

## N14-P2 Lowe Scenario



### Interview Notes

1. Last year's return: Linda did not need to file last year.
2. Linda's contribution to the Gubernatorial Election Campaign Fund should be handled the same way as her contribution to the Presidential Election Campaign Fund.
3. Linda is a student at her local college. All her education costs are covered by her employer. (The amount was low enough that it does not need to be treated as income to Linda.)
4. Linda lived with her parents while waiting for her divorce to be finalized last year.
5. Linda's identity was stolen and she received a letter from the IRS with her Identity Theft PIN: 92465.
6. Linda was covered by her mother's health insurance.
7. The Box 8 interest from Acme Bank is tax-exempt both federally and in New Jersey
8. Linda received a 1099-MISC for her participation in drug trial for Acme Pharma
9. Linda negotiated a deal with her bank to close out a credit card account – They issued a 1099-C as a result. Linda was solvent and not contemplating bankruptcy.
10. She did not make any out of state purchases for which she would owe Use Tax.
11. Linda lives with her parents, Henry and Anne Howe.
12. Linda would like any NJ refund/amount due to be handled the same as her federal return.
13. She has had no involvement of any kind with foreign financial institutions.
14. You will need to figure out Linda's Modified AGI to use on her parent's (Henry and Ann Howe) return.

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<b>a. Employee's social security number</b> 416-XX-XXXX							
<b>b. Employer Identification number (EIN)</b> 40-8XX-XXXX		<b>1. Wages, tips, other compensation</b> 14,000.00		<b>2. Federal income tax withheld</b> 1,000.00			
<b>c. Employer's name, address, city state and ZIP Code</b> Acme Corp 123 Main Pluckemin, NJ 07978		<b>3. Social security wages</b> 14,000.00		<b>4. Social security tax withheld</b> 868.00			
		<b>5. Medicare wages and tips</b> 14,000.00		<b>6. Medicare tax withheld</b> 203.00			
		<b>7. Social security tips</b>		<b>8. Allocated tips</b>			
<b>d. Control number</b>		<b>9.</b>		<b>10. Dependant care benefits</b>			
<b>e. Employee's name (first, initial, last), address, city, state and ZIP code</b> Linda Lowe 123 Maple Pluckemin, NJ 07978		<b>11. Nonqualified plans</b>		<b>12a. See instructions for box 12</b>			
		<b>13. Statutory Employee</b> <input type="checkbox"/> <b>Retirement Plan</b> <input checked="" type="checkbox"/> <b>Third-party sickpay</b> <input type="checkbox"/>		<b>12b.</b>			
		<b>14. Other</b> UI 59.50 DI 53.20 FLI 14.00		<b>12c.</b>			
				<b>12c.</b>			
<b>15. State</b> NJ	<b>Employer's state ID number</b> 408123456	<b>16. State wages, tips, etc.</b> 14,000.00	<b>17. State income tax</b> 450.00	<b>18. Local wages, tips, etc.</b>	<b>19. Local income tax</b>	<b>20. Locality name</b>	

Form **W-2** 2014

CORRECTED (if checked)

<b>PAYER'S name, address, city, state, ZIP code</b> Acme Bank 123 Main Pluckemin, NJ 07978		<b>Payer's RTN (optional)</b>		<b>20 13</b>		<b>Interest Income</b>	
		<b>1 Interest income</b>		<b>Form 1099-INT</b>		<b>Copy B For Recipient</b>  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 is has not been reported.	
		<b>2 Early withdrawal penalty</b>					
<b>PAYER'S Federal identification number</b> 40-9XX-XXXX	<b>RECIPIENT'S identification number</b> 416-XX-XXXX	<b>3 Interest on US Savings Bonds and Treas. obligations</b>					
<b>RECIPIENT'S name, address, city, state, and ZIP code</b> Linda Lowe 123 Maple Pluckemin, NJ 07978		<b>4 Federal income tax withheld</b>		<b>5 Investment expenses</b>			
		<b>6 Foreign Tax Paid</b>		<b>7 Foreign Country or US possession</b>			
		<b>8 Tax exempt interest</b> 800.00		<b>9 Specified private activity bond interest</b>			
<b>Account number (see instructions)</b>		<b>10 Market Discount</b>		<b>11 Bond Premium</b>			
		<b>12 Tax-exempt bond CUSIP no</b>		<b>13 State</b>	<b>14 State Identification no.</b>	<b>15 State tax withheld</b>	

Form **1099-INT**

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<input type="checkbox"/> CORRECTED (if checked)				
PAYER'S name, address, city, state, ZIP code <b>Acme Pharma</b> 123 Main Pluckemin, NJ 07978		1 Rents 2 Royalties 3 Other Income <b>250.00</b>	<b>2014</b> Form 1099-MISC	<b>Miscellaneous Income</b>
PAYER'S Federal identification number <b>40-6XX-XXXX</b>	RECIPIENT'S identification number <b>416-XX-XXXX</b>	4 Federal income tax withheld 5 Fishing boat proceeds 6 Medical and health care payments	<b>Copy B For Recipient</b>	
RECIPIENT'S name, address, city, state, ZIP code <b>Linda Lowe</b> 123 Maple Pluckemin, NJ 07978		7 Nonemployee Compensation 9 Payer made direct sales \$5,000 or more of consumer products to a buyer (recipient) for resale > <input type="checkbox"/>	8 Substitute payments in lieu of dividends or interest 10 Crop Insurance proceeds 11 12	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 is has not been reported.
Account number (see instructions)		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. -----	
Form <b>1099-MISC</b>				

<input type="checkbox"/> CORRECTED (if checked)				
LENDER'S name, address, city, state, and ZIP code <b>Acme Bank</b> 123 Main Pluckemin, NJ 07978		1 Date of Identifiable Event 2 Amount of debt discharged <b>950.00</b>	<b>2014</b> Form 1099-C	<b>Cancellation of Debt</b>
LENDER'S Federal identification <b>40-9XX-XXXX</b>	BORROWER'S identification number <b>416-XX-XXXX</b>	4 Debt description <b>Bank issued Credit Card</b>		<b>Copy B For Debtor</b> 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 is has not been reported.
BORROWER'S name, address, , state, and ZIP code <b>Linda Lowe</b> 123 Maple Pluckemin, NJ 07978		5 If checked, the borrower was personally liable for repayment of this debt ..... > <input checked="" type="checkbox"/>		
Account number (see instructions)		6 Identifiable Event Code	7 Fair market value of property	
Form <b>1099-C</b>				