

INDIVIDUAL PRACTICE SET #1
MOIRA RYAN
SOLUTION NOTES FOR INSTRUCTOR
INDIVIDUAL FEDERAL INCOME TAX RETURN
2011 ANNUAL EDITION

Form 1040 Department of the Treasury—Internal Revenue Service
U.S. Individual Income Tax Return 2009 (99) IRS Use Only—Do not write or staple in this space.

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

For the year Jan. 1–Dec. 31, 2009, or other tax year beginning 2009, ending 20

OMB No. 1545-0074

Your first name and initial Moira S **Last name** Ryan
If a joint return, spouse's first name and initial **Last name**

Your social security number 123-45-6782
Spouse's social security number

Home address (number and street). If you have a P.O. box, see instructions. 1249 North Homestead Road **Apt. no.**
City, town or post office, state, and ZIP code. If you have a foreign address, see instructions. North Platte NE 69101

Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see instructions) ☐ You ☐ Spouse

Filing Status
 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 instr.) 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 instructions)

Exemptions
 6a ☒ Yourself. If someone can claim you as a dependent, do not check box 6a
 b ☐ Spouse
 c **Dependents:**
 (1) First name Last name (2) Dependent's social security number (3) Dependent's relationship to you (4) ☒ If qualifying child for child tax credit (see instr.)
 Oliver Ryan 123-45-6786 Son
 Jane Sullivan 123-45-6787 Parent
 d **Total number of exemptions claimed** 3

Income
 7 Wages, salaries, tips, etc. Attach Form(s) W-2 22,000
 8a Taxable interest. Attach Schedule B if required 5,260
 b Tax-exempt interest. Do not include on line 8a 0
 9a Ordinary dividends. Attach Schedule B if required 9,700
 b Qualified dividends (see instructions) 8,000
 10 Taxable refunds, credits, or offsets of state and local income taxes (see instructions) 0
 11 Alimony received 16,692
 12 Business income or (loss). Attach Schedule C or C-EZ 5,500
 13 Capital gain or (loss). Attach Schedule D if required. If not required, check here
 14 Other gains or (losses). Attach Form 4797
 15a IRA distributions 15a b Taxable amount (see instr.) 0
 16a Pensions and annuities 16a b Taxable amount (see instr.) 27,000
 17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E -1,754
 18 Farm income or (loss). Attach Schedule F 0
 19 Unemployment compensation in excess of \$2,400 per recipient (see instructions) 0
 20a Social security benefits 20a b Taxable amount (see instr.)
 21 Other income. List type and amount (see instructions) SEE ATTACHED 2,092
 22 Add the amounts in the far right column for lines 7 through 21. This is your total income 86,490

Adjusted Gross Income
 23 Educator expenses (see instructions) 0
 24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ 0
 25 Health savings account deduction. Attach Form 8889 0
 26 Moving expenses. Attach Form 3903 2,091
 27 One-half of self-employment tax. Attach Schedule SE 1,180
 28 Self-employed SEP, SIMPLE, and qualified plans 0
 29 Self-employed health insurance deduction (see instructions) 3,400
 30 Penalty on early withdrawal of savings 0
 31a Alimony paid b Recipient's SSN
 32 IRA deduction (see instructions) 5,000
 33 Student loan interest deduction (see instructions)
 34 Tuition and fees deduction. Attach Form 8917 0
 35 Domestic production activities deduction. Attach Form 8903 0
 36 Add lines 23 through 31a and 32 through 35 11,671
 37 Subtract line 36 from line 22. This is your adjusted gross income 74,819

KIA For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see instructions. Form 1040 (2009)

Form 1040 (2009)		Moira S Ryan		123-45-6782		Page 2	
Tax and Credits		38	Amount from line 37 (adjusted gross income)	38	74,819		
39a Check <input type="checkbox"/> You were born before January 2, 1945, <input type="checkbox"/> Blind. <input type="checkbox"/> Spouse was born before January 2, 1945, <input type="checkbox"/> Blind. Total boxes checked <input type="checkbox"/> 39a 0							
b If your spouse itemizes on a separate return, or you were a dual-status alien, see instructions and check here <input type="checkbox"/> 39b							
40a Itemized deductions (from Schedule A) or your standard deduction (see left margin)		40a	32,608				
b If you are increasing your standard deduction by certain real estate taxes, new motor vehicle taxes, or a net disaster loss, attach Schedule L and check here (see instructions) <input type="checkbox"/> 40b							
41 Subtract line 40a from line 38		41	42,211				
42 Exemptions. If line 38 is \$125,100 or less and you did not provide housing to a Midwestern displaced individual, multiply \$3,650 by the number on line 6d. Otherwise, see instructions		42	10,950				
43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-		43	31,261				
44 Tax (see instructions). Check if any tax is from: a <input type="checkbox"/> Form(s) 9814 b <input type="checkbox"/> Form 4972		44	2,069				
45 Alternative minimum tax (see instructions). Attach Form 6251		45	0				
46 Add lines 44 and 45		46	2,069				
47 Foreign tax credit. Attach Form 1116 if required		47	0				
48 Credit for child and dependent care expenses. Attach Form 2441		48					
49 Education credits from Form 8863, line 29		49	1,500				
50 Retirement savings contributions credit. Attach Form 8880		50	0				
51 Child tax credit (see instructions)		51					
52 Credits from Form: a <input type="checkbox"/> 8396 b <input type="checkbox"/> 8839 c <input checked="" type="checkbox"/> 5895		52	569				
53 Other credits from Form: a <input type="checkbox"/> Form 3800 b <input type="checkbox"/> Form 8801 c <input type="checkbox"/>		53	0				
54 Add lines 47 through 53. These are your total credits		54	2,069				
55 Subtract line 54 from line 46. If line 54 is more than line 46, enter -0-		55	0				
Other Taxes		56	2,359				
56 Self-employment tax. Attach Schedule SE		56					
57 Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919		57	0				
58 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required		58	0				
59 Additional taxes: a <input type="checkbox"/> AEIC payments b <input type="checkbox"/> Household employment taxes. Attach Schedule H		59	0				
60 Add lines 55 through 59. This is your total tax		60	2,359				
Payments		61	4,250				
61 Federal income tax withheld from Forms W-2 and 1099		61					
62 2009 estimated tax payments and amount applied from 2008 return		62	0				
63 Making work pay and government retiree credits. Attach Schedule M		63	400				
64a Earned income credit (EIC)		64a					
b Nontaxable combat pay election <input type="checkbox"/> 64b		64b					
65 Additional child tax credit. Attach Form 8812		65					
66 Refundable education credit from Form 8863, line 16		66	1,000				
67 First-time homebuyer credit. Attach Form 5405		67					
68 Amount paid with request for extension to file (see instructions)		68					
69 Excess social security and tier 1 RRTA tax withheld (see instructions)		69	0				
70 Credits from Form: a <input type="checkbox"/> 2439 b <input type="checkbox"/> 4136 c <input type="checkbox"/> 8801 d <input type="checkbox"/> 8885		70	0				
71 Add lines 61, 62, 63, 64a, and 65 through 70. These are your total payments		71	5,650				
Refund		72	3,291				
72 If line 71 is more than line 60, subtract line 60 from line 71. This is the amount you overpaid		72					
73a Amount of line 72 you want refunded to you. If Form 8888 is attached, check here <input type="checkbox"/> 73a		73a	3,291				
b Routing number XXXXXXXXXX c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings							
d Account number XXXXXXXXXXXXXXXXXXXX							
74 Amount of line 72 you want applied to your 2010 estimated tax		74	0				
Amount You Owe		75					
75 Amount you owe. Subtract line 71 from line 60. For details on how to pay, see the instructions		75					
76 Estimated tax penalty (see instructions)		76					
Third Party Designee		Do you want to allow another person to discuss this return with the IRS (see instructions)? <input type="checkbox"/> Yes. Complete the following <input checked="" type="checkbox"/> 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.					
Your signature _____		Date _____		Your occupation _____		Daytime phone number _____	
Spouse's signature. If a joint return, both must sign. _____		Date _____		Spouse's occupation _____		_____	
Paid Preparer's Use Only		Preparer's signature _____		Date _____		Preparer's SSN or PTIN _____	
Firm's name (or yours if self-employed), address, and ZIP code _____		Check if self-employed <input type="checkbox"/>		EIN _____		Phone no. _____	
KIA		Form 1040 (2009)					

**SCHEDULE A
(Form 1040)**Department of the Treasury
Internal Revenue Service (99)

Name(s) shown on Form 1040

Moirá S Ryan

Itemized Deductions

▶ Attach to Form 1040.

▶ See instructions for Schedule A (Form 1040).

OMB No. 1545-0074

2009Attachment
Sequence No. **07**Your social security number
123-45-6782

Medical and Dental Expenses	Caution. Do not include expenses reimbursed or paid by others.		
	1 Medical and dental expenses (see instructions)	1	-200
	2 Enter amount from Form 1040, line 38	2	74,819
	3 Multiply line 2 by 7.5% (.075)	3	5,611
	4 Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-	4	0
Taxes You Paid (See instructions.)	5 State and local (check only one box): a <input checked="" type="checkbox"/> Income taxes, or b <input type="checkbox"/> General sales taxes	5	1,465
	6 Real estate taxes (see instructions)	6	2,868
	7 New motor vehicle taxes from line 11 of the worksheet in the instructions (skip this line if you checked box 5b)	7	
	8 Other taxes. List type and amount ▶ Personal Property Tax on Boat	8	200
	9 Add lines 5 through 8	9	4,533
Interest You Paid (See instructions.) Note: Personal interest is not deductible.	10 Home mortgage interest and points reported to you on Form 1098	10	7,200
	11 Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying no., and address ▶ Boat Loan 2450	11	2,450
	12 Points not reported to you on Form 1098. See instructions for special rules	12	0
	13 Qualified mortgage insurance premiums (See instructions)	13	0
	14 Investment interest. Attach Form 4952 if required. (See instr.)	14	3,000
	15 Add lines 10 through 14	15	12,650
Gifts to Charity If you made a gift and got a benefit for it, see instructions.	16 Gifts by cash or check. If you made any gift of \$250 or more, see instructions	16	9,400
	17 Other than by cash or check. If any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500	17	0
	18 Carryover from prior year	18	0
	19 Add lines 16 through 18	19	9,400
Casualty and Theft Losses	20 Casualty or theft loss(es). Attach Form 4684. (See instructions.)	20	4,918
Job Expenses and Certain Miscellaneous Deductions (See instructions.)	21 Unreimbursed employee expenses—job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.) ▶	21	0
	22 Tax preparation fees	22	700
	23 Other expenses—investment, safe deposit box, etc. List type and amount ▶ HOBBY LOSS	23	1,855
	24 Add lines 21 through 23	24	2,555
	25 Enter amount from Form 1040, line 38	25	74,819
	26 Multiply line 25 by 2% (.02)	26	1,496
	27 Subtract line 26 from line 24. If line 26 is more than line 24, enter -0-	27	1,059
Other Miscellaneous Deductions	28 Other—from list in the instructions. List type and amount ▶ Gambling Losses	28	48
Total Itemized Deductions	29 Is Form 1040, line 38, over \$166,800 (over \$83,400 if married filing separately)? <input checked="" type="checkbox"/> No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 28. Also, enter this amount on Form 1040, line 40a. <input type="checkbox"/> Yes. Your deduction may be limited. See instructions for the amount to enter.	29	32,608
	30 If you elect to itemize deductions even though they are less than your standard deduction, check here <input type="checkbox"/>		

KIA For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule A (Form 1040) 2009

Schedule A (Form 1040) 2009

Page 2

**Worksheet
for Line 7—
New motor
vehicle tax
deduction**

Before you begin: ✓ You cannot take this deduction if the amount on Form 1040, line 38, is equal to or greater than \$135,000 (\$260,000 if married filing jointly).
 ✓ See the instructions for line 7.

Use this worksheet to figure the amount to enter on line 7.

(Keep a copy for your records.)

1	Enter the state or local sales or excise taxes you paid in 2009 for the purchase of a new motor vehicle(s) after February 16, 2009 (see instructions)		
2	Enter the purchase price (before taxes) of the new motor vehicle(s)		
3	Is the amount on line 2 more than \$49,500? <input type="checkbox"/> No. Enter the amount from line 1. <input type="checkbox"/> Yes. Enter the portion of the tax from line 1 that is attributable to the first \$49,500 of the purchase price of each new motor vehicle and enter it here (see instructions).		
4	Enter the amount from Form 1040, line 38		
5	Enter the total of any— • Amounts from Form 2555, lines 45 and 50; Form 2555-EZ, line 18; and Form 4563, line 15, and • Exclusion of income from Puerto Rico		
6	Add lines 4 and 5		
7	Enter \$125,000 (\$250,000 if married filing jointly)		
8	Is the amount on line 6 more than the amount on line 7? <input type="checkbox"/> No. Enter the amount from line 3 above on Schedule A, line 7. Do not complete the rest of this worksheet. <input type="checkbox"/> Yes. Subtract line 7 from line 6		
9	Divide the amount on line 8 by \$10,000. Enter the result as a decimal (rounded to at least three places). If the result is 1.000 or more, enter 1.000		
10	Multiply line 3 by line 9		
11	Deduction for new motor vehicle taxes. Subtract line 10 from line 3. Enter the result here and on Schedule A, line 7		

KIA

Schedule A (Form 1040) 2009

SCHEDULE B
(Form 1040A or 1040)Department of the Treasury
Internal Revenue Service (99)**Interest and Ordinary Dividends**

▶ Attach to Form 1040A or 1040.

▶ See instructions.

OMB No. 1545-0074

2009Attachment
Sequence No. **08**Name(s) shown on return
Moira

S Ryan

Your social security number
123-45-6782**Part I**
Interest(See the
instructions for
Form 1040A, or
Form 1040,
line 8a.)**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 instructions and list this interest first. Also, show that buyer's social security number and address ▶
First Nebraska Bank, NA
Cornhusker Savings Bank

Amount260
5,000

1

- 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 1040A, or Form 1040, line 8a ▶

5,260

2

3

4

5,260

Note: If line 4 is over \$1,500, you must complete Part III.**Part II**
Ordinary Dividends(See the
instructions for
Form 1040A, or
Form 1040,
line 9a.)**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 ▶
Joseph Schwartz and Associates
First National Bank of Newton
Estate of Gerald Ryan, Deceased

Amount5,000
1,500
3,200

5

- 6 Add the amounts on line 5. Enter the total here and on Form 1040A, or Form 1040, line 9a ▶

9,700

6

Note. If line 6 is over \$1,500, you must complete Part III.**Part III**
Foreign Accounts and Trusts(See
instructions.)

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

- 7a At any time during 2009, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See instructions for exceptions and filing requirements for Form TD F 90-22.1

Yes No

X

- b If "Yes," enter the name of the foreign country ▶

- 8 During 2009, 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.

X

KIA For Paperwork Reduction Act Notice, see Form 1040A or 1040 instructions.

Schedule B (Form 1040A or 1040) 2009

**SCHEDULE C
(Form 1040)**Department of the Treasury
Internal Revenue Service (99)**Profit or Loss From Business**

(Sole Proprietorship)

Partnerships, joint ventures, etc., generally must file Form 1065 or 1065-B.

Attach to Form 1040, 1040NR, or 1041. See instructions for Schedule C (Form 1040).

OMB No. 1545-0074

2009Attachment
Sequence No. **09**

Name of proprietor

Moira S Ryan

Social security number (SSN)

123-45-6782

A Principal business or profession, including product or service (see the instructions)

Catering Services

B Enter code from instructions

722300

C Business name. If no separate business name, leave blank.

Moira's Magical Morsels

D Employer ID number (EIN), if any

11-1234567

E Business address (including suite or room no.)

3450 Chicago Street

City, town or post office, state, and ZIP code

North Platte

NE 69101

F Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) _____**G** Did you "materially participate" in the operation of this business during 2009? If "No," see instructions for limit on losses ☒ Yes ☐ No**H** If you started or acquired this business during 2009, check here ☒**Part I Income****1** Gross receipts or sales. **Caution.** See instructions 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, or

- You are a member of a qualified joint venture reporting only rental real estate income not subject to self-employment tax. Also, see instructions for limit on losses.

2 Returns and allowances**3** Subtract line 2 from line 1**4** Cost of goods sold (from line 42 on page 2)**5** Gross profit. Subtract line 4 from line 3**6** Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)**7** Gross income. Add lines 5 and 6**Part II Expenses.** Enter expenses for business use of your home **only** on line 30.**8** Advertising**8**

700

9 Car and truck expenses (see instructions)**9**

5,800

10 Commissions and fees**10****11** Contract labor (see instructions)**11**

6,000

12 Depletion**12****13** Depreciation and section 179 expense deduction (not included in Part III) (see instructions)**13**

25,253

14 Employee benefit programs (other than on line 19)**14****15** Insurance (other than health)**15**

320

16 Interest:**a** Mortgage (paid to banks, etc.)**16a****b** Other**16b**

650

17 Legal and professional services**17**

1,100

18 Office expense**18****19** Pension and profit-sharing plans**19****20** Rent or lease (see instructions):**20****a** Vehicles, machinery, & equipment**20a****b** Other business property**20b****21** Repairs and maintenance**21****22** Supplies (not included in Part III)**22****23** Taxes and licenses**23****24** Travel, meals, and entertainment:**24****a** Travel**24a****b** Deductible meals and entertainment (see instructions)**24b****25** Utilities**25****26** Wages (less employment credits)**26****27** Other expenses (from line 48 on page 2)**27****28** Total expenses before expenses for business use of home. Add lines 8 through 27**28****29** Tentative profit or (loss). Subtract line 28 from line 7**29****30** Expenses for business use of your home. Attach Form 8829**30****31** Net profit or (loss). Subtract line 30 from line 29.**31**

- If a profit, enter on both Form 1040, line 12, and Schedule SE, line 2, or on Form 1040NR, line 13 (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.

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 Form 1040, line 12, and Schedule SE, line 2, or on Form 1040NR, line 13 (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 ☒ All investment is at risk.**32b** ☐ Some investment is not at risk.**KIA** For Paperwork Reduction Act Notice, see the instructions.

Schedule C (Form 1040) 2009

Schedule C (Form 1040) 2009

Moira

S. Ryan

123-45-6782

Page **2****Part III** Cost of Goods Sold (see instructions)

33	Method(s) used to value closing inventory:	a <input type="checkbox"/> Cost	b <input type="checkbox"/> Lower of cost or market	c <input type="checkbox"/> Other (attach explanation)
34	Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation <input type="checkbox"/> Yes <input type="checkbox"/> No			
35	Inventory at beginning of year. If different from last year's closing inventory, attach explanation	35		
36	Purchases less cost of items withdrawn for personal use	36		
37	Cost of labor. Do not include any amounts paid to yourself	37		
38	Materials and supplies	38		
39	Other costs	39		
40	Add lines 35 through 39	40	0	
41	Inventory at end of year	41		
42	Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on page 1, line 4	42	0	

Part IV Information on Your Vehicle. Complete this part only if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43	When did you place your vehicle in service for business purposes? (month, day, year) ▶		
44	Of the total number of miles you drove your vehicle during 2009, enter the number of miles you used your vehicle for:		
	a Business	b Commuting (see instructions)	c Other
45	Was your vehicle available for personal use during off-duty hours?		<input type="checkbox"/> Yes <input type="checkbox"/> No
46	Do you (or your spouse) have another vehicle available for personal use?		<input type="checkbox"/> Yes <input type="checkbox"/> No
47a	Do you have evidence to support your deduction?		<input type="checkbox"/> Yes <input type="checkbox"/> No
	b If "Yes," is the evidence written?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part V Other Expenses. List below business expenses not included on lines 8-26 or line 30.

Veternarian services	400
Feed for Rottweiler	700
Journal subscription	60
48 Total other expenses. Enter here and on page 1, line 27	48 1,160

KIA

Schedule C (Form 1040) 2009

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

▶ Attach to Form 1040 or Form 1040NR. ▶ See instructions for Schedule D (Form 1040).

▶ Use Schedule D-1 to list additional transactions for lines 1 and 8.

OMB No. 1545-0074

2009Attachment
Sequence No. **12**

Name(s) shown on return

Maira S Ryan

Your social security number

123-45-6782

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

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see the instructions)	(e) Cost or other basis (see the instructions)	(f) Gain or (loss) Subtract (e) from (d)
1 900 Shares Atchison Corp.	06/23/09	09/09/09	2,600	11,000	-8,400

2 Enter your short-term totals, if any, from Schedule D-1, line 2	2	0	0
3 Total short-term sales price amounts. Add lines 1 and 2 in column (d)	3	2,600	
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 10 of your Capital Loss Carryover Worksheet in the instructions.	6	(0)	
7 Net short-term capital gain or (loss). Combine lines 1 through 6 in column (f)	7		-8,400

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

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see the instructions)	(e) Cost or other basis (see the instructions)	(f) Gain or (loss) Subtract (e) from (d)
8 1200 Shares First National B	INHERIT	06/01/09	30,400	26,000	4,400
200 Shares Topeka Corp.	03/17/03	05/19/09	10,400	10,800	-400
4000 Shares Santa Fe Corp.	05/12/01	WORTHLESS	WORTHLESS	2,300	-2,300
5000 Shares Horner Corp.	11/05/05	03/18/09	35,000	35,000	0

9 Enter your long-term totals, if any, from Schedule D-1, line 9	9	0	0
10 Total long-term sales price amounts. Add lines 8 and 9 in column (d)	10	75,800	
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		0
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		12,200
14 Long-term capital loss carryover. Enter the amount, if any, from line 15 of your Capital Loss Carryover Worksheet in the instructions	14	(0)	
15 Net long-term capital gain or (loss). Combine lines 8 through 14 in column (f). Then go to Part III on page 2	15		13,900

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

Schedule D (Form 1040) 2009

Part III Summary**16** Combine lines 7 and 15 and enter the result**16**

5,500

If line 16 is:

- A **gain**, enter the amount from line 16 on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 17 below.
- A **loss**, skip lines 17 through 20 below. Then go to line 21. Also be sure to complete line 22.
- **Zero**, skip lines 17 through 21 below and enter -0- on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 22.

17 Are lines 15 and 16 **both** gains?☒ **Yes.** Go to line 18.☐ **No.** Skip lines 18 through 21, and go to line 22.**18** Enter the amount, if any, from line 7 of the **28% Rate Gain Worksheet** in the instructions**18**

0

19 Enter the amount, if any, from line 18 of the **Unrecaptured Section 1250 Gain Worksheet** in the instructions**19**

0

20 Are lines 18 and 19 **both** zero or blank?☒ **Yes.** Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the **Qualified Dividends and Capital Gain Tax Worksheet** in the Instructions for Form 1040 (or in the Instructions for Form 1040NR). **Do not** complete lines 21 and 22 below.☐ **No.** Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the **Schedule D Tax Worksheet** in the instructions. **Do not** complete lines 21 and 22 below.**21** If line 16 is a loss, enter here and on Form 1040, line 13, or Form 1040NR, line 14, the **smaller** of:

• 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 9b, or Form 1040NR, line 10b?☐ **Yes.** Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the **Qualified Dividends and Capital Gain Tax Worksheet** in the Instructions for Form 1040 (or in the Instructions for Form 1040NR).☐ **No.** Complete the rest of Form 1040 or Form 1040NR.

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.)

OMB No. 1545-0074

2009Attachment
Sequence No. **13**

Name(s) shown on return

Moira S Ryan

Your social security number
123-45-6782**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.

1 List the type and location of each rental real estate property:		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 instructions.)		Yes	No
A	B	C			
Ski Lodge 100.0%	205 Fraser Avenue Fraser CO 80442				X
B					
C					

Income:		Properties			Totals
		A	B	C	(Add columns A, B, and C.)
3 Rents received	3	8,000			3 8,000
4 Royalties received	4	0	0	0	4 0
Expenses:					
5 Advertising	5	0			
6 Auto and travel (see instructions)	6	0			
7 Cleaning and maintenance	7	1,067			
8 Commissions	8	0			
9 Insurance	9	0			
10 Legal and other professional fees	10	0			
11 Management fees	11	0			
12 Mortgage interest paid to banks, etc. (see instructions)	12	3,556			12 3,556
13 Other interest	13	0			
14 Repairs	14	0			
15 Supplies	15	0			
16 Taxes	16	2,222			
17 Utilities	17	0			
18 Other (list) ▶	18	0			
		0			
		0			
		0			
19 Add lines 5 through 18	19	6,845	0	0	19 6,845
20 Depreciation expense or depletion (see instructions)	20	2,909			20 2,909
21 Total expenses. Add lines 19 and 20	21	9,754	0	0	
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 instructions to find out if you must file Form 6198	22	-1,754	0	0	
23 Deductible rental real estate loss. Caution. Your rental real estate loss on line 22 may be limited. See instructions to find out if you must file Form 8582. Real estate professionals must complete line 43 on page 2	23	(1,754)	()	()	
24 Income. Add positive amounts shown on line 22. Do not include any losses	24				24 0
25 Losses. Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here.	25	(1,754)			25 (1,754)
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				26 -1,754

KIA For Paperwork Reduction Act Notice, see instructions.

Schedule E (Form 1040) 2009

SCHEDULE M
(Form 1040A or 1040)Department of the Treasury
Internal Revenue Service (99)**Making Work Pay and Government
Retiree Credits**

OMB No. 1545-0074

2009Attachment
Sequence No. **166**

Name(s) shown on return

Maira S Ryan

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

▶ See separate instructions.

Your social security number

123-45-6782

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

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

- ☒ **Yes.** Skip lines 1a through 3. Enter \$400 (\$800 if married filing jointly) on line 4 and go to line 5.
- ☐ **No.** Enter your earned income (see instructions) **1a**

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

2 Multiply line 1a by 6.2% (.062)**3** Enter \$400 (\$800 if married filing jointly)**4** Enter the **smaller** of line 2 or line 3 (unless you checked "Yes" on line 1a)**5** Enter the amount from Form 1040, line 38*, or Form 1040A, line 22**6** Enter \$75,000 (\$150,000 if married filing jointly)**7** Is the amount on line 5 more than the amount on line 6?

- ☒ **No.** Skip line 8. Enter the amount from line 4 on line 9 below.
- ☐ **Yes.** Subtract line 6 from line 5 **7**

8 Multiply line 7 by 2% (.02)**9** Subtract line 8 from line 4. If zero or less, enter -0-

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

- ☒ **No.** Enter -0- on line 10 and go to line 11.
- ☐ **Yes.** Enter the total of the payments received by you (and your spouse, if filing jointly). Do not enter more than \$250 (\$500 if married filing jointly)

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

- ☒ **No.** Enter -0- on line 11 and go to line 12.
- ☐ **Yes** • If you checked "No" on line 10, enter \$250 (\$500 if married filing jointly and the answer on line 11 is "Yes" for both spouses)
• If you checked "Yes" on line 10, enter -0- (exception: enter \$250 if filing jointly and the spouse who received the pension or annuity did not receive an economic recovery payment described on line 10)

12 Add lines 10 and 11**13** Subtract line 12 from line 9. If zero or less, enter -0-**14** **Making work pay and government retiree credits.** Add lines 11 and 13. Enter the result here and on Form 1040, line 63; Form 1040A, line 40; or Form 1040NR, line 60

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

KIA For Paperwork Reduction Act Notice, see Form 1040A, 1040, or 1040NR Instructions.

Schedule M (Form 1040A or 1040) 2009

**SCHEDULE SE
(Form 1040)**Department of the Treasury
Internal Revenue Service (99)**Self-Employment Tax**

OMB No. 1545-0074

2009Attachment
Sequence No. **17**

Name of person with self-employment income (as shown on Form 1040)

Maira S Ryan

Social security number of person
with self-employment income ▶

123-45-6782

Who Must File Schedule SE

You must file Schedule SE if:

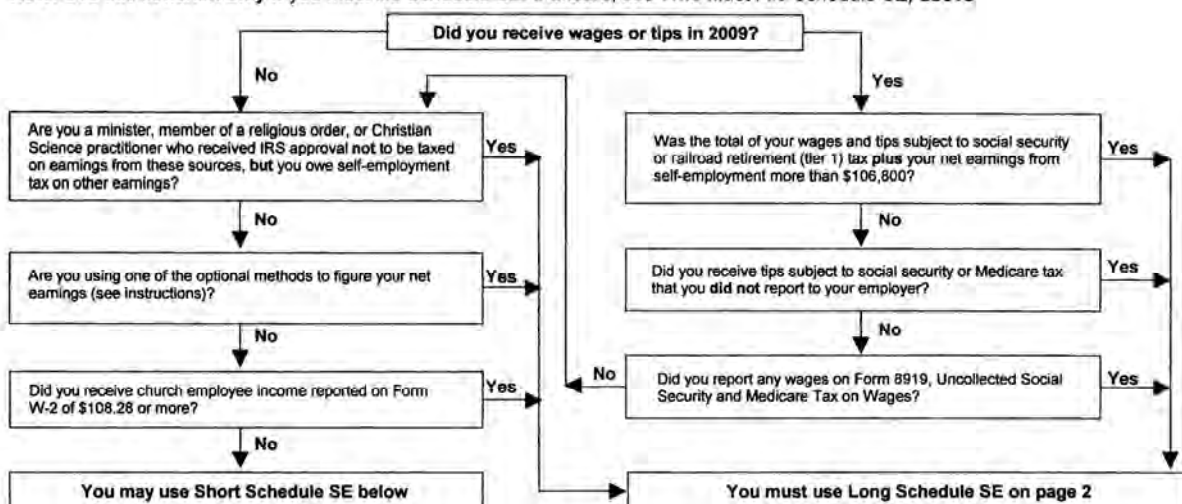
- You had net earnings from self-employment from **other than** church employee income (line 4 of Short Schedule SE or line 4c of Long Schedule SE) of \$400 or more, **or**
- You had church employee income of \$108.28 or more. Income from services you performed as a minister or a member of a religious order is **not** church employee income (see instructions).

Note. Even if you had a loss or a small amount of income from self-employment, it may be to your benefit to file Schedule SE and use either "optional method" in Part II of Long Schedule SE (see instructions).

Exception. If your only self-employment income was from earnings as a minister, member of a religious order, or Christian Science practitioner and you filed Form 4361 and received IRS approval not to be taxed on those earnings, **do not** file Schedule SE. Instead, write "Exempt-Form 4361" on Form 1040, line 56.

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*, above.

**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 36, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A	1a	0
b If you received social security retirement or disability benefits, enter the amount of Conservation Reserve Program payments included on Schedule F, line 6b, or listed on Schedule K-1 (Form 1065), box 20, code X	1b	(0)
2 Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; and 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	16,692
3 Combine lines 1a, 1b, and 2	3	16,692
4 Net earnings from self-employment. Multiply line 3 by 92.35% (.9235). If less than \$400, do not file this schedule; you do not owe self-employment tax	4	15,415
5 Self-employment tax. If the amount on line 4 is: • \$106,800 or less, multiply line 4 by 15.3% (.153). Enter the result here and on Form 1040, line 56. • More than \$106,800, multiply line 4 by 2.9% (.029). Then, add \$13,243.20 to the result. Enter the total here and on Form 1040, line 56.	5	2,359
6 Deduction for one-half of self-employment tax. Multiply line 5 by 50% (.5). Enter the result here and on Form 1040, line 27	6	1,180

KIA For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Schedule SE (Form 1040) 2009

Form 3903 <small>Department of the Treasury Internal Revenue Service (99)</small>	Moving Expenses Attach to Form 1040 or Form 1040NR.	OMB No. 1545-0074 2009 Attachment Sequence No. 62
Name(s) shown on return Moira S Ryan		Your social security number 123-45-6782
Before you begin: <ul style="list-style-type: none"> ✓ See the Distance Test and Time Test in the instructions to find out if you can deduct your moving expenses. ✓ See Members of the Armed Forces in the instructions, if applicable. 		
1 Transportation and storage of household goods and personal effects (see instructions)	1	2,000
2 Travel (including lodging) from your old home to your new home (see instructions). Do not include the cost of meals	2	91
3 Add lines 1 and 2	3	2,091
4 Enter the total amount your employer paid you for the expenses listed on lines 1 and 2 that is not included in box 1 of your Form W-2 (wages). This amount should be shown in box 12 of your Form W-2 with code P	4	0
5 Is line 3 more than line 4? <input type="checkbox"/> No. You cannot deduct your moving expenses. If line 3 is less than line 4, subtract line 3 from line 4 and include the result on Form 1040, line 7, or Form 1040NR, line 8. <input checked="" type="checkbox"/> Yes. Subtract line 4 from line 3. Enter the result here and on Form 1040, line 26, or Form 1040NR, line 26. This is your moving expense deduction	5	2,091

Form	4562	Depreciation and Amortization (Including Information on Listed Property) ▶ See separate instructions. ▶ Attach to your tax return.	OMB No. 1545-0172 <div style="font-size: 24pt; font-weight: bold;">2009</div> Attachment Sequence No. 67 Identifying number 123-45-6782			
Department of the Treasury Internal Revenue Service (99)						
Name(s) shown on return Moira S Ryan		Business or activity to which this form relates SCH C 1				
Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.						
1 Maximum amount. See the instructions for a higher limit for certain businesses		1	250,000			
2 Total cost of section 179 property placed in service (see instructions)		2				
3 Threshold cost of section 179 property before reduction in limitation (see instructions)		3	\$800,000			
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-		4	0			
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions		5	250,000			
6 (a) Description of property		(b) Cost (business use only)	(c) Elected cost			
Catering equip		6,700	6,700			
All other assets		5,670	5,670			
7 Listed property. Enter the amount from line 29		7	10,800			
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7		8	23,170			
9 Tentative deduction. Enter the smaller of line 5 or line 8		9	23,170			
10 Carryover of disallowed deduction from line 13 of your 2008 Form 4562		10				
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)		11	250,000			
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11		12	23,170			
13 Carryover of disallowed deduction to 2010. Add lines 9 and 10, less line 12		13	0			
Note: Do not use Part II or Part III below for listed property. Instead, use Part V.						
Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)						
14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)		14	0			
15 Property subject to section 168(f)(1) election		15				
16 Other depreciation (including ACRS)		16				
Part III MACRS Depreciation (Do not include listed property.) (See instructions.)						
Section A						
17 MACRS deductions for assets placed in service in tax years beginning before 2009		17				
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>						
Section B—Assets Placed in Service During 2009 Tax Year Using the General Depreciation System						
(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		0	5.00	HY	200DB	0
c 7-year property		0	7.00	HY	200DB	0
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
i Nonresidential real property	05/22/09	130,000	39 yrs.	MM	S/L	2,083
				MM	S/L	
Section C—Assets Placed in Service During 2009 Tax Year Using the Alternative Depreciation System						
20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	
Part IV Summary (See instructions.)						
21 Listed property. Enter amount from line 28		21	0			
22 Total. Add amounts from line 12, lines 14 through 17, line 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions		22	25,253			
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs		23				
KIA For Paperwork Reduction Act Notice, see separate instructions.						

Form 4562 (2009)

Form 4562 (2009)

Moirá

S. Ryan

123-45-6782

Page **2****Part V****Listed Property** (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.**Section A—Depreciation and Other Information** (Caution: See the instructions for limits for passenger automobiles.)**24a** Do you have evidence to support the business/investment use claimed? ☒ Yes ☐ No **24b** If "Yes," is the evidence written? ☒ Yes ☐ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)						25	0	
26 Property used more than 50% in a qualified business use:								
Delivery	05/12/09	100 %	10,800	0	5.00	200DB HY	0	10800
		%						
		%						

27 Property used 50% or less in a qualified business use:

		%			S/L -		
		%			S/L -		
		%			S/L -		

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 **28** 0**29** Add amounts in column (i), line 26. Enter here and on line 7, page 1 **29** 10800**Section B—Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
30 Total business/investment miles driven during the year (do not include commuting miles)	100					
31 Total commuting miles driven during the year	0					
32 Total other personal (noncommuting) miles driven	0					
33 Total miles driven during the year. Add lines 30 through 32	100	0	0	0	0	0
34 Was the vehicle available for personal use during off-duty hours?	Yes No	Yes No	Yes No	Yes No	Yes No	Yes No
	X					
35 Was the vehicle used primarily by a more than 5% owner or related person?	X					
36 Is another vehicle available for personal use?	X					

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.**Part VI****Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2009 tax year (see instructions):					
43 Amortization of costs that began before your 2009 tax year				43	
44 Total. Add amounts in column (f). See the instructions for where to report				44	0

KIA

Form **4562** (2009)

Form 4562 Department of the Treasury Internal Revenue Service (99)	Depreciation and Amortization (Including Information on Listed Property) ▶ See separate instructions. ▶ Attach to your tax return.	OMB No. 1545-0172 2009 Attachment Sequence No. 67 Identifying number 123-45-6782				
Name(s) shown on return Moira S Ryan		Business or activity to which this form relates Rental Royalty 1				
Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.						
1 Maximum amount. See the instructions for a higher limit for certain businesses		1 250,000				
2 Total cost of section 179 property placed in service (see instructions)		2				
3 Threshold cost of section 179 property before reduction in limitation (see instructions)		3 \$800,000				
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-		4 0				
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions		5 250,000				
6 (a) Description of property		(b) Cost (business use only) (c) Elected cost				
7 Listed property. Enter the amount from line 29		7 0				
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7		8 0				
9 Tentative deduction. Enter the smaller of line 5 or line 8		9 0				
10 Carryover of disallowed deduction from line 13 of your 2008 Form 4562		10				
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)		11 250,000				
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11		12 0				
13 Carryover of disallowed deduction to 2010. Add lines 9 and 10, less line 12		13 0				
Note: Do not use Part II or Part III below for listed property. Instead, use Part V.						
Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)						
14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)		14 0				
15 Property subject to section 168(f)(1) election		15				
16 Other depreciation (including ACRS)		16				
Part III MACRS Depreciation (Do not include listed property.) (See instructions.)						
Section A						
17 MACRS deductions for assets placed in service in tax years beginning before 2009		17 2,909				
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		▶ <input type="checkbox"/>				
Section B—Assets Placed in Service During 2009 Tax Year Using the General Depreciation System						
(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	
Section C—Assets Placed in Service During 2009 Tax Year Using the Alternative Depreciation System						
20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	
Part IV Summary (See instructions.)						
21 Listed property. Enter amount from line 28		21 0				
22 Total. Add amounts from line 12, lines 14 through 17, line 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions		22 2,909				
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs		23				
KIA For Paperwork Reduction Act Notice, see separate instructions.						

Form 4562 (2009)

Form	4684	Casualties and Thefts ▶ See separate instructions. ▶ Attach to your tax return. ▶ Use a separate Form 4684 for each casualty or theft.	OMB No. 1545-0177 2009 Attachment Sequence No. 26
Department of the Treasury Internal Revenue Service			
Name(s) shown on tax return Moira S Ryan		Identifying number 123-45-6782	

SECTION A—Personal Use Property (Use this section to report casualties and thefts of property **not** used in a trade or business or for income-producing purposes.)

1 Description of properties (show type, location, and date acquired for each property). Use a separate line for each property lost or damaged from the same casualty or theft.

Property A	Diamond ring	Noreth Platte, NE	09/01/04
Property B			
Property C			
Property D			

		Properties			
		A	B	C	D
2	Cost or other basis of each property	17,400			
3	Insurance or other reimbursement (whether or not you filed a claim) (see instructions)	4,500			
<i>Note: If line 2 is more than line 3, skip line 4.</i>					
4	Gain from casualty or theft. If line 3 is more than line 2, enter the difference here and skip lines 5 through 9 for that column. See instructions if line 3 includes insurance or other reimbursement you did not claim, or you received payment for your loss in a later tax year	0	0	0	0
5	Fair market value before casualty or theft	22,000			
6	Fair market value after casualty or theft	0			
7	Subtract line 6 from line 5	22,000	0	0	0
8	Enter the smaller of line 2 or line 7	17,400	0	0	0
9	Subtract line 3 from line 8. If zero or less, enter -0-	12,900	0	0	0
10	Casualty or theft loss. Add the amounts on line 9 in columns A through D				12,900
11	Enter the smaller of line 10 or \$500				500
12	Subtract line 11 from line 10				12,400
<i>Caution: Use only one Form 4684 for lines 13 through 22.</i>					
13	Add the amounts on line 12 of all Forms 4684				12,400
14	Add the amounts on line 4 of all Forms 4684				0
15	<ul style="list-style-type: none"> If line 14 is more than line 13, enter the difference here and on Schedule D. Do not complete the rest of this section (see instructions). If line 14 is less than line 13, enter -0- here and go to line 16. If line 14 is equal to line 13, enter -0- here. Do not complete the rest of this section. 				0
16	If line 14 is less than line 13, enter the difference				12,400
17	Add the amounts on line 12 of all Forms 4684 on which you entered a disaster loss (see instructions)				0
18	Is line 17 more than line 14?				
	<input type="checkbox"/> Yes. Enter the difference. If you are filing Schedule A (Form 1040), go to line 19. Otherwise, enter this amount on line 6 of Schedule L (Form 1040A or 1040). Do not complete the rest of Section A. Form 1040NR filers, see instructions.				
	<input checked="" type="checkbox"/> No. Enter -0-. If you claim the standard deduction, do not complete the rest of Section A.				0
19	Subtract line 18 from line 16				12,400
20	Enter 10% of your adjusted gross income from Form 1040, line 38, or Form 1040NR, line 36. Estates and trusts, see instructions				7,482
21	Subtract line 20 from line 19. If zero or less, enter -0-				4,918
22	Add lines 18 and 21. Also enter the result on Schedule A (Form 1040), line 20, or Form 1040NR, Schedule A, line 8. Estates and trusts, enter the result on the "Other deductions" line of your tax return				4,918

KIA For Paperwork Reduction Act Notice, see instructions.

Form **4684** (2009)

Form 4684 (2009)

Attachment Sequence No. 26

Page 2

Name(s) shown on tax return. Do not enter name and identifying number if shown on first page of this form.

Maira S Ryan

Identifying number
123-45-6782**SECTION B—Business and Income-Producing Property****Part I Casualty or Theft Gain or Loss (Use a separate Part I for each casualty or theft.)**

- 23 Description of properties (show type, location, and date acquired for each property). Use a separate line for each property lost or damaged from the same casualty or theft.

Property A _____

Property B _____

Property C _____

Property D _____

		Properties			
		A	B	C	D
24	Cost or adjusted basis of each property	24			
25	Insurance or other reimbursement (whether or not you filed a claim). See the instructions for line 3	25			
Note: If line 24 is more than line 25, skip line 26.					
26	Gain from casualty or theft. If line 25 is more than line 24, enter the difference here and on line 33 or line 38, column (c), except as provided in the instructions for line 37. Also, skip lines 27 through 31 for that column. See the instructions for line 4 if line 25 includes insurance or other reimbursement you did not claim, or you received payment for your loss in a later tax year	26	0	0	0
27	Fair market value before casualty or theft	27			
28	Fair market value after casualty or theft	28			
29	Subtract line 28 from line 27	29	0	0	0
30	Enter the smaller of line 24 or line 29	30	0	0	0
Note: If the property was totally destroyed by casualty or lost from theft, enter on line 30 the amount from line 24.					
31	Subtract line 25 from line 30. If zero or less, enter -0-	31	0	0	0
32	Casualty or theft loss. Add the amounts on line 31. Enter the total here and on line 33 or line 38 (see instructions).	32			0

Part II Summary of Gains and Losses (from separate Parts I)

(a) Identify casualty or theft	(b) Losses from casualties or thefts	(c) Gains from casualties or thefts includible in income
	(i) Trade, business, rental or royalty property	(ii) Income-producing and employee property

Casualty or Theft of Property Held One Year or Less

33		(0)	(0)	0	
34	Totals. Add the amounts on line 33	34	(0)	(0)	0
35	Combine line 34, columns (b)(i) and (c). Enter the net gain or (loss) here and on Form 4797, line 14. If Form 4797 is not otherwise required, see instructions	35			0
36	Enter the amount from line 34, column (b)(ii) here. Individuals, enter the amount from income-producing property on Schedule A (Form 1040), line 28, or Form 1040NR, Schedule A, line 16, and enter the amount from property used as an employee on Schedule A (Form 1040), line 23, or Form 1040NR, Schedule A, line 11. Estates and trusts, partnerships, and S corporations, see instructions	36			0

Casualty or Theft of Property Held More Than One Year

37	Casualty or theft gains from Form 4797, line 32	37			0
38		(0)	(0)		0
39	Total losses. Add amounts on line 38, columns (b)(i) and (b)(ii)	39	(0)	(0)	
40	Total gains. Add lines 37 and 38, column (c)	40			0
41	Add amounts on line 39, columns (b)(i) and (b)(ii)	41			0
42 If the loss on line 41 is more than the gain on line 40:					
a	Combine line 39, column (b)(i) and line 40, and enter the net gain or (loss) here. Partnerships (except electing large partnerships) and S corporations, see the note below. All others, enter this amount on Form 4797, line 14. If Form 4797 is not otherwise required, see instructions	42a			0
b	Enter the amount from line 39, column (b)(ii) here. Individuals, enter the amount from income-producing property on Schedule A (Form 1040), line 28, or Form 1040NR, Schedule A, line 16, and enter the amount from property used as an employee on Schedule A (Form 1040), line 23, or Form 1040NR, Schedule A, line 11. Estates and trusts, enter on the "Other deductions" line of your tax return. Partnerships (except electing large partnerships) and S corporations, see the note below. Electing large partnerships, enter on Form 1065-B, Part II, line 11	42b			0
43	If the loss on line 41 is less than or equal to the gain on line 40, combine lines 40 and 41 and enter here. Partnerships (except electing large partnerships), see the note below. All others, enter this amount on Form 4797, line 3	43			0
Note: Partnerships, enter the amount from line 42a, 42b, or line 43 on Form 1065, Schedule K, line 11. S corporations, enter the amount from line 42a or 42b on Form 1120S, Schedule K, line 10.					

KIA

Form 4684 (2009)

Form 4952 Department of the Treasury Internal Revenue Service (99)	Investment Interest Expense Deduction ► Attach to your tax return.	OMB No. 1545-0191 <div style="font-size: 24pt; font-weight: bold;">2009</div> Attachment Sequence No. 51
Name(s) shown on return Moira S Ryan		Identifying number 123-45-6782
Part I Total Investment Interest Expense		
1 Investment interest expense paid or accrued in 2009 (see instructions)	1	3,000
2 Disallowed investment interest expense from 2008 Form 4952, line 7	2	0
3 Total investment interest expense. Add lines 1 and 2	3	3,000
Part II Net Investment Income		
4a Gross income from property held for investment (excluding any net gain from the disposition of property held for investment)	4a	14,960
b Qualified dividends included on line 4a	4b	8,000
c Subtract line 4b from line 4a	4c	6,960
d Net gain from the disposition of property held for investment	4d	5,500
e Enter the smaller of line 4d or your net capital gain from the disposition of property held for investment (see instructions)	4e	5,500
f Subtract line 4e from line 4d	4f	0
g Enter the amount from lines 4b and 4e that you elect to include in investment income (see instructions).	4g	0
h Investment income. Add lines 4c, 4f, and 4g	4h	6,960
5 Investment expenses. (see instructions)	5	55
6 Net investment income. Subtract line 5 from line 4h. If zero or less, enter -0-	6	6,905
Part III Investment Interest Expense Deduction		
7 Disallowed investment interest expense to be carried forward to 2010. Subtract line 6 from line 3. If zero or less, enter -0-	7	0
8 Investment interest expense deduction. Enter the smaller of line 3 or 6. See instructions	8	3,000

Form 5695 Department of the Treasury Internal Revenue Service	Residential Energy Credits ▶ See instructions. ▶ Attach to Form 1040 or Form 1040NR.	OMB No. 1545-0074 2009 Attachment Sequence No. 158 Your social security number 123-45-6782
Name(s) shown on return Moira S Ryan		

Before You Begin Part I: Figure the amount of any credit for the elderly or disabled you are claiming.

Part I Nonbusiness Energy Property Credit (See instructions before completing this part.)

1 Were the qualified energy efficiency improvements or residential energy property costs for your main home located in the United States? (see instructions)	1	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p><i>Caution: If you checked the "No" box, you cannot claim the nonbusiness energy property credit. Do not complete Part I.</i></p>		
2 Qualified energy efficiency improvements (see instructions).	2	
a Insulation material or systems specifically and primarily designed to reduce the heat loss or gain of your home	2a	
b Exterior windows (including certain storm windows) and skylights	2b	
c Exterior doors (including certain storm doors)	2c	
d Metal roof with appropriate pigmented coatings, or asphalt roof with appropriate cooling granules, that are specifically and primarily designed to reduce the heat gain of your home, and the roof meets or exceeds the Energy Star program requirements in effect at the time of purchase or installation	2d	
3 Residential energy property costs (see instructions).	3	
a Energy-efficient building property	3a	
b Qualified natural gas, propane, or oil furnace or hot water boiler	3b	
c Advanced main air circulating fan used in a natural gas, propane, or oil furnace	3c	
4 Add lines 2a through 3c	4	
5 Multiply line 4 by 30% (.30)	5	
6 Maximum credit amount. (If you jointly occupied the home, see instructions)	6	\$1,500
7 Enter the smaller amount of line 5 or line 6	7	
8 Enter the amount from Form 1040, line 46, or Form 1040NR, line 43	8	
9 Enter the total, if any, of your credits from Form 1040, lines 47 through 50, and Schedule R, line 24; or Form 1040NR, lines 44 through 46	9	
10 Subtract line 9 from line 8. If zero or less, stop. You cannot take the nonbusiness energy property credit	10	
11 Nonbusiness energy property credit. Enter the smaller of line 7 or line 10	11	

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Form **5695** (2009)

Form 5695 (2009)

Page **2****Before You Begin Part II:**

Figure the amount of any of the following credits you are claiming.

- Credit for the elderly or the disabled.
- District of Columbia first-time homebuyer credit.
- Alternative motor vehicle credit.
- Qualified plug-in electric vehicle credit.
- Qualified plug-in electric drive motor vehicle credit.

Part II Residential Energy Efficient Property Credit (See instructions before completing this part.)**Note.** Skip lines 12 through 21 if you only have a credit carryforward from 2008.

12	Qualified solar electric property costs	12	
13	Qualified solar water heating property costs	13	
14	Qualified small wind energy property costs	14	
15	Qualified geothermal heat pump property costs	15	13,880
16	Add lines 12 through 15	16	13,880
17	Multiply line 16 by 30% (.30)	17	4,164
18	Qualified fuel cell property costs	18	
19	Multiply line 18 by 30% (.30)	19	0
20	Kilowatt capacity of property on line 18 above <input type="text"/> x \$1,000	20	0
21	Enter the smaller of line 19 or line 20	21	0
22	Credit carryforward from 2008. Enter the amount, if any, from your 2008 Form 5695, line 28	22	
23	Add lines 17, 21, and 22	23	4,164
24	Enter the amount from Form 1040, line 46, or Form 1040NR, line 43	24	2,069
25	1040 filers: Enter the total, if any, of your credits from Form 1040, lines 47 through 50; line 11 of this form; line 12 of the Line 11 worksheet in Pub. 972 (see instructions); Form 8396, line 11; Form 8839, line 18; Form 8859, line 11; Form 8834, line 22; Form 8910, line 21; Form 8936, line 14; and Schedule R, line 24. 1040NR filers: Enter the amount, if any, from Form 1040NR, lines 44 through 46; line 11 of this form; line 12 of the Line 11 worksheet in Pub. 972 (see instructions); Form 8396, line 11; Form 8839, line 18; Form 8859, line 11; Form 8834, line 22; Form 8910, line 21; and Form 8936, line 14.	25	1,500
26	Subtract line 25 from line 24. If zero or less, enter -0- here and on line 27	26	569
27	Residential energy efficient property credit. Enter the smaller of line 23 or line 26	27	569
28	Credit carryforward to 2010. If line 27 is less than line 23, subtract line 27 from line 23	28	3,595

Part III Current Year Residential Energy Credits

29	Add lines 11 and 27. Enter here and on Form 1040, line 52, or Form 1040NR, line 48 and check box c on that line	29	569
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KIA

Form **5695** (2009)

Form 8582 Department of the Treasury Internal Revenue Service (99) Name(s) shown on return Moira S Ryan	Passive Activity Loss Limitations ▶ See separate instructions. ▶ Attach to Form 1040 or Form 1041.	OMB No. 1545-1008 2009 Attachment Sequence No. 88 Identifying number 123-45-6782
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Part I 2009 Passive Activity Loss
Caution: Complete Worksheets 1, 2 and 3 on page 2 before completing Part I.

Rental Real Estate Activities With Active Participation (For the definition of active participation see Special Allowance for Rental Real Estate Activities in the instructions.)

1a Activities with net income (enter the amount from Worksheet 1, column (a))	1a	0	
1b Activities with net loss (enter the amount from Worksheet 1, column (b))	1b	(1,754)	
1c Prior years unallowed losses (enter the amount from Worksheet 1, column (c))	1c	(0)	
1d Combine lines 1a, 1b, and 1c	1d	-1,754	

Commercial Revitalization Deductions From Rental Real Estate Activities

2a Commercial revitalization deductions from Worksheet 2, column (a)	2a	()	
2b Prior year unallowed commercial revitalization deductions from Worksheet 2, column (b)	2b	()	
2c Add lines 2a and 2b	2c	(0)	

All Other Passive Activities

3a Activities with net income (enter the amount from Worksheet 3, column (a))	3a	0	
3b Activities with net loss (enter the amount from Worksheet 3, column (b))	3b	(0)	
3c Prior years unallowed losses (enter the amount from Worksheet 3, column (c))	3c	(0)	
3d Combine lines 3a, 3b, and 3c	3d	0	

4 Combine lines 1d, 2c, and 3d. If the result is net income or zero, all losses are allowed, including any prior year unallowed losses entered on line 1c, 2b, or 3c. Do not complete Form 8582. Report the losses on the forms and schedules normally used

	4	-1,754	
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If line 4 is a loss and:

- Line 1d is a loss, go to Part II.
- Line 2c is a loss (and line 1d is zero or more), skip Part II and go to Part III.
- Line 3d is a loss (and lines 1d and 2c are zero or more), skip Parts II and III and go to line 15.

Caution: If your filing status is married filing separately and you lived with your spouse at any time during the year, do not complete Part II or Part III. Instead, go to line 15.

Part II Special Allowance for Rental Real Estate Activities With Active Participation
Note: Enter all numbers in Part II as positive amounts. See the instructions for an example.

5 Enter the smaller of the loss on line 1d or the loss on line 4	5	1,754	
6 Enter \$150,000. If married filing separately, see the instructions	6	150,000	
7 Enter modified adjusted gross income, but not less than zero (see instructions)	7	82,753	
8 Subtract line 7 from line 6	8	67,247	
9 Multiply line 8 by 50% (.5). Do not enter more than \$25,000. If married filing separately, see instructions	9	25,000	
10 Enter the smaller of line 5 or line 9	10	1,754	

If line 2c is a loss, go to Part III. Otherwise, go to line 15.

Part III Special Allowance for Commercial Revitalization Deductions From Rental Real Estate Activities
Note: Enter all numbers in Part III as positive amounts. See the example for Part II in the instructions.

11 Enter \$25,000 reduced by the amount, if any, on line 10. If married filing separately, see instructions	11		
12 Enter the loss from line 4	12		
13 Reduce line 12 by the amount on line 10	13		
14 Enter the smallest of line 2c (treated as a positive amount), line 11, or line 13	14		

Part IV Total Losses Allowed

15 Add the income, if any, on lines 1a and 3a and enter the total	15	0	
16 Total losses allowed from all passive activities for 2009. Add lines 10, 14, and 15. See the instructions to find out how to report the losses on your tax return	16	1,754	

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Form **8582** (2009)

Form 8582 (2009) Moira

S Ryan

123-45-6782

Page 2

Caution: The worksheets must be filed with your tax return. Keep a copy for your records.**Worksheet 1—For Form 8582, Lines 1a, 1b, and 1c (See the instructions.)**

Name of activity	Current year		Prior years	Overall gain or loss	
	(a) Net income (line 1a)	(b) Net loss (line 1b)	(c) Unallowed loss (line 1c)	(d) Gain	(e) Loss
205 Fraser Avenue Fr	0	1,754	0	0	1,754
Total. Enter on Form 8582, lines 1a, 1b, and 1c	0	1,754	0		

Worksheet 2—For Form 8582, Lines 2a and 2b (See the instructions.)

Name of activity	(a) Current year deductions (line 2a)	(b) Prior year unallowed deductions (line 2b)	(c) Overall Loss
Total. Enter on Form 8582, lines 2a and 2b	0	0	

Worksheet 3—For Form 8582, Lines 3a, 3b, and 3c (See the instructions.)

Name of activity	Current year		Prior years	Overall gain or loss	
	(a) Net income (line 3a)	(b) Net loss (line 3b)	(c) Unallowed loss (line 3c)	(d) Gain	(e) Loss
Total. Enter on Form 8582, lines 3a, 3b, and 3c					

Worksheet 4—Use this worksheet if an amount is shown on Form 8582, line 10 or 14 (See the instructions.)

Name of activity	Form or schedule and line number to be reported on (see instructions)	(a) Loss	(b) Ratio	(c) Special allowance	(d) Subtract column (c) from column (a)
205 Fraser Avenue Fr	Sch E, line 23A	1,754	1.0000	1,754	
Total		1,754	1.00	1,754	0

Worksheet 5—Allocation of Unallowed Losses (See the instructions.)

Name of activity	Form or schedule and line number to be reported on (see instructions)	(a) Loss	(b) Ratio	(c) Unallowed loss
Total			1.00	

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Form 8582 (2009)

Form 8582 (2009) Moira

S Ryan

123-45-6782

Page 3

Worksheet 6—Allowed Losses (See instructions.)

Name of activity	Form or schedule and line number to be reported on (see instructions)	(a) Loss	(b) Unallowed loss	(c) Allowed loss
Total		0	0	0

Worksheet 7—Activities With Losses Reported on Two or More Forms or Schedules (See the instructions.)

Name of activity:	(a)	(b)	(c) Ratio	(d) Unallowed loss	(e) Allowed loss
Form or schedule and line number to be reported on (see instructions): _____					
1a Net loss plus prior year unallowed loss from form or schedule . . . ▶					
b Net income from form or schedule ▶					
c Subtract line 1b from line 1a. If zero or less, enter -0- . . . ▶					
Form or schedule and line number to be reported on (see instructions): _____					
1a Net loss plus prior year unallowed loss from form or schedule . . . ▶					
b Net income from form or schedule ▶					
c Subtract line 1b from line 1a. If zero or less, enter -0- . . . ▶					
Form or schedule and line number to be reported on (see instructions): _____					
1a Net loss plus prior year unallowed loss from form or schedule . . . ▶					
b Net income from form or schedule ▶					
c Subtract line 1b from line 1a. If zero or less, enter -0- . . . ▶					
Total ▶			1.00		

KIA

Form 8582 (2009)

Form 8863	Education Credits (American Opportunity, Hope, and Lifetime Learning Credits) ▶ See instructions to find out if you are eligible to take the credits. ▶ Attach to Form 1040 or Form 1040A.	OMB No. 1545-0074 <div style="font-size: 24pt; font-weight: bold;">2009</div> Attachment Sequence No. 50				
Department of the Treasury Internal Revenue Service (99)						
Name(s) shown on return Moira S. Ryan		Your social security number 123-45-6782				
Caution: You cannot take both an education credit and the tuition and fees deduction (see Form 8917) for the same student for the same year.						
Part I American Opportunity Credit Use Part II if you are claiming the Hope credit for a student attending school in a Midwestern disaster area. If you use Part II, you cannot use Part I for any student. Caution: You cannot take the American opportunity credit for more than 4 tax years for the same student.						
1	(a) Student's name (as shown on page 1 of your tax return) First name Last name	(b) Student's social security number (as shown on page 1 of your tax return)	(c) Qualified expenses (see instructions) Do not enter more than \$4,000 for each student.	(d) Subtract \$2,000 from the amount in column (c). If zero or less, enter -0-.	(e) Multiply the amount in column (d) by 25% (.25)	(f) If column (d) is zero, enter the amount from column (c). Otherwise, add \$2,000 to the amount in column (e).
	Oliver					
	Ryan	123-45-6786	4,000	2,000	500	2,500
				0	0	0
				0	0	0
2 Tentative American opportunity credit. Add the amounts on line 1, column (f). Skip Part II if line 2 is more than zero. If you are taking the lifetime learning credit for a different student, go to Part III; otherwise, go to Part IV						2 2,500
Part II Hope Credit Use this part if you are claiming the Hope credit for a student attending school in a Midwestern disaster area and elect to waive the computation method in Part I for all students. Caution: You cannot take the Hope credit for more than 2 tax years for the same student.						
3	(a) Student's name (as shown on page 1 of your tax return) First name Last name	(b) Student's social security number (as shown on page 1 of your tax return)	(c) Qualified expenses (see instructions) Do not enter more than \$2,400* for each student.	(d) Enter the smaller of the amount in column (c) or \$1,200**	(e) Add column (c) and column (d)	(f) Enter one-half of the amount in column (e)
			0	0	0	0
			0	0	0	0
			0	0	0	0
4 Tentative Hope credit. Add the amounts on line 3, column (f). If you are taking the lifetime learning credit for another student, go to Part III; otherwise, go to Part V						4 0
Part III Lifetime Learning Credit. Caution: You cannot take the American opportunity credit or the Hope credit and the lifetime learning credit for the same student in the same year.						
5	(a) Student's name (as shown on page 1 of your tax return) First name Last name		(b) Student's social security number (as shown on page 1 of your tax return)	(c) Qualified expenses (see instructions)		
6 Add the amounts on line 5, column (c), and enter the total				6	0	
7a Enter the smaller of line 6 or \$10,000				7a	0	
b For students who attended an eligible educational institution in a Midwestern disaster area, enter the smaller of \$10,000 or their qualified expenses included on line 6 (see special rules in the instructions)				7b	0	
c Subtract line 7b from line 7a				7c	0	
8a Multiply line 7b by 40% (.40)				8a	0	
b Multiply line 7c by 20% (.20)				8b	0	
c Tentative lifetime learning credit. Add lines 8a and 8b. If you have an entry on line 2, go to Part IV; otherwise go to Part V				8c	0	
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Form **8863** (2009)

Form 8863 (2009)

Page **2****Part IV Refundable American Opportunity Credit**

9	Enter the amount from line 2.	9	2,500
10	Enter: \$180,000 if married filing jointly; \$90,000 if single, head of household, or qualifying widow(er)	10	90,000
11	Enter the amount from Form 1040, line 38,* or Form 1040A, line 22	11	74,819
12	Subtract line 11 from line 10. If zero or less, stop ; you cannot take any education credit	12	15,181
13	Enter: \$20,000 if married filing jointly; \$10,000 if single, head of household, or qualifying widow(er)	13	10,000
14	If line 12 is: <ul style="list-style-type: none"> Equal to or more than line 13, enter 1.000 on line 14 Less than line 13, divide line 12 by line 13. Enter the result as a decimal (rounded to at least three places) 	14	1.000
15	Multiply line 9 by line 14. Caution: If you were under age 24 at the end of the year and meet the conditions in the instructions, you cannot take the refundable American opportunity credit. Skip line 16, enter the amount from line 15 on line 17, and check this box <input type="checkbox"/>	15	2,500
16	Refundable American opportunity credit. Multiply line 15 by 40% (.40). Enter the amount here and on Form 1040, line 66, or Form 1040A, line 43. Then go to line 17 below	16	1,000

Part V Nonrefundable Education Credits

17	Subtract line 16 from line 15	17	1,500
18	Add line 4 and line 8c. If you have no entry on these lines, skip lines 19 through 24, and enter the amount from line 17 on line 25	18	0
19	Enter: \$120,000 if married filing jointly; \$60,000 if single, head of household, or qualifying widow(er)	19	60,000
20	Enter the amount from Form 1040, line 38,* or Form 1040A, line 22	20	74,819
21	Subtract line 20 from line 19. If zero or less, skip lines 22 and 23, and enter zero on line 24	21	0
22	Enter: \$20,000 if married filing jointly; \$10,000 if single, head of household, or qualifying widow(er)	22	10,000
23	If line 21 is: <ul style="list-style-type: none"> Equal to or more than line 22, enter the amount from line 18 on line 24 and to line 25 Less than line 22, divide line 21 by line 22. Enter the result as a decimal (rounded to at least three places) 	23	0.000
24	Multiply line 18 by line 23	24	0
25	Add line 17 and line 24. If zero, stop ; you cannot take any nonrefundable education credit	25	1,500
26	Enter the amount from Form 1040, line 46, or Form 1040A, line 28	26	2,069
27	Enter the total, if any, of your credits from: <ul style="list-style-type: none"> Form 1040, lines 47, 48, and the amount from Schedule R (Form 1040) entered on line 53 Form 1040A, lines 29 and 30 	27	0
28	Subtract line 27 from line 26. If zero or less, stop ; you cannot take any nonrefundable education credit	28	2,069
29	Nonrefundable education credits. Enter the smaller of line 25 or line 28 here and on Form 1040, line 49, or Form 1040A, line 31	29	1,500

*If you are filing Form 2555, 2555-EZ, or 4563, or you are excluding income from Puerto Rico, see Pub. 970 for the amount to enter.

KIA

Form **8863** (2009)

ATTACHMENTS WORKSHEET OTHER INCOME Form 1040, Line 21		2009 2009
Name: Moira S Ryan		Soc Sec No: 123-45-6782
Type of Income		Amount
1. Child's interest and dividend income from Form 8814	1	0
2. Gambling winnings	2	280
3. Non-business rentals of pers prop from 1099-MISC, Box 1	3	0
4. Prizes, awards, damages, etc. from Form 1099-MISC, Box 3	4	0
5. Nonemployee compensation from Form 1099-MISC, Box 7	5	0
6. Payments in lieu of int or div from Form 1099-MISC, Box 8	6	0
7. Foreign earned income or housing excl. (enter as negative)		
a. Form 2555	7a	0
b. Form 2555-EZ	7b	0
8. Refunds and reimbursements of tax benefit items		
a. Medical expenses	8a	
b. Real estate taxes	8b	
c. Overpaid home mortgage interest	8c	0
d. General sales taxes	8d	
e. Other items	8e	
f. From K-1's	8f	0
9. Jury fees-enter even if gave to employer	9	12
10. Nonprofessional fiduciary fees	10	
11. Alaska Permanent Fund dividends	11	
12. Income from for-profit rental of personal property	12	
13. Income from non-profit activity	13	
14. Recapture of clean-fuel vehicle deduction	14	
15. Loss on corrective distrib. made in 2009 (enter as neg)	15	
16. Net operating loss carried forward to 2009 (enter as neg)	16	0
17. Archer MSA distributions	17	0
18. Medicare Advantage MSA distributions	18	0
19. Long-term care payments	19	0
20. Taxable grants from Form(s) 1099-G	20	0
21. Taxable distributions from a qualified tuition program (QTP):		
Yours	21a	
Your spouse's	21b	
22. Taxable distributions from a Coverdell education savings account (ESA):		
Yours	22a	
Your spouse's	22b	
23. Taxable HSA distributions	23	0
24. ATAA payments	24	0
25. Income from cancellation of debt	25	
26. Other: Hobby Income	26a	1,800
	26b	
	26c	
27. Total of all income items for line 21	27	2,092

ALIMONY PAID

2009

INDIVIDUAL PRACTICE SET #1**MOIRA RYAN****SOLUTION NOTES FOR INSTRUCTOR****INDIVIDUAL FEDERAL INCOME TAX RETURN****2010–2011 ANNUAL EDITION****1.1 TAXPAYER BIOGRAPHICAL INFORMATION:**

Moira qualifies for three exemptions determined as follows:

- Moira qualifies for one personal exemption.
- Moira may also claim the following as dependents:

Oliver Plunkett Ryan. All dependency tests have been satisfied for a qualifying child.

Jane O’Dea Sullivan. She has satisfied all tests as a qualifying relative. Social Security benefits are not counted in the gross income test. Therefore, her gross income was limited to dividend and interest income of \$1,775, which falls below the \$3,650 threshold. She passed all of the other tests of dependency.

- Moira cannot claim the following as dependents:

Dennis Harrison Ryan. He failed multiple tests as either a qualifying child or as a qualifying relative.

Michael John Ryan. Because Michael provided more than half of his own support, he failed the support tests as required to be either a qualifying child or a qualifying relative.

Kelly Marie Ryan. She is not a qualifying child because as a part-time student over the age of 19, she failed both the age and the domicile tests. She is also not a qualifying relative because she failed the gross income test. Her gross income from taxable sources cannot exceed \$3,650. Her salary income of \$8,000 exceeded this amount. To be exempted from this requirement, she must be either under the age of 19 or a full-time student under the age of 24. As a 20-year-old, part-time student, she failed both requirements.

John Wilson Amner. As a cousin, he cannot be a qualifying child. He is also not a qualifying relative. Because he did not reside with Moira, he failed the relationship/household test.

1.3 Taxpayer Filing Information:

Moira's optimal filing status for 2009 is head of household. Moira qualifies as a head of household because she provides more than half of the costs of maintaining a household for her dependent mother. A dependent parent need not live with the taxpayer. Because Gerald passed away in 2008, they cannot file a joint return in 2009. Moira is not a surviving spouse because she has no dependent child living at home. Head of household status would be preferable to single status.

1.4 Data Relating to 2008 Federal and Kansas Income Tax Returns:

Because Moira paid a state income tax deficiency of \$535 in 2009, she can deduct this amount on her 2009 Federal income tax return on Schedule A, line 5. It is irrelevant whether she itemized in 2008 because she received no tax refund on their state tax return.

2.0 INCOME SOURCES**2.1 Salary Income:**

Moira's salary income from both employers as reported on both Form W-2s are fully included in gross income. They are reported on Form 1040, line 7.

2.2 Income Received from the Estate of Gerald or Pursuant to the Death of Gerald:

Moira must report the following income:

- The income reported on Form 1009-DIV from the Estate of Gerald Ryan, Deceased as reported on both Schedule B and Schedule D as discussed later.
- The final IRA or pension reported on Form 1099-R as reported by the bank as reported on Form 1040 line 16b.

Insurance received on a life insurance policy is not reported, nor is the cash amount received as an inheritance. Any gain or loss of estate assets would be recognized by the estate on its separate tax return.

2.3 Income from Trade or Business:

Because Moira is on the cash receipts method, only gross receipts actually received would be included. This amounts to \$77,100. Business loan proceeds of \$89,320 would be excluded as an item under obligation to repay.

Accounts receivable of \$1,300 would not be reported until they are actually collected. The same is true of unbilled revenue. Moira's Magical Morsels cannot deduct any bad debt expense because Moira follows the cash receipts method.

The following expenses paid out of the general account are deductible on Schedule C for the amounts as indicated:

Supplies	\$12,000
Contract labor	6,000
Utilities	5,600
Interest on business loan	650
Insurance	320
Accounting and tax preparation services	1,100*
Advertising	700
Delivery van expenses	5,800
Repairs	350
Entertainment expenses	700**
Meals	300**
State licensing fee	<u>475***</u>
Total cost listed	<u>\$33,995</u>

* \$700 allocated to Moira's personal return deductible on Schedule A, line 22 as a miscellaneous expense. 2 percent of AGI limitation applies.

** After 50 percent cutback.

*** \$125 fine for late payment not deductible because it would violate public policy rules.

Unpaid expenses for contract labor, utilities and commissions cannot be deducted because they were not paid in 2009. This is because Moira follows the cash receipt method of tax accounting.

The following expenses paid out of Moira's personal account relative to the Rottweiler watchdog mentioned in Section 3.6 are deductible on Schedule C for the amounts as indicated:

Feed bills	\$ 700
Veterinarian services	<u>400</u>
Total	\$ <u>1,100</u>

The \$2,000 cost of the watchdog can be deducted under § 179 as discussed later.

As to the delivery van, the automatic mileage method would produce a total deduction of $29,400 \times \$0.55$ or \$16,170. Total deduction under the actual method would produce total deduction of actual costs of \$5,800 plus the expensing of the delivery van under § 179 of \$10,800 for a total of \$16,600. The actual method would then be preferred.

The payment of the business loan was a payment of a liability rather than a deductible expense. The contribution to the United Way is considered a personal expense rather than a business expense and is deductible. It is reported on Schedule A, line 16.

Depreciation on property acquired and placed into service in 2009 is calculated by giving preference to any § 179 deduction because this method provides for the fastest depreciation possible. Therefore, Moira would deduct the full costs of all personal property acquired in 2009 under § 179. This would include the following:

Catering equipment	\$ 6,700
Computer	1,040
Computer printer	630
Office furniture	2,000
Van	10,800
Rottweiler dog	<u>2,000</u>
Total § 179 deduction	<u>\$23,170</u>

As to the building at 3450 Chicago Street, MACRS must be utilized as § 179 does not apply to realty. The depreciable basis is only \$130,000 because the land costing \$35,000 cannot be depreciated. Depreciation then totals $\$130,000 \times 1.605\% = \$2,083$.

As many of the expenses deducted on Schedule C have been drawn from various sections of the fact pattern of this practice set, total expenses deducted on Schedule C, line 28 are summarized as follows:

Expenses paid out of general account	\$ 33,995
Expenses relating to the Rottweiler dog	1,100
Depreciation deducted under § 179	23,170
MACRS deduction	2,083
Professional journal listed in Section 3.6	<u>60</u>
Total expenses deducted on Schedule C, line 28	<u>\$60,408</u>

2.4 Dividends Received:

The following cash dividends or corporate distributions are fully includible and must be reported on Schedule B, line 5:

<u>Source</u>	<u>Qualifying Dividends</u>	<u>Nonqualifying Dividends</u>
Schwartz	\$3,500	\$1,500
First Natl Bank	1,500	-0-
Estate of Gerald	<u>3,000</u>	<u>200</u>
Total	<u>\$8,000</u>	<u>\$1,700</u>

All other items reported on the 1099-DIV from Schwartz are discussed in the following section dealing with capital gains.

2.5 Interest Received:

The following interest income is fully includible and must be reported on Schedule B, line 1:

Cornhusker Savings Bank	\$5,000
First Nebraska Bank, NA	<u>260</u>
Total taxable interest	<u>\$5,260</u>

2.6 Capital Gains:

Moira must report the following capital gains:

<u>Stock:</u>	<u>Proceeds:</u>	<u>Adj. Basis</u>	<u>Gain / (Loss)</u>	<u>Holding Period</u>
1 st National Bank	\$30,400	\$26,000	\$ 4,400	Long-term
Atchison Corp.	2,600	11,000	(8,400)	Short-term
Topeka Corp.	10,400	10,800	(400)	Long-term
Santa Fe. Corp.	- 0 -	2,300	(2,300)	Long-term
Homer	35,000	35,000	-0-	Long-term
Estate			6,000	Long-term
Schwartz			<u>6,200</u>	Long-term
Total long-term capital gain			\$ <u>5,500</u>	

The adjusted basis of the stock in Topeka Corporation is \$10,800 because the FMV at the time of the gift was lower than the adjusted basis to the donor. First National Bank Corporation stock qualifies as long-term property because it was acquired as inherited property. Basis is \$26,000 because that amount represented FMV at the time of death. No loss is allowed on the sale of the stock in Homer Corporation because sale was to a related party. As to capital gains reported from substitute Form 1099-DIV from Joseph Schwartz, the \$7,000 capital gain is reported on Schedule D, line 13. The \$600 long-term capital gain distribution from Schwartz would not be taxed at the 28 percent rate due to the application of the capital gain netting rules.

2.7 Other Income:

The ballroom dancing activity would be classified as a hobby because it has never earned a profit. Therefore, gross revenue of \$1,800 must be reported on Form 1040, line 21. Deductions cannot exceed gross revenue. Therefore, the following expenses are deductible as miscellaneous expenses on Schedule A, line 23 before the 2 percent of AGI limitation is limited to \$1,800.

Dancing lessons	\$ 850
Dancing costumes	2,100
Dancing shoes	200
Travel	<u>1,400</u>
Total costs	<u>\$4,550</u>

As to the sale of the house, proceeds from the sale would total \$275,000 less real estate brokerage commissions (\$9,000), advertising costs (\$600), legal fees (\$1,000), and loan placement fees (\$1,600) for a total of \$262,800. Fix-up costs do not factor into the calculation of amount realized on the sale of a primary residence.

Maira's basis in the house would be \$145,000, the FMV of the house at the time of Gerald's death. Realized gain is then \$262,800 less \$145,000 for a gain of \$117,800. As this amount is less than the § 121 exclusion, no capital gain would be recognized on the sale of the house.

The vacation home in Fraser, Colorado, qualifies as primary rental property. Therefore, its taxable transactions are reportable on Schedule E. Maira must report all revenues, but she can deduct 88.89 percent (80 days/90 days) of all allowable costs. The following expenses are deductible on Schedule E:

Mortgage interest	\$3,556
Property taxes	2,222*
Utilities and maintenance	1,067
Depreciation	<u>2,909</u>
Total deductions	<u>\$9,754</u>

* Balance of \$278 (\$2,500 – \$2,222) is deductible on Schedule A as relating to second home.

** Calculated as $\$90,000 \times 3.636\% \times 90\%$

Because this home is not classified as personal/rental, the issue as to whether the court's approach or the IRS approach applies is irrelevant.

In terms of other income listed, only the following is includible:

- Jury duty fees of \$12, which is reported on Form 1040, line 21.
- Gambling winnings of \$280, which is also listed on Form 1040, line 21.

3.0 EXPENSES:**3.1 Medical Expenses:**

The following medical-related expenses are deductible before the 7.5 percent of AGI limitation on Schedule A, line 1.

Doctor bills for Moira	\$1,200
Dentist bills for Oliver	<u>\$2,000</u>
Total qualifying expenses	<u>\$3,200</u>

Schedule A, line 1 shows a deficit of \$200 because aggregate qualifying expenses of \$3,200 must be subtracted against deductible health insurance premium of \$3,400. Moira can deduct her entire health insurance premium of \$3,400 on Form 1040, line 29.

Funeral expenses are not deductible.

3.2 Payments on Debt:

The following interest is deductible on Schedule A, line 10:

Mortgage interest on their home	\$7,200
Interest on loan to buy boat	<u>1,900</u>
Total interest deductible on Schedule A, line 10	<u>\$9,100</u>

The margin interest of \$3,000 on the loan to buy stock in Norfolk Southern Corporation is deductible and is reported on Schedule A, line 14. Form 4952 must also be filed. As noted on Form 4952, investment income consists of all interest and dividend income. Aggregate deductible interest expenses are then \$12,100.

3.3 State and Local Taxes and Fees:

The following income taxes paid to Kansas are deductible on Schedule A, line 5:

Withholding	\$ 930
Amount paid on Kansas tax return	<u>535</u>
Total deductible state income taxes	<u>\$1,465</u>

The sales tax deduction using a 7.5 percent sales tax rate would produce an inferior deduction.

The following real estate property taxes are deductible on Schedule A, line 6:

Property taxes on home	\$2,590
Property taxes on vacation home	<u>278</u>
Total deductible realty property taxes	<u>\$2,868</u>

The property taxes on the boat can be deducted on Schedule A, line 7.

3.4 Charitable Contributions:

The following charitable contributions are deductible on Schedule A, line 16:

Payment to United Way listed in Section 2.3	\$4,000
Payment to St. John Cantius Church	3,000
Payment to Muscular Dystrophy Association	1,500
Payment to Leukemia Society	<u>900</u>
Total charitable gifts reported on line 16	<u>\$9,400</u>

3.5 Educational Expenses:

Tuition and required fees paid for the benefit of Michael John Ryan do not qualify for either the lifetime learning credit nor the tuition and fees deduction because he is not a dependent. Moira cannot claim either the tuition deduction or the lifetime learning credit for the payment of tuition and fees for the benefit of Kelly Marie Ryan because she does not qualify as their dependent either. Mora can claim the HOPE credit for Oliver on Form 8863. The amount of the credit would total \$2,500.

3.6 Other Expenses and Payments:

Moira can deduct the following payments:

- Subscription to *Catering News* \$ 60
- Safe deposit box for stock certificates 55

The subscription to a professional journal is an expense associated with a trade or business. It is reported on Schedule C, line 27. The safe deposit box rental is reported on Schedule A, line 23.

Moira has a theft-loss deduction related to the burglary. Because it was property not related to a trade or business that was completely lost, the adjusted basis (\$17,400) is the measure of the loss. From this amount, insurance recovery (\$4,500), 10 percent of AGI (\$7,446) and \$100 is subtracted. This loss is reported on Schedule A, line 20. Form 4684 must be filed.

Moira cannot deduct the cost of installing the alarm because their principal residence is a personal use asset. However, the Rottweiler dog and the expenses associated with it are business-related, and are reported on Schedule C. See earlier discussions of Section 2.3.

Moira is allowed a credit of \$1,500 for the installation of the geothermal system. The credit is calculated on Form 5695. As this is a nonrefundable credit, she can utilize only \$591 of the credit in 2009. The balance of \$909 can be carried forward to 2010.

Moira can deduct certain moving expenses. Deductible expenses include \$2,000 to move household goods. Deductible automobile expenses are calculated as 379 miles at \$.24 per mile for a total of \$91. Payments for meals while in transit are not deductible. Form 3903 must be filed.

Calculation of Tax Liability:

The tax liability for Moira is calculated as follows:

Tax on ordinary income of \$17,904	\$1,416*
Tax on long-term capital gains and Qualifying dividends	<u>675**</u>
Total tax liability	<u>\$2,091</u>

* Per Tax Table
 ** Taxed at flat rate of 5 percent

