

Exercise 1: Duffy

1040 Form Questions

1. Are there any income sources on Lines 1 through 5 that need to be evaluated?
2. Is there any Schedule 1 income listed?

Schedule 1 Questions

1. What income should be considered for LIHEAP?
2. What schedule(s) do you need?

Income Questions

1. What amount should be counted for Dividends?
2. Should you use the SSA income from the 1040 or another source?

Form **1040** (2018)

1 Wages, salaries, tips, etc. Attach Form(s) W-2		1	0
2a Tax-exempt interest		2a	0
3a Qualified dividends		3a	3,200
4a IRAs, pensions, and annuities		4a	15,120
5a Social security benefits		5a	
b Taxable interest		2b	0
b Ordinary dividends		3b	5,400
b Taxable amount		4b	0
b Taxable amount		5b	
6 Total income. Add lines 1 through 5. Add any amount from Schedule 1, line 22		6	1,890
7 Adjusted gross income. If you have no adjustments to income, enter the amount from line 6; otherwise, subtract Schedule 1, line 36, from line 6		7	7,290
8 Standard deduction or itemized deductions (from Schedule A)		8	13,600
9 Qualified business income deduction (see instructions)		9	0
10 Taxable income. Subtract lines 8 and 9 from line 7. If zero or less, enter -0-		10	0
11 a Tax (see inst.) 0 (check if any from: 1 <input type="checkbox"/> Form(s) 8814 2 <input type="checkbox"/> Form 4972 3 <input type="checkbox"/>)		11	0
b Add any amount from Schedule 2 and check here		11	0
12 a Child tax credit/credit for other dependents b Add any amount from Schedule 3 and check here		12	0
13 Subtract line 12 from line 11. If zero or less, enter -0-		13	0
14 Other taxes. Attach Schedule 4		14	0
15 Total tax. Add lines 13 and 14		15	0
16 Federal income tax withheld from Forms W-2 and 1099		16	0
17 Refundable credits: a EIC (see inst.) b Sch. 8812 c Form 8863		17	0
Add any amount from Schedule 5 0		17	0
18 Add lines 16 and 17. These are your total payments		18	0
Refund 19 If line 18 is more than line 15, subtract line 15 from line 18. This is the amount you overpaid		19	
20a Amount of line 19 you want refunded to you. If Form 8888 is attached, check here		20a	
b Routing number XXXXXXXXXX c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings			
d Account number XXXXXXXXXXXXXXXXXXXX			
21 Amount of line 19 you want applied to your 2019 estimated tax		21	
Amount You Owe 22 Amount you owe. Subtract line 18 from line 15. For details on how to pay, see instructions		22	0
23 Estimated tax penalty (see instructions)		23	

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

Standard Deduction for –

- Single or married filing separately, \$12,000
- Married filing jointly or Qualifying widow(er), \$24,000
- Head of household, \$18,000
- If you checked any box under Standard deduction, see instructions.

SCHEDULE 1
(Form 1040)

Department of the Treasury
Internal Revenue Service

Additional Income and Adjustments to Income

► **Attach to Form 1040.**
► **Go to www.irs.gov/Form1040 for instructions and the latest information.**

OMB No. 1545-0074

2018
Attachment
Sequence No. **01**

Name(s) shown on Form 1040

Patrick Duffy

Your social security number

123-07-0001

**Additional
Income**

1-9b	Reserved	1-9b	
10	Taxable refunds, credits, or offsets of state and local income taxes	10	0
11	Alimony received	11	
12	Business income or (loss). Attach Schedule C or C-EZ	12	0
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here <input checked="" type="checkbox"/>	13	1,890
14	Other gains or (losses). Attach Form 4797	14	
15a	Reserved	15b	
16a	Reserved	16b	
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	
18	Farm income or (loss). Attach Schedule F	18	0
19	Unemployment compensation	19	
20a	Reserved	20b	
21	Other income. List type and amount ►	21	0
22	Combine the amounts in the far right column. If you don't have any adjustments to income, enter here and include on Form 1040, line 6. Otherwise, go to line 23	22	1,890

**Adjustments
to Income**

23	Educator expenses	23	0
24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106	24	0
25	Health savings account deduction. Attach Form 8889	25	0
26	Moving expenses for members of the Armed Forces. Attach Form 3903	26	0
27	Deductible part of self-employment tax. Attach Schedule SE	27	0
28	Self-employed SEP, SIMPLE, and qualified plans	28	0
29	Self-employed health insurance deduction	29	
30	Penalty on early withdrawal of savings	30	0
31a	Alimony paid b Recipient's SSN ►	31a	
32	IRA deduction	32	0
33	Student loan interest deduction	33	
34	Reserved	34	
35	Reserved	35	
36	Add lines 23 through 35	36	0

KIA For Paperwork Reduction Act Notice, see your tax return instructions.

Schedule 1 (Form 1040) 2018

Name(s) shown on return

► Go to www.irs.gov/ScheduleB for instructions and the latest information.

OMB No. 1545-0074

Attachment
Sequence No. **08**

Your social security number

Duffy

123-07-0001

1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see the instructions and list this interest first. Also, show that buyer's social security number and address ►

Note: If you received a Form 1099-INT, Form 1099-OID, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see the instructions and list this interest first. Also, show that buyer's social security number and address ►

2 Add the amounts on line 1

3 Excludable interest on series EE and I U.S. savings bonds issued after 1989.
Attach Form 8815

4 Subtract line 3 from line 2. Enter the result here and on Form 1040, line 2b . . ▶

Note: If line 4 is over \$1,500, you must complete Part III.

5 List name of payer ► Amerifund

Note: If you received a Form 1099-DIV or substitute statement from a brokerage firm, list the firm's name as the payer and enter the ordinary dividends shown on that form.

5 List name of payer ► Amerifund

6 Add the amounts on line 5. Enter the total here and on Form 1040, line 3b . . . ►

Note. If line 6 is over \$1,500, you must complete Part III.

You must complete this part if you **(a)** had over \$1,500 of taxable interest or ordinary dividends; **(b)** had a foreign account; or **(c)** received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

(See instructions.)

7a At any time during 2018, did you have a financial interest in or signature authority over a financial account (such as a bank account, securities account, or brokerage account) located in a foreign country? See instructions.

If "Yes," are you required to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR), to report that financial interest or signature authority? See FinCEN Form 114 and its instructions for filing requirements and exceptions to those requirements.

b If you are required to file FinCEN Form 114, enter the name of the foreign country where the financial account is located ►

8 During 2018, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See instructions.

Yes	No
	X
	X
	X

Exercise 2: Thompson

1040 Form Questions

1. Are there any income sources on Lines 1 through 5 that need to be evaluated?
2. Is there any Schedule 1 income listed?

Schedule 1 Questions

1. What income listed on Schedule 1 should be included for LIHEAP?
2. Do you need any additional information?

Schedule E Questions

1. What type of business income is reported on the Schedule E?
2. How many partnerships are reported on the Schedule E?

Filing status: ☒ Single ☐ Married filing jointly ☐ Married filing separately ☐ Head of household ☐ Qualifying widow(er)

Your first name and initial Jake D		Last name Thompson	Your social security number 013-07-0001
Your standard deduction: <input type="checkbox"/> Someone can claim you as a dependent <input type="checkbox"/> You were born before January 2, 1954 <input type="checkbox"/> You are blind			
If joint return, spouse's first name and initial		Last name	Spouse's social security number
Spouse standard deduction: <input type="checkbox"/> Someone can claim your spouse as a dependent <input type="checkbox"/> Spouse was born before January 2, 1954 <input type="checkbox"/> Spouse is blind <input type="checkbox"/> Spouse itemizes on a separate return or you were dual-status alien			<input checked="" type="checkbox"/> Full-year health care coverage or exempt (see inst.)
Home address (number and street). If you have a P.O. box, see instructions. 512 S Spring Dr		Apt. no.	Presidential Election Campaign (see inst.) <input type="checkbox"/> You <input type="checkbox"/> Spouse
City, town or post office, state, and ZIP code. If you have a foreign address, attach Schedule 6. Anytown WI 54444			If more than four dependents, see inst. and check here ►

Dependents (see instructions)		(2) Social security number	(3) Relationship to you	(4) Check if qualifies for (see inst.):	
(1) First name	Last name			Child tax credit	Credit for other dependents
Michael	Thompson	013-17-0001	Son	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tyler	Thompson	013-27-0001	Son	<input checked="" type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>

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.

Your signature

Date

Your occupation

Construction

If the IRS sent you an Identity Protection PIN, enter it here (see inst.)

Spouse's signature. If a joint return, **both** must sign.

Date

Spouse's occupation

If the IRS sent you an Identity Protection PIN, enter it here (see inst.)

Paid Preparer Use Only

Preparer's name

Preparer's signature

PTIN

Firm's name ►

Phone no.

Firm's address ►

Firm's EIN

Check if:

☐ 3rd Party Designee
☐ Self-employed

KIA For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Form 1040 (2018)

9

1 Wages, salaries, tips, etc. Attach Form W-2		1	0
Attach Form(s) W-2. Also attach Form(s) W-2G and 1099-R if tax was withheld	2a Tax-exempt interest	2a	12
	3a Qualified dividends	3a	0
	4a IRAs, pensions, and annuities	4a	0
	5a Social security benefits	5a	
	b Taxable interest	2b	0
	b Ordinary dividends	3b	0
	b Taxable amount	4b	0
	b Taxable amount	5b	
6 Total income. Add lines 1 through 5. Add any amount from Schedule 1, line 22		6	24,044
7 Adjusted gross income. If you have no adjustments to income, enter the amount from line 6; otherwise, subtract Schedule 1, line 36, from line 6		7	24,044
8 Standard deduction or itemized deductions (from Schedule A)		8	12,000
9 Qualified business income deduction (see instructions)		9	0
10 Taxable income. Subtract lines 8 and 9 from line 7. If zero or less, enter -0-		10	12,044
11 a Tax (see inst.) <u>1,253</u> (check if any from: 1 <input type="checkbox"/> Form(s) 8814 2 <input type="checkbox"/> Form 4972 3 <input type="checkbox"/>)		11	1,253
b Add any amount from Schedule 2 and check here <input type="checkbox"/>		12	1,253
12 a Child tax credit/credit for other dependents <u>1,253</u> b Add any amount from Schedule 3 and check here <input type="checkbox"/>		13	0
13 Subtract line 12 from line 11. If zero or less, enter -0-		14	0
14 Other taxes. Attach Schedule 4		15	0
15 Total tax. Add lines 13 and 14		16	0
16 Federal income tax withheld from Forms W-2 and 1099		17	0
17 Refundable credits: a EIC (see inst.) <u>0</u> b Sch 8812 <u>NO</u> c Form 8863 <u>NO</u> Add any amount from Schedule 5 <u>0</u>		18	0
18 Add lines 16 and 17. These are your total payments		19	
19 If line 18 is more than line 15, subtract line 15 from line 18. This is the amount you overpaid		20a	
20a Amount of line 19 you want refunded to you . If Form 8888 is attached, check here <input type="checkbox"/>			
Direct deposit? <input checked="" type="checkbox"/> b Routing number <u>XXXXXXXXXX</u> c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings See instructions. d Account number <u>XXXXXXXXXXXXXXXXXXXX</u>	21 Amount of line 19 you want applied to your 2019 estimated tax <input checked="" type="checkbox"/>	22	0
22 Amount you owe. Subtract line 18 from line 15. For details on how to pay, see instructions		23	
23 Estimated tax penalty (see instructions)			

SCHEDULE 1
(Form 1040)

Department of the Treasury
Internal Revenue Service

Additional Income and Adjustments to Income

► **Attach to Form 1040.**
► **Go to www.irs.gov/Form1040 for instructions and the latest information.**

OMB No. 1545-0074

2018
Attachment
Sequence No. **01**

Name(s) shown on Form 1040

Jake D Thompson

Your social security number

013-07-0001

**Additional
Income**

1-9b	Reserved	1-9b	
10	Taxable refunds, credits, or offsets of state and local income taxes	10	0
11	Alimony received	11	3,000
12	Business income or (loss). Attach Schedule C or C-EZ	12	0
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	13	0
14	Other gains or (losses). Attach Form 4797	14	
15a	Reserved	15b	
16a	Reserved	16b	
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	21,044
18	Farm income or (loss). Attach Schedule F	18	0
19	Unemployment compensation	19	
20a	Reserved	20b	
21	Other income. List type and amount ►	21	0
22	Combine the amounts in the far right column. If you don't have any adjustments to income, enter here and include on Form 1040, line 6. Otherwise, go to line 23	22	24,044

**Adjustments
to Income**

23	Educator expenses	23	0
24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106	24	0
25	Health savings account deduction. Attach Form 8889	25	0
26	Moving expenses for members of the Armed Forces. Attach Form 3903	26	0
27	Deductible part of self-employment tax. Attach Schedule SE	27	0
28	Self-employed SEP, SIMPLE, and qualified plans	28	0
29	Self-employed health insurance deduction	29	
30	Penalty on early withdrawal of savings	30	0
31a	Alimony paid b Recipient's SSN ►	31a	
32	IRA deduction	32	0
33	Student loan interest deduction	33	
34	Reserved	34	
35	Reserved	35	
36	Add lines 23 through 35	36	0

KIA For Paperwork Reduction Act Notice, see your tax return instructions.

Schedule 1 (Form 1040) 2018

Name(s) shown on return. Do not enter name and social security number if shown on other side.

Jake D Thompson

Your social security number

013-07-0001

Caution: The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

Part II Income or Loss From Partnerships and S Corporations – **Note:** If you report a loss, receive a distribution, dispose of stock, or receive a loan repayment from an S corporation, you **must** check the box in column (e) on line 28 and attach the required basis computation. If you report a loss from an at-risk activity for which **any** amount is **not** at risk, you **must** check the box in column (f) on line 28 and attach **Form 6198** (see instructions).

27 Are you reporting any loss not allowed in a prior year due to the at-risk, excess farm loss, 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? If you answered "Yes," see instructions before completing this section. ☐ Yes ☒ No

28	(a) Name	(b) Enter P for partnership; S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if basis computation is required	(f) Check if any amount is not at risk
A	T & J Construction	P	<input type="checkbox"/>	39-0123456	<input type="checkbox"/>	<input type="checkbox"/>
B			<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
C			<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
D			<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

Passive Income and Loss					Nonpassive Income and Loss					
(g) Passive loss allowed (attach Form 8582 if required)			(h) Passive income from Schedule K-1		(i) Nonpassive loss from Schedule K-1		(j) Section 179 expense deduction from Form 4562		(k) Nonpassive income from Schedule K-1	
A							422		21,466	
B										
C										
D										
29a	Totals									
b	Totals									
30	Add columns (h) and (k) of line 29a.							30	21,466	
31	Add columns (g), (i), and (j) of line 29b.							31	(422)	
32	Total partnership and S corporation income or (loss). Combine lines 30 and 31							32	21,044	

Part III Income or Loss From Estates and Trusts

33					(a) Name		(b) Employer identification number			
A										
B										
Passive Income and Loss					Nonpassive Income and Loss					
(c) Passive deduction or loss allowed (attach Form 8582 if required)				(d) Passive income from Schedule K-1		(e) Deduction or loss from Schedule K-1		(f) Other income from Schedule K-1		
A										
B										
34a	Totals							0		
b	Totals									
35	Add columns (d) and (f) of line 34a							35	0	
36	Add columns (c) and (e) of line 34b							36	(0)	
37	Total estate and trust income or (loss). Combine lines 35 and 36							37	0	

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs) – Residual Holder

38	(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q , line 2c (see instructions)	(d) Taxable income (net loss) from Schedules Q , line 1b	(e) Income from Schedules Q , line 3b
39	Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below				39 0

Part V Summary

40	Net farm rental income or (loss) from Form 4835 . Also, complete line 42 below	40	0
41	Total income or (loss). Combine lines 26, 32, 37, 39, and 40. Enter the result here and on Schedule 1 (Form 1040), line 17, or Form 1040NR, line 18 ▶	41	21,044
42	Reconciliation of farming and fishing income. Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120S), box 17, code AC; and Schedule K-1 (Form 1041), box 14, code F (see instructions)	42	
43	Reconciliation for real estate professionals. If you were a real estate professional (see instructions), enter the net income or (loss) you reported anywhere on Form 1040 or Form 1040NR from all rental real estate activities in which you materially participated under the passive activity loss rules	43	

Exercise 3: Maisel

1040 Form Questions

1. What income listed on the 1040 is possibly counted income for LIHEAP?

Schedule 1 Questions

1. What income lines need to be counted for LIHEAP?
2. What schedule would you look at to learn more about the business(s)?

Schedule C Questions

1. How many businesses does Ms. Maisel operate?

1 Wages, salaries, tips, etc. Attach Form(s) W-2		1	2,630
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>2a Tax-exempt interest 0</p> <p>3a Qualified dividends 92</p> <p>4a IRAs, pensions, and annuities 0</p> <p>5a Social security benefits</p> </div> <div style="width: 45%;"> <p>b Taxable interest 68</p> <p>b Ordinary dividends 138</p> <p>b Taxable amount 0</p> <p>b Taxable amount</p> </div> </div>			
2a Tax-exempt interest		2a	0
3a Qualified dividends		3a	92
4a IRAs, pensions, and annuities		4a	0
5a Social security benefits		5a	
6 Total income. Add lines 1 through 5. Add any amount from Schedule 1, line 22		6	13,347
7 Adjusted gross income. If you have no adjustments to income, enter the amount from line 6; otherwise, subtract Schedule 1, line 36, from line 6		7	16,183
8 Standard deduction or itemized deductions (from Schedule A)		8	15,682
9 Qualified business income deduction (see instructions)		9	12,000
10 Taxable income. Subtract lines 8 and 9 from line 7. If zero or less, enter -0-		10	718
11 a Tax (see inst.) 286 (check if any from: 1 Form(s) 8814 2 Form 4972 3)		11	2,964
b Add any amount from Schedule 2 and check here		11	286
12 a Child tax credit/credit for other dependents b Add any amount from Schedule 3 and check here		12	286
13 Subtract line 12 from line 11. If zero or less, enter -0-		13	0
14 Other taxes. Attach Schedule 4		14	1,002
15 Total tax. Add lines 13 and 14		15	1,002
16 Federal income tax withheld from Forms W-2 and 1099		16	722
17 Refundable credits: a EIC (see inst.) 3,690 b Sch. 8812 1,008 c Form 8863		17	4,698
Add any amount from Schedule 5 0		17	4,698
18 Add lines 16 and 17. These are your total payments		18	5,420
19 If line 18 is more than line 15, subtract line 15 from line 18. This is the amount you overpaid		19	4,418
20a Amount of line 19 you want refunded to you. If Form 8888 is attached, check here		20a	4,418
b Routing number XXXXXXXXXX c Type: Checking Savings			
d Account number XXXXXXXXXXXXXXXXXXXX			
21 Amount of line 19 you want applied to your 2019 estimated tax		21	0
22 Amount you owe. Subtract line 18 from line 15. For details on how to pay, see instructions		22	
23 Estimated tax penalty (see instructions)		23	

Standard Deduction for –

- Single or married filing separately, \$12,000
- Married filing jointly or Qualifying widow(er), \$24,000
- Head of household, \$18,000
- If you checked any box under Standard deduction, see instructions.

SCHEDULE 1
(Form 1040)

Department of the Treasury
Internal Revenue Service

Additional Income and Adjustments to Income

► **Attach to Form 1040.**
► **Go to www.irs.gov/Form1040 for instructions and the latest information.**

OMB No. 1545-0074

2018
Attachment
Sequence No. **01**

Name(s) shown on Form 1040

Miriam Maisel

Your social security number

012-34-5678

**Additional
Income**

1-9b	Reserved	1-9b	
10	Taxable refunds, credits, or offsets of state and local income taxes	10	0
11	Alimony received	11	
12	Business income or (loss). Attach Schedule C or C-EZ	12	7,093
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	13	0
14	Other gains or (losses). Attach Form 4797	14	
15a	Reserved	15b	
16a	Reserved	16b	
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	
18	Farm income or (loss). Attach Schedule F	18	0
19	Unemployment compensation	19	5,054
20a	Reserved	20b	
21	Other income. List type and amount ► <u>GAMBLING</u>	21	1,200
22	Combine the amounts in the far right column. If you don't have any adjustments to income, enter here and include on Form 1040, line 6. Otherwise, go to line 23	22	13,347

**Adjustments
to Income**

23	Educator expenses	23	0
24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106	24	0
25	Health savings account deduction. Attach Form 8889	25	0
26	Moving expenses for members of the Armed Forces. Attach Form 3903	26	0
27	Deductible part of self-employment tax. Attach Schedule SE	27	501
28	Self-employed SEP, SIMPLE, and qualified plans	28	0
29	Self-employed health insurance deduction	29	
30	Penalty on early withdrawal of savings	30	0
31a	Alimony paid b Recipient's SSN ►	31a	
32	IRA deduction	32	0
33	Student loan interest deduction	33	
34	Reserved	34	
35	Reserved	35	
36	Add lines 23 through 35	36	501

KIA For Paperwork Reduction Act Notice, see your tax return instructions.

Schedule 1 (Form 1040) 2018

SCHEDULE C
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Profit or Loss From Business
(Sole Proprietorship)

- Go to www.irs.gov/ScheduleC for instructions and the latest information.
► Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

OMB No. 1545-0074

2018
Attachment
Sequence No. **09**

Name of proprietor Miriam Maisel		Social security number (SSN) 012-34-5678
A Principal business or profession, including product or service (see instructions) Entertainment at Parties		B Enter code from instructions ► 711510
C Business name. If no separate business name, leave blank. Party Entertainment, LLC		D Employer ID number (EIN) (see instr.)
E Business address (including suite or room no.) ► 123 Joke St City, town or post office, state, and ZIP code Anytown WI 54444		
F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ►		
G Did you "materially participate" in the operation of this business during 2018? If "No," see instructions for limit on losses		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
H If you started or acquired this business during 2018, check here		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
I Did you make any payments in 2018 that would require you to file Form(s) 1099? (see instructions)		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
J If "Yes," did you or will you file required Forms 1099?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Part I Income

1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on form W-2 and the "Statutory employee" box on that form was checked. <input type="checkbox"/>	1	4,500
2 Returns and allowances	2	
3 Subtract line 2 from line 1	3	4,500
4 Cost of goods sold (from line 42)	4	0
5 Gross profit. Subtract line 4 from line 3	5	4,500
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	
7 Gross income. Add lines 5 and 6	7	4,500

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8 Advertising	8	380	18 Office expense (see instructions)	18	
9 Car and truck expenses (see instructions)	9	0	19 Pension and profit-sharing plans	19	
10 Commissions and fees	10		20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11		a Vehicles, machinery, and equipment	20a	0
12 Depletion	12		b Other business property	20b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	0	21 Repairs and maintenance	21	
14 Employee benefit programs (other than on line 19)	14		22 Supplies (not included in Part III)	22	
15 Insurance (other than health)	15		23 Taxes and licenses	23	
16 Interest (see instructions):			24 Travel and meals:		
a Mortgage (paid to banks, etc.)	16a		a Travel	24a	2,000
b Other	16b		b Deductible meals (see instructions)	24b	0
17 Legal and professional services	17		25 Utilities	25	
			26 Wages (less employment credits)	26	
			27a Other expenses (from line 48)	27a	1,936
			b Reserved for future use	27b	
28 Total expenses before expenses for business use of home. Add lines 8 through 27a	28	4,316			
29 Tentative profit or (loss). Subtract line 28 from line 7	29	184			
30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). Simplified method filers only: enter the total square footage of: (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30	30	0			
31 Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Schedule 1 (Form 1040), line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2 . (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3 . • If a loss, you must go to line 32.	31	184			
32 If you have a loss, check the box that describes your investment in this activity (see instructions). • If you checked 32a, enter the loss on both Schedule 1 (Form 1040), line 12 , (or Form 1040NR, line 13) and on Schedule SE, line 2 . (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3 . • If you checked 32b, you must attach Form 6198 . Your loss may be limited.			32a <input checked="" type="checkbox"/> All investment is at risk.		
			32b <input type="checkbox"/> Some investment is not at risk.		

SCHEDULE C
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Profit or Loss From Business
(Sole Proprietorship)

- Go to www.irs.gov/ScheduleC for instructions and the latest information.
► Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

OMB No. 1545-0074

2018
Attachment
Sequence No. **09**

Name of proprietor Miriam Maisel		Social security number (SSN) 012-34-5678
A Principal business or profession, including product or service (see instructions) Comedian		B Enter code from instructions 711510
C Business name. If no separate business name, leave blank. Marvelous Mrs. Maisel		D Employer ID number (EIN) (see instr.)
E Business address (including suite or room no.) ► 123 Joke St City, town or post office, state, and ZIP code Anytown WI 54444		
F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ►		
G Did you "materially participate" in the operation of this business during 2018? If "No," see instructions for limit on losses		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
H If you started or acquired this business during 2018, check here		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
I Did you make any payments in 2018 that would require you to file Form(s) 1099? (see instructions)		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
J If "Yes," did you or will you file required Forms 1099?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Part I Income

1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on form W-2 and the "Statutory employee" box on that form was checked. <input type="checkbox"/>	1	10,000
2 Returns and allowances	2	
3 Subtract line 2 from line 1	3	10,000
4 Cost of goods sold (from line 42)	4	0
5 Gross profit. Subtract line 4 from line 3	5	10,000
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	
7 Gross income. Add lines 5 and 6	7	10,000

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8 Advertising	8	500	18 Office expense (see instructions)	18	
9 Car and truck expenses (see instructions)	9	545	19 Pension and profit-sharing plans	19	
10 Commissions and fees	10		20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11		a Vehicles, machinery, and equipment	20a	0
12 Depletion	12		b Other business property	20b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	0	21 Repairs and maintenance	21	
14 Employee benefit programs (other than on line 19)	14		22 Supplies (not included in Part III)	22	
15 Insurance (other than health)	15	900	23 Taxes and licenses	23	
16 Interest (see instructions):			24 Travel and meals:		
a Mortgage (paid to banks, etc.)	16a		a Travel	24a	0
b Other	16b		b Deductible meals (see instructions)	24b	300
17 Legal and professional services	17		25 Utilities	25	
			26 Wages (less employment credits)	26	
			27a Other expenses (from line 48)	27a	1,800
			b Reserved for future use	27b	
28 Total expenses before expenses for business use of home. Add lines 8 through 27a	28	4,045			
29 Tentative profit or (loss). Subtract line 28 from line 7	29	5,955			
30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). Simplified method filers only: enter the total square footage of: (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30	30	0			
31 Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Schedule 1 (Form 1040), line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2 . (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3 . • If a loss, you must go to line 32.	31	5,955			
32 If you have a loss, check the box that describes your investment in this activity (see instructions). • If you checked 32a, enter the loss on both Schedule 1 (Form 1040), line 12 , (or Form 1040NR, line 13) and on Schedule SE, line 2 . (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3 . • If you checked 32b, you must attach Form 6198 . Your loss may be limited.			32a <input checked="" type="checkbox"/> All investment is at risk.		
			32b <input type="checkbox"/> Some investment is not at risk.		

SCHEDULE C
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Profit or Loss From Business
(Sole Proprietorship)

- Go to www.irs.gov/ScheduleC for instructions and the latest information.
► Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

OMB No. 1545-0074

2018
Attachment
Sequence No. **09**

Name of proprietor Miriam Maisel		Social security number (SSN) 012-34-5678
A Principal business or profession, including product or service (see instructions) Candle company		B Enter code from instructions 454390
C Business name. If no separate business name, leave blank. Candles R Us		D Employer ID number (EIN) (see instr.)
E Business address (including suite or room no.) ► 123 Joke St City, town or post office, state, and ZIP code Anytown WI 54444		
F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ►		
G Did you "materially participate" in the operation of this business during 2018? If "No," see instructions for limit on losses		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
H If you started or acquired this business during 2018, check here		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
I Did you make any payments in 2018 that would require you to file Form(s) 1099? (see instructions)		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
J If "Yes," did you or will you file required Forms 1099?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Part I Income

1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on form W-2 and the "Statutory employee" box on that form was checked. <input type="checkbox"/>	1	1,850
2 Returns and allowances	2	200
3 Subtract line 2 from line 1	3	1,650
4 Cost of goods sold (from line 42)	4	0
5 Gross profit. Subtract line 4 from line 3	5	1,650
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	
7 Gross income. Add lines 5 and 6	7	1,650

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8 Advertising	8	400	18 Office expense (see instructions)	18	
9 Car and truck expenses (see instructions)	9	0	19 Pension and profit-sharing plans	19	
10 Commissions and fees	10		20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11		a Vehicles, machinery, and equipment	20a	0
12 Depletion	12		b Other business property	20b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	96	21 Repairs and maintenance	21	
14 Employee benefit programs (other than on line 19)	14		22 Supplies (not included in Part III)	22	200
15 Insurance (other than health)	15		23 Taxes and licenses	23	
16 Interest (see instructions):			24 Travel and meals:		
a Mortgage (paid to banks, etc.)	16a		a Travel	24a	0
b Other	16b		b Deductible meals (see instructions)	24b	0
17 Legal and professional services	17		25 Utilities	25	
			26 Wages (less employment credits)	26	
			27a Other expenses (from line 48)	27a	0
			b Reserved for future use	27b	

28 Total expenses before expenses for business use of home. Add lines 8 through 27a	28	696
29 Tentative profit or (loss). Subtract line 28 from line 7	29	954
30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). Simplified method filers only: enter the total square footage of: (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30	30	0

31 Net profit or (loss). Subtract line 30 from line 29. <ul style="list-style-type: none"> If a profit, enter on both Schedule 1 (Form 1040), line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2. (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3. If a loss, you must go to line 32. 	31	954
32 If you have a loss, check the box that describes your investment in this activity (see instructions). <ul style="list-style-type: none"> If you checked 32a, enter the loss on both Schedule 1 (Form 1040), line 12, (or Form 1040NR, line 13) and on Schedule SE, line 2. (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3. If you checked 32b, you must attach Form 6198. Your loss may be limited. 	32a	<input checked="" type="checkbox"/> All investment is at risk.
	32b	<input type="checkbox"/> Some investment is not at risk.

Exercise 4: Scott

1040 Form Questions

1. What income listed on the 1040 is possibly counted income for LIHEAP?

Schedule 1 Questions

1. What sources of income are listed?
2. Which lines are counted for LIHEAP?

Schedule E Questions

1. What type of business income is reported on the Schedule E?
2. Do you need to separate out each source of income on Schedule E?

Filing status: ☒ Single ☐ Married filing jointly ☐ Married filing separately ☐ Head of household ☐ Qualifying widow(er)

Your first name and initial Drew		Last name Scott		Your social security number 001-06-0001	
Your standard deduction: <input type="checkbox"/> Someone can claim you as a dependent <input type="checkbox"/> You were born before January 2, 1954 <input type="checkbox"/> You are blind					
If joint return, spouse's first name and initial		Last name		Spouse's social security number	
Spouse standard deduction: <input type="checkbox"/> Someone can claim your spouse as a dependent <input type="checkbox"/> Spouse was born before January 2, 1954 <input type="checkbox"/> Spouse is blind <input type="checkbox"/> Spouse itemizes on a separate return or you were dual-status alien				<input checked="" type="checkbox"/> Full-year health care coverage or exempt (see inst.)	
Home address (number and street). If you have a P.O. box, see instructions. 123 Property Ln				Apt. no.	
City, town or post office, state, and ZIP code. If you have a foreign address, attach Schedule 6. Anytown WI 54444				Presidential Election Campaign (see inst.) <input type="checkbox"/> You <input type="checkbox"/> Spouse	
Dependents (see instructions):		(2) Social security number	(3) Relationship to you	(4) <input checked="" type="checkbox"/> if qualifies for (see inst.):	
(1) First name	Last name			Child tax credit	Credit for other dependents
Drew	Scott II	001-16-0001	Son	<input checked="" type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
Sign Here 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.					
Your signature		Date	Your occupation Real Estate	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)	
Spouse's signature. If a joint return, both must sign.		Date	Spouse's occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)	
Preparer's name		Preparer's signature		PTIN	Firm's EIN
Firm's name		Firm's address		Phone no.	
Firm's address		Firm's address		Check if: <input type="checkbox"/> 3rd Party Designee <input type="checkbox"/> Self-employed	

KIA	For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.
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Form **1040** (2018)

1 Wages, salaries, tips, etc. Attach Form(s) W-2		1	0
2a Tax-exempt interest		2a	0
3a Qualified dividends		3a	0
4a IRAs, pensions, and annuities		4a	0
5a Social security benefits		5a	
b Taxable interest		2b	0
b Ordinary dividends		3b	0
b Taxable amount		4b	0
b Taxable amount		5b	
6 Total income. Add lines 1 through 5. Add any amount from Schedule 1, line 22		6	11,446
7 Adjusted gross income. If you have no adjustments to income, enter the amount from line 6; otherwise, subtract Schedule 1, line 36, from line 6		7	11,446
8 Standard deduction or itemized deductions (from Schedule A)		8	12,000
9 Qualified business income deduction (see instructions)		9	0
10 Taxable income. Subtract lines 8 and 9 from line 7. If zero or less, enter -0-		10	0
11 a Tax (see inst.) 0 (check if any from: 1 <input type="checkbox"/> Form(s) 8814 2 <input type="checkbox"/> Form 4972 3 <input type="checkbox"/>)		11	0
b Add any amount from Schedule 2 and check here <input type="checkbox"/>		11	0
12 a Child tax credit/credit for other dependents b Add any amount from Schedule 3 and check here <input type="checkbox"/>		12	0
13 Subtract line 12 from line 11. If zero or less, enter -0-		13	0
14 Other taxes. Attach Schedule 4		14	0
15 Total tax. Add lines 13 and 14		15	0
16 Federal income tax withheld from Forms W-2 and 1099		16	0
17 Refundable credits: a EIC (see inst.) b Sch. 8812 c Form 8863		17	0
Add any amount from Schedule 5 0 NO		17	0
18 Add lines 16 and 17. These are your total payments		18	0
Refund 19 If line 18 is more than line 15, subtract line 15 from line 18. This is the amount you overpaid		19	
20a Amount of line 19 you want refunded to you. If Form 8888 is attached, check here <input type="checkbox"/>		20a	
b Routing number XXXXXXXXXX c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings			
d Account number XXXXXXXXXXXXXXXXXXXX			
21 Amount of line 19 you want applied to your 2019 estimated tax		21	
Amount You Owe 22 Amount you owe. Subtract line 18 from line 15. For details on how to pay, see instructions		22	0
23 Estimated tax penalty (see instructions)		23	

Standard Deduction for –

- Single or married filing separately, \$12,000
- Married filing jointly or Qualifying widow(er), \$24,000
- Head of household, \$18,000
- If you checked any box under Standard deduction, see instructions.

SCHEDULE 1
(Form 1040)

Department of the Treasury
Internal Revenue Service

Additional Income and Adjustments to Income

► **Attach to Form 1040.**
► **Go to www.irs.gov/Form1040 for instructions and the latest information.**

OMB No. 1545-0074

2018

Attachment
Sequence No. **01**

Name(s) shown on Form 1040

Drew Scott

Your social security number

001-06-0001

**Additional
Income**

1-9b	Reserved	1-9b	
10	Taxable refunds, credits, or offsets of state and local income taxes	10	0
11	Alimony received	11	
12	Business income or (loss). Attach Schedule C or C-EZ	12	0
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	13	947
14	Other gains or (losses). Attach Form 4797	14	
15a	Reserved	15b	
16a	Reserved	16b	
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	10,499
18	Farm income or (loss). Attach Schedule F	18	0
19	Unemployment compensation	19	
20a	Reserved	20b	
21	Other income. List type and amount ►	21	0
22	Combine the amounts in the far right column. If you don't have any adjustments to income, enter here and include on Form 1040, line 6. Otherwise, go to line 23	22	11,446

**Adjustments
to Income**

23	Educator expenses	23	0
24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106	24	0
25	Health savings account deduction. Attach Form 8889	25	0
26	Moving expenses for members of the Armed Forces. Attach Form 3903	26	0
27	Deductible part of self-employment tax. Attach Schedule SE	27	0
28	Self-employed SEP, SIMPLE, and qualified plans	28	0
29	Self-employed health insurance deduction	29	
30	Penalty on early withdrawal of savings	30	0
31a	Alimony paid b Recipient's SSN ►	31a	
32	IRA deduction	32	0
33	Student loan interest deduction	33	
34	Reserved	34	
35	Reserved	35	
36	Add lines 23 through 35	36	0

KIA For Paperwork Reduction Act Notice, see your tax return instructions.

Schedule 1 (Form 1040) 2018

**SCHEDULE E
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

Name(s) shown on return

Drew

Supplemental Income and Loss
(From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)

▶ Attach to Form 1040, 1040NR, or Form 1041.

▶ Go to www.irs.gov/ScheduleE for instructions and the latest information.

OMB No. 1545-0074

2018

Attachment
Sequence No. **13**

Your social security number

001-06-0001

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 or C-EZ** (see instructions). If you are an individual, report farm rental income or loss from **Form 4835** on page 2, line 40.

A Did you make any payments in 2018 that would require you to file Form(s) 1099? (see instructions) ☐ Yes ☒ No

B If "Yes," did you or will you file all required Forms 1099? ☐ Yes ☐ No

1a Physical address of each property (street, city, state, ZIP code)

A

B 422 E main Anytown WI 54444

C 1701 Washington St Anytown WI 54444

1b Type of Property (from list below)		2 For each rental real estate property listed above, report the number of fair rental and personal use days. Check the QJV box only if you meet the requirements to file as a qualified joint venture. See instructions.	Fair Rental Days	Personal Use Days	QJV	
A	6		A	0		
B	1		B	344		
C	1		C	365		

Type of Property:

1 Single Family Residence

3 Vacation/Short-Term Rental

5 Land

7 Self-Rental

2 Multi-Family Residence

4 Commercial

6 Royalties

8 Other (describe)

Income: **Properties:** **A** **B** **C**

3 Rents received **3** 16,500 16,800

4 Royalties received **4** 12,000 0 0

Expenses:

5 Advertising **5** 0 400 400

6 Auto and travel (see instructions) **6** 0 0 0

7 Cleaning and maintenance **7** 0 600 0

8 Commissions **8** 0 0 0

9 Insurance **9** 0 850 520

10 Legal and other professional fees **10** 1,900 300 0

11 Management fees **11** 0 0 0

12 Mortgage interest paid to banks, etc. (see instructions) **12** 0 3,622 3,206

13 Other interest **13** 0 0 0

14 Repairs **14** 0 480 600

15 Supplies **15** 0 0 0

16 Taxes **16** 0 2,950 3,150

17 Utilities **17** 0 280 0

18 Depreciation expense or depletion **18** 4,009 6,029 7,636

19 Other (list) ▶ Legal Fees **19** 2,300 0 0

20 Total expenses. Add lines 5 through 19 **20** 8,209 15,511 15,512

21 Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file **Form 6198** **21** 3,791 989 1,288

22 Deductible rental real estate loss after limitation, if any, on **Form 8582** (see instructions) **22** () (0) (0)

23a Total of all amounts reported on line 3 for all rental properties **23a** 40,800

b Total of all amounts reported on line 4 for all royalty properties **23b** 12,000

c Total of all amounts reported on line 12 for all properties **23c** 12,210

d Total of all amounts reported on line 18 for all properties **23d** 22,001

e Total of all amounts reported on line 20 for all properties **23e** 55,980

24 **Income.** Add positive amounts shown on line 21. **Do not** include any losses **24** 6,068

25 **Losses.** Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here. **25** (9,248)

26 **Total rental real estate and royalty income or (loss).** Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Schedule 1 (Form 1040), line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2 **26** -3,180

KIA For Paperwork Reduction Act Notice, see the separate instructions.

Schedule E (Form 1040) 2018

Name(s) shown on return. Do not enter name and social security number if shown on page 1.

Drew Scott

Your social security number

001-06-0001

Caution. The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

Part II Income or Loss From Partnerships and S Corporations – Note: If you report a loss, receive a distribution, dispose of stock, or receive a loan repayment from an S corporation, you **must** check the box in column (e) on line 28 and attach the required basis computation. If you report a loss from an at-risk activity for which **any** amount is **not** at risk, you **must** check the box in column (f) on line 28 and attach **Form 6198** (see instructions).

27 Are you reporting any loss not allowed in a prior year due to the at-risk, excess farm loss, 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? If you answered "Yes," see instructions before completing this section ☐ Yes ☒ No

28	(a) Name	(b) Enter P for partnership; S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if basis computation is required	(f) Check if any amount is not at risk
A	Property Brothers LLP	P	<input type="checkbox"/>	20-0000001	<input type="checkbox"/>	<input type="checkbox"/>
B	Guaranteed Payments	P	<input type="checkbox"/>	20-0000001	<input type="checkbox"/>	<input type="checkbox"/>
C	Property Brothers LLP	P	<input type="checkbox"/>	20-0000001	<input type="checkbox"/>	<input type="checkbox"/>
D			<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

Passive Income and Loss			Nonpassive Income and Loss		
(g) Passive loss allowed (attach Form 8582 if required)	(h) Passive income from Schedule K-1	(i) Nonpassive loss from Schedule K-1	(j) Section 179 expense deduction from Form 4562	(k) Nonpassive income from Schedule K-1	
A				5,580	
B				4,200	
C	3,899				
D					
29a Totals		3,899		9,780	
b Totals	0		0	0	
30	Add columns (h) and (k) of line 29a			30	13,679
31	Add columns (g), (i), and (j) of line 29b			31	(0)
32	Total partnership and S corporation income or (loss). Combine lines 30 and 31.			32	13,679

Part III Income or Loss From Estates and Trusts

33		(a) Name		(b) Employer identification number	
A					
B					
Passive Income and Loss				Nonpassive Income and Loss	
(c) Passive deduction or loss allowed (attach Form 8582 if required)		(d) Passive income from Schedule K-1		(e) Deduction or loss from Schedule K-1	
(f) Other income from Schedule K-1					
A					
B					
34a Totals		0		0	
b Totals	0		0		
35 Add columns (d) and (f) of line 34a				35	0
36 Add columns (c) and (e) of line 34b				36	(0)
37 Total estate and trust income or (loss). Combine lines 35 and 36.				37	0

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs)—Residual Holder

38	(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c (see instructions)	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b
			0	0	0
39	Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below				39

Part V Summary

40	Net farm rental income or (loss) from Form 4835. Also, complete line 42 below	40	0
41	Total income or (loss). Combine lines 26, 32, 37, 39, and 40. Enter the result here and on Schedule 1 (Form 1040), line 17, or Form 1040NR, line 18	41	10,499
42	Reconciliation of farming and fishing income. Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120S), box 17, code AC; and Schedule K-1 (Form 1041), box 14, code F (see instructions)	42	
43	Reconciliation for real estate professionals. If you were a real estate professional (see instructions), enter the net income or (loss) you reported anywhere on Form 1040 or Form 1040NR from all rental real estate activities in which you materially participated under the passive activity loss rules	43	0

Drew _____ Scott _____

SSN: 001-06-0001

PART I INCOME OR (LOSS) FROM RENTAL REAL ESTATE AND ROYALTIES**A** Did you make any payments in 2018 that would require you to file Form(s) 1099? (see instr)☐ Yes ☐ No**B** If "Yes," did you or will you file all required Forms 1099?☐ Yes ☐ No**1a.** Physical address of each property (street, city, state, and zip code)**A** 855 Madison St Anytown WI 54444

Country _____ Province _____ Postal Code _____

B _____

Country _____ Province _____ Postal Code _____

C _____

Country _____ Province _____ Postal Code _____

1b. Type of Property (from list below)**A** 1 _____**B** _____**C** _____**2** For each rental above, report fair rental and personal use days. Check **QJV** only if you meet requirements for qualified joint venture. See instructions.**Fair Rental Days****A** 152**B** _____**C** _____**Pers Use Days**_____ 0 ☐_____ ☐_____ ☐**QJV****Type of Property:**

1 Single Fam Residence

3 Vacation/ Short-Term Rent

5 Land

7 Self-Rental

2 Multi-Fam Residence


4 Commercial

6 Royalties

8 Other (describe)

Income:		Properties		
		A	B	C
3. Rents received	3	7,500	_____	_____
4. Royalties received	4	0	0	0

Expenses:

5. Advertising	5	800	_____	_____
6. Auto and Travel	6	0	_____	_____
7. Cleaning & maintenance	7	0	_____	_____
8. Commissions	8	0	_____	_____
9. Insurance	9	650	_____	_____
10. Legal & professional	10	800	_____	_____
11. Management fees	11	0	_____	_____
12. Mortgage interest to banks, etc	12	5,382	_____	_____
13. Other interest	13	0	_____	_____
14. Repairs	14	2,268	_____	_____
15. Supplies	15	0	_____	_____
16. Taxes	16	1,583	_____	_____
17. Utilities	17	938	_____	_____
18. Depreciation/depletion	18	4,327	_____	_____
19. Other (list) 	19	0	_____	_____
20. Expenses. Lns 5 - 19	20	16,748	0	0
21. Inc/loss. Ln 3 or 4-20	21	-9,248	0	0
22. Deductible rental loss	22	9,248	_____	_____

23a. Total amounts on line 3 for rentals **23a** _____**23b.** Total amounts on line 4 for royalties **23b** _____**23c.** Total amounts on line 12 for all props **23c** _____**23d.** Total amounts on line 18 for all props **23d** _____**23e.** Total amounts on line 20 for all props **23e** _____**24.** **Income.** Add positive amounts shown on line 21 **24** _____**25.** **Losses.** Royalty losses (line 21) + rental losses (ln 22) **25** _____**26.** **Net inc/loss (ln 24 - 25)** **26** _____

KIA

Exercise 5: Holden

1040 Form Questions

1. What income listed on the 1040 is possibly counted income for LIHEAP?

Schedule 1 Questions

1. Do you count the personal capital gains?
2. What business income is listed?
3. What schedule(s) provide details on the business income?

Schedule E Questions

1. What type of business income is reported on the Schedule E?
2. How many businesses are on the Schedule E?

Form **1040** (2018)

1 Wages, salaries, tips, etc. Attach Form W-2		1	40,000
2a Tax-exempt interest		2a	0
3a Qualified dividends		3a	18
4a IRAs, pensions, and annuities		4a	0
5a Social security benefits		5a	
b Taxable interest		2b	43
b Ordinary dividends		3b	244
b Taxable amount		4b	0
b Taxable amount		5b	
6 Total income. Add lines 1 through 5. Add any amount from Schedule 1, line 22		6	78,467
7 Adjusted gross income. If you have no adjustments to income, enter the amount from line 6; otherwise, subtract Schedule 1, line 36, from line 6		7	78,034
8 Standard deduction or itemized deductions (from Schedule A)		8	24,000
9 Qualified business income deduction (see instructions)		9	1,224
10 Taxable income. Subtract lines 8 and 9 from line 7. If zero or less, enter -0-		10	52,810
11 a Tax (see inst) 4,920 (check if any from: 1 <input type="checkbox"/> Form(s) 8814 2 <input type="checkbox"/> Form 4972 3 <input type="checkbox"/>)		11	4,920
b Add any amount from Schedule 2 and check here <input type="checkbox"/>		12	2,000
12 a Child tax credit/credit for other dependents 2,000 b Add any amount from Schedule 3 and check here <input type="checkbox"/>		13	2,920
13 Subtract line 12 from line 11. If zero or less, enter -0-		14	865
14 Other taxes. Attach Schedule 4		15	3,785
15 Total tax. Add lines 13 and 14		16	2,312
16 Federal income tax withheld from Forms W-2 and 1099		17	0
17 Refundable credits: a EIC (see inst.) b Sch 8812 c Form 8863		18	2,312
Add any amount from Schedule 5 0 NO		19	
18 Add lines 16 and 17. These are your total payments		20a	
19 If line 18 is more than line 15, subtract line 15 from line 18. This is the amount you overpaid		21	
20a Amount of line 19 you want refunded to you. If Form 8888 is attached, check here <input type="checkbox"/>		22	1,502
b Routing number XXXXXXXXXX c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		23	29
d Account number XXXXXXXXXXXXXXXXXXXX			
21 Amount of line 19 you want applied to your 2019 estimated tax			
22 Amount you owe. Subtract line 18 from line 15. For details on how to pay, see instructions			
23 Estimated tax penalty (see instructions)			

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

Standard Deduction for –

- Single or married filing separately, \$12,000
- Married filing jointly or Qualifying widow(er), \$24,000
- Head of household, \$18,000
- If you checked any box under Standard deduction, see instructions.

Refund

Direct deposit? ☐
See instructions.

SCHEDULE 1
(Form 1040)

Department of the Treasury
Internal Revenue Service

Additional Income and Adjustments to Income

► **Attach to Form 1040.**
► **Go to www.irs.gov/Form1040 for instructions and the latest information.**

OMB No. 1545-0074

2018
Attachment
Sequence No. **01**

Name(s) shown on Form 1040

James A Holden

Your social security number

001-07-2001

**Additional
Income**

1-9b	Reserved	1-9b	
10	Taxable refunds, credits, or offsets of state and local income taxes	10	0
11	Alimony received	11	
12	Business income or (loss). Attach Schedule C or C-EZ	12	0
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	13	8,622
14	Other gains or (losses). Attach Form 4797	14	0
15a	Reserved	15b	
16a	Reserved	16b	
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	23,437
18	Farm income or (loss). Attach Schedule F	18	6,121
19	Unemployment compensation	19	
20a	Reserved	20b	
21	Other income. List type and amount ►	21	0
22	Combine the amounts in the far right column. If you don't have any adjustments to income, enter here and include on Form 1040, line 6. Otherwise, go to line 23	22	38,180

**Adjustments
to Income**

23	Educator expenses	23	0
24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106	24	0
25	Health savings account deduction. Attach Form 8889	25	0
26	Moving expenses for members of the Armed Forces. Attach Form 3903	26	0
27	Deductible part of self-employment tax. Attach Schedule SE	27	433
28	Self-employed SEP, SIMPLE, and qualified plans	28	0
29	Self-employed health insurance deduction	29	
30	Penalty on early withdrawal of savings	30	0
31a	Alimony paid b Recipient's SSN ►	31a	
32	IRA deduction	32	0
33	Student loan interest deduction	33	
34	Reserved	34	
35	Reserved	35	
36	Add lines 23 through 35	36	433

KIA For Paperwork Reduction Act Notice, see your tax return instructions.

Schedule 1 (Form 1040) 2018

SCHEDULE 4
(Form 1040)

Department of the Treasury
Internal Revenue Service

Other Taxes

▶ **Attach to Form 1040.**

▶ **Go to www.irs.gov/Form1040 for instructions and the latest information.**

OMB No. 1545-0074

2018
Attachment
Sequence No. **04**

Name(s) shown on Form 1040

James A Holden

Your social security number

001-07-2001

**Other
Taxes**

57	Self-employment tax. Attach Schedule SE	57	865
58	Unreported social security and Medicare tax from: Form a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919	58	0
59	Additional tax on IRAs, other qualified retirement plans, and other tax-favored accounts. Attach Form 5329 if required	59	0
60a	Household employment taxes. Attach Schedule H	60a	0
b	Repayment of first-time homebuyer credit from Form 5405. Attach Form 5405 if required	60b	0
61	Health care: individual responsibility (see instructions)	61	
62	Taxes from: a <input type="checkbox"/> Form 8959 b <input type="checkbox"/> Form 8960 c <input type="checkbox"/> Instructions; enter code(s) _____	62	0
63	Section 965 net tax liability installment from Form 965-A 63		
64	Add the amounts in the far right column. These are your total other taxes . Enter here and on Form 1040, line 14	64	865

KIA For Paperwork Reduction Act Notice, see your tax return instructions.

Schedule 4 (Form 1040) 2018

**SCHEDULE D
(Form 1040)**Department of the Treasury
Internal Revenue Service (99)**Capital Gains and Losses**

- ▶ Attach to Form 1040 or Form 1040NR.
▶ Go to www.irs.gov/ScheduleD for instructions and the latest information.
▶ Use Form 8949 to list your transactions for lines 1b, 2, 3, 8b, 9, and 10.

OMB No. 1545-0074

2018Attachment
Sequence No. **12**

Name(s) shown on return

James A Holden

Your social security number

001-07-2001

Part I Short-Term Capital Gains and Losses—Generally Assets Held One Year or Less (see instructions)

See instructions for how to figure the amounts to enter on the lines below.

This form may be easier to complete if you round off cents to whole dollars.

	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part I, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
1a Totals for all short-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 1b	0	0		0
1b Totals for all transactions reported on Form(s) 8949 with Box A checked	0	0	0	0
2 Totals for all transactions reported on Form(s) 8949 with Box B checked	0	0	0	0
3 Totals for all transactions reported on Form(s) 8949 with Box C checked	0	0	0	0
4 Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824				4 0
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 8 of your Capital Loss Carryover Worksheet in the instructions.				6 (0)
7 Net short-term capital gain or (loss). Combine lines 1a through 6 in column (h). If you have any long-term capital gains or losses, go to Part II below. Otherwise, go to Part III on page 2				7 0

Part II Long-Term Capital Gains and Losses—Generally Assets Held More Than One Year (see instructions)

See instructions for how to figure the amounts to enter on the lines below.

This form may be easier to complete if you round off cents to whole dollars.

	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part II, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
8a Totals for all long-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 8b	0	0		0
8b Totals for all transactions reported on Form(s) 8949 with Box D checked	0	0	0	0
9 Totals for all transactions reported on Form(s) 8949 with Box E checked	0	0	0	0
10 Totals for all transactions reported on Form(s) 8949 with Box F checked	0	0	0	0
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 8,622
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 the instructions				13 0
14 Long-term capital loss carryover. Enter the amount, if any, from line 13 of your Capital Loss Carryover Worksheet in the instructions				14 (0)
15 Net long-term capital gain or (loss). Combine lines 8a through 14 in column (h). Then go to Part III on page 2				15 8,622

KIA For Paperwork Reduction Act Notice, see your tax return instructions.

Schedule D (Form 1040) 2018

Part III Summary

16	Combine lines 7 and 15 and enter the result	16	8,622
	<ul style="list-style-type: none"> • If line 16 is a gain, enter the amount from line 16 on Schedule 1 (Form 1040), line 13, or Form 1040NR, line 14. Then go to line 17 below. • If line 16 is a loss, skip lines 17 through 20 below. Then go to line 21. Also be sure to complete line 22. • If line 16 is zero, skip lines 17 through 21 below and enter -0- on Schedule 1 (Form 1040), line 13, or Form 1040NR, line 14. Then go to line 22. 		
17	Are lines 15 and 16 both gains?		
	<input checked="" type="checkbox"/> Yes. Go to line 18.		
	<input type="checkbox"/> No. Skip lines 18 through 21, and go to line 22.		
18	If you are required to complete the 28% Rate Gain Worksheet (see instructions), enter the amount, if any, from line 7 of that worksheet ▶	18	0
19	If you are required to complete the Unrecaptured Section 1250 Gain Worksheet (see instructions), enter the amount, if any, from line 18 of that worksheet ▶	19	0
20	Are lines 18 and 19 both zero or blank?		
	<input checked="" type="checkbox"/> Yes. Complete the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 11a (or in the instructions for Form 1040NR, line 42). Don't complete lines 21 and 22 below.		
	<input type="checkbox"/> No. Complete the Schedule D Tax Worksheet in the instructions. Don't complete lines 21 and 22 below.		
21	If line 16 is a loss, enter here and on Schedule 1 (Form 1040), line 13, or Form 1040NR, line 14, the smaller of:		
	<ul style="list-style-type: none"> • The loss on line 16; or • (\$3,000), or if married filing separately, (\$1,500) } 	21	()
	Note. When figuring which amount is smaller, treat both amounts as positive numbers.		
22	Do you have qualified dividends on Form 1040, line 3a, or Form 1040NR, line 10b?		
	<input type="checkbox"/> Yes. Complete the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 11a (or in the instructions for Form 1040NR, line 42).		
	<input type="checkbox"/> No. Complete the rest of Form 1040 or Form 1040NR.		

KIA

Schedule D (Form 1040) 2018

SCHEDULE E
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Name(s) shown on return
James A Holden

Supplemental Income and Loss

(From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)

▶ Attach to Form 1040, 1040NR, or Form 1041.

▶ Go to www.irs.gov/ScheduleE for instructions and the latest information.

OMB No. 1545-0074

2018

Attachment
Sequence No. **13**

Your social security number
001-07-2001

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 or C-EZ** (see instructions). If you are an individual, report farm rental income or loss from **Form 4835** on page 2, line 40.

A Did you make any payments in 2018 that would require you to file Form(s) 1099? (see instructions) ☐ Yes ☐ No

B If "Yes," did you or will you file all required Forms 1099? ☐ Yes ☐ No

1a Physical address of each property (street, city, state, ZIP code)

A	
B	
C	

1b Type of Property (from list below)	2 For each rental real estate property listed above, report the number of fair rental and personal use days. Check the QJV box only if you meet the requirements to file as a qualified joint venture. See instructions.	Fair Rental Days	Personal Use Days	QJV
A		A		
B		B		
C		C		

Type of Property:

1 Single Family Residence
2 Multi-Family Residence

3 Vacation/Short-Term Rental
4 Commercial

5 Land
6 Royalties

7 Self-Rental
8 Other (describe)

Income:	Properties:	A	B	C
3 Rents received	3			
4 Royalties received	4	0	0	0

Expenses:

5 Advertising	5			
6 Auto and travel (see instructions)	6			
7 Cleaning and maintenance	7			
8 Commissions	8			
9 Insurance	9			
10 Legal and other professional fees	10			
11 Management fees	11			
12 Mortgage interest paid to banks, etc. (see instructions)	12			
13 Other interest	13			
14 Repairs	14			
15 Supplies	15			
16 Taxes	16			
17 Utilities	17			
18 Depreciation expense or depletion	18			
19 Other (list) ▶	19			
20 Total expenses. Add lines 5 through 19	20	0	0	0
21 Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6198	21	0	0	0
22 Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)	22	()	()	()

23a Total of all amounts reported on line 3 for all rental properties	23a	0	
b Total of all amounts reported on line 4 for all royalty properties	23b	0	
c Total of all amounts reported on line 12 for all properties	23c	0	
d Total of all amounts reported on line 18 for all properties	23d	0	
e Total of all amounts reported on line 20 for all properties	23e	0	

24 Income. Add positive amounts shown on line 21. Do not include any losses	24	0
25 Losses. Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here.	25	(0)
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Schedule 1 (Form 1040), line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2	26	0

KIA For Paperwork Reduction Act Notice, see the separate instructions.

Schedule E (Form 1040) 2018

Name(s) shown on return. Do not enter name and social security number if shown on page 1.

James A Holden

Your social security number

001-07-2001

Caution. The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

Part II Income or Loss From Partnerships and S Corporations – Note: If you report a loss, receive a distribution, dispose of stock, or receive a loan repayment from an S corporation, you **must** check the box in column (e) on line 28 and attach the required basis computation. If you report a loss from an at-risk activity for which **any** amount is **not** at risk, you **must** check the box in column (f) on line 28 and attach **Form 6198** (see instructions).

27 Are you reporting any loss not allowed in a prior year due to the at-risk, excess farm loss, 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? If you answered "Yes," see instructions before completing this section ☐ Yes ☒ **No**

28	(a) Name	(b) Enter P for partnership; S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if basis computation is required	(f) Check if any amount is not at risk
A	Rocinante Express	S	<input type="checkbox"/>	36-0000001	<input type="checkbox"/>	<input type="checkbox"/>
B	Rocinante Express	S	<input type="checkbox"/>	36-0000001	<input type="checkbox"/>	<input type="checkbox"/>
C	Protomolecule Industries	P	<input type="checkbox"/>	39-0000001	<input type="checkbox"/>	<input type="checkbox"/>
D	Guaranteed Payments	P	<input type="checkbox"/>	39-0000001	<input type="checkbox"/>	<input type="checkbox"/>

Passive Income and Loss		Nonpassive Income and Loss		
(g) Passive loss allowed (attach Form 8582 if required)	(h) Passive income from Schedule K-1	(i) Nonpassive loss from Schedule K-1	(j) Section 179 expense deduction from Form 4562	(k) Nonpassive income from Schedule K-1
A				15,989
B				15,989
C		5,643		
D				5,500
29a Totals		0		47,654
b Totals	1,499	22,718	0	
30	Add columns (h) and (k) of line 29a			30 47,654
31	Add columns (g), (i), and (j) of line 29b			31 (24,217)
32	Total partnership and S corporation income or (loss). Combine lines 30 and 31. See Attached			32 23,437

Part III Income or Loss From Estates and Trusts

33		(a) Name		(b) Employer identification number	
A					
B					
Passive Income and Loss				Nonpassive Income and Loss	
(c) Passive deduction or loss allowed (attach Form 8582 if required)		(d) Passive income from Schedule K-1		(e) Deduction or loss from Schedule K-1	
(f) Other income from Schedule K-1					
A					
B					
34a Totals		0		0	
b Totals		0		0	
35 Add columns (d) and (f) of line 34a				35	0
36 Add columns (c) and (e) of line 34b				36	(0)
37 Total estate and trust income or (loss). Combine lines 35 and 36.				37	0

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs)—Residual Holder

38	(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c (see instructions)	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b
			0	0	0
39	Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below				39 0

Part V Summary

40	Net farm rental income or (loss) from Form 4835. Also, complete line 42 below	40	0
41	Total income or (loss). Combine lines 26, 32, 37, 39, and 40. Enter the result here and on Schedule 1 (Form 1040), line 17, or Form 1040NR, line 18	41	23,437
42	Reconciliation of farming and fishing income. Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120S), box 17, code AC; and Schedule K-1 (Form 1041), box 14, code F (see instructions)	42	
43	Reconciliation for real estate professionals. If you were a real estate professional (see instructions), enter the net income or (loss) you reported anywhere on Form 1040 or Form 1040NR from all rental real estate activities in which you materially participated under the passive activity loss rules	43	0

James A Holden

SSN: 001-07-2001

PART II INCOME OR LOSS FROM PARTNERSHIPS AND S CORPORATIONS

27 Are you reporting any loss not allowed in a prior year due to the at-risk, excess farm loss, 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/S	(c) Frgn	(d) EIN	(e) Basis comp reqd	(f) Not at risk
A Protomolecule Indutries	P	<input type="checkbox"/>	39-0000001	<input type="checkbox"/>	<input type="checkbox"/>
B Guaranteed Payments	P	<input type="checkbox"/>	39-0000001	<input type="checkbox"/>	<input type="checkbox"/>
C Montana Share Farm	P	<input type="checkbox"/>	36-1000001	<input type="checkbox"/>	<input type="checkbox"/>
D Tycho Station	S	<input type="checkbox"/>	36-2000001	<input type="checkbox"/>	<input type="checkbox"/>

Passive Activities		Nonpassive Activities		
(g) Pass. loss	(h) Pass. Inc	(i) Nonpass. loss	(j) Sec 179	(k) Nonpass. inc
A		5,643		
B				6,800
C		11,432		
D				3,376
29a.	0			10,176
29b.	0	17,075	0	

30. Add amounts in columns (h) and (k), line 29a	30	10,176
31. Add amounts in columns (g), (i), and (j), line 29b	31	17,075
32. Total Partnership,S corp inc/loss, ln 30-ln 31To Sched E	32	-6,899

KIA

James A Holden

SSN: 001-07-2001

PART II INCOME OR LOSS FROM PARTNERSHIPS AND S CORPORATIONS

27 Are you reporting any loss not allowed in a prior year due to the at-risk, excess farm loss, 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/S	(c) Frgn	(d) EIN	(e) Basis comp reqd	(f) Not at risk
A Tycho Station	S	<input type="checkbox"/>	36-2000001	<input type="checkbox"/>	<input type="checkbox"/>
B	—	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
C	—	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
D	—	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

Passive Activities		Nonpassive Activities		
(g) Pass. loss	(h) Pass. Inc	(i) Nonpass. loss	(j) Sec 179	(k) Nonpass. inc
A 1,499				
B				
C				
D				
29a.	0			0
29b. 1,499		0	0	

30. Add amounts in columns (h) and (k), line 29a	30	0
31. Add amounts in columns (g), (i), and (j), line 29b	31	1,499
32. Total Partnership,S corp inc/loss, ln 30-ln 31To Sched E	32	-1,499

KIA

SCHEDULE F
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Profit or Loss From Farming

▶ **Attach to Form 1040, Form 1040NR, Form 1041, Form 1065, or Form 1065-B.**
▶ **Go to www.irs.gov/ScheduleF for instructions and the latest information.**

OMB No. 1545-0074

2018
Attachment
Sequence No. **14**

Name of proprietor James A Holden		Social security number (SSN) 001-07-2001	
A Principal crop or activity Coffee Beans	B Enter code from Part IV ▶ 111900	C Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual	D Employer ID number (EIN), (see instr)
E Did you "materially participate" in the operation of this business during 2018? If "No," see instructions for limit on passive losses.		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
F Did you make any payments in 2018 that would require you to file Form(s) 1099 (see instructions)?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
G If "Yes," did you or will you file required Forms 1099?		<input type="checkbox"/> Yes <input type="checkbox"/> No	

Part I Farm Income—Cash Method. Complete Parts I and II (Accrual method. Complete Parts II and III, and Part I, line 9.)

1a Sales of livestock and other resale items (see instructions)	1a		
b Cost or other basis of livestock or other items reported on line 1a	1b		
c Subtract line 1b from line 1a	1c		0
2 Sales of livestock, produce, grains, and other products you raised	2		
3a Cooperative distributions (Form(s) 1099-PATR)	3a		3b Taxable amount
4a Agricultural program payments (see instructions)	4a	42,000	4b Taxable amount
5a Commodity Credit Corporation (CCC) loans reported under election	5a		
b CCC loans forfeited	5b		5c Taxable amount
6 Crop insurance proceeds and federal crop disaster payments (see instructions)			
a Amount received in 2018	6a	0	6b Taxable amount
c If election to defer to 2019 is attached, check here <input type="checkbox"/>	6d	Amount deferred from 2017	
7 Custom hire (machine work) income	7		
8 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	8		0
9 Gross income. Add amounts in the right column (lines 1c, 2, 3b, 4b, 5a, 5c, 6b, 6d, 7, and 8). If you use the accrual method, enter the amount from Part III, line 50. See instructions	9		33,000

Part II Farm Expenses—Cash and Accrual Method. Do not include personal or living expenses. See instructions.

10 Car and truck expenses (see instructions). Also attach Form 4562	10	0	23 Pension and profit-sharing plans	23	
11 Chemicals	11	4,833	24 Rent or lease (see instructions):		
12 Conservation expenses (see instructions)	12		a Vehicles, machinery, equipment	24a	4,400
13 Custom hire (machine work)	13		b Other (land, animals, etc.)	24b	
14 Depreciation and section 179 expense (see instructions)	14	0	25 Repairs and maintenance	25	
15 Employee benefit programs other than on line 23	15		26 Seeds and plants	26	3,688
16 Feed	16		27 Storage and warehousing	27	
17 Fertilizers and lime	17	6,177	28 Supplies	28	3,540
18 Freight and trucking	18		29 Taxes	29	1,986
19 Gasoline, fuel, and oil	19		30 Utilities	30	
20 Insurance (other than health)	20	2,255	31 Veterinary, breeding, and medicine	31	
21 Interest (see instructions)			32 Other expenses (specify):		
a Mortgage (paid to banks, etc.)	21a		a	32a	
b Other	21b		b	32b	
22 Labor hired (less employment credits)	22		c	32c	
			d	32d	
			e	32e	
			f	32f	
33 Total expenses. Add lines 10 through 32f. If line 32f is negative, see instructions	33				26,879
34 Net farm profit or (loss). Subtract line 33 from line 9. If a profit, stop here and see instructions for where to report. If a loss, complete lines 35 and 36.	34				6,121

35 Reserved for future use.

36 Check the box that describes your investment in this activity and see instructions for where to report your loss.

a ☐ All investment is at risk. b ☒ Some investment is not at risk.

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Schedule F (Form 1040) 2018

SCHEDULE SE
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Self-Employment Tax

► Go to www.irs.gov/ScheduleSE for instructions and the latest information.
► Attach to Form 1040 or Form 1040NR.

OMB No. 1545-0074

2018
Attachment
Sequence No. **17**

Name of person with **self-employment** income (as shown on Form 1040 or Form 1040NR)
James A Holden

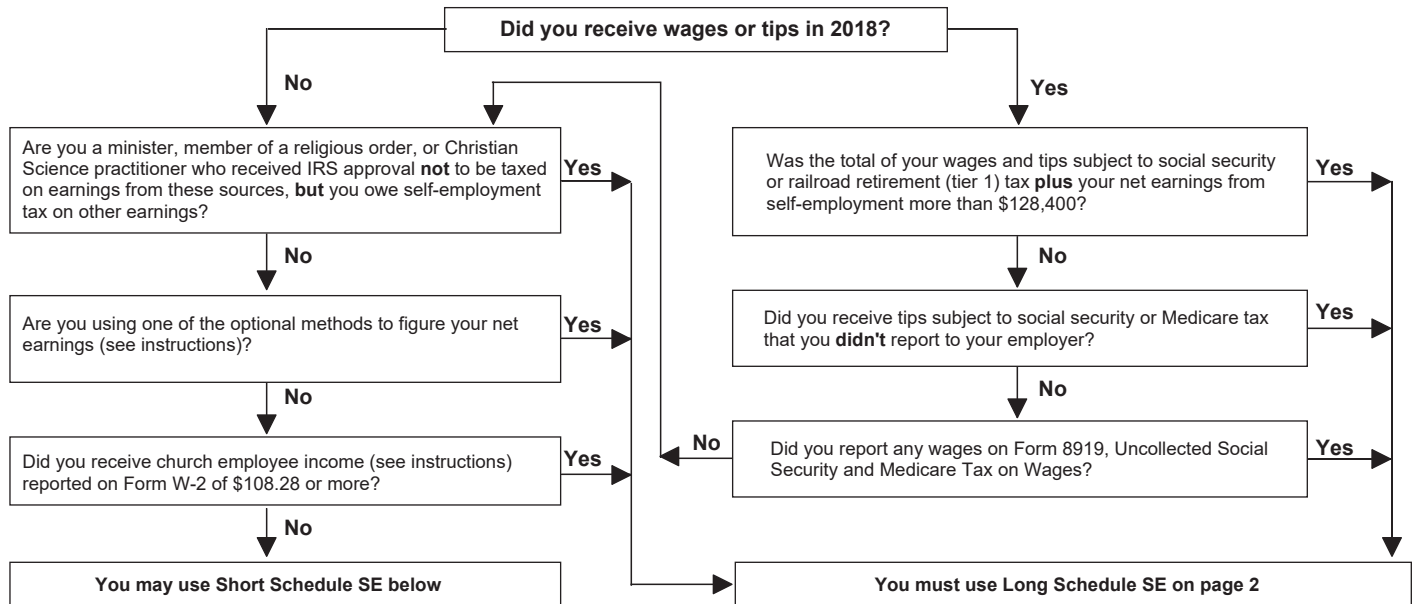
Social security number of person
with **self-employment** income ►

001-07-2001

Before you begin: To determine if you must file Schedule SE, see the instructions.

May I Use Short Schedule SE or Must I Use Long Schedule SE?

Note: Use this flowchart **only** if you must file Schedule SE. If unsure, see *Who Must File Schedule SE* in the instructions.



Section A—Short Schedule SE. Caution: Read above to see if you can use Short Schedule SE.

1a Net farm profit or (loss) from Schedule F, line 34, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A.	1a	6,121
b If you received social security retirement or disability benefits, enter the amount of Conservation Reserve Program payments included on Schedule F, line 4b, or listed on Schedule K-1 (Form 1065), box 20, code AH	1b	(0)
2 Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), box 14, code A (other than farming); and Schedule K-1 (Form 1065-B), box 9, code J1. Ministers and members of religious orders, see instructions for types of income to report on this line. See instructions for other income to report	2	0
3 Combine lines 1a, 1b, and 2.	3	6,121
4 Multiply line 3 by 92.35% (0.9235). If less than \$400, you don't owe self-employment tax; don't file this schedule unless you have an amount on line 1b ►	4	5,653
Note: If line 4 is less than \$400 due to Conservation Reserve Program payments on line 1b, see instructions.		
5 Self-employment tax. If the amount on line 4 is: • \$128,400 or less, multiply line 4 by 15.3% (0.153). Enter the result here and on Schedule 4 (Form 1040), line 57, or Form 1040NR, line 55. • More than \$128,400, multiply line 4 by 2.9% (0.029). Then, add \$15,921.60 to the result. Enter the total here and on Schedule 4 (Form 1040), line 57, or Form 1040NR, line 55.	5	865
6 Deduction for one-half of self-employment tax. Multiply line 5 by 50% (0.50). Enter the result here and on Schedule 1 (Form 1040), line 27, or Form 1040NR, line 27	6	433

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Schedule SE (Form 1040) 2018

Form **4797**Department of the Treasury
Internal Revenue Service**Sales of Business Property**
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return.

▶ Go to www.irs.gov/Form4797 for instructions and the latest information.

OMB No. 1545-0184

2018Attachment
Sequence No. **27**

Name(s) shown on return

James A Holden

Identifying number

001-07-2001

- 1** Enter the gross proceeds from sales or exchanges reported to you for 2018 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20. See instructions

1**Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft — Most Property Held More Than 1 Year** (see instructions)

2	(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)						
							0						
							0						
							0						
	From K-1						8,622						
3	Gain, if any, from Form 4684, line 39						3 0						
4	Section 1231 gain from installment sales from Form 6252, line 26 or 37						4 0						
5	Section 1231 gain or (loss) from like-kind exchanges from Form 8824						5 0						
6	Gain, if any, from line 32, from other than casualty or theft						6 0						
7	Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows						7 8,622						
Partnerships and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.													
Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you didn't have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.													
8	Nonrecaptured net section 1231 losses from prior years. See instructions						8 0						
9	Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return. See instructions						9 0						

Part II Ordinary Gains and Losses (see instructions)

- 10** Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

							0
							0
							0
11	Loss, if any, from line 7						11 ()
12	Gain, if any, from line 7 or amount from line 8, if applicable						12
13	Gain, if any, from line 31						13 0
14	Net gain or (loss) from Form 4684, lines 31 and 38a						14 0
15	Ordinary gain from installment sales from Form 6252, line 25 or 36						15 0
16	Ordinary gain or (loss) from like-kind exchanges from Form 8824						16 0
17	Combine lines 10 through 16						17 0
18	For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below.						
a	If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the loss from income-producing property on Schedule A (Form 1040), line 16. (Do not include any loss on property used as an employee.) Identify as from "Form 4797, line 18a." See instructions						18a
b	Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Schedule 1 (Form 1040), line 14						18b 0

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