

LAW-L1 – Kent Refund Monitor

Filing Status: Married Filing Jointly

01-09-2013 TY2011 v1.0a-3

| Step | TP Form/ Note(s) | TW Form | Payee/Name | Fed 37 AGI | Fed 74/76 Refund | NJ 37 Taxable | NJ 55/65 Refund | 4012 page | Notes |
|------|---------------------------------------|---|--|------------------|------------------------|------------------|-----------------------|--------------|--|
| 1 | Intake etc. Notes 2, 3, 4, 5, 7 | Main Info Prep Use | | | | | | C-4 1-8 | Hint: Use Code 1 (or 2) if dependent is "qualifying child" per IRS rules; use code 3 if dependent is "qualifying relative" Hint: Check EIC box for all dependents who might qualify for EIC |
| 2 | W-2 | W2 | Jefferson Independent School District | 13,817 | 5,081 | | | 2-3 | |
| 3 | W-2 | W2 | Americus Petroleum | 41,951 | 3,090 | | | 2-3 | |
| 4 | Text | Sch B | Campbell Mortgage | 44,733 | 2,815 | | | | Hint: Look on Preparer page Lookup Tool to see where to enter this |
| 5 | 1099-INT | Interest Stmt | Kendall Federal Credit Union | 45,143 | 2,775 | | | 2-5 | |
| 6 | Text | Interest Stmt | Gordon Investment Services | 45,143 | 2,775 | | | 2-5 | Hint: Look at NJ Special Handling for exempt interest and savings bonds |
| 7 | Broker Stmt | Interest Stmt | ZYX Investments (Interest only) | 47,721 | 2,760 | | | 2-5 | BP: Use separate lines on Interest Stmt |
| 8 | Broker Stmt | Dividend Stmt 1116 Pg 1 | ZYX Investments (Dividends only) | 48,022 | 2,764 | | | 2-6 5-2 | Hint: May need to manually add form 1116 Hint: Do NOT worry about red stuff on form 1116 below "Simplified Limitation Election" |
| 9 | 1099-G | St Tax Refund | NJ Div of Tax | 48,309 | 2,734 | | | | Hint: See NJ Special Handling, State Income Tax Refunds Hint: Karl was over 65 last year |
| 10 | 1099-MISC | Sch C Pg 1 Sch C Pg 2 1099 MISC Scratch Pad | Pratt Medical Centers, Inc. (plus other) | 50,519 | 2,124 | | | 2-7 | Q: How would you lookup Business code at site (i.e. when not supplied as part of scenario)? Q: Do you need to fill in line E, Business address? Hint: Link from line 1b to add 1099-MISC and also link from same box to add Scratch Pad to document non-1099-MISC income |
| 11 | 1099-B | Cap Gn Wkt | Pelrum Brokerage Service | 49,220 | 2,311 | | | 2-10 | Hint: See Pub 4012 TY2011 Notes for additional info on filling out Cap Gn Wkt |
| 12 | Broker Stmt | Cap Gn Wkt | ZYX Investments (Capital Gains only) | 47,450 | 2,522 | | | 2-9 | Hint: Use INHERIT for Date Acquired for inherited stocks |

| Step | TP Form/ Note(s) | TW Form | Payee/Name | Fed 37 AGI | Fed 74/76 Refund | NJ 37 Taxable | NJ 55/65 Refund | 4012 page | Notes |
|------|---------------------|--|---|------------------|------------------------|------------------|-----------------------|--------------|---|
| 13 | 1099-R | 1099R | Saulk Trust Company | 48,288 | 2,437 | | | 2-17 | |
| 14 | Text 1099-R | 1099R IRA Rollover | Yale Security IRA | 48,288 | 2,437 | | | 2-17 | BP: Do IRA Rollover explanation (1040 line 15b) now |
| 15 | 1099-R | 1099R | Defense Finance & Accounting SVC | 49,488 | 2.266 | | | 2-17 | Hint: See NJ Special Handling for Military Pensions |
| 16 | Text 1099-R | 1099R | Stillman Pension Fund | 67,778 | 1,244 | | | 2-17 2-18 | Hint: Use Simplified General Rule Hint: Fill in prior year(s) recovery amount |
| 17 | K-1 | Sch E Pg 1 | Black Jack Production Company | 68,828 | 1,086 | | | 2-21 | Hint: Need to add Sch E (see Special Topic document available from Preparer page) Hint: Do NOT use K-1 form in TW! |
| 18 | 1099-G | 1099G Wkt | NJ Department of Labor | 71,378 | 824 | | | | |
| 19 | SSA-1099 | 1040 Wkt1 | Social Security | 83,008 | (564) | | | 2-19 | BP: Medicare Part B & D on Scratch Pad |
| 20 | W-2G Text | W2G | New Jersey Lottery | 84,208 | (744) | | | | Hint: Need to add W2G (if not in tree) Hint: See NJ Special Handling for NJ Lottery BP: Include corresponding losses |
| 21 | Text | 1040 Wkt2 | Classroom supplies | 83,968 | (706) | | | | Hint: Need to add 1040 Wkt2 (if not in tree) |
| 22 | Text | 1040 Pg 1 | Alimony to ex | 80,368 | (166) | | | 3-1 | |
| 23 | Text | IRA Wkt | IRA Contribution | 74,368 | 734 | | | | Hint: May need to add IRA Wkt |
| 24 | Text | 1040 Wkt2 | Student Loan Interest | 74,100 | 771 | | | | Hint: May need to add 1040 Wkt2 |
| 25 | Text | Sch A A Detail Scratch Pad | Itemized Deductions | 74,100 | 1.191 | | | 4-2 4-4 | Hint: Some items in text may not be deductible... BP: Use Scratch Pad to document Real Estate tax detail |
| 26 | Text | 2441 Pg 1 | Maryville Day Care Center | 74,100 | 1,411 | | | 5-3 | |
| 27 | 1098-T etc | 8863 Pg 1 Scratch Pad | a) Kendra - Northern Kentucky University b) Kara - Local University" | 74,100 | 3,788 | | | 5-3 | Hint: May need to add 8863 BP: Should do this last to make sure comparison involves all factors, but done here for to keep flow of problem |
| 28 | Text | 5695 Pg 1 | Residential Energy Improvements | 74,100 | 4,006 | | | G-9 | Hint: May need to add 5695 |
| 29 | Text | F/S Tax Pd | Estimated payments | 74,100 | 4,406 | | | | Hint: Ctrl-Space (or F3) state balance due line (if red) |
| 30 | Note 8 | | Inheritance | 74,100 | 4,406 | | | | Hint: No tax implications to recipient for inheritance |

| Step | TP Form/ Note(s) | TW Form | Payee/Name | Fed 37 AGI | Fed 74/76 Refund | NJ 37 Taxable | NJ 55/65 Refund | 4012 page | Notes |
|------|--|--|---|------------------|------------------------|------------------|-----------------------|--------------|---|
| 31 | | 1040 Pg 1 | still red - resolve | 74,100 | 4,406 | | | | Hint: Line 21 – see help |
| 32 | Note 9 | Sch B | still red - resolve | 74,100 | 4,406 | | | | |
| 33 | Note 6 | | | 74,100 | 4,406 | | | | BP: get red out and run diagnostics before handling refund/payment |
| 34 | | Diagnostics Sch EIC | | 74,100 | 4,406 | | | 6-5 | Hint: Can click on diagnostic error to go to worksheet Hint: Answer EIC Wkt questions in order and only if red |
| 35 | | Diagnostics | | 74,100 | 4,406 | | | | No Errors |
| 36 | Note 6 | 1040 Pg 2 | Apply 1/2 refund to next year | 74,100 | 2,203 | | | 6-2 | Hint: Enter ½ of refund on line 75 |
| 37 | Note 6 | Main Info 1040 Pg 2 | Enter Routing number and account number | 74,100 | 2,203 | | | | |
| 38 | | Diagnostics | | 74,100 | 2,203 | | | | No errors |
| 39 | | NJ 1040 Pg1 | | 74,100 | 2,203 | 29,522 | 1,956 | | Hint: Follow NJ Special Handling line-by-line for NJ-1040 Hint: NJ Municipal codes available in TWO Help or in NJ 1040 Instructions or via Preparer Page |
| 40 | Note 2 Note 3 Note 11 Note 12 | NJ 1040 Pg3 | | 74,100 | 2,203 | 28,522 | 1,974 | | Note: Save line 44 entry until next step |
| 41 | Note 10 | NJ 1040 Pg3 | | 74,100 | 2,203 | 28,522 | 1,942 | | Hint: NJ Special Handling contains a table which is useful for situations where the NJ suggested standard amount is used for Use Tax entry (line 44) |
| 42 | Sch A deductions list | NJ 1040 Pg4 (Sch F) | | 74,100 | 2,203 | 28,522 | 1,992 | | Hint: Property tax from Sch A is automatically shown in NJ-1040 Sch F worksheet, but actual amount needs to be manually entered in correct box |
| 43 | | NJ DD Wkt | | 74,100 | 2,203 | 28,522 | 1,992 | | BP: get red out of other worksheets and run diagnostics before handling refund/payment |
| 44 | | NJ IRA Wkt 01 NJ IRA Wkt 02 | | 74,100 | 2,203 | 28,522 | 1,992 | | Hint: Need to add IRA Wkt(s) and set Copy Number for each IRA BP: OK to leave unknown values red in IRA Wkt Q: NJ-1040 line 19 changed – why didn't line 37 change? |

| Step | TP Form/ Note(s) | TW Form | Payee/Name | Fed 37 AGI | Fed 74/76 Refund | NJ 37 Taxable | NJ 55/65 Refund | 4012 page | Notes |
|------|---------------------|-----------------------------|-----------------------------|------------------|------------------------|------------------|-----------------------|--------------|--|
| 45 | | Diagnostics | | 74,100 | 2,203 | 28,522 | 1,992 | | No errors |
| 46 | Note 6 | NJ 1040 Pg4 | Apply ½ refund to next year | 74,100 | 2,203 | 28,522 | 996 | | Hint: Enter ½ of refund amount on NJ line 57 |
| 47 | | Diagnostics | | 74,100 | 2,203 | 28,522 | 996 | | No errors |
| 48 | | | Create e-File(s) | 74,100 | 2,203 | 28,522 | 996 | | Hint: If get error "The 'Adjustments ToGainOrLossCd' is invalid" then change code in column (b) of Cap Gn Wkt to double letter (e.g. use "OO" instead of just "O") |

Values with pink background – value changed from previous row

Click on links in TW Form column to see screen shot of completed TWO form (you may need to click on the picture to enlarge it)

[Printed return – click here](#)

[Scenario Writeup – click here](#)

[Printable version of this page – click here](#)