

CASE STUDIES

Case Study A

David W. Green, 1234 Main Street, Middletown, WI 87654, is single and his Social Security Number is 999-00-7654. During the school year he works part time after school for Employer A. During the summer he works full time at that job, and he also works part time for Employer B. He expects to earn about \$9,000 working for Employer A, and about \$3,000 working for Employer B. No one can claim him as a dependent, and he has no dependents on his own. David expects to receive about \$300 in interest income. He wants Employer A to withhold an extra \$2 from every paycheck. Fill out David's Form W-4 for each employer.

Case Study B

Using this Form W-2 information, complete Form 1040EZ for Joe Red. He worked as gas station attendant. Joe is single and is claimed as a dependent on his parents' return. He wants to contribute \$3 to the Presidential Election Campaign Fund.

Form W-2 information:

Joseph Red
615 Poplar Drive, Anytown, OH 45201
Social Security Number 987-00-4321
Super Service Station
702 Main Street, Anytown, OH 45201
Employer ID Number: 10-0001233
Wages: \$ 2,250
Federal income tax withheld: \$ 30
Social Security wages: \$ 2,250
Social Security tax withheld: \$ 139.50
Medicare wages and tips: \$ 2,250
Medicare tax withheld: \$ 32.63

Case Study C

Using this Form W-2 and 1099-INT information, fill out a correct Form 1040EZ for Susan A. Black. She is 20 years old, single, and cannot be claimed as a dependent on another person's return. She works as a receptionist and wants \$3 to go to the Presidential Election Campaign Fund.

W-2 information:

Susan A. Black
601 Turnbolt Street, Robin, MI 48200
Social Security Number 987-00-2080
ABC Stores
2001 Bent Road, Robin, MI 48200
Employer ID Number: 10-0001234
Wages: \$ 9,990
Federal income tax withheld: \$ 745
Social Security Wages \$ 9,990.00
Social Security tax withheld: \$ 619.38
Medicare wages and tips: \$ 9,990
Medicare tax withheld: \$ 144.86

Form 1099-INT information:

Town Bank, 5 State Street, Robin, MI 48200
Interest income: \$ 45
On line 8a enter "No" to the right of the word "below": and leave the boxes blank. Susan cannot take the Earned Income Tax Credit (EIC). She must be at least age 25 to qualify for the EIC.

Case Study D

Use the following information to complete Form 1040A for Eric H. Gray Eric is 16 years old, single, and has good eyesight. He worked as a clerk and earned a total of \$3,200 as reported on Form W-2. He can be claimed as a dependent on his parents' return. He wants to contribute \$3 to the Presidential Election Campaign Fund. Election Campaign Fund.

Eric H. Gray
514 Tenth Street, Bryan, KY 54612
Social Security Number 059-00-3212
Federal tax withheld and reported
on Form W-2: \$ 145
Interest income from Bryan National
Bank reported on Form 1099-INT: \$ 900

Case Study E

Use this Form W-2 and Form 1099-INT information to complete Form 1040A for Lisa M. White. She is single, is claimed by her parents as a dependent on their return, worked as a clerk, and does not want to contribute to the Presidential Election Campaign Fund. She is not blind.

Form W-2 information:

Lisa M. White
215 Rogers Street, Garden, LA 64312
Social Security Number 821-00-1234
Garden Center
500 Rose Lane, Garden, LA 64312
Employer ID Number: 10-5551212
Wages : \$ 1,950
Federal income taxes withheld: \$ 12
Social Security wages: \$ 1,950
Social Security tax withheld: \$ 120.90
Medicare wages and tips: \$ 1,950
Medicare tax withheld: \$ 28.28

Form 1099-INT information:

Garden National Bank
101 Main St.
Garden, LA 64312
Interest Income: \$ 817

FORM W-2

a Control number		22222	Void <input type="checkbox"/>		For Official Use Only ▶ OMB No. 1545-0008		
b Employer identification number			1 Wages, tips, other compensation	2 Federal income tax withheld			
c Employer's name, address, and ZIP code			3 Social security wages	4 Social security tax withheld			
			5 Medicare wages and tips	6 Medicare tax withheld			
			7 Social security tips	8 Allocated tips			
d Employee's social security number			9 Advance EIC payment	10 Dependent care benefits			
e Employee's name (first, middle initial, last)			11 Nonqualified plans	12 Benefits included in box 1			
			13 See instrs. for box 13	14 Other			
f Employee's address and ZIP code			15 Statutory employee <input type="checkbox"/>	Deceased <input type="checkbox"/>	Pension plan <input type="checkbox"/>	Legal rep. <input type="checkbox"/>	Deferred compensation <input type="checkbox"/>
16 State	Employer's state I.D. no.	17 State wages, tips, etc.	18 State income tax	19 Locality name	20 Local wages, tips, etc.	21 Local income tax	

Form W-2 Wage and Tax Statement 2000

Department of the Treasury—Internal Revenue Service
For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Copy A For Social Security Administration—Send this entire page with Form W-3 to the Social Security Administration; photocopies are not acceptable.

Cat. No. 10134D

FORM 1099-INT

9292 VOID CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.		Payer's RTN (optional)	OMB No. 1545-0112	
			2000 Interest Income	
		Form 1099-INT		
PAYER'S Federal identification number	RECIPIENT'S identification number	1 Interest income not included in box 3 \$		
RECIPIENT'S name		2 Early withdrawal penalty \$	3 Interest on U.S. Savings Bonds and Treas. obligations \$	
Street address (including apt. no.)		4 Federal income tax withheld \$	5 Investment expenses \$	
City, state, and ZIP code		6 Foreign tax paid \$	7 Foreign country or U.S. possession	
Account number (optional)	2nd TIN Not. <input type="checkbox"/>			

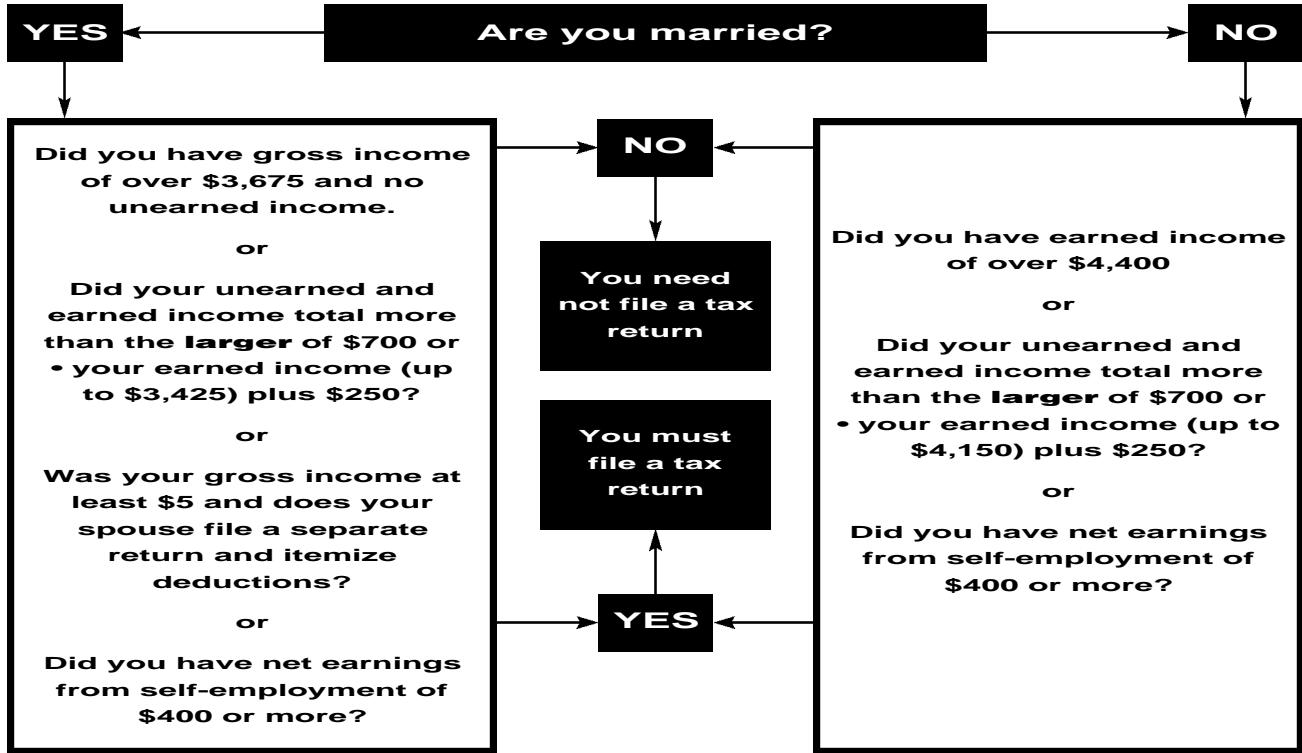
Form 1099-INT Cat. No. 14410K Department of the Treasury - Internal Revenue Service

Copy A For Internal Revenue Service Center
File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2000 General Instructions for Forms 1099, 1098, 5498, and W-2G.

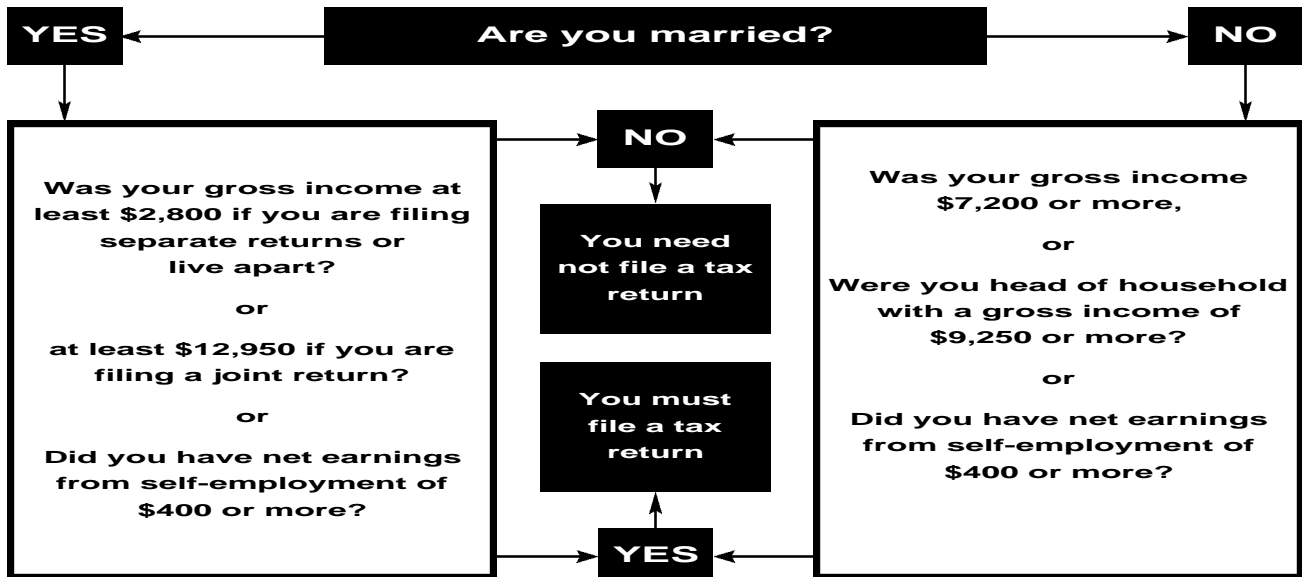
SHOULD YOU FILE A TAX RETURN?

Not everyone needs to file a tax return. Use the diagrams below to decide whether you need to file. Remember, however, it is necessary to file a return to get a refund of tax withheld from pay you earned, even if your total income does not require filing a return.

1. Assuming that you are under age 65 and not blind, can you be claimed as a dependent on someone else's return? If the answer is "yes," then...



2. Assuming that you are under 65 and not blind, can you be claimed as a dependent on someone else's return? If the answer is "no," then...



The income amounts shown are for 2000. They may change each year and should be checked.

WHICH TAX RETURN FORM SHOULD YOU USE?

	FILING STATUS	NUMBER OF EXEMPTIONS	TAXABLE INCOME	SOURCES OF INCOME LIMITED TO	ADJUSTMENTS, DEDUCTIONS, OTHER TAXES AND CREDITS
1040EZ	single or married filing jointly under age 65 and not blind	single-claim only one exemption for yourself married-claiming two exemptions (yourself and spouse), no dependents	less than \$50,000	wages, salaries, tips, unemployment compensation, taxable scholarship and fellowship grants, Alaska Permanent Fund, dividends, qualified state tuition program earnings, and not more than \$400 of taxable interest income	no income adjustments itemized deductions, or other taxes; earned income credit allowed
1040A	single, or married filing joint or separate returns, head of household, qualifying widow or widower	all eligible exemptions	less than \$50,000	wages, salaries, tips, taxable scholarships, fellowship grants, Alaska, Permanent Fund, dividends, qualified state tuition program earnings, capital gain distributions, interest, dividends, pensions, annuities, IRAs, unemployment compensation, taxable social security benefits and railroad retirement benefits	certain IRA contributions, student loan interest deductions, advance earned income credit payments, child and dependent care credit, earned income credit, child tax credit, education credits, adoption credit, credit for elderly or disabled; no itemized deductions
1040	Any taxpayer can use Form 1040 (not covered in this class)				

