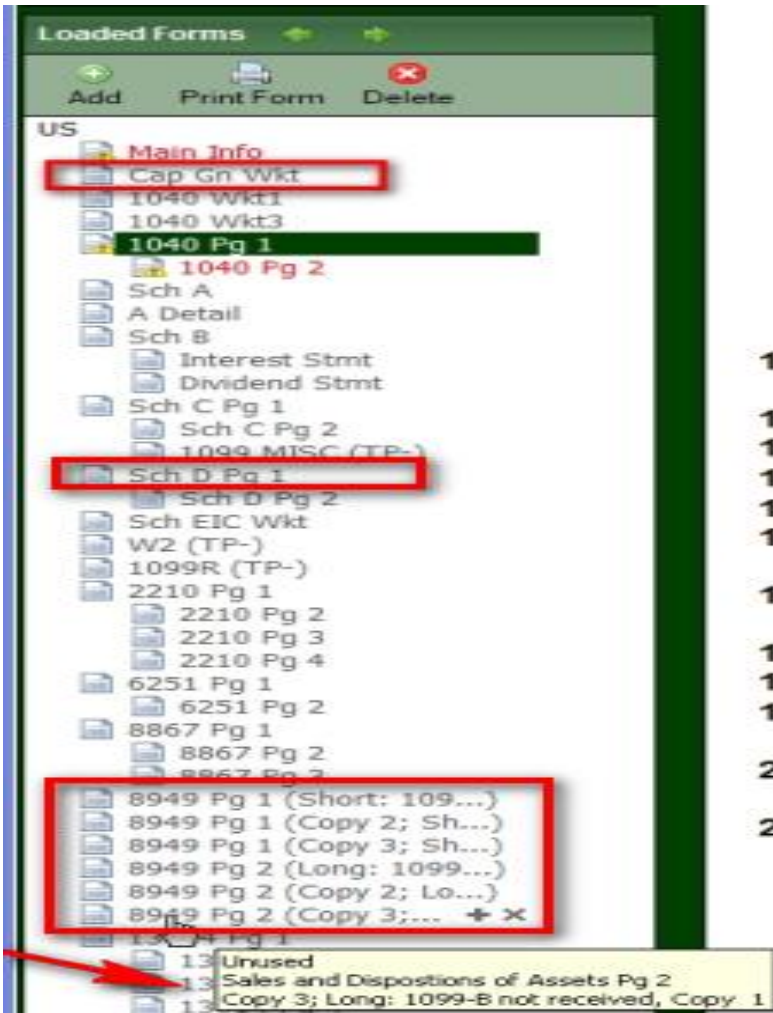


TaxWise Reference

Pub 4012 pgs 2-10 to 2-16: Entering Capital Gain/Loss Income

- There should be three "8949 Pg 1" and three "8949 Pg 2" loaded when you open a return. Page 1 is for ST, Page 2 is for LT.
- There will also be a *Cap Gn Wkt* and a *Sch D*.
- A separate 8949 is needed for each transaction type (Cost basis on 1099-B, etc.).



- b Tax-exempt interest
- 9a Ordinary dividends including listed on Schedule B _____
- b Qualified dividends including listed on Schedule B _____
Qualified dividends from Sch NOT list these amounts on S

Did you itemize deduction credits, or offsets? Answer of state income tax

- 10 Taxable refunds, credits, or F9 for worksheet
- 11 Alimony received
- 12 Business income or (loss)
- 13 Capital gain or (loss)
- 14 Other gains or (losses)
- 15a IRA distributions
- b Taxable amount
- 16a Pensions and annuities
- b Taxable amount
- 17 Rental real estate, royalties,
- 18 Farm income or (loss)
- 19 Unemployment compensatio
Repayment of 2011 unempl
- 20a Social security benefits
- b Taxable amount
- 21 Other income.
- Type: _____
- *Amounts from Forms W2G, Schedules K-1, ESAs, QTP: deductions transfer here. If y AND manually enter _____
- exclusion: _____

TaxWise Reference

To enter asset sales, first open the *Cap Gn Wkt* and enter all transaction data here, including the new code.

US Schedule D Capital Gain or Loss Transactions Worksheet 2011

1099 column: Enter "A" if Form 1099-B, box 3, shows the basis, enter "B" if Form 1099-B, box 3 does not show the basis, or "C" if Form 1099-B was not received for the transaction.

* Check if 28% rate gain or (loss).

(a) Description of property	1099		(b) Code	(c) Date acquired	(d) Date sold	(e) Sales price	(f) Cost or other basis	(g) Adjustments to gain or loss	(h) Gain or loss	S / L
	T S J	+								
100ABC	A	<input type="checkbox"/>		01/01/1999	04/04/2011	400	100	0	300	L
25XXX	A	<input type="checkbox"/>		01/01/2011	04/04/2011	1000	2000	0	-1000	S
10IBM	A	<input type="checkbox"/>		02/02/2011	04/04/2011	500	600	0	-100	S

Then go to the applicable 8949(s). TaxWise carries data from your *Cap Gn Wkt* to the necessary 8949. Due to a TaxWise bug these forms may not be "red" to indicate entries are required, but you need to confirm box A, B or C is checked.

US 8949 Sales and Other Dispositions of Capital Assets 2011

Name: _____ SSN: 222-83-4883

Link to the Capital Gain or Loss Transactions Worksheet from any entry on line 1 below or check here to remove calculations if you want to manually enter short-term transactions

Part I Short-term Capital Gains and Losses - Assets Held One Year or Less

Check the box below that describes the transactions listed on this page. You must complete a separate Form 8949 for each type of transaction (1099-B shows basis, 1099-B does not show basis, 1099-B not received). Duplicate this form as needed and check the box for the appropriate type of transaction.

A Short-term gains and losses (Form 1099-B, box 3, shows basis)

B Short-term gains and losses (Form 1099-B, box 3, does not show basis)

C Short-term gains and losses (Form 1099-B not received)

If you need to list more than 39 transactions of any one type, you can duplicate this form as needed. If you duplicate this form to list more than 39 transactions of one type, you must enter a sequential copy number on each duplicate form. The first duplicate should be numbered 2, the next should be numbered 3, and so on. Enter the copy number for this form here

1	(a) Description of property	T S J	(b) Code	(c) Date acquired	(d) Date sold	(e) Sales price	(f) Cost or other basis	(g) Adjustments to gain or loss
	25XXX			01/01/2011	04/04/2011	1000	2000	0
	10IBM			02/02/2011	04/04/2011	500	600	0
						0	0	0

TaxWise Reference

Pub 4012 Pg 2-1: Entering Interest, Dividends and Capital Gain/Loss Reported on Sch K-1

Follow the instructions in Note 3. However, if you are preparing a state return review it carefully. The process described in Pub 4012 may cause inaccuracies in state returns.

Pub 4012 Pg 2-1: Entering Royalties Reported on Sch K-1

First, link to *Sch E* from *1040 line 17*. Answer questions A and B, then enter the name of the property and type "6".

A	Did you make any payments in 2011 that would require you to file Form(s) 1099? See instructions	<input type="radio"/>	Yes	<input checked="" type="radio"/>	No
B	If "Yes", did you or will you file all required Forms 1099?	<input type="radio"/>	Yes	<input checked="" type="radio"/>	No

Part I: Income or Loss From Rental Real Estate and Royalties

Note: If you are in the business of renting personal property, use Schedule C. Report farm rental income or loss from Form 4835 on page 2, line 40.

* K-1 royalty information transfers to column C of lines 1 and 3b. State income is allocated based on the state listed in the address section below. If any of these properties are part-year rental, part rental and part personal, such as a duplex, or a personal use unit, such as a vacation home, F9 on the "Address" field, A or B, to use a worksheet.

For each rental property listed on line 1, check the box in the QJV column only if you owned that property as a member of a qualified joint venture reporting income not subject to self-employment tax. For each rental real estate property listed, report the number of days rented at fair rental value and days with personal use. See instructions.

- ** Allowable codes for type of property
- | | | | |
|---------------------------|---------------------------------|-------------|---------------|
| 1 Single family residence | 3 Vacation or short-term rental | 5 Land | 7 Self-rental |
| 2 Multi-family residence | 4 Commercial | 6 Royalties | 8 Other |

1	Address	TSJ	** Type	Fair rental days	Personal use days	QJV
A	ROYALTY PAYING PROPERTY 03820- DOVER NH		6	0	0	<input type="checkbox"/>
B						

Enter royalty income to *Sch E line 3b, column A*.

Income

	Properties		
	A	B	C
3a Merchant card and 3rd party payments	0	0	0
Amounts included in 3a that are not income	0	0	0
b Payments not reported on line 3a F9 to 1099-Misc	1000	0	0
4 Total not including amounts on line 3a that are not income (see instructions)	1000	0	0

TaxWise Reference

Enter EIN for Estates and Trusts to *Sch E, line 33*. Enter EIN for Partnerships and S-Corps to *Sch E, line 28*.

US Schedule E (2010)

Page 2

Name: EVAN J DAWSON

SSN: 208-11-0224

Part II: Income or Loss From Partnerships and S Corporations

27 Are you reporting any loss not allowed in prior years due to the at-risk or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? Yes No

28	(a) Name	(b) P or S	(c) Check foreign ptshp	(d) Employer identification number	(e) Any amount not at risk
<div style="display: flex; align-items: center;"> <div style="margin-left: 5px;"> A Partnership Paying Royalties B C D </div> </div>		P	<input type="checkbox"/>	26-5110224	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
		Passive Income and Loss		Nonpassive Income and Loss	
	(f) Passive loss	(g) Passive	(h) Nonpassive	(i) Section 179	(j) Nonpassive

Pub 4012 Pg 2-19: Lump Sum Social Security Benefits, Benefits Received for Prior Year(s)

First, open *Wkt 1*. To report all as received this year, just enter Box 5 under “*Social security received this year*”. To report as if received in the prior year(s) scroll down to the bottom of *Wkt 1*. From “*Amounts taxable from previous years*” link to the *Lump Sum Wkt*. You will need a separate *Lump Sum Wkt* for each year.

Subtract Minimum 50% of the benefits received or \$4,500 (\$6,000 married filing jointly)	0	0	
Add Taxable social security and railroad retirement tier 1.	E	0	0
<p style="margin: 0;">Lump Sum Payment of Social Security and Railroad Tier 1 Benefits</p>			
Fill in the total lump sum received above.	Taxpayer	Spouse	Total
Gross amount received attributable to 2011	0	0	0
Using the above modified AGI, this is the taxable amount of the 2011 benefits			0
Amounts taxable from previous years	F9 to worksheet		0
Taxable benefits using the lump-sum election method			0

TaxWise Reference

Pub 4012 Pg 3-1: Entering Educator Expenses and Student Loan Interest

Link to *Wkt 2* from *1040 line 23 or 33*. Enter amounts for TP or SP as applicable.

Student Loan Interest (Postsecondary Education)	Taxpayer	Spouse	Total
1 Amount paid in 2011. See instructions for limitations and definition of qualified student loan interest. Total column is limited to \$2,500	0	0	0
Modified AGI for this computation including excluded income from Forms 2555 (EZ) and 4563, excluded income from Puerto Rico, and excluded adoption benefits from Form 8839, line 30 0 Married filing separately and a dependent of another cannot take this deduction. The interest deduction phases out when modified AGI exceeds \$60,000 (\$120,000 married filing jointly) and is -0- when AGI exceeds \$75,000 (\$150,000 married filing jointly).			
2 Student loan interest deduction	0	0	0
Educator Expenses - Elementary and Secondary	Taxpayer	Spouse	Total
Amount of unreimbursed classroom expenses, such as books, supplies, computer equipment and related software, other equipment, and supplementary materials used by the eligible educator in the classroom, up to \$250. Amounts over \$250 should be listed on Schedule A, Job Expenses, subject to 2% of AGI	0	0	0

Pub 4012 Pg 3-1: Entering Tuition and Fees Deduction

Link to *Wkt 2* from *1040 line 34*. TaxWise prefills *Wkt 2* with TP, SP and dependent data. Enter qualified expenses applicable to each.

Tuition and Fees as an AGI Deduction

In most cases, tuition and fees will create a better income tax result by using Form 8863, Education Credits. The same rules for qualified tuition and fees apply to the credit and the deduction. Both the credit and the AGI deduction should be checked for Federal and state tax purposes. No deduction is allowed if filing Form 1040NR or married filing separately. You CANNOT take the education credit and the AGI deduction for the SAME student.

Some things to consider

Form 8863, Education Credits

- 40% of the American Opportunity Credit is refundable and is reduced once the AGI reaches \$80,000 single (\$160,000, married filing jointly), and is -0- once the AGI reaches \$90,000 single (\$180,000, married filing jointly).
- The nonrefundable education credits are reduced once the AGI reaches \$50,000, single (\$100,000, married filing jointly), and is -0- when the AGI reaches \$61,000, single (\$122,000, married filing jointly).
- The American Opportunity Credit, if not reduced, can be as much as \$2,500 credit per student.
- The Lifetime Learning Credit, if not reduced, is limited to \$2,000.

Tuition and Fees as an AGI Deduction

- The deduction is limited to \$4,000, if AGI does not exceed \$65,000, single (\$130,000 married filing jointly).
 - The deduction is limited to \$2,000, if AGI exceeds \$65,000, single (\$130,000 married filing jointly).
 - The deduction is -0- when AGI exceeds \$80,000, single (\$160,000 married filing jointly).
- Amounts listed below will transfer to Form 8917 automatically.

Student's name	Social security number	Qualified expenses
ASHLEY SAWYER	259-11-0224	0
EMILY SAWYER	540-11-0224	0
GREYSON SAWYER	543-11-0224	0
HAYDEN SAWYER	541-11-0224	0

TaxWise Reference

Link to 8283 from the *Itemized Deduction Detail Worksheet* and complete the data required for each donation. Note that Other Than Cash Contributions >\$5,000 are **out-of-scope**.

Part I: Information on Donated Property							
	1 (a)	Name and address of the donee organization			(b) Description of donated property Vehicles - year, make, model, mileage Attach Form 1098-C, if required		
A	Name:	GOODWILL			If a vehicle, enter the year _____		
	Address:	1234 MAIN ST 03820-____ DOVER NH			CLOTHING		
B	Name:	FIRST BAPTIST CHURCH			If a vehicle, enter the year _____		
	Address:	1235 MAIN ST 03820-____ DOVER NH			SOFA, CHAIR		
C	Name:	_____			If a vehicle, enter the year _____		
	Address:	_____			_____		
D	Name:	_____			If a vehicle, enter the year _____		
	Address:	_____			_____		
E	Name:	_____			If a vehicle, enter the year _____		
	Address:	_____			_____		

Note: If the amount you claimed as a deduction for an item is \$500 or less, you do not have to complete columns (d), (e), and (f).

	(c) Date of donation	(d) Date acquired	(e) How acquired	(f) Donor's cost or basis	(g) Fair market value	(h) Method used to determine the fair market value	T S J
A	06/15/2010			0	210	GOODWILL GUIDELINE	
B	09/20/2010			0	400	THRIFT SHOPS	
C				0	0		
D				0	0		
E				0	0		

Pub 4012 Pg 5-1: Residential Energy Credit (Form 5965)

Link to 5695 from 1040 line 52. Complete Part I.

Part I: Nonbusiness Energy Property Credit		
1a	Were the qualified energy efficiency improvements or residential energy property costs for your main home located in the United States?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Caution. If you checked the "No" box, you cannot claim the nonbusiness energy credit.	
b	Enter the complete address of the main home where you made the qualifying improvements ZIP code, city, and state	
	Caution. You can only have one main home at a time.	
c	Were any of these improvements related to the construction of this main home?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Caution. If you checked the "Yes" box, you can only claim the nonbusiness energy credit for qualifying improvements that were not related to the construction of the home. Do not include expenses related to the construction of your main home, even if the improvements were made after you moved into the home.	
2	Lifetime limitation. Amounts claimed in 2006, 2007, 2009, and 2010.	
a	Amount, if any, from line 12 of your 2006 Form 5695	0
b	Amount, if any, from line 15 of your 2007 Form 5695	0
c	Amount, if any, from line 11 of your 2009 Form 5695	0
d	Amount, if any, from line 11 of your 2010 Form 5695	0
e	Add lines 2a through 2d. If \$500 or more, stop; you cannot take the nonbusiness energy property credit	0
3	Qualified energy efficiency improvements (original use must begin with you and the component must be reasonably expected to last for at least 5 years; do not include labor costs) (see instructions)	
a	Insulation material or system specifically and primarily designed to reduce heat loss or gain of your home that meets the prescriptive criteria established by the 2009 IECC	0
b	Exterior doors that meet or exceed the Energy Star program requirements	0
c	Metal or asphalt roof that meets or exceeds the Energy Star program requirements and has appropriate pigmented coatings or cooling granules which are specifically	0

TaxWise Reference

Pub 4012 Pg 6-1: F/S Tax Paid Worksheet

Federal Estimated Tax Payments

See note below	Date of payment	Amount of payment	Towards 04/15/2010 payment	Towards 06/15/2010 payment	Towards 09/15/2010 payment	Towards 01/15/2011 payment
From last year		0				
D 04/15 1		0	0	0	0	0
U 06/15 2		0	0	0	0	0
E 09/15 3		0	0	0	0	0
01/15 4		0	0	0	0	0
* Pay date		0	0	0	0	0
Totals		0	0	0	0	0

Pub 4012 Pg 12-9: Amended Returns (Form 1040X)

Income and Deductions

The first two columns provide the original amount and difference only. These columns will not appear on the printed 1040X.

	Original amount	Net change	Correct amount
1 Adjusted gross income. If NOL carryback is included, check here <input type="checkbox"/>	49150	2000	51150
2 Itemized deductions or standard deduction	11600	0	11600
3 Subtract line 2 from line 1	37550	2000	39550
4 Exemptions	10950	3650	14600
5 Taxable income	26600	-1650	24950

Tax Liability

6 Tax	3084	-248	2836
Method used to figure tax SCH D			
7 Credits. If general business credit carryback is included, check here <input type="checkbox"/>	1000	0	1000
8 Subtract line 7 from line 6	2084	-248	1836
9 Other taxes	0	0	0
10 Total tax	2084	-248	1836

Payments

11 Federal income tax withheld and excess social security and tier 1 RRTA tax withheld	200	-100	100
12 Estimated tax payments	800	0	800
13 Earned income credit	0	0	0
14 Refundable credits from: <input checked="" type="checkbox"/> Schedule M <input type="checkbox"/> 2439 <input type="checkbox"/> 4136 <input type="checkbox"/> 5405 <input type="checkbox"/> 8801 <input type="checkbox"/> 8812			