

Fiesta Example Tax Returns

#10

Exercise Number Ten



Forms Included: Form 1040, Schedule D, Form 5329, 1098-T, 1099-R,
Sale of Home Worksheet, Student Loan Interest Worksheet

Client's Social Security Number 400-00-4723
Filing Status Married Filing Joint

Taxpayer's Date of Birth 03/10/1970
Spouse's Date of Birth 01/15/1972
Neither Taxpayer nor Spouse is Blind or Deceased

Client's First Name, Initial, and Last Name Mike E. Satcher
Secondary First Name, Initial, and Last Name Sheila A. Satcher
Secondary SSN 253-00-4714

Street Address 1492 Ellis Street
Zip Code 77001 (Houston, Texas)
Daytime Telephone 713-868-1298
E-mail satchmo@hotmail.com
Taxpayer's Occupation Investor
Secondary's Occupation Homemaker

Dependent Information

Dependent Name Lauren W. Satcher
Dependent Birthday 03/01/1998
Dependent SSN 254-00-4568
Relationship Daughter
Number of Months in Home 12 (Full time student - away at University of Texas – sophomore year)
Dependent Not Disabled

Health Insurance Information: Taxpayer, spouse, and dependent all had minimum essential health care Coverage for the entire year.
Health coverage was NOT purchased through the marketplace/exchange.

No W-2 information to enter.

Schedule D Information – (There is NO ADJUSTMENT CODE information to enter for any transaction)

1500 Shares ACCO – Box 3 Shows Basis - Acquired 01/12/2002 – Sold 03/01/2020 –
Sale Price \$30,000 – Cost \$25,000

500 Shares BP Oil – Box 3 Shows Basis - Acquired 02/13/2001 – Sold 04/02/2020 –
Sale Price \$32,000 – Cost \$18,000

2100 Shares XYZ– Box 3 Shows Basis - Acquired 05/19/2003 – Sold 05/20/2020 –
Sale Price \$56,000 – Cost \$32,000

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Schedule D Information (continued)

6000 Shares Google – Box 3 Shows Basis - Acquired 03/06/2004 – Sold 08/02/2020 – Sale Price \$82,600 – Cost \$23,200

Long Term Loss Carryover from 2019 (Joint Amount) – \$12,500

Sale of Residence – “SALE OF MAIN HOME WORKSHEET”

The Satcher’s sold their home on May 2, 2019...the home had originally been purchased November 10, 2000...the Sale Price was \$256,000...the Purchase Price was \$180,000...the number of days in the past 5 years that the property was the main home for the Taxpayer and Spouse and the number of days in the past 5 years that the property was owned is 1825 days in every case (365 times 5).

1099-R Information

1099-R is for the Taxpayer

EIN of Payer: 58-0974325
Payer’s Name and Address: Eagle Financial
456 Ronald Reagan Drive
Houston, TX 77001

Gross Distribution: \$35,000
Taxable Amount: \$35,000
Federal Tax Withheld: \$3,500
Distribution Code: **1**

Mark the 1099-R as an IRA Distribution

Transfer Option to 5329: **Part I Line 1**
State: TX
State ID: 28-3689701
No State Tax Withheld

The TOTAL AMOUNT of the 1099-R Distribution is EXCLUDED from the 10% Early Withdrawal Penalty because the funds were used for HIGHER EDUCATION EXPENSES.

1098-T Information

Lauren received a 2019 1098-T in support of \$12,500 paid for college tuition for the year. She is in her first year of college at the University of Texas – ID Number 58-3216540 – Street Address: 210 Jackson Street; Houston, TX 77001

The Satcher’s also paid \$3,100 for 2019 in Student Loan Interest to Navient Student Loan Corp.

Schedule A (Itemized Deduction) Information

Home Mortgage Interest Reported on Form 1098 (BofA): \$8,620
Real Estate Taxes Paid on Home: \$2,250
Personal Property Taxes (Auto Tags): \$515
Cash Contributions to Church (choose a date): \$6,400

Check the following answers:

AGI: \$200,900

Federal Refund: -\$15,226

