



## 2021.22 Tax Exercises

### *(Self-Employment Income)*

**Forms Included:** Form 1040, Schedule C, Schedule B, Schedule SE, Form 4562

*Client's Social Security Number: 257-00-4705*

*Filing Status: Married Filing Joint*

*Taxpayer's Date of Birth: 03/01/1974*

*Spouse's Date of Birth: 01/15/1976*

*Neither Taxpayer nor Spouse is Blind or Deceased*

*Client's First Name, Initial, and Last Name: Edward D. Smith*

*Secondary First Name, Initial, and Last Name: Mary S. Smith*

*Secondary SSN: 258-00-4706*

*Street Address: 3109 Greenbrier Street*

*Zip Code: 30906 (Augusta, Georgia)*

*Daytime Telephone: 706-868-0985*

*Taxpayer's Occupation: Professor*

*Secondary's Occupation: Business Owner*

*Email: [Smith@gmail.com](mailto:Smith@gmail.com)*

#### **Dependents Information**

*Name: Audrey B. Smith*

*Date of Birth: 05/03/2001*

*Dependent's SSN: 256-00-3287*

*Relationship: Daughter*

*Lived in Home: 12 Months*

*Taxpayer has not released claim for Audrey to another person.*

*Audrey made over \$4,200.*

Name: May A. Smith  
Date of Birth: 06/10/2016  
Dependent's SSN: 254-00-2144  
Relationship: Daughter  
Lived in Home: 12 Months

No dependent care expenses paid.  
Taxpayer has not released claim for May to another person.

**Healthcare Information:** Taxpayer and family have minimum essential healthcare coverage through taxpayer's employer. No health insurance was purchased through the marketplace/exchange.

## W-2 Information

### Taxpayer

Employer EIN: 58-5478124  
Employer's Name: Augusta State University  
Address: 2100 Central Avenue, Augusta, GA 30906  
Wages: 58900.00  
Federal Withholding: 9020.00

### State Number 1 (GA)

State ID Number: 28-9741520  
State Wages: 57100.00  
State Tax Withheld: 9210.00

### State Number 2 (SC)

State ID Number: 21-6543210  
State Wages: 1800.00  
State Tax Withheld: 200.00

## Schedule B Information: Joint Tax-Exempt Interest

Payer's Name: Augusta Municipal Bonds  
Interest Income: 715.00

## Other 1099's

### Exempt Interest

Payer's Name: Bank of America  
Regular Interest: 265.00

Payer's Name: CSRA Federal Credit Union  
Regular Interest: 1020.00

**Schedule C Information / Business Income:**

**Spouse**

*Principal Business Category: Retail Trade*

*Business Code: 443120 – Computer and Software Stores*

*Business Name: Microstuff*

*Employer ID Number: 58-9638521*

*Business Address: 529 Heard Avenue, Augusta, GA 30906*

***Leave all Schedule C Questions to the Default Answers***

**Schedule C Income Figures**

*Gross Receipts or Sales: 25000.00*

*Return & Allowances: 550.00*

**Cost of Goods Sold**

*Inventory at Beginning of the Year: 16000.00*

*Purchases Less Cost of Items Withdrawn for Personal Use: 3000.00*

*Inventory at End of the Year: 22050.00*

**Schedule C Expenses**

*Advertising: 6500.00*

*Insurance (Other than Health): 890.00*

*Supplies: 500.00*

*Taxes and Business Licenses: 630.00*

*Utilities: 300.00*

**Car & Truck (Std. Milage Rate)**

*Date Placed in service: 04/01/2019*

*Total Business Miles: 4400*

*Total Commuting Miles: 3210*

*Total Other Personal Miles: 10120*

***All Vehicle Questions should be answered "YES"***

## Depreciation

### Choose "Depreciation Module"

Asset: Computer

Date Placed in Service: 01/01/2019

Cost: 2600.00

Percentage of Business Use: 100%

**No Section 179 Deduction**

Accumulated Depreciation: 1591.00

Depreciation Method: **MACRS 5 Year – 200%**

Asset: Printer

Date Placed in Service: 03/01/2019

Cost: 1800.00

Percentage of Business Use: 100%

**\*\*Calculate BONUS DEPRECIATION No Section 178 Deduction\*\***

Accumulated Depreciation: 0

Depreciation Method: **MACRS 5 Year – 200%**

## Schedule A – Itemized Deductions

### Medical

Medical and Dental Insurance: 3500.00

Out of Pocket paid to Dentist: 7200.00

Medical Milage: 520 Miles

### Taxes Paid

State and Local Tax: 1200.00

Real Estate Taxes – Personal: 5300.00

Residence Personal Property Taxes: 500.00

Home Mortgage Interest from Form 1098: 3100.00

### Gift to Charity

Church (by Check): 4010.00

Date: 02/14/2021

Salvation Army (Clothes, Etc.): 386.00

Date: 02/26/2021

