

## Tom and Katie Speed

**INCOME**

Wages, salaries, tips, etc.....	150,000
Interest income.....	868
Capital gain or loss.....	-3,000
Other income.....	117
Total income.....	147,985

**ADJUSTMENTS TO INCOME**

Moving expenses.....	9,500
Alimony paid.....	5,000
IRA deduction.....	4,000
Student loan interest deduction.....	1,710
Tuition and fees deduction.....	2,100
Total adjustments.....	22,310
Adjusted gross income.....	125,675

**ITEMIZED DEDUCTIONS**

Taxes.....	10,000
Interest.....	5,000
Contributions.....	4,000
Total itemized deductions.....	19,000

**TAX COMPUTATION**

Standard deduction.....	12,400
Larger of itemized or standard deduction.....	19,000
Income prior to exemption deduction.....	106,675
Exemption deduction.....	10,950
Taxable income.....	95,725
Tax before credits.....	16,306

**CREDITS**

Child tax credit.....	200
Total credits.....	200
Tax after credits.....	16,106

**OTHER TAXES**

Total tax.....	16,106
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**PAYMENTS**

Federal income tax withheld.....	19,000
Making work pay & govt retiree credit.....	800
Total payments.....	19,800

**REFUND OR AMOUNT DUE**

Amount overpaid.....	3,694
Amount refunded to you.....	3,694
Amount you owe.....	0

**TAX RATES**

Marginal tax rate.....	25.0%
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**Label**  
(See instructions.)

**Use the IRS label.**  
Otherwise, please print or type.

**Presidential Election Campaign**

For the year Jan 1 - Dec 31, 2009, or other tax year beginning , 2009, ending , 20		OMB No. 1545-0074
Your first name MI Last name <b>Tom Speed</b>	<b>Your social security number</b> 464-99-9999	
If a joint return, spouse's first name MI Last name <b>Katie Speed</b>	<b>Spouse's social security number</b> 464-88-8888	
Home address (number and street). If you have a P.O. box, see instructions. Apartment no. <b>1234 Dawson's Creek Drive</b>		You <b>must</b> enter your social security number(s) above. ▲
City, town or post office. If you have a foreign address, see instructions. State ZIP code <b>Dallas, TX 75231</b>		
Check here if you, or your spouse if filing jointly, want \$3 to go to this fund? (see instructions) . . . . .		<input checked="" type="checkbox"/> <b>You</b> <input type="checkbox"/> <b>Spouse</b>

**Filing Status**

Check only one box.

<input type="checkbox"/> 1 Single	<input type="checkbox"/> 4 Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here . . . . .
<input checked="" type="checkbox"/> 2 Married filing jointly (even if only one had income)	
<input type="checkbox"/> 3 Married filing separately. Enter spouse's SSN above & full name here . . . . .	<input type="checkbox"/> 5 Qualifying widow(er) with dependent child (see instructions)

**Exemptions**

If more than four dependents, see instructions and check here

6a <input checked="" type="checkbox"/> <b>Yourself.</b> If someone can claim you as a dependent, <b>do not</b> check box 6a. . . . .				Boxes checked on 6a and 6b . . . . .	2
b <input checked="" type="checkbox"/> <b>Spouse</b> . . . . .				No. of children on 6c who:	
<b>c Dependents:</b>				• lived with you . . . . .	1
(1) First name Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> if qualifying child for child tax credit (see instrs)	• did not live with you due to divorce or separation (see instrs) . . . . .	
Isabella Speed	464-77-7777	Child	<input checked="" type="checkbox"/>	Dependents on 6c not entered above . . . . .	
			<input type="checkbox"/>	Add numbers on lines above . . . . .	3
d Total number of exemptions claimed . . . . .					3

**Income**

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a W-2, see instructions.

Enclose, but do not attach, any payment. Also, please use Form 1040-V.

7 Wages, salaries, tips, etc. Attach Form(s) W-2 . . . . .	7	150,000.
8a Taxable interest. Attach Schedule B if required . . . . .	8a	868.
b Tax-exempt interest. <b>Do not</b> include on line 8a . . . . .	8b	452.
9a Ordinary dividends. Attach Schedule B if required . . . . .	9a	
b Qualified dividends (see instrs) . . . . .	9b	
10 Taxable refunds, credits, or offsets of state and local income taxes (see instructions) . . . . .	10	
11 Alimony received . . . . .	11	
12 Business income or (loss). Attach Schedule C or C-EZ . . . . .	12	
13 Capital gain or (loss). Att Sch D if reqd. If not reqd, ck here . . . . .	13	-3,000.
14 Other gains or (losses). Attach Form 4797 . . . . .	14	
15a IRA distributions . . . . .	15a	
b Taxable amount (see instrs) . . . . .	15b	
16a Pensions and annuities . . . . .	16a	
b Taxable amount (see instrs) . . . . .	16b	
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E . . . . .	17	
18 Farm income or (loss). Attach Schedule F . . . . .	18	
19 Unemployment compensation in excess of \$2,400 per recipient (see instructions) . . . . .	19	
20a Social security benefits . . . . .	20a	
b Taxable amount (see instrs) . . . . .	20b	
21 Other income <u>GTL</u> . . . . .	21	117.
22 Add the amounts in the far right column for lines 7 through 21. This is your <b>total income</b> ▶	22	147,985.

**Adjusted Gross Income**

23 Educator expenses (see instructions) . . . . .	23	
24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ . . . . .	24	
25 Health savings account deduction. Attach Form 8889 . . . . .	25	
26 Moving expenses. Attach Form 3903 . . . . .	26	9,500.
27 One-half of self-employment tax. Attach Schedule SE . . . . .	27	
28 Self-employed SEP, SIMPLE, and qualified plans . . . . .	28	
29 Self-employed health insurance deduction (see instructions) . . . . .	29	
30 Penalty on early withdrawal of savings . . . . .	30	
31a Alimony paid b Recipient's SSN. . . . . ▶ 444-44-4444	31a	5,000.
32 IRA deduction (see instructions) . . . . .	32	4,000.
33 Student loan interest deduction (see instructions) . . . . .	33	1,710.
34 Tuition and fees deduction. Attach Form 8917 . . . . .	34	2,100.
35 Domestic production activities deduction. Attach Form 8903 . . . . .	35	
36 Add lines 23 - 31a and 32 - 35 . . . . .	36	22,310.
37 Subtract line 36 from line 22. This is your <b>adjusted gross income</b> ▶	37	125,675.

Tax and Credits

Standard Deduction for - People who check any box on line 39a, 39b, or 40b or who can be claimed as a dependent, see instructions. All others: Single or Married filing separately, \$5,700 Married filing jointly or Qualifying widow(er), \$11,400 Head of household, \$8,350

Table with 3 columns: Line number, Description, and Amount. Rows include 38 (125,675), 39a (Total boxes checked), 40a (19,000), 41 (106,675), 42 (10,950), 43 (95,725), 44 (16,306), 45 (0), 46 (16,306), 47-53 (Credits), 54 (200), 55 (16,106).

Other Taxes

Table with 3 columns: Line number, Description, and Amount. Rows include 56-60, with total tax of 16,106 on line 60.

Payments

If you have a qualifying child, attach Schedule EIC.

Table with 3 columns: Line number, Description, and Amount. Rows include 61 (19,000), 62, 63 (800), 64a (Earned income credit), 65-70, 71 (19,800).

Refund

Direct deposit? See instructions and fill in 73b, 73c, and 73d or Form 8888.

Table with 3 columns: Line number, Description, and Amount. Rows include 72 (3,694), 73a (3,694), 74.

Amount You Owe

Table with 3 columns: Line number, Description, and Amount. Rows include 75, 76.

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? Yes. Complete the following. No

Sign Here

Joint return? See instructions. Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Paid Preparer's Use Only

Preparer's signature: Loreine Smith CPA, 8144 Walnut Hill Lane, Ste 1080, Dallas, TX 75231. Phone no. 214-503-6692.

**SCHEDULE A**  
**(Form 1040)**

**Itemized Deductions**

OMB No. 1545-0074

**2009**

Attachment  
Sequence No. **07**

Department of the Treasury  
Internal Revenue Service (99)

▶ **Attach to Form 1040.**

▶ **See Instructions for Schedule A (Form 1040).**

Name(s) shown on Form 1040

Your social security number

Tom and Katie Speed

464-99-9999

<b>Medical and Dental Expenses</b>	<b>Caution.</b> Do not include expenses reimbursed or paid by others.				
	1	Medical and dental expenses (see instructions) . . . . .	1	4,000.	
	2	Enter amount from Form 1040, line 38 . . . . .	2	125,675.	
	3	Multiply line 2 by 7.5% (.075) . . . . .	3	9,426.	
	4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0- . . . . .	4	0.	
<b>Taxes You Paid</b>	5 State and local (check only one box):				
	a	<input type="checkbox"/> Income taxes, or			
	b	<input type="checkbox"/> General sales taxes	5		
	6	Real estate taxes (see instructions) . . . . .	6	10,000.	
	7	New motor vehicle taxes from line 11 of the worksheet on page 2. Skip this line if you checked box 5b . . . . .	7		
	8	Other taxes. List type and amount ▶	8		
	9	Add lines 5 through 8 . . . . .	9	10,000.	
	<b>Interest You Paid</b>	10	Home mtg interest and points reported to you on Form 1098 . . . . .	10	5,000.
		11	Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying number, and address ▶		
		-----			
		-----	11		
		-----			
		-----	12		
<b>Note.</b> Personal interest is not deductible.	13	Qualified mortgage insurance premiums (see instructions) . . . . .	13		
	14	Investment interest. Attach Form 4952 if required. (See instrs.) . . . . .	14		
	15	Add lines 10 through 14 . . . . .	15	5,000.	
	<b>Gifts to Charity</b>	16	Gifts by cash or check. If you made any gift of \$250 or more, see instrs. . . . .	16	4,000.
17		Other than by cash or check. If any gift of \$250 or more, see instructions. You <b>must</b> attach Form 8283 if over \$500 . . . . .	17		
18		Carryover from prior year . . . . .	18		
19		Add lines 16 through 18 . . . . .	19	4,000.	
<b>Casualty and Theft Losses</b>	20	Casualty or theft loss(es). Attach Form 4684. (See instructions.) . . . . .	20	0.	
<b>Job Expenses and Certain Miscellaneous Deductions</b>	21	Unreimbursed employee expenses — job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.) ▶	21		
	22	Tax preparation fees . . . . .	22		
	23	Other expenses — investment, safe deposit box, etc. List type and amount ▶	23		
	24	Add lines 21 through 23 . . . . .	24		
	25	Enter amount from Form 1040, line 38 . . . . .	25		
	26	Multiply line 25 by 2% (.02) . . . . .	26		
	27	Subtract line 26 from line 24. If line 26 is more than line 24, enter -0- . . . . .	27	0.	
<b>Other Miscellaneous Deductions</b>	28	Other — from list in the instructions. List type and amount ▶	28	0.	
<b>Total Itemized Deductions</b>	29	Is Form 1040, line 38, over \$166,800 (over \$83,400 if married filing separately)? <input checked="" type="checkbox"/> <b>No.</b> Your deduction is not limited. Add the amounts in the far right column for lines 4 through 28. Also, enter this amount on Form 1040, line 40a. <input type="checkbox"/> <b>Yes.</b> Your deduction may be limited. See instructions for the amount to enter.	29	19,000.	
	30	If you elect to itemize deductions even though they are less than your standard deduction, check here ▶ <input type="checkbox"/>			

**SCHEDULE D**  
**(Form 1040)**

Department of the Treasury  
Internal Revenue Service (99)

**Capital Gains and Losses**

▶ Attach to Form 1040 or Form 1040NR. ▶ See Instructions for Schedule D (Form 1040).  
▶ Use Schedule D-1 to list additional transactions for lines 1 and 8.

OMB No. 1545-0074

**2009**

Attachment  
Sequence No. **12**

Name(s) shown on return

Tom and Katie Speed

Your social security number

464-99-9999

**Part I Short-Term Capital Gains and Losses – Assets Held One Year or Less**

(a) Description of property (Example: 100 shares XYZ Co)	(b) Date acquired (Mo, day, yr)	(c) Date sold (Mo, day, yr)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)
1					
2 Enter your short-term totals, if any, from Schedule D-1, line 2...					
3 Total short-term sales price amounts. Add lines 1 and 2 in column (d).....			3		
4 Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824.....					4
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1.....					5
6 Short-term capital loss carryover. Enter the amount, if any, from line 10 of your Capital Loss Carryover Worksheet in the instructions.....					6
7 Net short-term capital gain or (loss). Combine lines 1 through 6 in column (f).....					7

**Part II Long-Term Capital Gains and Losses – Assets Held More Than One Year**

(a) Description of property (Example: 100 shares XYZ Co)	(b) Date acquired (Mo, day, yr)	(c) Date sold (Mo, day, yr)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)
8 Principal Residence	11/01/04	11/01/09	486,000.	108,000.	378,000.
Section 121 Exclusion					-375,000.
100 XYZ Stock	Various	10/01/09	1,500.	730.	770.
9 Enter your long-term totals, if any, from Schedule D-1, line 9....					
10 Total long-term sales price amounts. Add lines 8 and 9 in column (d).....			10	487,500.	
11 Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824.....					11
12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1.....					12
13 Capital gain distributions. See instrs.....					13
14 Long-term capital loss carryover. Enter the amount, if any, from line 15 of your Capital Loss Carryover Worksheet in the instructions.....					14
15 Net long-term capital gain or (loss). Combine lines 8 through 14 in column (f). Then go to Part III on page 2.....					15

BAA For Paperwork Reduction Act Notice, see Form 1040 or Form 1040NR instructions.

Schedule D (Form 1040) 2009

**Part III Summary**

<p><b>16</b> Combine lines 7 and 15 and enter the result.....</p> <p>If line 16 is:</p> <ul style="list-style-type: none"> <li>• A <b>gain</b>, enter the amount from line 16 on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 17 below.</li> <li>• A <b>loss</b>, skip lines 17 through 20 below. Then go to line 21. Also be sure to complete line 22.</li> <li>• <b>Zero</b>, skip lines 17 through 21 below and enter -0- on Form 1040, line 13, or Form 1040NR, line 14. Then to go line 22.</li> </ul>	<b>16</b>	-6,230.
<p><b>17</b> Are lines 15 and 16 <b>both</b> gains?</p> <p><input type="checkbox"/> <b>Yes.</b> Go to line 18.</p> <p><input type="checkbox"/> <b>No.</b> Skip lines 18 through 21, and go to line 22.</p>		
<p><b>18</b> Enter the amount, if any, from line 7 of the <b>28% Rate Gain Worksheet</b> in the instructions.....</p>	<b>18</b>	
<p><b>19</b> Enter the amount, if any, from line 18 of the <b>Unrecaptured Section 1250 Gain Worksheet</b> in the instructions.....</p>	<b>19</b>	
<p><b>20</b> Are lines 18 and 19 <b>both</b> zero or blank?</p> <p><input type="checkbox"/> <b>Yes.</b> Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the <b>Qualified Dividends and Capital Gain Tax Worksheet</b> in the Instructions for Form 1040 (or in the Instructions for Form 1040NR). <b>Do not</b> complete lines 21 and 22 below.</p> <p><input type="checkbox"/> <b>No.</b> Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the <b>Schedule D Tax Worksheet</b> in the instructions. <b>Do not</b> complete lines 21 and 22 below.</p>		
<p><b>21</b> If line 16 is a loss, enter here and on Form 1040, line 13, or Form 1040NR, line 14, the <b>smaller</b> of:</p> <ul style="list-style-type: none"> <li>• The loss on line 16 or</li> <li>• (\$3,000), or if married filing separately, (\$1,500) ].....</li> </ul> <p><b>Note.</b> When figuring which amount is smaller, treat both amounts as positive numbers.</p>	<b>21</b>	-3,000.
<p><b>22</b> Do you have qualified dividends on Form 1040, line 9b, or Form 1040NR, line 10b?</p> <p><input type="checkbox"/> <b>Yes.</b> Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the <b>Qualified Dividends and Capital Gain Tax Worksheet</b> in the Instructions for Form 1040 (or in the Instructions for Form 1040NR).</p> <p><input checked="" type="checkbox"/> <b>No.</b> Complete the rest of Form 1040 or Form 1040NR.</p>		

## Moving Expenses

▶ Attach to Form 1040 or Form 1040NR.

Name(s) shown on return

Tom and Katie Speed

Your social security number

464-99-9999

**Before you begin:** ✓ See the **Distance Test** and **Time Test** in the instructions to find out if you can deduct your moving expenses.  
 ✓ See **Members of the Armed Forces** in the instructions, if applicable.

1	Transportation and storage of household goods and personal effects (see instructions).....	1	6,000.
2	Travel (including lodging) from your old home to your new home (see instructions). <b>Do not</b> include the cost of meals.....	2	3,500.
3	Add lines 1 and 2.....	3	9,500.
4	Enter the total amount your employer paid you for the expenses listed on lines 1 and 2 that is <b>not</b> included in box 1 of your Form W-2 (wages). This amount should be shown in box 12 of your Form W-2 with code <b>P</b> .....	4	
5	Is line 3 <b>more than</b> line 4?  <input type="checkbox"/> <b>No.</b> You <b>cannot</b> deduct your moving expenses. If line 3 is less than line 4, subtract line 3 from line 4 and include the result on Form 1040, line 7, or Form 1040NR, line 8.  <input checked="" type="checkbox"/> <b>Yes.</b> Subtract line 4 from line 3. Enter the result here and on Form 1040, line 26, or Form 1040NR, line 26. This is your <b>moving expense deduction</b> .....	5	9,500.

**BAA For Paperwork Reduction Act Notice, see separate instructions.**

Form **3903** (2009)

## Tuition and Fees Deduction

▶ See instructions.  
▶ Attach to Form 1040 or Form 1040A.

Name(s) shown on return

**Tom and Katie Speed**

Your social security number

**464-99-9999**

**Caution:** You **cannot** take both an education credit from Form 8863 and the tuition and fees deduction from this form for the **same student** in the same year.

**Before you begin:**

- ✓ To see if you qualify for this deduction, see *Who Can Take the Deduction* in the instructions.
- ✓ If you file Form 1040, figure any write-in adjustments to be entered on the dotted line next to Form 1040, line 36. See the 2009 Form 1040 instructions for line 36.

1	(a) Student's name (as shown on page 1 of your tax return)	(b) Student's social security number (as shown on page 1 of your tax return)		(c) Qualified expenses (see instructions)				
	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;">First name</td> <td style="width: 50%; border: none;">Last name</td> </tr> <tr> <td style="border: none;"><b>Tom Speed</b></td> <td style="border: none;"></td> </tr> </table>	First name	Last name	<b>Tom Speed</b>		464-99-9999		2,100.
First name	Last name							
<b>Tom Speed</b>								
2	Add the amounts on line 1, column (c), and enter the total.....		<b>2</b>	2,100.				
3	Enter the amount from Form 1040, line 22, or Form 1040A, line 15.....	147,985.	<b>3</b>					
4	Enter the total from either: <ul style="list-style-type: none"> <li>• Form 1040, lines 23 through 33, plus any write-in adjustments entered on the dotted line next to Form 1040, line 36, <b>or</b></li> <li>• Form 1040A, lines 16 through 18.....</li> </ul>	20,210.	<b>4</b>					
5	Subtract line 4 from line 3.* If the result is more than \$80,000 (\$160,000 if married filing jointly), <b>stop</b> ; you cannot take the deduction for tuition and fees.....		<b>5</b>	127,775.				
<small>*If you are filing Form 2555, 2555-EZ, or 4563, or you are excluding income from Puerto Rico, see <i>Effect of the Amount of Your Income on the Amount of Your Deduction</i> in Pub 970, chapter 7, to figure the amount to enter on line 5.</small>								
6	<b>Tuition and fees deduction.</b> Is the amount on line 5 more than \$65,000 (\$130,000 if married filing jointly)? <input type="checkbox"/> <b>Yes.</b> Enter the <b>smaller</b> of line 2, or \$2,000. ] ..... <input checked="" type="checkbox"/> <b>No.</b> Enter the <b>smaller</b> of line 2, or \$4,000. ] .....		<b>6</b>	2,100.				
<b>Also enter</b> this amount on Form 1040, line 34, or Form 1040A, line 19.								

**SCHEDULE M**  
**(Form 1040A or 1040)**

**Making Work Pay and Government Retiree Credits**

OMB No. 1545-0074

**2009**

Attachment Sequence No. **166**

Department of the Treasury Internal Revenue Service (99)

▶ **Attach to Form 1040A, 1040, or 1040NR.**

▶ **See separate instructions.**

Name(s) shown on return

Your social security number

Tom and Katie Speed

464-99-9999

**1 a Important:** See the instructions if you can be claimed as someone else's dependent or are filing Form 1040NR. Check the 'No' box below and see the instructions if **(a)** you have a net loss from a business, **(b)** you received a taxable scholarship or fellowship grant not reported on a Form W-2, **(c)** your wages include pay for work performed while an inmate in a penal institution, **(d)** you received a pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan, or **(e)** you are filing Form 2555 or 2555-EZ.

Do you (and your spouse if filing jointly) have 2009 wages of more than \$6,451 (\$12,903 if married filing jointly)?

**Yes.** Skip lines 1a through 3. Enter \$400 (\$800 if married filing jointly) on line 4 and go to line 5.

**No.** Enter your earned income (see instructions)..... **1 a**

**b** Nontaxable combat pay included on line 1a (see instructions)..... **1 b**

**2** Multiply line 1a by 6.2% (.062)..... **2**

**3** Enter \$400 (\$800) if married filing jointly)..... **3**

**4** Enter the **smaller** of line 2 or line 3 (unless you checked 'Yes' on line 1a)..... **4** 800.

**5** Enter the amount from Form 1040, line 38\*, or Form 1040A, line 22..... **5** 125,675.

**6** Enter \$75,000 (\$150,000 if married filing jointly)..... **6** 150,000.

**7** Is the amount on line 5 more than the amount on line 6?

**No.** Skip line 8. Enter the amount from line 4 on line 9 below.

**Yes.** Subtract line 6 from line 5..... **7**

**8** Multiply line 7 by 2% (.02)..... **8**

**9** Subtract line 8 from line 4. If zero or less, enter -0-..... **9** 800.

**10** Did you (or your spouse, if filing jointly) receive an economic recovery payment in 2009? You may have received this payment if you received social security benefits, supplemental security income, railroad retirement benefits, or veterans disability compensation or pension benefits (see instructions).

**No.** Enter -0- on line 10 and go to line 11.

**Yes.** Enter the total of the payments received by you (and your spouse, if filing jointly). Do not enter more than \$250 (\$500 if married filing jointly)..... **10** 0.

**11** Did you (or your spouse, if filing jointly) receive a pension or annuity in 2009 for services performed as an employee of the U.S. Government or any U.S. state or local government from work **not** covered by social security? Do not include any pension or annuity reported on Form W-2.

**No.** Enter -0- on line 11 and go to line 12.

**Yes.** • If you checked 'No' on line 10, enter \$250 (\$500 if married filing jointly and the answer on line 11 is 'Yes' for both spouses)..... **11** 0.

• If you checked 'Yes' on line 10, enter -0- (exception: enter \$250 if filing jointly and the spouse who received the pension or annuity did not receive an economic recovery payment described on line 10)

**12** Add lines 10 and 11..... **12**

**13** Subtract line 12 from line 9. If zero or less, enter -0-..... **13** 800.

**14 Making work pay and government retiree credits.** Add lines 11 and 13. Enter the result here and on Form 1040, line 63, Form 1040A, line 40; or Form 1040NR, line 60..... **14** 800.

\*If you are filing Form 2555, 2555-EZ, or 4563 or you are excluding income from Puerto Rico, see instructions.

**BAA For Paperwork Reduction Act Notice, see Form 1040A, 1040, or 1040NR instructions.**

Schedule **M** (Form 1040A or 1040) 2009

Tom and Katie Speed

Wage Schedule

<u>Taxpayer - Employer</u>	<u>Wages</u>	<u>Federal W/H</u>	<u>FICA</u>	<u>Medi-care</u>	<u>State W/H</u>	<u>Local W/H</u>
Flight school	115,000.	15,500.	6,622.	1,668.		
Total	115,000.	15,500.	6,622.	1,668.	0.	0.
<u>Spouse - Employer</u>	<u>Wages</u>	<u>Federal W/H</u>	<u>FICA</u>	<u>Medi-care</u>	<u>State W/H</u>	<u>Local W/H</u>
Nurse	35,000.	3,500.	2,170.	508.		
Total	35,000.	3,500.	2,170.	508.		0.
Grand Total	<u>150,000.</u>	<u>19,000.</u>	<u>8,792.</u>	<u>2,176.</u>	<u>0.</u>	<u>0.</u>

Form 1040, Line 8a  
Interest Income

Local Bank					868.
				Total	<u>868.</u>

Form 1040, Line 8b  
Tax-Exempt Interest

<u>Payer</u>	<u>In-state municipal bonds</u>	<u>Private activity bonds</u>	<u>Total</u>
Muni			452.
	<u>0.</u>	<u>0.</u>	<u>452.</u>

## Tom and Katie Speed

## IRA Deduction Worksheet (Form 1040, Line 32)

	<u>Taxpayer</u>	<u>Spouse</u>
1. Were you covered by a retirement plan? YES (for either if MFJ). Go to line 2. NO (for both if MFJ). Skip lines 2-6. Enter \$5,000 (\$6,000 if age 50 or older, \$8,000 if certain employer bankruptcies) on line 7. Then go to line 8.	No	No
2. Enter the threshold for your filing status.		
3. Enter the amount from Form 1040, line 22.		
4. Add amounts on Form 1040, lines 23 through 31a, and any amount entered next to line 36.		
5. Subtract line 4 from line 3 (not < 0).		
6. Subtract line 5 from line 2 (not < 0).		
7. Multiply line 6 by 25% (30% if age 50 or over, 40% if certain employer bankruptcies). But if you answered 'No' on line 1, then in the column for the IRA of the person who was not covered by a retirement plan, multiply line 6 by 50% (60% if age 50 or over, 80% if certain employer bankruptcies). Round up to the next multiple of \$10. If the result is more than zero and less than \$200, enter \$200. If the result is more than \$5,000 (\$6,000 if age 50 or older, \$8,000 if certain employer bankruptcies), enter \$5,000 (or \$6,000, or \$8,000).	5,000.	5,000.
8. Wages, alimony, and nontaxable combat pay	150,000.	150,000.
9. Self-employed earned income minus the one-half of self-employment tax adjustment and the self-employed retirement plan adjustment.	0.	0.
10. Total earned income (add lines 8 and 9)	150,000.	150,000.
Deductible IRA Contributions:		
11. Enter IRA contributions you made, or will make by April 15, 2010, for 2009.	2,000.	2,000.
12. Enter the smallest of line 7, 10 or 11. This is the most you can deduct on Form 1040, line 32.	2,000.	2,000.
Nondeductible IRA Contributions:		
13. Subtract line 12 from the smaller of line 10 or line 11. Enter the part you choose to make nondeductible on Form 8606, line 1.	<u>0.</u>	<u>0.</u>

## Student Loan Interest Deduction Worksheet (Form 1040, Line 33)

1. Total qualified student loan interest paid	5,000.
2. Enter the smaller of line 1 or \$2,500	2,500.
3. Enter the amount from Form 1040, line 22	147,985.
4. Add amounts from Form 1040, lines 23 through 32, and any amount entered on the dotted line next to line 36	18,500.
5. Modified AGI (subtract line 4 from line 3)	129,485.
6. Enter \$60,000 (\$120,000 if MFJ)	120,000.

## Tom and Katie Speed

**Student Loan Interest Deduction Worksheet (Form 1040, Line 33) (continued)**

7. Subtract line 6 from line 5 (not less than 0)		9,485.
8. Divide line 7 by \$15,000 (\$30,000 if MFJ) but not more than 1		0.316
9. Multiply line 2 by line 8		790.
10. Student loan interest deduction (subtract line 9 from line 2)		<u>1,710.</u>

**Deduction for Exemptions Worksheet (Form 1040, Line 42)**

1. \$3,650 per exemption on Form 1040, line 6d		10,950.
2. Enter amount from Form 1040, line 38	125,675.	
3. Threshold for your filing status	250,200.	
4. Subtract line 3 from line 2	0.	
5. Is line 4 more than \$122,500 (\$61,250 if MFS)?		
Yes. Multiply \$2,433 by the total number of exemptions claimed. Enter the result here and on Form 1040, line 42. Do not complete the rest of this worksheet.		
No. Divide line 4 by \$2,500 (\$1,250 if MFS)		
6. Multiply line 5 by 2% (.02)		
7. Multiply line 1 by line 6		
8. Divide line 7 by 3		
9. Deduction for Exemptions (Subtract line 8 from line 1)		<u>10,950.</u>

**Child Tax Credit Worksheet (Form 1040, Line 51)**

1. Number of qualifying children from Form 1040, line 6c: 1 X \$1,000		1,000.
2. Enter the amount from Form 1040, line 38.	125,675.	
3. Enter \$110,000 (\$75,000 if single, QW or HOH and \$55,000 if MFS).	110,000.	
4. Is line 2 more than the amount on line 3?		
NO - Leave line 4 blank. Enter -0- on line 5.		
YES - Subtract line 3 from line 2. If the result is not a multiple of \$1,000, increase it to the next multiple of \$1,000.	16,000.	
5. Multiply the amount on line 4 by 5% (.05). Enter the result.		800.
6. Is the amount on line 1 more than the amount on line 5?		
NO - Stop. You cannot take the child tax credit on Form 1040, line 51. You also cannot take the additional child tax credit on Form 1040, line 65.		
YES - Subtract line 5 from line 1. Enter the result.		200.

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**Child Tax Credit Worksheet (Form 1040, Line 51) (continued)**

7. Enter the amount from Form 1040, line 46.		16,306.
8. Add the amounts from:		
Form 1040, Line 47	0.	
Form 1040, Line 48	0.	
Form 1040, Line 49	0.	
Form 1040, Line 50	0.	
Form 5695, Line 11	0.	
Form 8834, Line 22	0.	
Form 8910, Line 21	0.	
Form 8936, Line 14	0.	
Schedule R, Line 24	0.	
Enter the total.		0.
9. Are the amounts on line 7 and 8 the same?		
YES - Stop. You cannot take the credit because		
there is no tax to reduce.		
NO - Subtract line 8 from line 7.		16,306.
10. Is the amount on line 6 more than the		
amount on line 9?		
YES - Enter the amount from line 9.		
NO - Enter the amount from line 6.		
This is your Child Tax Credit. Enter on		
Form 1040, line 51.		<u>200.</u>

**Federal Income Tax Withheld**

Flight school		15,500.
Nurse		3,500.
Total		<u>19,000.</u>

## Tom and Katie Speed

**Sale of Home - Gain (or Loss), Exclusion, and Taxable Gain**

## Part 1 - Gain (or Loss) on Sale

1. Selling price of home	486,000.
2. Selling expenses	10,000.
3. Subtract line 2 from line 1.	476,000.
4. Adjusted basis of home sold	98,000.
5. Gain or (loss) on the sale. Subtract line 4 from line 3.	378,000.

## Part 2 - Exclusion and Taxable Gain

6. Enter any depreciation allowed or allowable on the property for periods after May 6, 1997.	0.
7. Subtract line 6 from line 5.	378,000.
8. Aggregate number of days of nonqualified use after 12/31/2008	0.
9. Number of days taxpayer owned the property	1,826.
10. Divide the amount on line 8 by the amount on line 9.	0.000000
11. Gain allocated to nonqualified use. (Line 7 multiplied by line 10)	0.
12. Gain eligible for exclusion. Subtract line 11 from line 7.	378,000.
13. Maximum exclusion	375,000.
14. Exclusion. Enter the smaller of line 12 or line 13. * If you are reporting gain from the sale on the installment method, enter this amount on line 15 of Form 6252.	375,000.
15. Taxable gain. Subtract line 14 from line 5. Report it on Schedule D (Form 1040). * If the amount on this line is zero, do not report the sale or exclusion on your tax return.	3,000.
16. Enter the smaller of line 6 or line 15. Enter this amount on line 12 of the Unrecaptured Section 1250 Gain Worksheet.	<u>0.</u>

## Tom and Katie Speed

## Sale of Home - Reduced Exclusion

	Taxpayer	Spouse
	<hr/>	<hr/>
1. Maximum amount	250,000.	250,000.
2a. Enter the number of days that you used the property as a main home during the 5-year period ending on the date of sale.	730	365
b. Enter the number of days that you owned the property during the 5-year period** ending on the date of sale.	730	365
c. Enter the smaller of 2a or 2b.	730	365
3. Have you excluded gain from the sale of another home during the 2-year period ending on the date of this sale?		
<input checked="" type="checkbox"/> NO. Skip line 3 and enter the number of days from line 2c on line 4.		
<input type="checkbox"/> YES. Enter the number of days between the date of the most recent sale of another home on which you excluded gain and the date of sale of this home.		
4. Enter the smaller of line 2c or line 3.	730	365
5. Divide line 4 by 730 days.	1	0.500
6. Multiply line 1 by line 5.	250,000.	125,000.
7. Reduced maximum exclusion. Add the amounts from line 6. Enter it here and on Gain or (Loss) Worksheet, line 8.		<u>375,000.</u>

\*\* If you were a member of the uniformed services, Foreign Service, or a volunteer or employee of the Peace Corp during the time you owned the home see IRS publication 523 to determine your 5 year period

Tom and Katie Speed

**Capital Loss Carryover Worksheet  
(IRS Publication 550)**

1. Enter the amount from Form 1040, line 41 or Form 1040NR, line 38.		106,675.
2. Did you file Form 8914 (to claim an exemption amount for housing a Midwestern displaced individual for 2008)? [X] No. Enter zero. [ ] Yes. Enter amount from 2008 Form 8914, line 6		0.
3. Subtract line 2 from line 1.		106,675.
4. Enter the loss from Schedule D, line 21.		3,000.
5. Combine lines 3 and 4 (but not less than zero).		109,675.
6. Enter the smaller of line 4 or line 5.		3,000.
Note: If line 7 of Schedule D is a loss, go to line 7; otherwise, enter zero on line 7 and go to line 11.		
7. Enter the loss from Schedule D, line 7.		0.
8. Enter gain from Schedule D, line 15.	0.	
9. Add lines 6 and 8.		0.
10. Short-term capital loss carryover to 2010. Subtract line 9 from line 7.		0.
Note: If line 15 of Schedule D is a loss, go to line 11; otherwise, skip lines 11 through 15.		
11. Enter the loss from Schedule D, line 15.		6,230.
12. Enter gain from Schedule D, line 7.	0.	
13. Subtract line 7 from line 6.	3,000.	
14. Add lines 12 and 13.		3,000.
15. Long-term capital loss carryover to 2010. Subtract line 14 from line 11.		<u>3,230.</u>