

Fiesta



Software Tutorials

Scenarios 1-4

Below you will find four step-by-step tutorials that progressively increase in complexity. These taxpayer scenarios are to be entered into the 2022 Tax Year Fiesta Software and your goal is to produce matching results. With that said.... have fun!

Tutorial/Scenario 1

In this Scenario you will practice the following:

- Select a filing status
- Enter Form W-2 information
- Report health coverage
- Enter Form W-2G information

Average Time to Complete:

25 Minutes

Taxpayer Profile:

Name: Charles Smith

SSN: 406-00-1002

Birth date: 07/24/1970

Address: 2575 Black Hills Drive, El Dorado, CA 95623

Primary Phone Number: 209-835-2720

Occupation: Manager

Additional information

- *Charles is not married and has no children.*
- *He received health insurance through his employer for the entire year.*
- *Charles likes to gamble and has a W-2G.*
- *Charles wants to E-file the return and have the preparation fees deducted from his refund and receive his refund as a paper check.*

Answer Check:

Federal refund:	\$4,394
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- *Page 3 includes source documents to be used for the preparation of this return.*
- *Page 4-16 provides step by step instructions for completing this return.*

Available documentation:

- 1 Form W-2
- 1 Form W-2G

a Employee's social security number 406-00-1002		Safe, accurate, FAST! Use		Visit the IRS website at www.irs.gov/efile		
b Employer identification number (EIN) 90-2334567		1 Wages, tips, other compensation 53329	2 Federal income tax withheld 7825			
c Employer's name, address, and ZIP code PERFECT SNOW PLACE 123 CAPLES CREST OLYMPIC VALLEY CA 96146		3 Social security wages 53329	4 Social security tax withheld 3306			
		5 Medicare wages and tips 53329	6 Medicare tax withheld 773			
		7 Social security tips	8 Allocated tips			
d Control number		9 Verification code		10 Dependent care benefits		
e Employee's first name and initial Last name CHARLES SMITH 2575 BLACK HILLS DRIVE EL DORADO CA 95623		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		12c		12d
		f Employee's address and ZIP code				
15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

3232 VOID CORRECTED

PAYER'S name, street address, city or town, province or state, country, and ZIP or foreign postal code MONEYMAKER CASINO 321 ATLANTIC DRIVE JACKSON CA 95642		1 Reportable winnings \$10000	2 Date won 06/20/2018	OMB No. 1545-0238 2018 Form W-2G Certain Gambling Winnings
PAYER'S federal identification number 31-7754321		3 Type of wager SLOTS	4 Federal income tax withheld \$3269	
PAYER'S telephone number - -		5 Transaction	6 Race	
WINNER'S name CHARLES SMITH		7 Winnings from identical wagers \$0	8 Cashier	
Street address (including apt. no.) 2575 BLACK HILLS DRIVE		9 Winner's taxpayer identification no. 408-00-1001	10 Window	For Privacy Act and Paperwork Reduction Act Notice, see the 2017 General Instructions for Certain Information Returns.
City or town, province or state, country, and ZIP or foreign postal code EL DORADO CA 95623		11 First I.D.	12 Second I.D.	
		13 State/Payer's state identification no.	14 State winnings \$0	
		15 State income tax withheld \$0	16 Local winnings \$0	File with Form 1096
		17 Local income tax withheld \$0	18 Name of locality	
Under penalties of perjury, I declare that, to the best of my knowledge and belief, the name, address, and taxpayer identification number that I have furnished correctly identify me as the recipient of this payment and any payments from identical wagers, and that no other person is entitled to any part of these payments.		Signature ▶		Copy A For Internal Revenue Service Center

Tutorial #1

Tutorial #1 Objective:

Once you have completed this tutorial you will know how to:

- Create a new return
- Complete forms: W-2, W-2G, 1040 and 8879

Enter Client Data:

The first step to creating a tax return is to enter the client's information. The following instructions will walk you through entering the client's information into the Tax program.

1. In our Main Menu click on [Start New 2022 Tax Return](#) and enter SSN number.

The screenshot shows a main menu with three buttons: MESSAGE CENTER (0), REJECTED CLIENTS (0), and DASHBOARD. Below these are three menu items, each with a 'SELECT' button:

- Start New 2022 Tax Return**
Create a brand new tax return for a client.
- Import App User**
Import a user from the Mobile App
- Client Search**
Edit returns you previously started.

The screenshot shows the 'Enter Social Security Number' form. It includes a dropdown menu for 'Available Taxpayer Profiles' and a sub-section for 'Enter Social Security Number'. The form has two rows of input fields:

- Social Security Number**: Three input fields with masks: '...', '-', '00', '-', '0000'.
- Confirm Social Security Number**: Three input fields with masks: '...', '-', '00', '-', '100|'.

Below the input fields is a red error message: "Please fix all fields with errors (marked in red) before starting this return." and a blue "Start Return" button.

What's your filing status?

Single
 Married Filing Jointly
 Married Filing Separately
 Head of Household
 Qualifying Surviving Spouse
 Nonresident Alien

Need help determining your filing status?

FILING STATUS WIZARD

BACK **CONTINUE**

After entering the **Social Security Number** it will prompt you to select a **filing status**. For this tutorial you will choose **Single** and click **Continue**.

2. You will now be viewing the **Personal Information** entry screen. Enter the Taxpayers information here using the details provided to you on [page 2](#).

Navigation Tip - Tab between data entry fields and avoid using the mouse, this will improve

Personal Information

FILING STATUS **CANCEL** **CONTINUE**

Taxpayer Information

Primary First Name * MI

Last Name * Suffix (Jr, Sr, etc.)

Social Security Number * - -

Date of Birth *

Occupation

your speed. When entering the zip code data, the program will auto populate city and state.

Note - You must input two phone #'s for taxpayers requesting a bank product. The email address is used if the client wants a copy of his or her tax return emailed. In a real tax return, you would enter your customer's email address.

3. Charles has no Dependents, so we are going to click **NO** to continue.

Dependents or Qualifying Person(s)

Do you have any dependents or qualifying person(s) to claim on your return?

Individuals who rely on you for support and reside in your house generally qualify for dependent tax exemptions. However, there are situations when a child's exemption status is more complicated. The IRS has special rules for these situations.

YES **NO**

4. You should now be in the **Federal Section, Income** screen of the return. You can identify what section of the return you are in by referencing the red line in the *“Navigation Bar”* on the left labeled **Federal Section and Income**. The arrows in the image below show the different options you have for adding tax forms and data.

Let's look at the money you earned

Money isn't everything, except on your tax return. Tell us about your W-2, interest and dividends and retirement distributions. Follow our step-by-step guide to ensure accurate entry of your income. Or, enter the information on your own if you are familiar with the forms.

GUIDE ME -OR- **ENTER MYSELF**



BACK **SKIP INCOME**

5. Navigate to form W-2 using one of the three navigation options presented in the image above. If you are an experienced preparer, you will likely be using the **Enter the Form Number** option as your primary navigation tool. If you are less experienced, you may want to use the **Guide Me** option until you have more experience. Please reference [page 3](#) for source documents. As an exercise you should try using all the options for finding forms and data entry, this will help you determine your preferred method for navigation.

6. Enter the **W-2** information from page 3. Below is how the screen appearing after completing a W-2. In a situation where you must enter multiple W-2's, click on the **+ Add a W-2 Wage Statement** link below (or above) the completed W-2. When finished, click on **Continue**.

W-2 Wage Statement

+ Add a W-2 Wage Statement

Employee	Employer	Income	Tax Withheld	
Taxpayer	Perfect Snow Place	\$53,329	\$7,825	 

+ Add a W-2 Wage Statement

CONTINUE

Check point: At this point you have completed a Form W-2 data entry and the FEDERAL REFUND amount should total **\$3,185**.

7. The next Income item to be reported is the W-2G. To add a form W-2G, follow the steps below:

When using the **Enter Myself** option shown below, the W-2G is located under **Other Income**.

Form 1099-G Box 1 Unemployment Compensation	BEGIN
1099-MISC Miscellaneous income	BEGIN
1099-NEC Nonemployee compensation	BEGIN
Schedule C Profit or Loss from Business	BEGIN
Form 1099-K Payment card and third party network transactions	BEGIN
Schedule E Supplemental Income and Loss from Rents and Royalties	BEGIN
Schedule D/Form 8949 Capital Gains and Losses	BEGIN
Schedule F Profit or Loss from Farming	BEGIN
Alimony Received Payments from a former spouse under a legal agreement	BEGIN
Other Income K-1 earnings, gambling winnings, cancellation of debt, etc.	BEGIN
BACK	CONTINUE

Begin by entering the **Payer's ID Number**. Please refer to [page 3](#) for W-2G details.

Form W-2G is completed and should look as shown below. Click **Continue** if everything is correct.

Payer Information

Payer's ID Number *

31 - 7754321

Payer's Name *

Moneymaker casino

Payer's Address *

Check here if foreign address

Address (Number and Street) *

321 atlantic drive

ZIP Code *

95642 -

City, Town, or Post Office *

Jackson

State *

California

Payer's Phone Number

() -

W-2G Gambling Winning

➕ Add a W-2G Gambling Winning

Winner	Payer	Gross Winnings	Federal Tax Withheld
Taxpayer	Moneymaker casino	\$10,000.00	\$3,269.00

➕ Add a W-2G Gambling Winning

[CONTINUE](#)

Winnings Information

Gross Winnings *

\$ 10000

Federal Tax Withheld

\$ 3269

Type of Wager *

slots

Date Won *

6 20 2017

! Leave the "State Tax Withholdings, State Taxes Paid To and State ID Number" section blank if no state tax withholdings were included on the W-2G form you received.

State Winnings

\$

State Tax Withheld

\$

State Taxes Paid To

- Please Select -

8. The **W-2G Gambling Winning** menu will appear for review. If there is nothing to add, edit or delete, click **Continue** to leave the *Form W-2G* menu. Click on **Health Insurance** on the left side navigation bar to skip other sections.

9. **Health Insurance** data entry – please follow the prompts screen-by-screen.

Affordable Care Act Insurance Plans

Reported on Form 1095-A

Did you, your spouse, or a dependent have insurance under the Affordable Care Act in 2022? *

If so, select Yes – you must report Form 1095-A for the IRS to accept your return. If you did not have an Affordable Care Act insurance plan, select No.

Yes

No

BACK

CONTINUE

If you did tax payer did receive a 1095-A Form please select YES and follow the prompt.

Verify Your Household Members



If you have additional family members that are neither a spouse nor a dependent, click ["Add a New Household Member."](#)
If you need to add or remove dependents, [click here to go to Personal Information.](#)

Add New Household Member

Name	SSN	Date of Birth
Charles Smith	408-00-1001	7/24/1970

Add New Household Member

CONTINUE

Advanced Premium Tax Credit (1095-A)

Were you eligible to receive unemployment compensation for any week in 2022?

Yes

No

Are you required to repay all of the APTC received? In most cases, the answer is NO. ONLY answer YES if you were not considered lawfully present in the U.S. or you meet the Health Coverage Tax Credit criteria. Note: We will automatically calculate a full repayment of APTC when MAGI is greater than 400 percent of Federal Poverty Line.

Yes

No

Do all Forms 1095-A include coverage for January through December, with no changes in monthly amounts?

Yes

No

Please enter your annual Advance Premium Tax Credit information

Premium Amount (Form 1095-A, line 33A)

\$ |

Annual Premium Amount of SLCP (Form 1095-A, line 33B)

\$

Annual Advance Payment of PTC (Form 1095-A, line 33C)

\$

BACK

CONTINUE

Your Federal Return is Complete!

Congratulations! You have completed your Federal Return.
 We're ready to add your state return. We'll automatically transfer all the necessary information into your state return for you.
 Please choose from the following options:

- Add a State Return to your account.

The following states do not have state income tax returns that can be filed through Pro Tax Software: **Alaska, Florida, Nevada, New Hampshire, South Dakota, Tennessee, Texas, Washington and Wyoming**

- Skip the State Return process and Continue to the Summary.
- Return to the Federal Section to review or make changes to your Federal Return.

[RETURN TO FEDERAL SECTION](#)
[ADD STATE RETURN\(S\)](#)
[CONTINUE TO SUMMARY](#)

10. Once the W-2, W-2G and Health Insurance sections are completed, we will begin the Tax Return completion process. Click on **CONTINUE TO SUMMARY**.

The **Calculation Summary** is a break down of all the tax data entered. The green button on the right **1040 View** or **Summary View** will toggle views and allows you to see **Form 1040**-which actually links directly to other forms.

Tax Return Summary [View/Print Return](#) | [Prior Year Comparison](#)

REASONS FOR NO EARNED INCOME CREDIT (EIC)

[There are No Qualifying Children Listed.](#)
[Your Earned Income is Greater than the Earned Income Tax Credit Limits.](#)
[Your Adjusted Gross Income is Greater than the Earned Income Tax Credit Limits.](#)
[Your Earned Income + Combat Pay is Greater than the EITC Limits.](#)

[BACK](#)
[LAST CHECKPOINT](#)
[CONTINUE](#)

RETURN SUMMARY	
AGI	\$63,329
Federal	\$4,394

Check point: Verify the FEDERAL REFUND amount is **\$4,394**

Charles wants his return filed electronically, the fees deducted from the tax return refund amount and his refund received in a check.

- To mark return electronic, click **Continue** and go to the **E-File page**.
- The **Federal Return Type** will be **E-file: Direct Deposit**.

11. **E-file page**; there are multiple sections on this page. Fill out each section using bogus information and use the **Next** button to navigate to the next section. Click **Save** when the entire page is complete.
 - a. **Return Type**: Here you select what Federal Return Type the customer would like. For this return select **E-file: Direct Deposit** and click **Next**.
 - b. **Tax Preparation and E-File Information**: fees, discounts, PINS and email. **Next**
 - c. **Bank Account/Product**: 7216 Disclosure (Bank Consent), Military Status, Text Message Information. **Next**
 - d. **Bank Application Information**: home address, phone number, Taxpayer ID and bank account information-if direct deposit was selected for either a bank product or regular IRS direct deposit. **Next**
 - e. **Third Party Designee Info**: tax preparer information (when required)

12. **Submission page**: here we capture the taxpayers **Electronic Signature**, **Print Return** with bank documents, mark the return **Complete** (and/or **Ready For Review** if applicable). Other information is also captured here, depending on each tax office's operating procedure, such as Referral Tracking and Return tags.

13. Click on **Save And Exit Return**.

Referrer

Referrer Name (Lookup)

Add New Referrer

Review/Retransmit Status

Ready For Review

[< Back](#) [Save And Exit Return](#) [Save And Transmit Return >](#)

Congratulations! You have completed Tutorial 1!!!

Tutorial/Scenario 2

In this Scenario you will practice the following:

- Select filing status
- Report Health Insurance coverage
- Complete Schedule C with income and expenses
- W-2 Entry
- Enter Dependent Information
- Enter a 1095-A

Average Time to Complete:
25 Minutes

Taxpayer Profile:

Name: Charles Simpson

SSN: 303-00-8798

Birth date: 01/21/1983

Address: 5674 Red Bud Rd, Temple, TX, 76504

Primary Phone Number: (706) 555-3002

Occupation: Business owner

Spouse Info:

Name: Pamela Simpson

SSN: 243-67-3223

Birth date: 05/14/1983

Occupation: Teacher

Dependent/s information:

Name: Amanda Simpson

SSN: 431-00-6953

Birth date: 04/02/2014

Relationship: Daughter

Additional information

- Charles is married and has one child.
- Charles' wife received health insurance through his employer for the entire year.
- Charles owns his own horse stable business.
- Charles wants to E-file the return and have preparation fees deducted from his refund and to receive his refund directly into his bank account.

Answer Check:

Federal refund:	\$3,181
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- Pages 15 and 16 show the source documents to be used for the preparation of this return.
- Pages 17-22 provide step-by-step instructions on how to complete this return.

Available Documentation

- Business income and expenses
- W-2

Business Information and Income:


Company Name: Stable Acres **EIN:** 42-3656871

Services Provided: Horse Boarding and riding lessons.

- Charles uses the cash method of accounting, and materially participated in the business.
- Charles received \$22,594 for boarding 10 horses and giving riding lessons during the year.

Business Expenses:

- Advertising = \$1,200; Rent or lease of equipment = \$1650; Licenses = \$500; Supplies =

a Employee's social security number 243-67-3223		OMB No. 1545-0008		Safe, accurate, FAST! Use				Visit the IRS website at www.irs.gov/efile	
b Employer identification number (EIN) 44-1334752				1 Wages, tips, other compensation 65000	2 Federal income tax withheld 9500				
c Employer's name, address, and ZIP code KENESAW STATE UNIVERSITY 1 OWL CIRCLE TEMPLE TX 76504				3 Social security wages 65000	4 Social security tax withheld 4030				
				5 Medicare wages and tips 65000	6 Medicare tax withheld 943				
				7 Social security tips	8 Allocated tips				
d Control number				9 Verification code		10 Dependent care benefits			
e Employee's first name and initial PAMELA 5674 TEMPLE TX 76504		Last name SIMPSON		Suff.		11 Nonqualified plans		12a See instructions for box 12	
f Employee's address and ZIP code		13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>		14 Other		12b		12c	
						12d			
15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name			

Form **W-2** Wage and Tax Statement

Department of the Treasury—Internal Revenue Service

\$955

Repairs = \$2500

Form **8962** **Premium Tax Credit (PTC)** OMB No. 1545-0074
 Department of the Treasury Internal Revenue Service **2018** Attachment Sequence No. 73
 ▶ Attach to Form 1040 or Form 1040NR. ▶ Go to www.irs.gov/Form8962 for instructions and the latest information.

Name shown on your return: CHARLES SIMPSON Your social security number: XXX-XX-8798

You cannot take the PTC if your filing status is married filing separately unless you qualify for an exception (see instructions). If you qualify, check the box

Part I Annual and Monthly Contribution Amount

1	Tax family size. Enter your tax family size (see instructions)	1	3
2a	Modified AGI. Enter your modified AGI (see instructions)	2a	79673
2b	Enter the total of your dependents' modified AGI (see instructions)	2b	
3	Household income. Add the amounts on lines 2a and 2b (see instructions)	3	79673
4	Federal poverty line. Enter the federal poverty line amount from Table 1-1, 1-2, or 1-3 (see instructions). Check the appropriate box for the federal poverty table used. a <input type="checkbox"/> Alaska b <input type="checkbox"/> Hawaii c <input checked="" type="checkbox"/> Other 48 states and DC	4	20420
5	Household income as a percentage of federal poverty line (see instructions)	5	390 %
6	Did you enter 401% on line 5? (See instructions if you entered less than 100%) <input checked="" type="checkbox"/> No. Continue to line 7. <input type="checkbox"/> Yes. You are not eligible to take the PTC. If advance payment of the PTC was made, see the instructions for how to report your excess advance PTC repayment amount.		
7	Applicable Figure. Using your line 5 percentage, locate your "applicable figure" on the table in the instructions	7	0.0956
8a	Annual contribution amount. Multiply line 3 by line 7. Round to nearest whole dollar amount	8a	7617
8b	Monthly contribution amount. Divide line 8a by 12. Round to nearest whole dollar amount	8b	635

Part II Premium Tax Credit Claim and Reconciliation of Advance Payment of Premium Tax Credit

9 Are you allocating policy amounts with another taxpayer or do you want to use the alternative calculation for year of marriage (see instructions)?
 Yes. Skip to Part IV, Allocation of Policy Amounts, or Part V, Alternative Calculation for Year of Marriage. No. Continue to line 10.

10 See the instructions to determine if you can use line 11 or must complete lines 12 through 23.
 Yes. Continue to line 11. Compute your annual PTC. Then skip lines 12-23
 No. Continue to lines 12-23. Compute your monthly PTC and continue to line 24.

Annual Calculation	(a) Annual enrollment premiums (Form(s) 1095-A, line 33A)	(b) Annual applicable SLCSP premium (Form(s) 1095-A, line 33B)	(c) Annual contribution amount (line 8a)	(d) Annual maximum premium assistance (subtract (c) from (b), if zero or less, enter -0-)	(e) Annual premium tax credit allowed (smaller of (a) or (d))	(f) Annual advance payment of PTC (Form(s) 1095-A, line 33C)
11 Annual Totals	400	400	7617			400
Monthly Calculation	(a) Monthly enrollment premiums (Form(s) 1095-A, lines 21-32, column A)	(b) Monthly applicable SLCSP premium (Form(s) 1095-A, lines 21-32, column B)	(c) Monthly contribution amount (amount from line 8b or alternative marriage monthly calculation)	(d) Monthly maximum premium assistance (subtract (c) from (b), if zero or less, enter -0-)	(e) Monthly premium tax credit allowed (smaller of (a) or (d))	(f) Monthly advance payment of PTC (Form(s) 1095-A, lines 21-32, column C)
12 January						
13 February						
14 March						
15 April						
16 May						
17 June						
18 July						
19 August						
20 September						
21 October						
22 November						
23 December						
24 Total premium tax credit. Enter the amount from line 11(e) or add lines 12(e) through 23(e) and enter the total here						400
25 Advance payment of PTC. Enter the amount from line 11(f) or add lines 12(f) through 23(f) and enter the total here						400
26 Net premium tax credit. If line 24 is greater than line 25, subtract line 25 from line 24. Enter the difference here and on Schedule 5 (Form 1040), line 70, or Form 1040NR, line 65. If line 24 equals line 25, enter -0-. Stop here. If line 25 is greater than line 24, leave this line blank and continue to line 27						

Part III Repayment of Excess Advance Payment of the Premium Tax Credit

27 Excess advance payment of PTC. If line 25 is greater than line 24, subtract line 24 from line 25. Enter the difference here	27	400
28 Repayment limitation (see instructions)	28	2600
29 Excess advance premium tax credit repayment. Enter the smaller of line 27 or line 28 here and on Schedule 2 (Form 1040), line 46, or Form 1040NR, line 44	29	400

For Paperwork Reduction Act Notice, see your tax return instructions. Form **8962** (2018)

Tutorial/Scenario 2

Tutorial #2 Objective:

Once you have completed this tutorial you will know how to:

- Complete forms: 1040, Schedule C, 8962 (with a 1095-A), and E-file with a Direct Deposit Bank Product.
- The forms completed in this return will consist of 1040, 8879, 8962, Schedule C, Schedule SE, W-2 and Bank Application

ENTERING CLIENT INFORMATION:

Use the Taxpayer Profile information (page 14) and the Spouse's W-2 information (page 15).

Note: Please refer to tutorial #1 for the process to enter client and W-2 information. Information covered in previous tutorials will not be repeated.

1. Basic Client Data Entry

- a. Input Taxpayer and Spouse Information
- b. When done entering the client's information press **Continue**.
- c. When asked "Do you have any dependents or qualifying person(s) to claim on your return?" click **Yes**.
- d. Enter **Dependent/Qualifying Child Information**, then click **Continue**.
- e. Click on **Continue** until you reach; "**Let's look at the money you earned**".

When finished, the dependent information should look as shown above.

Dependent/Qualifying Child Information

First name * MI

Last name *

Date of birth *

Social Security number (ITIN & ATIN also accepted) * - -

Check here if the individual does not have an SSN, ITIN, or ATIN.

Was this individual a U.S. citizen, U.S. national, or U.S. resident alien? If they were not, you can't claim the child tax credit or the credit for other dependents for this person. *

Yes

No

Relationship *

Number of months this person lived in your home during 2022

Note: If this dependent was born in 2022, you must select 12 months

- f. Enter the **W-2** information for the Spouse.
- g. Enter **Schedule C** information for the **Horse Boarding** business, details below.

2. ENTERING SCHEDULE C INFORMATION

Charles is a business owner and has information to report. Information at the top of page 15

- a. In the **Income** menu click on **Profit or Loss Form A Business Schedule C**
 - o Alternate method: enter **Schedule C** on the left where it says, "Enter the Form Number" and the screen will go to **Schedule C Income from Business**.
- b. Enter the information as specified on page 15 under **Business Information and Income**.

The screenshot shows the 'Schedule C' form with the following fields and values:

- Business Name:** Stables Acres
- Employer ID:** 42 - 3656871
- Address (Number and Street):** 5674 Red Bud Rd
- ZIP Code:** 76504
- City, Town, or Post Office:** Temple
- State:** Texas
- Business Code:** 487000
- Description of Business:** Scenic sightseeing

A callout box points to the 'This business belongs to' section, which has radio buttons for Charles Simpson (selected) and Pamela Simpson. The callout text reads: 'Here it will allow you to choose which Taxpayer this Schedule C belongs.'

For this exercise, you will enter 487000 as the Business Code.

- c. Use the home address for the business **Address**.
Refer to page 15.
- d. Back at the **Schedule C** main menu, click on **BEGIN** next to **Income**. Enter the amount that "Charles received for boarding 10 horses and giving riding lessons", in this example it is \$22,594. Click **Continue** once you are done.

- e. Next, we will enter the **Expenses** for the **Stables Acres** business. (Refer to page 15 under **Business Expenses**). Click **BEGIN** next to **General Expenses**.
- f. Enter each expense in the appropriate box.

Schedule C - Income

Income

Gross receipts or sales (including income reported on Form 1099-K)

Income reported to you on Form W-2 as Statutory Employee

Returns and allowances

Other Income

CANCEL

CONTINUE

- g. Click on **Continue** until you reach the **Health Insurance Questionnaire**.

You have completed entering the Schedule C.

Schedule C - Expenses

CANCEL

CONTINUE

Advertising

Contract Labor

Commission and fees

Depletion

Employee benefits programs

Health Insurance
(will carry automatically to worksheet)

Insurance
(other than health)

Mortgage interest

Other interest

Legal and professional services

Pension and profit sharing

Rent or lease of equipment

Rent or lease of property

Repairs and maintenance

Supplies

Taxes and licenses

Travel

Meals and entertainment (50%) Enter 100% of the expenses.

Meals and entertainment (80%) Enter 100% of the expenses.

Utilities

- 3. The **Healthcare Insurance Questionnaire** uses form 8962 to report information from a taxpayer's 1095-A form, if the questions are answered accordingly.

- Looking at a taxpayer's **1095-A** part 3 form; the monthly amounts may be equal or may differ depending on the situation. For this tutorial, the amounts will be considered equal throughout the year.
- Select **Yes** for **Did you, your spouse, or a dependent have insurance under the Affordable Care Act in 2022?**
- Click **Continue** at **Verify Your Household Members**.
- Select **No** for **Were you eligible to receive unemployment compensation for any week in 2022? Unless the taxpayer received unemployment.**
- Select **No** for **Are you required to repay all of the APTC received?**
- Answer questions as show below on screenshot **Advanced Premium Tax Credit (1095-A)**. We will now enter Form **1095-A** amounts; enter the \$400 for each item. Click **Continue** until to reach "**Your Federal Return is Complete!**".

2022 Preview Return | Help & Support | Charles Simpson | Save & Exit

Affordable Care Act Insurance Plans

Reported on Form 1095-A

Did you, your spouse, or a dependent have insurance under the Affordable Care Act in 2022? *
 If so, select Yes – you must report Form 1095-A for the IRS to accept your return. If you did not have an Affordable Care Act insurance plan, select No.

Yes
 No

BACK **CONTINUE**

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Verify Your Household Members

i If you have additional family members that are neither a spouse nor a dependent, click ["Add a New Household Member."](#)
 If you need to add or remove dependents, [click here to go to Personal Information.](#)

+ Add New Household Member

Name	SSN	Date of Birth
Charles Simpson	302-55-8798	1/21/1983
Pamela Simpson	243-67-3223	5/14/1985
Amanda Simpson	431-12-6953	4/2/2007

+ Add New Household Member

CONTINUE

Advanced Premium Tax Credit (1095-A)

Were you eligible to receive unemployment compensation for any week in 2022?

- Yes
 No

Are you required to repay all of the APTC received? In most cases, the answer is NO. ONLY answer YES if you were not considered lawfully present in the U.S. or you meet the Health Coverage Tax Credit criteria. Note: We will automatically calculate a full repayment of APTC when MAGI is greater than 400 percent of Federal Poverty Line.

- Yes
 No

Is your household income below 100% of the Federal poverty line, and do you meet all of the requirements under either "Estimated household income at least 100% of the Federal poverty line" or "Alien lawfully present in the United States"?

- Yes
 No

Do all Forms 1095-A include coverage for January through December, with no changes in monthly amounts?

- Yes
 No

Please enter your annual Advance Premium Tax Credit information

Premium Amount (Form 1095-A, line 33A)

\$ 400

Annual Premium Amount of SLCSP (Form 1095-A, line 33B)

\$ 400

Annual Advance Payment of PTC (Form 1095-A, line 33C)

\$ 400

Congratulations!! You are done with the 1095-A and the 8962.

4. CONTINUE TO E-FILE PAGE:

- a. Answer the **Due Diligence Checklist** as best you can-it will have no bearing on this practice return and refund (the taxpayers income disqualifies them). Click **Continue**.
- b. The Federal Refund amount should be \$3,181. Click **Continue** to E-File page.
- c. Under Federal Return Type, Select **E-file: Direct Deposit**---Terminology will vary by bank
- d. Tax Prep and E-file Information – Fees should be calculated based off populated forms. Also, make sure to always enter the client's email!

- e. Complete bank application and input all fields related to Client Bank Account Information. Sample Information – Account Type = Checking - Bank Routing # = **011500337** and Account = **000021000021**. Taxpayer Account information does require double entry to ensure accuracy.

- 5. Complete all required fields and answer all questions. **Continue** to **Submission** page (reference Tutorial 1 if you have any questions). This the final page of the return. After you have reviewed all the information and it looks correct, click on **Save And Exit Return**.

Congratulations at this point you are done with practice return 2!

Tutorial/Scenario 3

In this Scenario you will practice the following:

- Select filing status
- Report health coverage
- Complete Schedule B, D, A

Average Time to Complete:
25 Minutes

Taxpayer Profile:

Name: Mary E Wilson

SSN: 308-00-8765

Birth date: 01/21/1953

Address: 89 Cowen Way, Cave Spring, GA 30124

Primary Phone Number: (706) 555-3003

Occupation: Production Manager

Dependent's information:

Name: Harley Wilson

SSN: 623-00-4321

Birth date: 09/06/2018

Relationship: Grand daughter

Additional information

- *Mary is single head of household, and has one dependent her granddaughter for whom she is the legal guardian*
- *Mary purchased health insurance through the marketplace*
- *Marry owns stocks*
- *Mary wants to E-file the return & have preparation fees deducted from her refund and to receive her refund directly put into her bank account*

Answer Check:

Federal refund:	\$4,328
------------------------	---------

- *Page 25-26 shows the source documents to be used for the preparation of this return.*
- *Page 27-38 provides step by step instructions on how to complete this return.*

• **Available documentation**

W-2, Stocks, 8962, Dependent information, Schedule A, B and D Information

Dependent Care Information:

- Paid dependent care expenses: **\$1500**
- Childcare provider name: **Little Wonders**
- ID Number: **45-6987651**
- Address: **2525 Old Danton Road, Cave Spring GA, 30124.**

a Employee's social security number 308-00-8765		Safe, accurate, FASTI Use		Visit the IRS website at www.irs.gov/efile	
b Employer identification number (EIN) 45-6957651		1 Wages, tips, other compensation 40635	2 Federal income tax withheld 3865		
c Employer's name, address, and ZIP code SOUTHERN MILLS 700 OLD LINDALE ROAD ROME GA 30161		3 Social security wages 40635	4 Social security tax withheld 2519		
		5 Medicare wages and tips 40635	6 Medicare tax withheld 589		
d Control number		7 Social security tips	8 Allocated tips		
e Employee's first name and initial Last name MARY E WILSON		9 Verification code	10 Dependent care benefits		
f Employee's address and ZIP code 89 COWEN WAY CAVE SPRING GA 30124		11 Nonqualified plans	12a See instructions for box 12		
		13 Salaried employee Retirement plan Third-party sick pay	12b		
		14 Other	12c		
			12d		
15 State GA	Employer's state ID number 133698712	16 State wages, tips, etc. 40635	17 State income tax 3152	18 Local wages, tips, etc.	19 Local income tax
				20 Locality name	

Form **W-2** Wage and Tax Statement

Department of the Treasury—Internal Revenue Service

Form 8962		Premium Tax Credit (PTC)		OMB No. 1545-0074			
Department of the Treasury Internal Revenue Service		▶ Attach to Form 1040 or Form 1040NR.		2018			
Name shown on your return MARY E WILSON		▶ Go to www.irs.gov/Form8962 for instructions and the latest information.		Attachment Sequence No. 73			
Your social security number XXX-XX-8765							
You cannot take the PTC if your filing status is married filing separately unless you qualify for an exception (see instructions). If you qualify, check the box <input type="checkbox"/>							
Part I Annual and Monthly Contribution Amount							
1	Tax family size. Enter your tax family size (see instructions)				1	2	
2a	Modified AGI. Enter your modified AGI (see instructions)				2a	40611	
b	Enter the total of your dependents' modified AGI (see instructions)				2b		
3	Household income. Add the amounts on lines 2a and 2b (see instructions)				3	40611	
4	Federal poverty line. Enter the federal poverty line amount from Table 1-1, 1-2, or 1-3 (see instructions). Check the appropriate box for the federal poverty table used: a <input type="checkbox"/> Alaska b <input type="checkbox"/> Hawaii c <input checked="" type="checkbox"/> Other 48 states and DC				4	16240	
5	Household income as a percentage of federal poverty line (see instructions)				5	250 %	
6	Did you enter 401% on line 5? (See instructions if you entered less than 100%.) <input checked="" type="checkbox"/> No. Continue to line 7. <input type="checkbox"/> Yes. You are not eligible to take the PTC. If advance payment of the PTC was made, see the instructions for how to report your excess advance PTC repayment amount.						
7	Applicable Figure. Using your line 5 percentage, locate your "applicable figure" on the table in the instructions				7	0.0810	
8a	Annual contribution amount. Multiply line 3 by line 7. Round to nearest whole dollar amount		8a	3289			
b	Monthly contribution amount. Divide line 8a by 12. Round to nearest whole dollar amount		8b	274			
Part II Premium Tax Credit Claim and Reconciliation of Advance Payment of Premium Tax Credit							
9	Are you allocating policy amounts with another taxpayer or do you want to use the alternative calculation for year of marriage (see instructions)? <input type="checkbox"/> Yes. Skip to Part IV, Allocation of Policy Amounts, or Part V, Alternative Calculation for Year of Marriage. <input checked="" type="checkbox"/> No. Continue to line 10.						
10	See the instructions to determine if you can use line 11 or must complete lines 12 through 23. <input checked="" type="checkbox"/> Yes. Continue to line 11. Compute your annual PTC. Then skip lines 12-23 <input type="checkbox"/> No. Continue to lines 12-23. Compute your monthly PTC and continue to line 24.						
Annual Calculation		(a) Annual enrollment premiums (Form(s) 1095-A, line 33A)	(b) Annual applicable SLCSP premium (Form(s) 1095-A, line 33B)	(c) Annual contribution amount (line 8a)	(d) Annual maximum premium assistance (subtract (c) from (b), if zero or less, enter -0-)	(e) Annual premium tax credit allowed (smaller of (a) or (d))	(f) Annual advance payment of PTC (Form(s) 1095-A, line 33C)
11	Annual Totals	281	281	3289			281
Monthly Calculation		(a) Monthly enrollment premiums (Form(s) 1095-A, lines 21-32, column A)	(b) Monthly applicable SLCSP premium (Form(s) 1095-A, lines 21-32, column B)	(c) Monthly contribution amount (amount from line 8b or alternative marriage monthly calculation)	(d) Monthly maximum premium assistance (subtract (c) from (b), if zero or less, enter -0-)	(e) Monthly premium tax credit allowed (smaller of (a) or (d))	(f) Monthly advance payment of PTC (Form(s) 1095-A, lines 21-32, column C)
12	January						
13	February						
14	March						
15	April						
16	May						
17	June						
18	July						
19	August						
20	September						
21	October						
22	November						
23	December						

Schedule A information:

Medical and dental expenses:

- Amount Paid to Doctors, Dentist, Eye Doctor: **\$650**
- Prescription Medicine, Drugs or Insulin: **\$1350**
- X ray, Lab work, Insulin Treatment etc.: **\$2500**
- Hospital care including meals and lodging: **\$2200**
- Medical miles Driven: **(525 miles) \$121**

Taxes you paid

- Real State Taxes (non-Business Property): **\$1320**

Mortgage Interest and Expenses

- Mortgage Interest Reported on Form 1098 (Coldwell Banker) **\$1754**

Gifts to Charity

- Cash contribution: **\$975**

Schedule B information:

- Type of Transaction: **Interest Income (1099-INT)**
- Payer's name: **Cherokee Bank / EIN: 23-5568941**
- Address: 630 Circle Ave, Cave Spring, GA 30124
- Interest amount: **\$321 (Box 1)**

Schedule D information: Capital Gains or Losses

Description: WWW

- 1099- B not received
- Date Acquired: **05/01/2000**
- Date Sold: **06/01/2022**
- Sales Price: **\$100**
- Cost: **\$250**

Description: MAC

- 1099- B not received
- Date Acquired: **01/01/2015**
- Date Sold: **10/01/2022**
- Sales price: **\$800**
- Cost: **\$1100**

Description: COM

- 1099- B not received
- Date Acquired: **06/30/2005**
- Date Sold: **12/01/2022**
- Sales price: **\$55**
- Cost: **\$50**

Description: JUS

- 1099- B not received
- Date Acquired: **01/01/2015**
- Date Sold: **12/25/2022**
- Sales price: **\$300**
- Cost: **\$200**

Tutorial #3

Tutorial #3 Objective:

Once you have completed this tutorial you will know how to complete forms; 1040, EIC, Schedule A, Schedule B, Schedule D, 2441, 1095-A, 8962 and E-file with a direct deposit bank product.



ENTER ALL CLIENT DATA

Note: Please refer to tutorial 1 and 2 to learn how to enter client information, W-2, dependent information and 1095-A amounts.

- Enter Taxpayer information
- Enter Dependent information presented on page 24
- When done entering dependent information click **Continue** to reach the **Federal Section - Income**

Dependent or Qualifying Child

➕ Add a Dependent or Qualifying Child

First Name	Last Name	Social Security Number	
harley	wilson	623-00-4321	 

We will now input the taxpayer Income.

INCOME ENTRY - ENTER ALL INCOME ITEMS

1. Begin entering W2 information. (At this point forms navigation should not be a challenge.)
2. Refer to page 25 to enter W-2 information, scroll down to enter wages.
3. On the **Income** Menu click on **Schedule B – Forms 1099-INT, DIV, OID**
4. Select **Interest or Divided Income**, then select **Interest Income, Form 1099-INT, (including interest income < 1,500)**
(as shown below)

Interest and Dividend Income

Interest or Dividend Income

EXIT

Did you have interest in a foreign bank account?

BEGIN

Exclusion of Interest from Series EE & US Savings Bonds

BEGIN

CONTINUE

1099 Description Schedule B

Choose the type of Interest or Dividend item you want to enter:

- Interest Income, Form 1099-INT, Form 1099-OID (including interest income < 1,500)
- Tax Exempt Interest Income, Form 1099-INT, Box 8 or Form 1099-DIV, Box 10
- Dividend Income, Form 1099-DIV
- Seller Financed Interest Income

CANCEL

CONTINUE

Interest Income

CANCEL

CONTINUE

Type of transaction

Interest Income

Payer's Name *

Cherokee Bank

Interest Income (Box 1)

\$ 321

Early Withdrawal Penalty (Box 2)

\$

Interest on U.S. Savings Bonds and Treasury obligations (Box 3)

(Note: Enter Taxable amount only)

\$

Federal Tax Withheld (Box 4)

\$

Foreign Tax Paid (Box 6)

\$

Amount of Interest on U.S. Savings Bonds and Treasury Obligations that you want subtracted from your state return

\$

Nominee Interest

\$

OID Adjustment

\$

Accrued Interest

\$

ABP Adjustment

\$

5. The **Interest Income (Form 1099-INT)** page will appear. Refer to page 26 (**Schedule B Information**) to input the information (as shown below). Click **Continue** when finished.

6. **Check Point:** Your federal refund amount should reflect \$4,181. This will obviously change but based on current inputs your numbers should match ours!

7. Return to the **Income** menu and we will begin to enter **Capital Gain and Losses Schedule D**.

8. Refer to page 26 (**Schedule D information**) to find the information for our **Capital Gains** entries. We have four entries in this section, after entering information for one click **SAVE & ENTER ANOTHER**. Please reference the images below to complete this task.

Schedule E Supplemental Income and Loss from Rents and Royalties	BEGIN
Schedule D/Form 8949 Capital Gains and Losses	BEGIN
Schedule F Profit or Loss from Farming	BEGIN
Alimony Received Payments from a former spouse under a legal agreement	BEGIN
Other Income K-1 earnings, gambling winnings, cancellation of debt, etc.	BEGIN

BACK CONTINUE

Capital Gains and Loss Items	EDIT
Additional Capital Gains Distributions	BEGIN
Other Capital Gains Data (including Capital Loss Carryover)	BEGIN
Sale of Main Home Worksheet	BEGIN
PDF Attachments	BEGIN

CONTINUE

Capital Gains Transaction

Form belongs to
Taxpayer

Description of Property *

Date Acquired

* Alternate Option: If Date Acquired is not known, leave the date blank and select an option here

Date Sold

* Alternate Option:

Check here if a short sale.

Sales Price

* Alternate Option: If Sale Price is Expired, leave the sales price blank and select an option here

Select cost basis type *

Cost

* Alternate Option: If Cost is Expired, leave the cost blank and select an option here

Adjustments

Enter any necessary adjustments to Gain or Loss

NOTE: If this entry is to be shown as a loss, please enter a negative sign before the number.

If you entered an adjustment amount above, please select all adjustment explanations that apply.

- B - Form 1099-B with Basis shown in Box 3 is Incorrect
- T - Form 1099-B & Type of Gain/Loss shown in Box 1c is Incorrect
- N - Received 1099-B/1099-S as a Nominee for the Actual Owner of the Property
- H - Exclude Some/All of the Gain from the Sale of Your Main Home
- D - Form 1099-B showing accrued market discount in box 1g
- Q - Exclude Part of the Gain from the Sale of Qualified Small Business Stock
- X - Exclude Gain from DC Zone Assets or Qualified Community Assets
- R - Rollover of Gain from QSB Stock, Empowerment Zone, Publicly Traded Securities
- W - Nondeductible Loss from a Wash Sale
- L - Nondeductible Loss other than a Wash Sale

9. When done entering all **Capital Gain and Losses Schedule D** information, click **Continue** until you are back at the **Income** menu. At this point we should have entered all the income items.

=====

DEDUCTIONS ENTRY - Next is the **Deductions** menu, click **Enter Myself** to continue to the **Deductions** menu.

Let's see how we can cut your tax bill

Here's a reason to smile. You may be able to get tax deductions for education costs, child care, charitable contributions and more. Follow our step-by-step guide to ensure accurate entry of your tax deductions. Or, enter the information on your own if you are familiar with the forms.

[GUIDE ME](#) -OR- [ENTER MYSELF](#)

[BACK](#) [SKIP DEDUCTIONS](#)

1. Refer to page 26 for the information to enter as **Itemized Deductions**. Click on **BEGIN** to enter **Itemized Deductions** and select each corresponding deduction as detailed on page 26 (Schedule - A information).

Deductions

Adjustments	BEGIN
Standard Deduction	BEGIN
Itemized Deductions	EDIT
Credits Menu	BEGIN
Compare Deductions	BEGIN

[BACK](#) [CONTINUE](#)

Itemized Deductions

Use Standard or Itemized Deduction	BEGIN
Medical and Dental Expenses	EDIT
Taxes You Paid	EDIT
Mortgage Interest and Expenses	EDIT
Gifts to Charity	EDIT
Unreimbursed Employee Business Expense	BEGIN
Job-Related Travel Expenses Form 2106	BEGIN
Miscellaneous Deductions	BEGIN
Less Common Deductions	BEGIN
CONTINUE	

2. Click **CONTINUE** until you are in the **Deductions** menu. In the **Deductions** menu, click **BEGIN** next to the **Credits Menu**.

Deductions

Adjustments	BEGIN
Standard Deduction	BEGIN
Itemized Deductions	EDIT
Credits Menu	BEGIN
Compare Deductions	BEGIN
BACK	CONTINUE

3. In the **Credits** menu click on **BEGIN** to enter the **Child Care Credit** (Form 2441)

Credits	
Foreign Tax Credit Form 1116	BEGIN
Child Care Credit Form 2441	BEGIN
Education Credits Form 1098-T	BEGIN
Retirement Savings Credit Form 8880	BEGIN
Residential Energy Credit Form 5695	BEGIN
Adoption Credit Form 8839	BEGIN
DC First-Time Homebuyer Credit Form 8859	BEGIN
Mortgage Interest Credit Form 8396	BEGIN
Claiming Refundable Credits after Disallowance Form 8862	BEGIN
EIC Check-list	BEGIN
Credit for the Elderly or Disabled Schedule R	BEGIN
Alternative Motor Vehicle Credit (Hybrid Cars) Form 8910	BEGIN
Qualified Electric Motor Vehicle Credit Form 8936	BEGIN
Small Employer Health Insurance Premiums Form 8941	BEGIN
Credit for Federal Tax Paid on Fuels Form 4136	BEGIN
Credit for Increasing Research Activities from Pass-through Entities Form 6765	BEGIN
	CONTINUE

4. Child Care Credit - Page 1, Step 1 - Child Care Providers; click on [Add a Child Care Provider](#).

F2441 - Child Care Credit - Page 1



The 2441 covers expenses paid for child care. The amount paid to the provider(s) of the child care must equal the total expenses of the dependents and any qualified person not listed on the return as a dependent. If the totals do not balance out to a difference of \$0, then there is a risk of rejection of the return.

Total Expenses	-	\$0.00
Total Amount Paid To Providers	-	\$0.00
Difference	-	\$0.00

Step 1 - Child Care Providers

Enter the required information about the child care provider you paid to care for your dependents and qualified persons. Once you have entered all providers, continue to Step 2 - Dependents.

Provider	ID Number	Amount
Add a Child Care Provider		

Step 2 - Dependents

Step 3 - Qualifying Persons

CANCEL

CONTINUE TO PAGE 2

to
25

*Refer
page

Form 2441 - Child Care Provider Information

CANCEL **CONTINUE**

Basic Provider Information

Please select if ID Number is a SSN, ITIN, or EIN

SSN/ITIN
 EIN

Provider's ID Number
(SSN, ITIN, or EIN)

-

Provider's Name *

Provider's Address *

Check here if foreign address

Address (Number and Street) *

ZIP Code *

-

City, Town, or Post Office *

State *

- Please Select - ▼

Check here if provider is Tax Exempt

Check here if you were living abroad and used a foreign care provider

Amount Paid to Provider for Child Care
(Enter the total amount paid to provider, including amounts from W-2, Box 10) *

\$

Hawaii Tax ID Number
Enter the 12 digit number (numbers only)

Provider's Phone Number
* You MUST provide a phone number if you intend to file a CALIFORNIA state return.

() -


CANCEL **CONTINUE**

(Dependent Care Information) to fill out Form 2441-Child Care Provider information.


When finished entering information, scroll down and click on **Continue**.


3. In the **Child Care Credit - Page 1**, click on **Step 2 - Dependents** and click on the pencil icon on the right to **Edit**.

F2441 - Child Care Credit - Page 1



 The 2441 covers expenses paid for child care. The amount paid to the provider(s) of the child care must equal the total expenses of the dependents and any qualified person not listed on the return as a dependent. If the totals do not balance out to a difference of \$0, then there is a risk of rejection of the return.


Total Expenses	-	\$0.00
Total Amount Paid To Providers	-	\$1,500.00
<hr/>		
Difference	-	\$1,500.00

Step 1 - Child Care Providers 

Step 2 - Dependents 

Dependents entered on your return are pulled and listed below. Enter the total annual qualifying expenses paid for each dependent listed below. If you have qualified expenses for a qualifying person not listed below, continue to step 3.

Dependent's Name	Social Security Number	Qualifying Expenses	 
HUNTER WILSON	623-55-4321	\$0.00	



Step 3 - Qualifying Persons 

CANCEL **CONTINUE TO PAGE 2**

4. Enter **Dependent Expenses for Harley Wilson** and click **Continue**.

Form 2441 - Child Care Credit

Total to Providers	Total for Qualifying Persons	Additions	Benefits
\$1,500.00	\$0.00	\$0.00	\$0.00

[CONTINUE](#)

5. In the **Child Care Credit - Page 1**, click on **CONTINUE** to go to **Page 2**. Click Continue until you are back at the **Deductions** menu. Click on **BEGIN** next to **Itemized Deductions**.

Itemized Deductions

- Use Standard or Itemized Deduction [BEGIN](#)
- Medical and Dental Expenses [BEGIN](#)
- Taxes You Paid [BEGIN](#)
- Mortgage Interest and Expenses [BEGIN](#)
- Gifts to Charity [BEGIN](#)
- Unreimbursed Employee Business Expense [BEGIN](#)
- Job-Related Travel Expenses Form 2106 [BEGIN](#)
- Miscellaneous Deductions [BEGIN](#)
- Less Common Deductions [BEGIN](#)

[CONTINUE](#)

6. Enter each item from **Schedule-A Information page 25** in **Itemized Deductions**. Click **Continue** until you are back at **Deductions**.


HEALTH INSURANCE SECTION:

1. Select the **Health Insurance** on the left-hand side as depicted in the image below. (Bottom left)

The screenshot shows a web interface for tax preparation. On the left is a vertical navigation menu with a search bar at the top containing the text "Enter the Form Number...". Below the search bar are several menu items: "Basic Information", "Federal Section", "Income", "W-2 Wage Statement", "State & Local Refunds", "Unemployment Compensation", "Deductions", "Other Taxes", "Payments & Estimates", "Miscellaneous Forms", and "Health Insurance". The "Health Insurance" item is highlighted with a red vertical bar. To the right of the menu is the main content area titled "Deductions". This area contains five rows, each with a text label and a blue "BEGIN" button: "Adjustments", "Standard Deduction", "Itemized Deductions", "Credits Menu", and "Compare Deductions". At the bottom of the main content area are two buttons: a white "BACK" button and a blue "CONTINUE" button.

2. In the **Health insurance Questionnaire** select yes and click **Continue**.
3. Based on the information in the taxpayer profile, select **Yes** and click **Continue**.

Verify Your Household Members

 If you have additional family members that are neither a spouse nor a dependent, click "[Add a New Household Member](#)."
If you need to add or remove dependents, [click here to go to Personal Information](#).

[+ Add New Household Member](#)

Name	SSN	Date of Birth
Mary Wilson	302-55-8765	1/21/1953
Hunter Wilson	623-55-4321	9/6/2006

[+ Add New Household Member](#)

CONTINUE

Affordable Care Act Insurance Plans

Reported on Form 1095-A

Did you, your spouse, or a dependent have insurance under the Affordable Care Act in 2022? *

If so, select Yes – you must report Form 1095-A for the IRS to accept your return. If you did not have an Affordable Care Act insurance plan, select No.

Yes

No

BACK

CONTINUE

4. Enter information to complete **Advanced Premium Tax Credit (1095-A)**, as shown below (\$281).

Advanced Premium Tax Credit (1095-A)

Were you eligible to receive unemployment compensation for any week in 2022?

Yes

No

Are you required to repay all of the APTC received? In most cases, the answer is NO. ONLY answer YES if you were not considered lawfully present in the U.S. or you meet the Health Coverage Tax Credit criteria. Note: We will automatically calculate a full repayment of APTC when MAGI is greater than 400 percent of Federal Poverty Line.

Yes

No

Is your household income below 100% of the Federal poverty line, and do you meet all of the requirements under either "Estimated household income at least 100% of the Federal poverty line" or "Alien lawfully present in the United States"?

Yes

No

Do all Forms 1095-A include coverage for January through December, with no changes in monthly amounts?

Yes

No

Please enter your annual Advance Premium Tax Credit information

Premium Amount (Form 1095-A, line 33A)

\$ 281

Annual Premium Amount of SLCS (Form 1095-A, line 33B)

\$ 281

Annual Advance Payment of PTC (Form 1095-A, line 33C)

\$ 281

5. When done click **Continue twice**.
6. Complete the remainder of the return as previously instructed in tutorials 1 and 2.

[Congratulations you have finished tutorial number 3!](#)

Tutorial/Scenario 4

In this Scenario you will practice the following:

- Select filing status
- Claim Earned Income Credit
- Report health coverage
- Complete Schedule A, E

Average Time to Complete:
25 Minutes

Taxpayer Profile:

Name: Miranda Whitmore

SSN: 204-00-2004

Birth date: 06/15/1974

Address: 89 Cowen Way, Cave Spring, GA 30124

Primary Phone Number: (706) 555-3003

Occupation: administrative assistant

Spouse Info:

Name: Mark Whitmore

SSN: 404-55-2006

Birth date: 10/11/1979

Occupation: N/A

Dependent/s information:

Name: Samantha Whitmore

SSN: 424-00-2008

Birth date: 05/16/2015

Relationship: Daughter

Additional information

- *Miranda is married filing jointly and have one dependent.*
- *Miranda received health insurance through her employer for the entire year.*
- *Miranda wants to E-file the return preparation fees deducted from her refund and to receive her refund directly put into his bank account.*

Answer Check:

Federal refund:	\$7,209
------------------------	---------

- *Page 42 shows the source documents to be used for the preparation of this return.*
- *Page 43-48 provides step by step instructions on how to complete this return.*

Available Documentation:

W-2

Schedule A information

Schedule E information.

a Employee's social security number 204-00-2004		Safe, accurate, FAST! Use		Visit the IRS website at www.irs.gov/efile	
b Employer identification number (EIN) 02-4556423		1 Wages, tips, other compensation 22465		2 Federal income tax withheld 1976	
c Employer's name, address, and ZIP code BROOKS BARNUM AND SAMPSON LEGAL SER 6312 EAST 2ND STREET ROME GA 30161		3 Social security wages 22465		4 Social security tax withheld 1393	
		5 Medicare wages and tips 22465		6 Medicare tax withheld 326	
		7 Social security tips		8 Allocated tips	
d Control number		9 Verification code		10 Dependent care benefits	
e Employee's first name and initial Last name Suff. MIRANDA WHITMORE 89 COWEN WAY CAVE SPRING GA 30124		11 Nonqualified plans		12a See instructions for box 12	
		13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		12b	
		14 Other		12c	
f Employee's address and ZIP code				12d	
15 State Employer's state ID number GA 124123456	16 State wages, tips, etc. 22465	17 State income tax 1426	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

Form **W-2** Wage and Tax Statement

Department of the Treasury—Internal Revenue Service

Schedule A:

Taxes You Paid:

- Real Estate Taxes: \$1426

Schedule E:

Type of property: Multi-Family Residence.

Location: 2216 Huffaker Road, Cave Spring, GA 30124

Fair Rental Days: 360

Personal use only: 0

Rental Income: \$11250

Expenses: Utilities> \$5000 **Cleaning**> \$293

Type of property: Single-Family Residence.

Location: 8 Mongolia Lane, Cave Spring, GA 30124

Fair Rental Days: 300

Personal use only: 0

Rental Income: \$7125

Expenses: Utilities> \$9000 **Cleaning**> \$725

Tutorial #4

Tutorial #4 Objective:

Once you have completed this tutorial you will know how to:

Complete Forms: 1040, EIC, Schedule E, and E-file with a bank account.

ENTER ALL CLIENT DATA

Note: *This tutorial begins after entering client information (personal info, spouse, dependent, income)*

INCOME ENTRY - ENTER ALL INCOME ITEMS

Note: Please refer to tutorial #1 to learn how to enter client information and W-2.

1. In the **Income** menu click **BEGIN** next to **Schedule E**

Form 1099-K Payment card and third party network transactions	BEGIN
Schedule E Supplemental Income and Loss from Rents and Royalties	BEGIN
Schedule D/Form 8949 Capital Gains and Losses	BEGIN
Schedule F Profit or Loss from Farming	BEGIN
Alimony Received Payments from a former spouse under a legal agreement	BEGIN
Other Income K-1 earnings, gambling winnings, cancellation of debt, etc.	BEGIN
BACK	CONTINUE

2. Click on **Continue** to proceed past "Schedule E Required Information".

Schedule E Required Information

Check here if you made any payments in 2017 that would require you to file Form(s) 1099.

CANCEL

CONTINUE

- Schedule E Rent and Royalty Information** screen will appear. Refer to page 42 to enter corresponding information. When finished click **Continue**.

Schedule E Rent and Royalty Information

CANCEL

Form belongs to *

Mark Whitmore
 Miranda Whitmore
 Both

Type *
--Select--

Description *

Check here if foreign address

Address (Number and Street) *

ZIP Code *
 -

City, Town, or Post Office *

State *
- Please Select -

Check if personal use

Percent of ownership *

Rental Payments Received (including rental income reported on Form 1099-K)
\$

Enter the number of days the property was rented at fair rental value

Enter the number of days the property was used for personal purposes

- Click on **Begin** to enter **Expenses**.

- Refer to page 41 for **Expense's** detail.

- When done click **Continue** twice, until you are in the **Schedule E Rental/Royalty** menu again and click on **+Add Another**.

Description	Address (Number and Street)	Amount
2216 Huffaker	2216 Huffaker Road	\$11,250.00

- Repeat steps 2 through 5 to enter second property. When done click **Continue** until you are in the **Income** menu once again.

=====

ITEMIZED DEDUCTIONS ENTRY - Next is the **Deductions** menu.

Schedule A

1. In the **Income** menu click **Continue** to enter the **Deductions** menu then click **ENTER MYSELF**
2. In the **Deductions** menu click **BEGIN** next to **Itemized Deductions**.
3. Refer to Tutorial 3 regarding **Schedule A** information. Enter amounts for **Taxes You Paid (Schedule A)** using amounts from page 42. When done click **Continue**.

The screenshot shows a web interface titled "Deductions". It features a list of options on the left and corresponding buttons on the right. The options are: Adjustments, Standard Deduction, Itemized Deductions, Credits Menu, and Compare Deductions. Each option has a "BEGIN" button next to it. At the bottom left, there is a "BACK" button, and at the bottom right, there is a "CONTINUE" button.

Option	Action
Adjustments	BEGIN
Standard Deduction	BEGIN
Itemized Deductions	BEGIN
Credits Menu	BEGIN
Compare Deductions	BEGIN
BACK	CONTINUE

Health insurance

1. Click on **Continue** until you reach the **Health Insurance Questionnaire**.
2. Select **NO** to **Did you, your spouse, or a dependent have insurance under the Affordable Care Act in 2022?**

Your Federal Return is Complete! For this practice return we are not going to ADD STATE RETURN(S). Click on **CONTINUE TO SUMMARY**.

E-file

1. Click E-file on the left-hand corner then click continue.
2. The 8867 EIC **Due Diligence Checklist** will appear. Answer questions as shown below. When finished, click **Continue**.

Due Diligence Checklist

Qualifying Information

Was the taxpayer (or spouse) a nonresident alien for any part of the year? *

- Yes
 No

Is the taxpayer (or spouse) a qualifying child of another person? *

- Yes
 No

Did you complete the return based on information for tax year 2022 provided by the taxpayer or reasonably obtained by you? *

- Yes
 No

Did you interview the taxpayer, ask adequate questions, and document the taxpayer's responses to determine that the taxpayer is eligible to claim the credit(s) and/or HOH filing status? *

- Yes
 No

Did you review adequate information to determine that the taxpayer is eligible to claim the credit(s) and/or HOH filing status and in what amount? *

- Yes
 No

Did any information provided by the taxpayer, a third party, or reasonably known to you in connection with preparing the return appear to be incorrect, incomplete, or inconsistent? *

- Yes
 No

Did you satisfy the record retention requirement? *

To meet the record retention requirement, did you keep a copy of any document(s) provided by the taxpayer that you relied on to determine eligibility or to compute the amount for the credit(s)?

- Yes
- No

In addition to your notes from the interview, list those documents, if any, that you relied on

W-2, Rental Property Expenses

Did you ask the taxpayer whether he/she could provide documentation to substantiate eligibility for and the amount of the credit(s) and/or HOH filing status claimed on the return? *

- Yes
- No

Did you ask the taxpayer if any credits were disallowed or reduced in a prior year? *

- Yes
- No

Were any of these credits disallowed or reduced in a previous year? *

- Yes
- No

Qualifying Child #1 - Samantha Whitmore 424-00-2008

Is this child currently, or intended to be, a qualifying child on any other individual's tax return? *

- Yes
- No

EIC Questions

Have you determined that this taxpayer is, in fact, eligible to claim the EIC for the number of children for whom the EIC is claimed? *

- Yes
 No

Did you explain to the taxpayer that he/she may not claim the EIC if the taxpayer has not lived with the child for over half the year, even if the taxpayer has supported the child? *

- Yes
 No

Did you explain to the taxpayer the rules about claiming the EIC when a child is the qualifying child of more than one person (see TIEBREAKER RULES below)? *

- Yes
 No



TIEBREAKER RULES: To determine which person can treat the child as a qualifying child, the following tiebreaker rules apply:

1. If only one of the persons is the child's parent, the child is treated as the qualifying child of the parent.
2. If the parents do not file a joint return together but both parents claim the child as a qualifying child, the IRS will treat the child as the qualifying child of the parent with whom the child lived with for the longer period of time during the year. If the child lived with each parent for the same amount of time, the IRS will treat the child as the qualifying child of the parent who had the higher adjusted gross income (AGI) for the year.
3. If no parent can claim the child as a qualifying child, the child is treated as the qualifying child of the person who had the highest AGI for the year.
4. If a parent can claim the child as a qualifying child but no parent does claim the child, the child is treated as the qualifying child of the person who had the highest AGI for the year, but only if that person's AGI is higher than the highest AGI of any of the child's parents who can claim the child.

Child Tax Credit Questions

Does the child reside with the taxpayer who is claiming the CTC/ACTC? *

- Yes
 No

Did you explain to the taxpayer that he/she may not claim the CTC/ACTC if the taxpayer has not lived with the child for over half of the year, even if the taxpayer has supported the child, unless the child's custodial parent has released a claim to exemption for the child? *

- Yes
 No

Did you explain to the taxpayer the rules about claiming the CTC/ACTC/ODC for a child of divorced or separated parents (or parents who live apart), including any requirement to attach a Form 8332 or similar statement to the return? *

- Yes
 No

Do you certify that all answers on this Form 8867 are, to the best of your knowledge, true, correct and complete? *

- Yes
 No

Form 8867 - Due Diligence Checklist

Due Diligence for All Credits Claimed

Documents Relied On, if any	ANSWERED
Due Diligence for EIC	ENTERED
Due Diligence for Child Tax Credit	ANSWERED
Due Diligence for American Opportunity Tax Credit	ANSWERED
Credit Eligibility Certification	N/A
	CERTIFIED

MAKE CHANGES CONTINUE

RETURN SUMMARY

AGI	\$25,822
Federal	\$7,209

- Click **Continue** to proceed past **Form 8867** and **Miscellaneous Statement**. Refer to Tutorial #2 on how to complete all the sections on the **E-File** page.

Congratulations you have finished tutorial number 4!!