

RETURN PROBLEM 2

(4 points)

Fall 2011

Suggested Tax Forms

Form 1040A
Schedule 1 (Form 1040A)
Schedule 2 (Form 1040A)
Schedule EIC

Information for the Problem

Neal L. and Jennifer J. Ray, married (ages 33 and 35 respectively), live at 1040 Longview Lane, Apt. A, in Abernathy, Texas 79311. Neal's Social Security number is 357-91-1110; Jennifer's number is 468-10-1210. Neal and Jennifer provide all of the support of their three daughters, Brinleigh (age 9) Brynna (age 6), and Bryndle (age 1), whose Social Security numbers are 456-78-9110, 579-11-1310, and 234-56-7810 respectively.

Neal is employed by Windstream Telecom as a service technician; his 2010 W-2 is provided on another page. Jennifer works part-time as a case worker for the Department of Human Services; her W-2 form is provided as well. Brinleigh, Brynna, and Bryndle attend day care while Jennifer is working. Payments which Neal and Jennifer made to Wildcat Day Care Center, 280 Main Road, Abernathy, TX 79311 (74-5672010) totaled \$3,810.

Neal and Jennifer's other income in 2010 consisted of "dividends" on a joint savings account at Allied Credit Union and ordinary dividends of Tech Corporation stock both of which are reported on forms 1099 which are provided.

Their personal financial records disclose the following information for 2010:

Medical expenses (excess over reimbursement)	\$ 700
State and local personal property taxes	300
Interest expense (consumer purchases)	87
Contribution to United Way	25
Contributions to First Baptist Church	5,465
Contribution to Republican Party	100
Tax return preparation fee (2009 return)	175

Instructions

Prepare a 2010 form 1040A and accompanying Schedules B and M, and Form 2441, if appropriate, for Neal and Jennifer Ray. Remember, unnecessary forms should not be attached to returns when submitted to the IRS (or instructor!).

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