BUKER'S TAXANALYSIS CHALLENGE TEST 2

Form **1040** Department of the Treasury—Internal Revenue Service
U.S. Individual Income Tax Return 2008 (99) IRS Use Only—Do not write or staple in this space.

For the year Jan. 1-Dec. 31, 2008, or other tax year beginning , 2008, ending , 20 — OMB No. 1545-0074

Label (See instructions on page 14.) **Use the IRS label.** Otherwise, please print or type

Your first name and initial: BYG D.	Last name: VELOPER	Your social security number: 621-44-8921
If a joint return, spouse's first name and initial: CAROL S.	Last name: VELOPER	Spouse's social security number: 731-61-9001
Home address (number and street) If you have a P O box, see page 14: 8501 E. TOLUCA	Apt no	▲ You **must** enter your SSN(s) above ▲
City, town or post office, state, and ZIP code If you have a foreign address, see page 14: SPOKANE WA 98720		Checking a box below will not change your tax or refund

Presidential Election Campaign ▶ Check here if you, or your spouse if filing jointly, want $3 to go to this fund (see page 14) ▶ ☐ You ☐ Spouse

Filing Status

Check only one box.

1 ☐ Single
2 ☒ Married filing jointly (even if only one had income)
3 ☐ Married filing separately Enter spouse's SSN above and full name here. ▶
4 ☐ Head of household (with qualifying person) (See page 15.) If the qualifying person is a child but not your dependent, enter this child's name here ▶
5 ☐ Qualifying widow(er) with dependent child (see page 16)

Exemptions

6a ☒ **Yourself.** If someone can claim you as a dependent, **do not** check box 6a
b ☒ **Spouse**

Boxes checked on 6a and 6b: 2

c Dependents:

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) ✔ if qual. child for child tax cr. (see page 17)
JOSHUA C.	VELOPER	731-40-2117	Son	X
KAYLA R.	VELOPER	731-89-6042	Daughter	X

If more than four dependents, see page 17

No. of children on 6c who:
- lived with you: 2
- did not live with you due to divorce or separation (see page 18)

Dependents on 6c not entered above

d Total number of exemptions claimed — Add numbers on lines above ▶ 4

Income

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

If you did not get a W-2, see page 21

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

7	Wages, salaries, tips, etc Attach Form(s) W-2		7	150,000
8a	**Taxable** interest Attach Schedule B if required		8a	
b	**Tax-exempt** interest **Do not** include on line 8a	8b		
9a	Ordinary dividends. Attach Schedule B if required		9a	
b	Qualified dividends (see page 21)	9b		
10	Taxable refunds, credits, or offsets of state and local income taxes (see page 22)		10	
11	Alimony received		11	
12	Business income or (loss) Attach Schedule C or C-EZ		12	
13	Capital gain or (loss) Attach Schedule D if required If not required, check here ▶ ☐		13	
14	Other gains or (losses). Attach Form 4797		14	
15a	IRA distributions	15a	b Taxable amount (see page 23) 15b	
16a	Pensions and annuities	16a	b Taxable amount (see page 24) 16b	
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc Attach Schedule E		17	0
18	Farm income or (loss) Attach Schedule F		18	
19	Unemployment compensation		19	
20a	Social security benefits	20a	b Taxable amount (see page 26) 20b	
21	Other income List type and amount (see page 28)		21	
22	Add the amounts in the far right column for lines 7 through 21. This is your **total income** ▶		22	150,000

Adjusted Gross Income

23	Educator expenses (see page 28)	23		
24	Certain business expenses of reservists, performing artists, and fee-basis government officials Attach Form 2106 or 2106-EZ	24		
25	Health savings account deduction Attach Form 8889	25		
26	Moving expenses Attach Form 3903	26		
27	One-half of self-employment tax Attach Schedule SE	27		
28	Self-employed SEP, SIMPLE, and qualified plans	28		
29	Self-employed health insurance deduction (see page 29)	29		
30	Penalty on early withdrawal of savings	30		
31a	Alimony paid b Recipient's SSN ▶	31a		
32	IRA deduction (see page 30)	32		
33	Student loan interest deduction (see page 33)	33		
34	Tuition and fees deduction. Attach Form 8917	34		
35	Domestic production activities deduction Attach Form 8903	35		
36	Add lines 23 through 31a and 32 through 35		36	
37	Subtract line 36 from line 22. This is your **adjusted gross income** ▶		37	150,000

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see page 88. DAA

BUKER'S TAXANALYSIS CHALLENGE TEST 2

Form 1040 (2008) BYG D. & CAROL S. VELOPER — 621-44-8921 Page 2

Tax and Credits

38	Amount from line 37 (adjusted gross income)		150,000
39a	Check if: ☐ You were born before January 2, 1944, ☐ Blind; ☐ Spouse was born before January 2, 1944, ☐ Blind. Total boxes checked ▶ 39a ☐		
b	If your spouse itemizes on a separate return or you were a dual-status alien, see page 34 and check here ▶ 39b ☐		
c	Check if standard deduction includes real estate taxes or disaster loss (see page 34) ▶ 39c ☐		
40	**Itemized deductions** (from Schedule A) **or** your **standard deduction** (see left margin)		10,900
41	Subtract line 40 from line 38		139,100
42	If line 38 is over $119,975, or you provided housing to a Midwestern displaced individual, see page 36. Otherwise, multiply $3,500 by the total number of exemptions claimed on line 6d		14,000
43	**Taxable income.** Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-		125,100
44	Tax (see page 36). Check if any tax is from: a ☐ Form(s) 8814 b ☐ Form 4972		23,963
45	**Alternative minimum tax** (see page 39). Attach Form 6251		
46	Add lines 44 and 45 ▶		23,963
47	Foreign tax credit. Attach Form 1116 if required	47	
48	Credit for child and dependent care expenses. Attach Form 2441	48	
49	Credit for the elderly or the disabled. Attach Schedule R	49	
50	Education credits. Attach Form 8863	50	
51	Retirement savings contributions credit. Attach Form 8880	51	
52	Child tax credit (see page 42). Attach Form 8901 if required	52	
53	Credits from Form: a ☐ 8396 b ☐ 8839 c ☐ 5695	53	
54	Other credits from Form: a ☐ 3800 b ☐ 8801 c ☐	54	
55	Add lines 47 through 54. These are your **total credits**		
56	Subtract line 55 from line 46. If line 55 is more than line 46, enter -0- ▶		23,963

Standard Deduction for—
- People who checked any box on line 39a, 39b, or 39c **or** who can be claimed as a dependent, see page 34.
- All others:

Single or Married filing separately, $5,450

Married filing jointly or Qualifying widow(er), $10,900

Head of household, $8,000

Other Taxes

57	Self-employment tax. Attach Schedule SE	
58	Unreported social security and Medicare tax from Form: a ☐ 4137 b ☐ 8919	
59	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	
60	Additional taxes: a ☐ AEIC payments b ☐ Household employment taxes. Attach Schedule H	
61	Add lines 56 through 60. This is your **total tax** ▶	23,963

Payments

If you have a qualifying child, attach Schedule EIC.

62	Federal income tax withheld from Forms W-2 and 1099	62	
63	2008 estimated tax payments and amount applied from 2007 return	63	25,000
64a	**Earned income credit (EIC)**	64a	
b	Nontaxable combat pay election 64b		
65	Excess social security and tier 1 RRTA tax withheld (see page 61)	65	
66	Additional child tax credit. Attach Form 8812	66	
67	Amount paid with request for extension to file (see page 61)	67	
68	Credits from Form: a ☐ 2439 b ☐ 4136 c ☐ 8801 d ☐ 8885	68	
69	First-time homebuyer credit. Attach Form 5405	69	
70	Recovery rebate credit (see worksheet on pages 62 and 63)	70	
71	Add lines 62 through 70. These are your **total payments** ▶		25,000

Refund

Direct deposit? See page 63 and fill in 73b, 73c, and 73d, or Form 8888.

72	If line 71 is more than line 61, subtract line 61 from line 71. This is the amount you **overpaid**	1,037
73a	Amount of line 72 you want **refunded to you.** If Form 8888 is attached, check here ▶ ☐	1,037
▶ b	Routing number XXXXXXXXX ▶ c Type: ☐ Checking ☐ Savings	
▶ d	Account number XXXXXXXXXXXXXXXXX	
74	Amount of line 72 you want **applied to your 2009 estimated tax** ▶ 74	

Amount You Owe

75	**Amount you owe.** Subtract line 71 from line 61. For details on how to pay, see page 65 ▶	
76	Estimated tax penalty (see page 65) 76	

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see page 66)? ☐ **Yes.** Complete the following. ☐ **No**

Designee's name ▶ Phone no. ▶ Personal identification number (PIN) ▶

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.

Joint return? See page 15. Keep a copy for your records.

Your signature	Date	Your occupation	Daytime phone number
		HOMEMAKER	
Spouse's signature. If a joint return, **both** must sign.	Date	Spouse's occupation	
		SURGEON	

Paid Preparer's Use Only

Preparer's signature ▶	Date	Check if self-employed ☐	Preparer's SSN or PTIN
Firm's name (or yours if self-employed), address, and ZIP code ▶		EIN	
		Phone no.	

Form **1040** (2008)

DAA

BUKER'S TAXANALYSIS CHALLENGE TEST 2

SCHEDULE E (Form 1040)

Department of the Treasury Internal Revenue Service (99)

Supplemental Income and Loss

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

▶ Attach to Form 1040, 1040NR, or Form 1041. ▶ See Instructions for Schedule E (Form 1040).

OMB No. 1545-0074

2008

Attachment Sequence No. **13**

Name(s) shown on return: BYG D. & CAROL S. VELOPER

Your social security number: 621-44-8921

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 page E-3). If you are an individual, report farm rental income or loss from **Form 4835** on page 2, line 40.

1	List the type and address of each **rental real estate property:**
A	TRI CITIES MALL 7400 BELTLINE, SPOKANE, WA 98605
B	
C	

2 For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of:
- 14 days **or**
- 10% of the total days rented at fair rental value?

(See page E-3)

	Yes	No
A		X
B		
C		

Income:		Properties A	Properties B	Properties C		Totals (Add columns A, B, and C.)
3 Rents received	3	18,000			3	18,000
4 Royalties received	4				4	
Expenses:						
5 Advertising	5	10,800				
6 Auto and travel (see page E-4)	6	6,500				
7 Cleaning and maintenance	7	8,690				
8 Commissions	8	7,400				
9 Insurance	9	4,150				
10 Legal and other professional fees	10	11,150				
11 Management fees	11	4,375				
12 Mortgage interest paid to banks, etc (see page E-5)	12	9,250			12	9,250
13 Other interest	13					
14 Repairs	14	16,325				
15 Supplies	15	7,950				
16 Taxes	16	15,400				
17 Utilities	17	8,710				
18 Other (list) ▶	18					
19 Add lines 5 through 18	19	110,700			19	110,700
20 Depreciation expense or depletion (see page E-5)	20	5,000			20	5,000
21 Total expenses Add lines 19 and 20	21	115,700				
22 Income or (loss) from rental real estate or royalty properties Subtract line 21 from line 3 (rents) or line 4 (royalties) If the result is a (loss), see page E-5 to find out if you must file **Form 6198**	22	-97,700				
23 Deductible rental real estate loss **Caution.** Your rental real estate loss on line 22 may be limited See page E-5 to find out if you must file **Form 8582.** Real estate professionals **must** complete line 43 on page 2	23	(0)	( )	( )		
24 **Income.** Add positive amounts shown on line 22 **Do not** include any losses					24	0
25 **Losses.** Add royalty losses from line 22 and rental real estate losses from line 23 Enter total losses here					25	( )
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 Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2					26	0

For Paperwork Reduction Act Notice, see page E-8 of the instructions. **Schedule E (Form 1040) 2008**

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