$3,500.00		<div style="font-size: 2em; font-weight: bold;">2019</div> Form 1099-R			
			2a Taxable amount align="right">\$3,500.00			2b Taxable amount not determined. <input checked="" type="checkbox"/>		Total Distribution <input type="checkbox"/>
PAYER'S TIN align="center">63-2000752			RECIPIENT'S TIN align="center">013-00-XXXX		3 Capital gain (included in box 2a).		4 Federal income tax withheld	
					5 Employee contributions/ Designated Roth contributions or		6 Net unrealized appreciation in employer's securities	
RECIPIENT'S name Street address (including apt.no.) City or town, state or province, country, ZIP or foreign postal RAY M CALDWELL 6744 NORTH ELM SUMMIT, NJ 07901			7 Distribution Code(s) align="center">1		IRA/ SEP/ SIMPLE <input checked="" type="checkbox"/>		8 Other align="center">%	
			9a Your percentage of total distribution align="center">%			9b Total Employee Contributions		
10 Amount allocable to IRR within 5 years		11 1st year of desig. Roth contrib.	FATCA filing requirement <input type="checkbox"/>	12 State tax withheld		13 State/Payer's state no.		14 State distribution
Account number (see instructions)			Date of payment	15 Local tax withheld		16 Name of locality		17 Local distribution
Form 1099-R								

Copy B Report this income on your federal tax return. If this form shows federal income tax withheld in box 4, attach this copy to your return.

This information is being furnished to the IRS

Federal AGI: 53,263	Federal Refund: 1,878	NJ Refund: 1,266
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Step 5A Form 5329 Penalty Exception

Federal AGI: 53,263	Federal Refund: 2,228	NJ Refund: 1,266
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Step 6: Jury Duty Pay

Federal AGI: 53,563	Federal Refund: 2,192	NJ Refund: 1,259
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Step 7: Self-Employment Income

<input type="checkbox"/> CORRECTED (if checked)				
PAYER'S name Street address City or town, state or province, country, ZIP or foreign postal code Telephone no. ABC DAYCARE INC PO BOX 1099 SAN DIEGO, CA 91909		1 Rents	OMB No. 1545-0115 2019 Form 1099-MISC	Miscellaneous Income Copy B For Recipient
		2 Royalties		
		3 Other Income	4 Federal income tax withheld	
PAYER'S TIN 74-9001234	RECIPIENT'S TIN 113-00-XXXX	5 Fishing boat proceeds	6 Medical and health care payments	This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
RECIPIENT'S name Street address (including apt.no.) City or town, state or province, country, ZIP or foreign postal code MALLORY S CALDWELL 6744 NORTH ELM SUMMIT, NJ 07901		7 Nonemployee Compensation 2400	8 Substitute payments in lieu of dividends or interest	
		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale > <input type="checkbox"/>	10 Crop Insurance proceeds	
		11	12	
Account number (see instructions)	FATCA filing requirement <input type="checkbox"/>	13 Excess golden parachute payments	14 Gross proceeds paid to an attorney	
15a Section 409A deferrals	15b Section 409A income	16 State tax withheld	17 State/Payer's state no.	18 State income
Form 1099-MISC				

Mallory Caldwell –Summary of income and expenses:

Income:	ABC Daycare (1099-MISC):	\$2,400.00
	Children's parties (paid in cash):	\$5,500.00
Expenses:	License/Fees:	\$190.00
	Liability Insurance:	\$315.00
	Costumes:	\$1,389.97
	Candy/prizes:	\$278.46
	Books:	\$261.17
	Advertising:	\$200.00
Car: 2010 Toyota; Placed in service: 3/23/2015; Available for personal use: yes; Second card available: yes Mileage: Business: 340, Commuting: 1,367, Other: 10,562 (written mileage log available)		

Step 7a ABC Day Care – 1099-MISC- After Link to Sch C

Federal AGI: 55,793	Federal Refund: 1,637	NJ Refund: 1,200
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Step 7b Schedule C Cash Payment Income

Federal AGI: 60,904

Federal Refund: 367

NJ Refund: 1,066

Step 7c Schedule C – Business Expenses

Federal AGI: 58,457

Federal Refund: 980

NJ Refund: 1,131

Step 7d Schedule C – Car Expenses

Federal AGI: 58,274

Federal Refund: 1,026

NJ Refund: 1,135

Step 8: Educator Expense Adjustment

Federal AGI: 58,024

Federal Refund: 1,056

NJ Refund: 1,135

Step 9: Jury Duty Repayment Adjustment

Federal AGI: 57,874

Federal Refund: 1,074

NJ Refund: 1,135

Step 10: Schedule A- Itemized Deductions - Medical

Federal AGI: 57,874

Federal Refund: 1,074

NJ Refund: 1,144

Step 11: Credit for Other Dependents

Federal AGI: 57,874

Federal Refund: 1,074

NJ Refund: 1,144

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Step 12: Form 1098-T: Dependent's Education Expenses

<input type="checkbox"/> CORRECTED (if checked)				
FILER'S name Street address City or town, state or province, country, ZIP or Foreign Postal Code Telephone number OAKLAND UNIVERSITY 677 OAKLAND BLVD COLUMBUS, OH 43216		1 Payments received for qualified tuition and related expenses <p align="center">\$10,200.00</p> 2	OMB No. 1545-1574 <p align="center">2019</p> Form 1098-T	Tuition Statement
FILER'S employer identification no. <p align="center">10-8001234</p>	STUDENT'S TIN <p align="center">213-00-XXXX</p>	3 If this box is checked, your educational institution has changed its reporting method for 2019. <input type="checkbox"/>	Copy B For Student This is important tax information and is being furnished to the IRS. This form must be used to complete Form 8863 to claim education credits. Give it to the tax preparer or use it to prepare the tax return.	
STUDENT'S name Street address (including apt. no.) City or town, state or province, country, ZIP or Foreign Postal Code JASON CALDWELL 6744 NORTH ELM SUMMIT, NJ 07901		4 Adjustments made for a prior year		5 Scholarships or grants <p align="center">6700</p>
		6 Adjustments to scholarships or grants for a prior year		7 Checked if the amount in box 1 or 2 includes amounts for an academic period beginning January-March 2020. <input type="checkbox"/>
Service Provider/Acct No. (see instr.)	8. Checked if at least half-time student <input checked="" type="checkbox"/>	9 Checked if a graduate student <input type="checkbox"/>		10 Ins. contract reimb./refund
Form 1098-T				

Ray provided the following details about these college expenses-

Tuition	\$10,200 (as per Box 1 of the 1098-T)
Room and Board	\$3,300
Athletic Fee (voluntary)	\$100
Books Purchased Online	\$275

Step 12a: Test with Tuition and Fees Deduction

Federal AGI: 54,374	Federal Refund: 1,494	NJ Refund: 1,144
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Step 12b: Test with Lifetime learning Credit

Federal AGI: 57,874	Federal Refund: 1,774	NJ Refund: 1,144
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Step 12c: Test with American Opportunity Credit

Federal AGI: 57,874	Federal Refund: 3,518	NJ Refund: 1,144
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Step 13: Payments and Estimates- Estimated Tax Paid

Federal AGI: 57,874

Federal Refund: 4,218

NJ Refund: 1,244

Step 14: Federal Health Insurance

Federal AGI: 57,874

Federal Refund: 4,218

NJ Refund: 1,244

Step 15: NJ Tax Return

Step 15a: NJ Property Tax

Federal AGI: 57,874

Federal Refund: 4,218

NJ Refund: 1,355

Step 15b: NJ Health Insurance

Federal AGI: 57,874

Federal Refund: 4,218

NJ Refund: 1,355

Step 15c: NJ Basic Information

Federal AGI: 57,874

Federal Refund: 4,218

NJ Refund: 1,380

Step 15d: NJ Income Subject to Tax

Federal AGI: 57,874

Federal Refund: 4,218

NJ Refund: 1,384

Step 15e: NJ Subtractions from Income

Federal AGI: 57,874

Federal Refund: 4,218

NJ Refund: 1,420

Step 15f: NJ Tax

Federal AGI: 57,874

Federal Refund: 4,218

NJ Refund: 1,387

Step 15g: NJ Miscellaneous Forms

Federal AGI: 57,874

Federal Refund: 4,218

NJ Refund: 1,387

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Step 16: E-File

Federal AGI: 57,874

Federal Refund: 4,218

NJ Refund: 1,387