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CFS Tax Software
P.O. Box 879
Simi Valley, CA 93062-0879

Auto Lease Inclusion Amount

Name: JOHN & MARY SMITH

ID#: 000-00-0000

Vehicle Description: 2012 Mercedes C-300

Passenger Auto

Truck/Van

1. Date of Lease	05/15/2012
2. Term of Lease (Months)	36
3. Current Tax Year	2012
4. Fair Market Value	\$ 45,000
5. Number of Days Leased in Current Tax Year	231
6. Business/Investment Mileage	15,000
7. Total Mileage	17,500
8. Dollar Amount From Table	\$ 17
9. Business/Investment Mileage Percentage (Line 6 / line 7)	85.71%
10. Percent of Days Leased in Current Tax Year 2012 (Line 5 / 365 or 366)	63.11%
11. Lease Inclusion Amount For Tax Year 2012 (Line 8 x line 9 x line 10)	\$ 9

Social Security Benefits Take It at Age 62 or Later?

Name: JOHN SMITH

000-00-0000

Input:

Date of birth 10/10/1950
 Male or Female
 Full social security retirement age 66 yr. 0 mo.
 Monthly benefits at full retirement age 1,500
 Life expectancy at full retirement age 82
 Alternate life expectancy at full retirement age
 Projected rate of inflation 3.00 %
 Rate of return for net present value (NPV) calculations ** 5.00 %

Results:

Age benefits start	62	63	64	65	66	67	68	69	70
Remaining life expectancy (years)	18.85	18.11	17.38	16.67	15.96	15.27	14.59	13.93	13.27
Monthly benefits *	1,150	1,264	1,393	1,564	1,726	1,920	2,124	2,339	2,565
Annual benefits	13,804	15,166	16,714	18,771	20,715	23,043	25,493	28,068	30,776
NPV of benefits paid over lifetime **	220,374	230,588	232,011	237,228	237,627	251,749	251,928	249,936	260,993
Total benefits paid over lifetime *	370,911	407,510	419,806	439,509	450,790	501,459	513,855	522,041	572,394
Benefits gained over lifetime vs taking benefits at age 62 *		36,599	48,895	68,598	79,879	130,548	142,944	151,130	201,483
Age at breakeven vs age 62		75	75	75	75	76	76	77	78

* Inflation adjusted

** Net present value (NPV) is a method for comparing the value of money now with the value of money in the future. NPV is today's value of a future payment or stream of payments invested at a conservative rate of return (ROR).

These calculations are based on a projection of future events, and should be used for planning purposes only.

Small Business Health Care Tax Credit Worksheet

Business name Acme Incorporated Southern

77-1231456

Tax Year 2012

Step 1 Determine the total number of employees (not counting owners or family members)

Number of full-time employees		10
Total annual hours of part-time employees	30,000	
Full-time equivalent of part-time employees		14
Total employees		24

*If total employees is less than 25 go to Step 2,
otherwise STOP here, you do not qualify for the credit*

Step 2 Calculate the average annual wages of employees (not counting owners or family members)

Total annual wages paid to employees		200,000
Average wages (total wages divided by number of employees)		8,000

*If average wages is less than \$50,000 go to Step 3,
otherwise STOP here, you do not qualify for the credit*

Step 3 Determine eligibility for Small Business Health Care Tax Credit (not counting owners or family members)

No. Single coverage enrollees	5	Total Single coverage premium paid	25,000
		Percent of Total annual Single coverage premiums paid by employer	55%
No. Family coverage enrollees	5	Total Family coverage premium paid . . .	25,000
		Percent of Total annual Family coverage premiums paid by employer	55%
Total annual premiums paid by employer (not counting owners or family members)			27,500
Did employer pay at least 50% of the premium for the above employees? (50% of single coverage premium in 2010/2011)			Yes
State in which business operates			CALIFORNIA
Average single coverage premium for small group market in state			4,999
Average family coverage premium for small group market in state			12,161
Is employer a tax exempt organization?			No
Total employee income tax and Medicare withheld plus employer's share of Medicare (Tax exempt organization limitation)			

Step 4 Determine Maximum Small Business Health Care Tax Credit

Credit before limitation or phaseout		9,625
Credit limited by state market average		9,624
Phaseout due to employees in excess of 10		(8,982)
Phaseout due to average salary in excess of \$25,000		0
Tax exempt organization limitation		N/A
Maximum Small Business Health Care Tax Credit		642

Sale of Principal Residence (for sales after December 31, 2008)

Name: JOHN & MARY SMITH

SSN: 000-00-0000

Part I. Computation of Realized Gain on Sale of Principal Residence

1. Date of Purchase		04/15/1989
2. Date of Sale		02/15/2012
3. Sales Price	\$	635,000
4. Expenses of Sale	\$	26,329
5. Amount Realized (line 3 less line 4)	\$	608,671
6. Adjusted Basis of Residence Sold:		
a) Original Purchase Price	\$	35,000
b) Expenses of Acquisition		1,750
c) Improvements and Additions		49,550
d) Other Increases to Basis		
e) Deferred Gains from Previous Sales		
f) Depreciation Allowed or Allowable Before 5/7/1997		
g) Depreciation Allowed or Allowable After 5/6/1997		
h) Residential Energy Credits		
i) Other Decreases to Basis		
7. Adjusted Basis of Residence Sold (6a-i)	\$	86,300
8. Realized Gain (Loss) on Sale (line 5 less line 7). If this is a loss, STOP.	\$	522,371

Part II. Exclusion and Taxable Gain for Sales After December 31, 2008

9. Depreciation Allowed or Allowable After 5/6/1997		\$		0
10. Line 8 less line 9, if less than zero, enter zero		\$		522,371
11 a. Are you filing Married Filing Joint in year of sale (Y/N)?	Yes		(a)	(b)
b. Do you qualify to claim an exclusion for a deceased spouse?			<u>Taxpayer</u>	<u>Spouse</u>
12 a. Did you own the home for at least 2 out of the last 5 years?	Yes		Yes	Yes
b. Was this house your principal residence for at least 2 out of 5 years?	No		No	No
c. Did you claim an exclusion of gain from sale of residence within last 2 years?	No		No	No
d. Do you qualify for a reduced exclusion due to change of place of employment, health, or other unforeseen circumstance?	Yes		Yes	Yes
13. Maximum Exclusion		\$	250,000	250,000
14. Number of days owned property			8,341	8,341
15. Number of days used as main home during 5 year period			425	425
16. If you excluded gain from the sale of another home after May 6, 1997, enter the number of days between date of sale of the other home and date of sale of this home. Otherwise leave this line blank.				
17. If 12d is "Yes", divide the smaller of line 14, 15, or 16 by 730 days			0.5822	0.5822
18. Line 13 or multiply line 13 x line 17 (Reduced Exclusion Amount)		\$	145,550	145,550
19. Maximum Exclusion Amount (add line 18a and line 18b)		\$		291,100
20. Number of days of NON-QUALIFIED use of property after 12/31/2008 and before date of last residency			0	
21. Divide line 20 by line 14			0.	
22. Multiply line 10 x line 21 (NON-qualified gain)		\$	0	
23. Subtract line 22 from line 10 (Qualified gain)		\$	522,371	
24. Lesser of line 23 or line 19, this is the excluded gain		\$		291,100
25. Taxable Gain (line 8 less line 24)		\$		231,271
26. Depreciation subject to recapture (lesser of line 9 or line 25)		\$		0
27. Gain on sale of residence subject to max. cap gain rate (line 25 less line 26)		\$		231,271
28. Total reportable gain (add line 26 and line 27)		\$		231,271

Prepared By:

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05-02-2013

Why Convert a Traditional IRA to a Roth IRA? - Detail Calculations

Name: Todd Arthur

Assumptions:

- Non-IRA funds used to pay tax
- Conversion after 1998

1. Amount to be converted to Roth IRA	\$	25,000
2. Amount of nondeductible contributions incl. above		
3. Taxable amount		25,000
4. Federal/state tax = 25,000 x .3304	\$	8,260

	Traditional IRA	Roth IRA
5. Value of IRA at time of transfer	\$ 25,000	25,000
6. Value of taxes saved at transfer	8,260	N/A
7. Value of IRA at start of distr. period	104,431	104,431
8. Future value of taxes saved (after tax)	<u>21,837</u>	<u>N/A</u>
9. Total value at start of distribution	126,268	104,431
10. IRA distributions	171,989	171,989
11. Basis	<u> </u>	<u>N/A</u>
12. Taxable amount	171,989	--
13. Federal/state tax = 171,989 x .3304	<u>56,825</u>	<u>--</u>
14. After-tax IRA distribution (ln 10 - ln 13)	115,164	171,989
15. After-tax distribution of taxes saved	<u>30,894</u>	<u>N/A</u>
	146,058	171,989

Notes:

- Line 6 - If the transfer is not made, the funds used to pay the tax on the transfer to the Roth IRA are saved.
- Line 7 - Values at start of the distribution period result from earning 10.00% per year for 15 years.
- Line 8 - The taxable account containing the taxes saved earns 10.00% before taxes or 6.70% after taxes ($10.00 \times [1 - .3304] = 6.6960$) for 15 years.
- Line 10 - Total IRA distributions are based on annual withdrawals from the IRA start value of \$104,431 over a 15-year period while earning 7.00%. Standard annuity calculations yield an annual distribution of \$11,466 multiplied by 15 years equals \$171,989.
- Line 15 - After-tax distribution of taxes saved is based on annual withdrawals over a 15-year period while earning 4.69% ($7.00 \times [1 - .3304]$).

Reverse Mortgage Estimator

Name: Todd Arthur

	Mortgage Type			
	HUD HECM* Standard Monthly Adjusting	HUD HECM* Standard Fixed Rate	HUD HECM* Saver Monthly Adjusting	HUD HECM* Saver Fixed Rate
Current interest rate index	2.070 %		2.070 %	
Plus lender's margin	4.070 %		4.070 %	
Initial loan interest rate	6.140 %	5.150 %	6.140 %	5.150 %
Plus mortgage insurance	1.250 %	1.250 %	1.250 %	1.250 %
Initial total loan rate	7.390 %	6.400 %	7.390 %	6.400 %
Lifetime cap on loan rate	17.390 %	5.150 %	17.390 %	5.150 %
HECM expected rate	6.280 %	5.150 %	6.280 %	5.150 %
Monthly service fee	30	30	35	30
Home value	450,000	450,000	450,000	450,000
Maximum loan limit	625,500	625,500	625,500	625,500
Lesser of max. limit or home value	450,000	450,000	450,000	450,000
Age of youngest borrower	62	62	62	62
Loan principal limit	210,600	269,100	167,850	226,350
Less loan fees to lender	6,000	6,000	6,000	6,000
Less Mortgage insurance	9,000	9,000	45	45
Less other closing costs (est.)	7,100	7,100	7,100	7,100
Less service fee set aside	4,631	5,285	5,403	5,285
Net principal limit	183,869	241,715	149,302	207,920
Less current mortgage	0	0	0	0
Less any cash received at closing	0	0	0	0
Credit line available	183,869	241,715	149,302	207,920
Withdrawal Options:				
1) Single lump sum advance	183,869	241,715	149,302	207,920
2) OR credit line that grows larger each year by	7.646 %	N/A	7.646 %	N/A
if unused, increases in 5 years to	265,758	N/A	215,796	N/A
in 10 years to	384,120	N/A	311,906	N/A
3) OR monthly advance for as long as you live in your home	1,547	N/A	1,256	N/A
4) OR any combination of lump sum at closing, credit line, and monthly advance.				
Total fees and costs	22,100	22,100	13,145	13,145

Caution: The calculated amounts are estimates for planning purposes only. Actual results may vary depending on the lender, interest rates and the appraisal of home market value at the time of the loan.

* Home Equity Conversion Mortgage

Qualified Loan Limit and Deductible Mortgage Interest Worksheet

Name: Joe I. & Mary Harris

ID#: 123-45-6789

Current Tax Year: 2012 Married Filing Separate (Y/N)? N

Fair Market Value of Residences (as of date last debt secured) 3,580,000 * Required

This module calculates the deductible mortgage interest for both regular income tax and AMT. The calculations are approximations based on the methods described in IRS Pub 936 and Form 6251 Instructions. Payments on mixed use loans are applied first to personal (home equity) debt, next, to any grandfathered debt, and, finally, to any home acquisition debt. Enter mortgage data below and view deductible interest calculations on the summary page.

MORTGAGE SCHEDULE

<u>Reference</u>	<u>Loan # 1</u>	<u>Loan # 2</u>	<u>Loan # 3</u>	<u>Loan # 4</u>	<u>Loan # 5</u>
Description	Home	2nd Mortgage			
Date originated	05/01/1986	02/01/2007			

Current year data

Month of first payment * Required . .	1	1			
Beginning balance	1,100,000	190,000			
Principal payments	100,000	12,000			
Amount refinanced/paid off					
Ending balance	1,000,000	178,000			
Month of last payment * Required . .	12	12			
Interest paid	80,000	5,500			
No. Months a Qualified Home * Required	12	12			

Allocate beginning balance

Acquisition/Improve debt		180,000			
Grandfathered debt	1,100,000				
Home equity/Personal debt	0	10,000			

Ending balance

Acquisition/Improve debt	0	178,000			
Grandfathered debt	1,000,000	0			
Home equity/Personal debt	0	0			

Average balance

Acquisition/Improve debt	0	179,750			
Grandfathered debt	1,045,833	0			
Home equity/Personal debt	0	3,750			

AMT adjustment

Portion of above used to acquire a NON-QUALIFIED (for AMT) 2nd home 80,000

Recap

Average balance Grandfathered debt (before 10/13/1987)	1,045,833
Average balance Acquisition/Improvement debt (after 10/13/1987)	179,750
Average balance Home Equity/Personal debt	3,750
Average balance on all mortgages	1,229,333
Total ending balance on all mortgages	1,178,000
Total interest paid	85,500

Qualified Loan Limit and Deductible Mortgage Interest Summary

Name: Joe I. & Mary Harris

ID#: 123-45-6789

Current Tax Year: 2012 Married Filing Separate (Y/N)? N

1. Average balance of all Grandfathered debt (before 10/13/1987)	1,045,833
2. Average balance of all Acquisition debt (after 10/13/1987 to acquire or improve)	179,750
3. Limitation \$1,000,000 or \$500,000	1,000,000
4. The greater of Line 1 or Line 3	1,045,833
5. Add Line 1 and Line 2	1,225,583
6. Smaller of Line 4 or Line 5	1,045,833
7. Fair Market Value of Home (as of date last debt secured)	3,580,000
8. Smaller of \$100,000 (MFS \$50,000) or FMV minus Line 5 or Home Equity Debt	100,000
9. Qualified Loan Limit (Add Line 6 and Line 8)	1,145,833
10. Average Balance on all mortgages	1,229,333
11. Total interest paid.	85,500
12. Divide Line 9 by Line 10	0.93208
13. <u>Deductible Interest</u> - Form 1040, Schedule A (Line 11 x Line 12)	79,693
14. Non-Deductible Interest (Line 11 - Line 13)	5,807

AMT Calculation:

	Allocation of Interest Paid				
15. Allocation of interest paid:	Total Interest	Non-Deductible Interest	Deductible Interest	=	Deductible Interest
a. Acquisition (Qualified for AMT)/Grandfathered	79,683	-	3,081	=	76,602
b. Acquisition (Non-Qualified for AMT)	5,556	-	2,465	=	3,091
c. Home Equity/Personal	261	-	261	=	0
16. <u>Home mortgage interest adjustment</u> - Form 6251, Part I (Add Lines 15b and 15c)				=	3,091

2013 Paycheck Withholding Calculator

Employer Name: Jim's Plumbing
 Employer Address: 405 W Edgerton St
 Simi Valley CA 93063

Telephone: (805) 555-5555

Employee Name: John Smith
 Payroll Period Ending: 05/03/2013

Check Number: 1157

SSN: 123-45-6789
 Pay Date: 05/10/2013

Input Data

GROSS AMOUNT of pay per period	1,000.00
Pay period	Weekly
Amount of pre-tax deductions per pay period	
Amount of pre-tax deductions also exempt from Social Security	
Federal Filing status	Married
Spouse works or taxpayer has two jobs	Yes
Number of Federal allowances	2
Extra Federal withholding per pay period	
OR , Federal withholding percentage per pay period	%
Social Security (Basic)	6.20%
Social Security (Medicare)	1.45%
Other paycheck deductions	

State: California	State taxable pay if different than Federal		
Filing Status: Married Filing Joint	Deduction Type	Credit Type	
State regular or personal (taxpayer, spouse) allowances	N/A	2	
State dependent allowances (if not included above)	N/A	N/A	
Other state allowances: Itemized		N/A	
Extra state withholding per pay period			
AND state withholding percentage of pay			%
OR state withholding percentage of federal withholding			%

Locality: California SDI	Local taxable pay if different than Federal		
Filing Status: All Filers	Deduction Type	Credit Type	
Local regular or personal (taxpayer, spouse) allowances	N/A	N/A	
Local dependent allowances (if not included above)	N/A	N/A	
Other local allowances:	N/A	N/A	
Extra local withholding per pay period			
AND local withholding percentage of pay			%
OR local withholding percentage of federal withholding			%

Calculated Results

Federal tax withheld is \$	4,492.50	per year or \$	86.39	per pay period.
State tax withheld is \$	779.44	per year or \$	14.99	per pay period.

Net Paycheck Information

YTD

Gross pay	1,000.00	9,828.26
Pre-tax deductions		0.00
Federal withholding	86.39	899.47
Social Security (Basic)	62.00	609.35
Social Security (Medicare)	14.50	142.51
Additional Medicare Tax withholding	0.00	
State withholding	14.99	278.32
Local withholding	10.00	98.28
Other deductions		0.00
Total deductions	187.88	2,027.93
Net paycheck	812.12	7,800.33

Prepared By:

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05-02-2013

Collection Information Statement for Wage Earners and Self-Employed Individuals

Use this form if you are

- An individual who owes income tax on a Form 1040, U.S. Individual Income Tax Return
 - An individual with a personal liability for Excise Tax
 - An individual responsible for a Trust Fund Recovery Penalty
- An individual who is personally responsible for a partnership liability
 - An individual who is self-employed or has self-employment income. You are considered to be self-employed if you are in business for yourself, or carry on a trade or business.

Wage earners Complete sections 1, 3, 4 (Box1), 6, and 7 including signature line on page 7.

Self-employed individuals Complete all sections and signature line on page 7

Note: Include attachments if additional space is needed to respond completely to any question.

Section 1 Personal and Household Information

Last Name SMITH		First Name JOHN		Date of Birth (mm/dd/yyyy) 01/01/1950	Social Security Number 123-45-6789
Marital status <input type="checkbox"/> Married <input type="checkbox"/> Unmarried	Home Address (Street, City, State, ZIP Code) 1234 MAIN ST ANYTOWN CA 91234-4568			Do you: <input checked="" type="checkbox"/> Own your home <input type="checkbox"/> Rent <input type="checkbox"/> Other (specify e.g., share rent, live with relative, etc.)	
County of Residence ANYCOUNTRY		Primary Phone (800) 555-3344		Mailing Address (if different from above or Post Office Box number)	
Secondary Phone (805) 555-2234		Fax Number (805) 555-4567			
Employer's Name IAM ANEMPLOYER			Employer's Address (Street, City, State, ZIP Code) 4321 MAIN ST ANYTOWN CA 91234-4863		
Occupation CLERK		How Long? 10 YEARS			

Provide information about your spouse.

Spouse's Last Name SMITH		First Name MARY		Date of Birth (mm/dd/yyyy) 01/01/1951	Social Security Number 987-65-4321
Occupation HOMEMAKER			Employer's Address (Street, City, State, ZIP Code)		
Employer's Name					

Provide information for all other persons in the household or claimed as a dependent.

Name	Age	Relationship	Claimed as a dependent on your Form 1040?	Contributes to household income?
JOE SMITH	17	SON	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
JIM SMITH	14	SON	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
JILL SMITH	9	DAUGHTER	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

Section 2 Self-employed Information

If you or your spouse is self-employed, complete this section.

Is your business a sole proprietorship (filing Schedule C)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Address of Business (If other than personal residence)			
Name of Business					
Business Telephone Number	Employer Identification Number	Business Website		Trade Name or dba	
Description of Business	Total Number of Employees	Frequency of Tax Deposits	Average Gross Monthly Payroll \$		

Offer in Compromise

Attach Application Fee and Payment (check or money order) here.

IRS Received Date

Section 1 Your Contact Information

Your First Name, Middle Initial, Last Name

JOHN SMITH

If a Joint Offer, Spouse's First Name, Middle Initial, Last Name

MARY SMITH

Your Physical Home Address (Street, City, State, ZIP Code)

1234 MAIN ST

Mailing Address (if different than above or Post Office Box number)

ANYTOWN CA 91234-4568

Business Name

Your Business Address (Street, City, State, ZIP Code)

Social Security Number (SSN)
(Primary)

123-45-6789

(Secondary)

987-65-4321

Employer Identification Number
(EIN)

(EIN not included in offer)

Section 2 Tax Periods

To: Commissioner of Internal Revenue Service

In the following agreement, the pronoun "we" may be assumed in place of "I" when there are joint liabilities and both parties are signing this agreement.

I submit this offer to compromise the tax liabilities plus any interest, penalties, additions to tax, and additional amounts required by law for the tax type and period(s) marked below:

1040 Income Tax-Year(s) 2008, 2009, 2010

1120 Income Tax-Year(s) _____

941 Employer's Quarterly Federal Tax Return - Quarterly period(s) _____

940 Employer's Annual Federal Unemployment (FUTA) Tax Return - Year(s) _____

Trust Fund Recovery Penalty as a responsible person of (enter corporation name) _____
for failure to pay withholding and Federal Insurance Contributions Act taxes (Social Security taxes), for period(s) ending _____

Other Federal Tax(es) [specify type(s) and period(s)] _____

Note: If you need more space, use attachment and title it "Attachment to Form 656 dated _____." Make sure to sign and date the attachment.

Section 3 Reason for Offer

Doubt as to Collectibility - I have insufficient assets and income to pay the full amount.

Exceptional Circumstances (Effective Tax Administration) - I owe this amount and have sufficient assets to pay the full amount, but due to my exceptional circumstances, requiring full payment would cause an economic hardship or would be unfair and inequitable. I am submitting a written narrative explaining my circumstances.

Section 3 (Continued) Reason for Offer

Explanation of Circumstances (Add additional pages, if needed)

The IRS understands that there are unplanned events or special circumstances, such as a serious illness, where paying the full amount or the minimum offer amount might impair your ability to provide for yourself and your family. If this is the case and you can provide documentation to prove your situation, then your offer may be accepted despite your financial profile. Describe your situation below and attach appropriate documents to this offer application.

Section 4 Low Income Certification (Individuals Only)

Do you qualify for Low-Income Certification? You qualify if your gross monthly household income is less than or equal to the amount shown in the chart below based on your family size and where you live. If you qualify, you are not required to submit any payments during the consideration of your offer.

Check here if you qualify for Low-Income Certification based on the monthly income guidelines below.

Size of family unit	48 contiguous states and D.C.	Hawaii	Alaska
1	\$2,327	\$2,679	\$2,910
2	\$3,152	\$3,627	\$3,942
3	\$3,997	\$4,575	\$4,973
4	\$4,802	\$5,523	\$6,004
5	\$5,627	\$6,471	\$7,035
6	\$6,452	\$7,419	\$8,067
7	\$7,277	\$8,367	\$9,098
8	\$8,102	\$9,315	\$10,129
For each additional person, add	\$825	\$948	\$1,031

Section 5 Payment Terms

Check one of the payment options below to indicate how long it will take you to pay your offer in full

Lump Sum Cash

Enter the amount of your offer \$ 10,000

Check here if you will pay your offer in five or fewer payments:

Enclose a check for 20% of the offer amount (waived if you are an individual and met the requirements for Low-Income certification) and fill in the amount(s) and date(s) of your future payment(s). Your offer must be fully paid 24 months from the date your offer is accepted.

Total Offer Amount	-	20% Initial Payment	=	Remaining Balance
\$ 10,000	-	\$ 2,000	=	\$ 8,000

You may pay the remaining balance in one payment after acceptance of the offer or up to five payments.

- 1) \$ 2,000 paid on the 15th (day), 4 month(s) after acceptance.
- 2) \$ 2,000 paid on the 15th (day), 8 month(s) after acceptance.
- 3) \$ 2,000 paid on the 15th (day), 12 month(s) after acceptance.
- 4) \$ 2,000 paid on the 15th (day), 16 month(s) after acceptance.
- 5) \$ _____ paid on the _____ (day), _____ month(s) after acceptance.

Periodic Payment

Enter the amount of your offer \$ _____

Check here if you will pay your offer in full in more than five monthly installments.

Enclose a check for one month's installment (waived if you are an individual and met the requirements for Low-Income certification)

\$ _____ is being submitted with the Form 656 and then \$ _____ on the _____ (day) of each month thereafter for a total of _____ months (may not exceed 23). Total payments must equal the total Offer Amount.

You must continue to make these monthly payments while the IRS is considering the offer. Failure to make regular monthly payments will cause your offer to be returned.

Mutual Fund Transactions (Using Average Cost Basis Method)

Client: JOHN SMITH
Fund: Stoneybrook Growth and Income Fund

ID#: 000-00-0000
Account No: 01-234567890

No	Date	Type	Number of Shares		\$ Cost Basis			\$ Amount	
			Transaction	Balance	Transaction	Balance	Average	Sales Price	Gain (Loss)
1	01/01/99	Buy	10.000	10.000	300.00	300.00	30.000		
2	04/01/99	Buy	9.750	19.750	300.00	600.00	30.380		
3	07/01/99	Buy	9.500	29.250	300.00	900.00	30.769		
4	10/01/99	Buy	9.250	38.500	300.00	1,200.00	31.169		
5	12/15/99	Reinvest	.800	39.300	25.00	1,225.00	31.170		
6	01/01/00	Buy	9.000	48.300	300.00	1,525.00	31.573		
7	04/01/00	Buy	8.750	57.050	300.00	1,825.00	31.989		
8	07/01/00	Buy	8.500	65.550	300.00	2,125.00	32.418		
9	10/01/00	Buy	8.250	73.800	300.00	2,425.00	32.859		
10	12/15/00	Reinvest	1.500	75.300	50.00	2,475.00	32.869		
11	01/01/01	Buy	8.000	83.300	300.00	2,775.00	33.313		
12	04/01/01	Buy	7.750	91.050	300.00	3,075.00	33.773		
13	07/01/01	Buy	7.500	98.550	300.00	3,375.00	34.247		
14	10/01/01	Buy	7.250	105.800	300.00	3,675.00	34.735		
15	12/15/01	Reinvest	2.000	107.800	75.00	3,750.00	34.787		
16	01/01/02	Buy	7.000	114.800	300.00	4,050.00	35.279		
17	04/01/02	Buy	6.750	121.550	300.00	4,350.00	35.788		
18	07/01/02	Buy	6.500	128.050	300.00	4,650.00	36.314		
19	10/01/02	Buy	6.250	134.300	300.00	4,950.00	36.858		
20	12/15/02	Reinvest	2.500	136.800	100.00	5,050.00	36.915		
21	01/01/03	Buy	6.000	142.800	300.00	5,350.00	37.465		
22	04/01/03	Buy	5.750	148.550	300.00	5,650.00	38.034		
23	07/01/03	Buy	5.500	154.050	300.00	5,950.00	38.624		
24	10/01/03	Buy	5.250	159.300	300.00	6,250.00	39.234		
25	12/15/03	Reinvest	2.200	161.500	125.00	6,375.00	39.474		
26	01/01/04	Buy	5.000	166.500	300.00	6,675.00	40.090		
27	04/01/04	Buy	4.750	171.250	300.00	6,975.00	40.730		
28	07/01/04	Buy	4.500	175.750	300.00	7,275.00	41.394		
29	10/01/04	Buy	4.250	180.000	300.00	7,575.00	42.083		
30	12/15/04	Reinvest	2.300	182.300	150.00	7,725.00	42.375		
31	01/01/05	Buy	4.000	186.300	300.00	8,025.00	43.076		
32	04/01/05	Buy	3.750	190.050	300.00	8,325.00	43.804		
33	07/01/05	Buy	3.500	193.550	300.00	8,625.00	44.562		
34	10/01/05	Buy	3.250	196.800	300.00	8,925.00	45.351		
35	12/15/05	Reinvest	3.000	199.800	180.00	9,105.00	45.571		
36	01/01/06	Buy	3.000	202.800	300.00	9,405.00	46.376		
37	04/01/06	Buy	2.750	205.550	300.00	9,705.00	47.215		
38	07/01/06	Buy	2.500	208.050	300.00	10,005.00	48.089		
39	10/01/06	Buy	2.250	210.300	300.00	10,305.00	49.001		
40	12/15/06	Reinvest	5.000	215.300	200.00	10,505.00	48.792		
41	01/01/07	Buy	2.000	217.300	300.00	10,805.00	49.724		
42	04/01/07	Buy	1.750	219.050	300.00	11,105.00	50.696		
43	07/01/07	Buy	1.500	220.550	300.00	11,405.00	51.712		
44	10/01/07	Buy	1.250	221.800	300.00	11,705.00	52.773		
45	12/15/07	Reinvest	4.900	226.700	220.00	11,925.00	52.603		
46	01/01/08	Buy	1.000	227.700	300.00	12,225.00	53.689		
47	04/01/08	Buy	.750	228.450	300.00	12,525.00	54.826		
48	07/01/08	Buy	.500	228.950	300.00	12,825.00	56.017		
49	10/01/08	Buy	.250	229.200	300.00	13,125.00	57.264		
50	12/15/08	Reinvest	5.400	234.600	230.00	13,355.00	56.927		
51	01/01/09	Buy	1.000	235.600	300.00	13,655.00	57.958		
52	04/01/09	Buy	1.250	236.850	300.00	13,955.00	58.919		
53	07/01/09	Buy	1.500	238.350	300.00	14,255.00	59.807		
54	10/01/09	Buy	1.750	240.100	300.00	14,555.00	60.621		
55	12/15/09	Reinvest	5.800	245.900	240.00	14,795.00	60.167		
56	09/01/10	Sell	-20.000	225.900	-1,203.33	13,591.67	60.167	3,000.00	1,796.67
57	10/01/10	Reinvest	6.200	232.100	240.00	13,831.67	59.594		
58	11/15/10	Sell	-20.000	212.100	-1,191.87	12,639.79	59.594	3,000.00	1,808.13
59	12/15/10	Sell	-37.500	174.600	-2,234.76	10,405.04	59.594	5,000.00	2,765.24
60	02/15/11	Buy	5.000	179.600	750.00	11,155.04	62.110		
61	06/15/11	Sell	-10.000	169.600	-621.10	10,533.93	62.110	1,500.00	878.90
62	12/31/11	Sell	-37.500	132.100	-2,329.14	8,204.79	62.110	5,000.00	2,670.86
63	01/31/12	Sell	-20.000	112.100	-1,242.21	6,962.58	62.110	300.00	-942.21
64	03/31/12	Buy	10.000	122.100	1,000.00	7,962.58	65.214		
65	06/30/12	Sell	-5.000	117.100	-326.07	7,636.51	65.214	750.00	423.93
66	09/30/12	Sell	-2.500	114.600	-163.03	7,473.48	65.214	500.00	336.97
67	12/31/12	Sell	-2.000	112.600	-130.43	7,343.05	65.214	500.00	369.57

Total: 19,550.00 10,108.06

Missing Information Sheet

Name: JOHN & MARY SMITH Date: 05/01/2013
Tel. (Home): (805) 333-4444 Tel. (Work): (805) 333-4555 Fax: _____ Tax Year: 2012

The following information is required to complete your return:

INCOME

- W-2's**
CFS _____
Gary Ford _____

- 1099R's** (Pensions, IRAs, etc.)

- INTEREST:**
Bank of America _____

- DIVIDENDS** (1099DIV, 1099-B)
TD Waterhouse _____

- K-1 FORMS:** (Partnerships, etc.)

- OTHER INCOME:** (unemployment, jury duty, etc.)

DEDUCTIONS

- Medical**

- Sales Tax paid on vehicle, boat, etc.**

- Real Estate Taxes**
House _____

- Interest Paid:**

- Personal Property Tax**
DMV for all autos _____

- Charitable contributions:**

- Other Taxes**

- Other deductions:**

OTHER DEDUCTIONS

- Dependent Care:** Name Sally's Day Care ID# _____
Address _____ Amount \$ 3000
Name _____ ID# _____
Address _____ Amount \$ _____
Child's Name _____ Amount \$ _____
Child's Name _____ Amount \$ _____
- Escrow Settlement/Closing Statement for** _____
- Escrow Settlement/Closing Statement for** _____
- Other Information:**
Please FAX me all info as soon as possible

Minimum IRA Distribution Calculation (2002 Final Reg)

Name: JOHN SMITH

000-00-0000

Calculates the required minimum IRA distribution for taxpayers who have reached age 70 1/2: Calculations are based on the Taxpayer's Age and the applicable divisor from the Uniform Lifetime Table from Federal Register, Vol 67, No. 74 dated April 17, 2002. This divisor is applicable to situations where the spouse is not the sole designated beneficiary or is the sole designated beneficiary but is not more than 10 years younger than the taxpayer.

Non-spousal Beneficiary or No Beneficiary: Based on Taxpayer's Age and the applicable divisor from the Uniform Lifetime Table.

Spousal Beneficiary: Based on Taxpayer's Age and the applicable divisor from the Uniform Lifetime Table unless the spouse is 10 or more years younger than the taxpayer. Then the divisor is from the Joint Life and Last Survivor Expectancy (Table II).

Note: Non-spousal inherited IRAs require special considerations not covered by this module.

Assumptions:

Current distribution year	2013
IRA account balance (December 31 of previous year)	\$ 125,000.00
Taxpayer's birthdate	07/20/1936
First year for required minimum distribution	2007
Taxpayer's age (December 31 of current distribution year)	77
Spouse's birthdate	05/20/1937
Spouse's age (December 31 of current distribution year)	76
Is the spouse a beneficiary?	Yes

Calculations:

Number of required prior distributions	6
Expected return divisor	21.2
Minimum distribution	\$ 5,896.23

MACRS Depreciation

Name: JOHN & MARY SMITH ID#: 000-00-0000
 SHORT TAX YEAR in first or last year? No Date Business Began:
 Current Tax Year End Date: 12/31/2012 Date Business Closed:

	Contractor	Contractor	Contractor	Contractor
Description of Asset	Generator	Saw	Truck	Building
Date placed in service	05/15/2007	07/16/2009	06/26/2012	05/12/2005
Property type	Non-vehicle	Non-vehicle	Truck<6,000 lbs.	Non-vehicle
Business/investment use %	100	100	100	100
Cost or other basis	1850	880	38500	275000
Special 1st year allowance	None	None	None	None
Section 179 deduction				
Recovery period	7	5	5	39
Convention (HY, MQ, MM)	HY	HY	MQ	HY
Method (200%, 150%, SL)	150% DB	200% DB	200% DB	SL
Basis for depreciation	1850	880	38500	275000
Prior depreciation	1284	627	0	45832
Current year depreciation	226	101	3360	7051

Year Ending	Contractor	Contractor	Contractor	Contractor
12/31/2005				3526
12/31/2006				7051
12/31/2007	198			7051
12/31/2008	354			7051
12/31/2009	278	176		7051
12/31/2010	227	282		7051
12/31/2011	227	169		7051
12/31/2012	226	101	3360	7051
12/31/2013	227	101	5300	7051
12/31/2014	113	51	3150	7051
12/31/2015			1875	7051
12/31/2016			1875	7051
12/31/2017			1875	7051
12/31/2018			1875	7051
12/31/2019			1875	7051
12/31/2020			1875	7051
12/31/2021			1875	7051
12/31/2022			1875	7051
12/31/2023			1875	7051
12/31/2024			1875	7052
12/31/2025			1875	7051
12/31/2026			1875	7052
12/31/2027			1875	7051
12/31/2028			1875	7052
12/31/2029			440	7051
12/31/2030				7052
12/31/2031				7051
12/31/2032				7052
12/31/2033				7051
12/31/2034				7052
12/31/2035				7051
12/31/2036				7052
12/31/2037				7051
12/31/2038				7052
12/31/2039				7051
12/31/2040				7052
12/31/2041				7051
12/31/2042				7052
12/31/2043				7051
12/31/2044				3526

Like-Kind Exchange Worksheet

Name: JOHN & MARY SMITH

ID#: 000-00-0000

Riverside County Condo

Like-kind Property Given Up

Description Rental House
 Date of Transfer 05/15/2012
 FMV/Sales Price 175,000
 Less: Liabilities/Mortgages (75,000)
 Equity 100,000

Like-kind Property Received

Description Condo
 Date Received 05/26/2012
 FMV/Sales Price 200,000
 Less: Liabilities/Mortgages (125,000)
 Equity 75,000

Realized Gain FMV/Sales Price of Property Given Up 175,000
 Less: Adjusted Basis (88,000)
 Less: Exchange Expenses (5,000)
 Gain/(Loss) 82,000
 (Loss cannot be recognized)

Recognized Gain Decrease in Equity or 25,000
 Increase in Equity (0)
 Decrease in Liabilities/Mortgage(s), if any _____
 Less: Exchange Expenses (5,000)
 Gain/(Loss) 20,000
 Recognized Gain, but only
 to extent of realized gain. 20,000
 (Note, if result is negative,
 there is no recognized gain)

Basis of Property Received

FMV/Sales Price of Property Received 200,000
 Plus: Non-Recognized Loss, if any, or _____
 Less: Non-Recognized Gain, if any (62,000)
 Basis of Property Received 138,000

LAW ENFORCEMENT DEDUCTIONS

Client: JOHN & MARY SMITH

ID# 000-00-0000 Tax Year 2012

The purpose of this worksheet is to help you organize your tax deductible business expenses. In order for an expense to be deductible, it must be considered an "ordinary and necessary" expense. You may include other applicable expenses. Do not include expenses for which you have been reimbursed, expect to be reimbursed, or are reimbursable.

Uniforms	
Uniforms	
Belts	
Boots, shoes	
Gloves	
Hat, helmet	
Jacket	
Pants	
Shirts	
Ties	
Emblems, insignia	
Dry Cleaning	
Laundry	
Rain gear	
Other _____	
Other _____	
Total	

Professional	
Registration	
Fingerprinting	
Licenses & permits	
Union dues	
Association dues	
Professional dues	
Range dues	
Subscriptions	
Textbooks	
Seminars	
Workshops	
Books, manuals	
Supplies	
Other _____	
Other _____	
Total	

Insurance	
Bond	
Errors & Omissions	
Other _____	
Other _____	
Total	

Other Information	

Vehicle & Travel	
See Vehicle, Travel & Entertainment Worksheet	

Equipment/Supplies	
Ammo pouch	
Ammunition	
Badges, name tags	
Baton	
Briefcase	
Bulletproof vest	
Ear protectors	
Camera	
Film & processing	
Flashlight, bulbs, batteries	
Guns	
Mace	
Maps	
Notebook	
Pager, beeper	
Equipment repairs	
Safety equipment	
Tape recorder	
Tapes	
Whistle	
Other _____	
Other _____	
Total	

Telephone	
2nd Line	
Long distance	
Pay phone	
Cellular	
Answering machine	
Fax line	
Other _____	
Other _____	
Total	

Keogh, SEP, 401(k), SIMPLE IRA Calculator

Name: JOHN & MARY SMITH

000-00-0000

	Plan 1	Plan 2	Plan 3
Plan Type	401(k)	Keogh/SEP	SIMPLE IRA
Current Value of Plan	\$ 55,000	\$ 55,000	\$ 55,000
Annual Contributions	\$ 8,000	\$ 8,000	\$ 8,000
Years of Contribution	15	15	15
Investment Rate % - Accumulation Period	11.00%	7.00%	4.50%
Investment Rate % - Retirement Period	9.00%	7.00%	4.50%
Rate of Inflation	3.00%	3.00%	3.00%
Current Age (18-85 years)	45	45	45
Retirement Age (50-99 years)	65	65	65
Years of Retirement Income	25	25	25

Retirement Benefits

Plan Value at Retirement	\$ 907,227	\$ 494,791	\$ 339,850
Plan Value in Today's Dollars	\$ 502,310	\$ 273,954	\$ 188,167
Monthly Income at Retirement	\$ 7,613	\$ 3,497	\$ 1,889
Monthly Income in Today's Dollars	\$ 4,215	\$ 1,936	\$ 1,046

COMBINED AMOUNTS

Total Value all Plans at Retirement	1,741,868
Total Value all Plans in Today's Dollars	964,431
Total Monthly Income at Retirement	12,999
Total Monthly Income in Today's Dollars	7,197

Prepared By:

CFS Tax Software Inc
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 Simi Valley CA 93065
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 testing@taxtools.com

05-03-2013

IRREGULAR AMORTIZATION CALCULATION
 (Using Daily Simple Interest Calculated on the Remaining Principal)

Client: JOHN SMITH
 Loan: John Jr Personal Loan

ID#: 000-00-0000
 Account No: 96-633589

Start Date: 11/28/2002 **Starting Loan Amount:** \$125,000.00
Days Per Year: 365 **Deferred Interest Balance:**

No	Payment Date	Payment Amount	Int Rate	- This Payment Interest	- This Payment Principal	Remaining Principal	Deferred Interest
1	12/28/2002	1200.00	8.000	821.92	378.08	124621.92	0.00
	2002 Totals	1200.00		821.92	378.08		0.00
2	01/28/2003	1200.00	8.000	846.75	353.25	124268.67	0.00
3	02/28/2003	1200.00	8.000	844.35	355.65	123913.02	0.00
4	03/28/2003	800.00	8.000	760.45	39.55	123873.47	0.00
5	05/28/2003	1200.00	8.000	1200.00	0.00	123873.47	456.17
6	10/28/2003	1000.00	8.000	1000.00	0.00	123873.47	3154.00
7	11/28/2003	1000.00	8.000	841.66	0.00	123873.47	-158.34
8	12/28/2003	1200.00	8.000	814.51	0.00	123873.47	-385.49
	2003 Totals	7600.00		6307.72	748.45		543.83
9	01/28/2004	1200.00	8.000	841.66	0.00	123873.47	-358.34
10	02/28/2004	1200.00	8.000	841.66	0.00	123873.47	-358.34
11	03/28/2004	400.00	8.000	400.00	0.00	123873.47	387.36
12	04/28/2004	400.00	8.000	400.00	0.00	123873.47	441.66
	2004 Totals	3200.00		2483.32	0.00		716.68
13	01/28/2006	12000.00	8.000	12000.00	0.00	123873.47	5376.22
14	02/28/2006	1500.00	8.000	841.66	0.00	123873.47	-658.34
15	03/28/2006	1500.00	8.000	760.21	0.00	123873.47	-739.79
16	04/28/2006	1500.00	8.000	841.66	0.00	123873.47	-658.34
17	05/28/2006	1500.00	8.000	814.51	0.00	123873.47	-685.49
18	06/28/2006	1500.00	8.000	841.66	0.00	123873.47	-658.34
19	07/28/2006	1500.00	8.000	814.51	0.00	123873.47	-685.49
20	08/28/2006	1500.00	8.000	841.66	0.00	123873.47	-658.34
21	09/28/2006	1500.00	8.000	841.66	0.00	123873.47	-658.34
22	10/28/2006	1500.00	8.000	814.51	0.00	123873.47	-685.49
23	12/28/2006	10000.00	8.000	1656.17	5876.89	117996.58	-2466.94
	2006 Totals	35500.00		21068.21	5876.89		8554.90
24	01/15/2008	42000.00	9.250	11452.94	30547.06	87449.52	0.00
25	02/15/2008	42000.00	9.250	687.02	41312.98	46136.54	0.00
26	04/15/2008	2500.00	9.500	720.49	1779.51	44357.03	0.00
27	06/15/2008	1000.00	9.250	685.71	314.29	44042.74	0.00
	2008 Totals	87500.00		13546.16	73953.84		0.00
28	10/15/2009	10000.00	8.250	4848.02	5151.98	38890.76	0.00
	2009 Totals	10000.00		4848.02	5151.98		0.00
29	01/15/2010	4000.00	8.000	784.21	3215.79	35674.97	0.00
30	03/31/2010	2500.00	8.000	586.44	1913.56	33761.41	0.00
31	06/30/2010	3000.00	8.250	694.42	2305.58	31455.83	0.00
32	08/29/2010	2700.00	7.750	400.74	2299.26	29156.57	0.00
	2010 Totals	12200.00		2465.81	9734.19		0.00
33	02/28/2011	3300.00	7.500	1096.37	2203.63	26952.94	0.00
	2011 Totals	3300.00		1096.37	2203.63		0.00
34	05/31/2012	2500.00	7.250	2451.98	48.02	26904.92	0.00
35	08/31/2012	3000.00	7.200	488.27	2511.73	24393.19	0.00
36	11/30/2012	4000.00	7.000	425.71	3574.29	20818.90	0.00
	2012 Totals	9500.00		3365.96	6134.04		0.00
37	02/28/2013	3500.00	6.750	346.51	3153.49	17665.41	0.00
38	04/30/2013	3000.00	6.500	191.90	2808.10	14857.31	0.00
	2013 Totals	6500.00		538.41	5961.59		0.00

Prepared By:

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05-02-2013

IRREGULAR AMORTIZATION CALCULATION
(Using Daily Simple Interest Calculated on the Remaining Principal)

Client: JOHN SMITH
Loan: John Jr Personal Loan

ID#: 000-00-0000
Account No: 96-633589

Start Date: 11/28/2002 **Starting Loan Amount:** \$125,000.00
Days Per Year: 365 **Deferred Interest Balance:**

Page 2

LOAN SUMMARY

Regular Interest Paid:	\$56,541.90	Deferred Interest Unpaid:	\$0.00
Deferred Interest Paid:	\$9,815.41	Principal Applied:	\$110,142.69
Total Interest Paid:	\$66,357.31	Remaining Principal:	\$14,857.31

Prepared By:

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Simi Valley CA 93065
Tel: (800) 343-1157 Fax: (805) 522-0187

05-02-2013

Investment Calculator: Investment Goal (Future Value of Annuity or Lump Sum)

Name: JOHN & MARY SMITH

000-00-0000

Assumptions:

Amount of initial investment	\$	10,000
Amount of regular contributions to apply toward goal	\$	500
Number of contributions per year		12
Contributions will be made at the End of Period		
Number of years to accumulate		30
Rate of return on investment		6.00%
Interest is compounded		Annually
Federal marginal tax rate		25.00%
State marginal tax rate		9.30%
Are state taxes deductible on the federal return? Yes	Combined tax rate	31.98%
Projected inflation rate		3.00%

Results:

Tax Deferred Investment:

In 30 years the investment, at an effective investment rate of 6.00%, will have grown to **\$544,691** if the gains are NOT subject to taxes.

Taxable Investment:

In 30 years the investment, at an effective investment rate of 4.08%, will have grown to **\$380,647** if the gains ARE subject to taxes.

Effects of Inflation:

Due to the effects of inflation over 30 years, at an inflation adjusted rate of 2.91% (1.05% after taxes), the investment will be worth:

\$224,406 in today's dollars if regular contributions are NOT adjusted for inflation.

\$308,846 in today's dollars if regular contributions ARE adjusted for inflation.

\$156,822 in today's dollars if regular contributions are NOT adjusted for inflation and income is taxed.

\$224,971 in today's dollars if regular contributions ARE adjusted for inflation and income is taxed.

Inherited IRA - Required Minimum Distribution (2002 Final Reg)

Beneficiary:Name: JOHN SMITHDate: May 1, 2013Date of birth: * 05/20/1967 * **Required fields****Original Owner of IRA:**Name: Erma SmithDate of birth: * 05/15/1930 Date of death: * 05/15/2007Year for which RMD is to be calculated: * 2013Account balance as of 12/31/2012 : * 135,000**Check the box that defines the beneficiary below: (Check only one category)**

1. The spouse is the sole beneficiary.
- a) The spouse rolls over the IRA to his/her own account.
- b) The spouse DID NOT roll over the IRA and is still alive.
- c) If the spouse is deceased, enter the year of death. _____
2. The beneficiary is NOT the spouse (or the spouse is NOT the SOLE beneficiary)
3. There is NO designated beneficiary as of September 30th of the year after the date the original owner of the IRA died.

Caution: If the original owner was **required** to take a distribution in the year of death, then that distribution must be taken in the year of death or as soon as possible thereafter.

Results:

Year of distribution	2013
Original owner's age (year of death)	77
Beneficiary's age (year of orig. owner's death)	40
Divisor	37.7
Required minimum distribution (RMD)	3,581

The applicable divisor is the LARGER of the divisor taken from the Single Life Table* for the beneficiary's age in the year after the original owner's death, reduced by one for each subsequent year OR the divisor from the Single Life Table* based on the original owner's age in the year of death, reduced by one for each subsequent year.

* Final 2002 regulations from Federal Register, Vol 67, No. 74, April 17, 2002.

Estimated calculations for planning purposes only.

Hiring Your Dependent Child

Name: JOHN & MARY SMITH

000-00-0000

Child's age		Under 18
Annual wages to be paid to the child	\$	5,700
Will child remain a dependent after becoming an employee (Y/N)?		Yes
State payroll taxes on child's wages paid by employer		
State payroll taxes on child's wages paid by employee		
Amount child will contribute to a deductible IRA		
Net profit from business		125,000
Total wages and tips for self-employed person	\$	
Adjusted Gross Income		
Filing Status		
Federal marginal tax rate		25.00%
State marginal tax rate		9.30%
Are state income taxes deductible on federal return (Y/N)?		Yes

Cost to taxpayer

Wages	\$	5,700
Social security and Medicare		0
Federal unemployment tax		0
State payroll taxes		0
Self-employment tax		-590
Federal and state income tax		-1,729
Net cost to taxpayer	\$	3,381

Child's income

Wages	\$	5,700
Social security and Medicare		0
State payroll taxes		0
Federal income tax		0
Net income	\$	5,700

Net gain for family \$ 5,700 - \$ 3,381 = \$ 2,319

Power of Attorney and Declaration of Representative

OMB No. 1545-0150

For IRS Use Only

Received by: _____
 Name _____
 Telephone _____
 Function _____
 Date / /

▶ **Type or print.** ▶ **See the separate instructions.**

Part I Power of Attorney

Caution: A separate Form 2848 should be completed for each taxpayer. Form 2848 will not be honored for any purpose other than representation before the IRS.

1 Taxpayer information. Taxpayer must sign and date this form on page 2, line 7.

Taxpayer name and address JOHN SMITH	Taxpayer identification number(s) 000-00-0000
	Daytime telephone number (805) 555-4444
	Plan number (if applicable)

hereby appoints the following representative(s) as attorney(s)-in-fact:

2 Representative(s) must sign and date this form on page 2, Part II.

Name and address Paul Howard 405 Main Street Costa Mesa CA 92626	CAF No. 012-345678R PTIN P12345678 Telephone No. (808) 555-8907 Fax No. (897) 555-7089
Check if to be sent notices and communications <input checked="" type="checkbox"/>	Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
Name and address	CAF No. _____ PTIN _____ Telephone No. _____ Fax No. _____
Check if to be sent notices and communications <input type="checkbox"/>	Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
Name and address	CAF No. _____ PTIN _____ Telephone No. _____ Fax No. _____
	Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>

to represent the taxpayer before the Internal Revenue Service for the following matters:

3 Matters

Description of Matter (Income, Employment, Payroll, Excise, Estate, Gift, Whistleblower, Practitioner Discipline, PLR, FOIA, Civil Penalty, etc.) (see instructions for line 3)	Tax Form Number (1040, 941, 720, etc.) (if applicable)	Year(s) or Period(s) (if applicable) (see instructions for line 3)
Income	1040	2008-2011

4 Specific use not recorded on Centralized Authorization File (CAF). If the power of attorney is for a specific use not recorded on CAF, check this box. See the instructions for Line 4. **Specific Uses Not Recorded on CAF.**

5 Acts authorized. Unless otherwise provided below, the representatives generally are authorized to receive and inspect confidential tax information and to perform any and all acts that I can perform with respect to the tax matters described on Line 3, for example, the authority to sign any agreements, consents, or other documents. The representative(s), however, is (are) not authorized to receive or negotiate any amounts paid to the client in connection with this representation (including refunds by either electronic means or paper checks). Additionally, unless the appropriate box(es) below are checked, the representative(s) is (are) not authorized to execute a request for disclosure of tax returns or return information to a third party, substitute another representative or add additional representatives, or sign certain tax returns.

Disclosure to third parties; Substitute or add representative(s); Signing a return; I authorize my representative to sign my income tax return pursuant to Regulations section 1.6012-1(a)(5) by reason of specific permission requested of and granted by the IRS for other good cause.

Other acts authorized: _____ (see instructions for more information)

Exceptions. An unenrolled return preparer cannot sign any document for a taxpayer and may only represent taxpayers in limited situations. An enrolled actuary may only represent taxpayers to the extent provided in section 10.3(d) of Treasury Department Circular No. 230 (Circular 230). An enrolled retirement plan agent may only represent taxpayers to the extent provided in section 10.3(e) of Circular 230. A registered tax return preparer may only represent taxpayers to the extent provided in section 10.3(f) of Circular 230. See the line 5 instructions for restrictions on tax matters partners. In most cases, the student practitioner's (level k) authority is limited (for example, they may only practice under the supervision of another practitioner).

List any specific deletions to the acts otherwise authorized in this power of attorney: _____

Federal/State Tax Planner

	2012 (MFJ)		2013 (MFJ)		2014 (MFJ)		2015 (MFJ)		2016 (MFJ)	
	Fed	State	Fed	State	Fed	State	Fed	State	Fed	State
INCOME										
Wages	98,345	98,345	101,295	101,295	104,334	104,334	107,464	107,464	110,688	110,688
Taxable Interest	1,639	1,639	1,688	1,688	1,739	1,739	1,791	1,791	1,845	1,845
Dividends	765	765	788	788	812	812	0	0	875	875
State Tax Refunds	0	0	0	0	0	0	0	0	0	0
Alimony Received	0	0	0	0	0	0	0	0	0	0
Schedule C or F	0	0	0	0	0	0	0	0	0	0
Capital Gain	4,500	4,500	1,200	1,200	1,250	1,250	2,850	2,850	3,750	3,750
4797 Ordinary Gain/Loss	0	0	0	0	0	0	0	0	0	0
IRA/Pension/Lump Sum Dist.	0	0	0	0	0	0	0	0	0	0
Schedule E (Non-Passive)	0	0	0	0	0	0	0	0	0	0
Passive Activities	0	0	0	0	0	0	0	0	0	0
Taxable Social Security	0	0	0	0	0	0	0	0	0	0
Unemployment Compensation	0	0	0	0	0	0	0	0	0	0
Other Income or Losses	0	0	0	0	0	0	0	0	0	0
TOTAL INCOME	105,249	105,249	104,971	104,971	108,135	108,135	112,105	112,105	117,158	117,158
ADJUSTMENTS TO INCOME										
Taxpayer IRA	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Spouse IRA	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Taxpayer Keogh/Sep	0	0	0	0	0	0	0	0	0	0
Spouse Keogh/Sep	0	0	0	0	0	0	0	0	0	0
Self Employed Health Ins.	0	0	0	0	0	0	0	0	0	0
Ded. for Self-Employment Tax	0	0	0	0	0	0	0	0	0	0
Early Withdrawal Penalty	0	0	0	0	0	0	0	0	0	0
Alimony Paid	0	0	0	0	0	0	0	0	0	0
Moving Expenses	0	0	0	0	0	0	0	0	0	0
Educational Interest	0	0	0	0	0	0	0	0	0	0
Qualified Higher Education	0	0	0	0	0	0	0	0	0	0
Other Adjustments	0	0	0	0	0	0	0	0	0	0
State Adjustments to Fed AGI	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0
TOTAL ADJUSTMENTS	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
ADJUSTED GROSS INCOME	99,249	99,249	98,971	98,971	102,135	102,135	106,105	106,105	111,158	111,158
ITEMIZED DEDUCTIONS										
Total Medical Expenses	0	0	0	0	0	0	0	0	0	0
Taxes	5,463	2,000	5,463	2,000	5,463	2,000	5,463	2,000	5,463	2,000
Interest	12,875	12,875	12,875	12,875	12,875	12,875	12,875	12,875	12,875	12,875
Charitable Contributions	250	250	250	250	250	250	250	250	250	250
Casualty and Theft	0	0	0	0	0	0	0	0	0	0
Misc. Ded. Subj to 2% of AGI	0	0	0	0	0	0	0	0	0	0
Gambling Losses	0	0	0	0	0	0	0	0	0	0
Other Misc. Deductions	0	0	0	0	0	0	0	0	0	0
High Income Reduction	0	0	0	0	0	0	0	0	0	0
State Adj. to Fed Item. Ded.	N/A	0	N/A	0	N/A	0	N/A	0	N/A	0
TOTAL ITEMIZED DEDUCTIONS	18,588	15,125	18,588	15,125	18,588	15,125	18,588	15,125	18,588	15,125
STANDARD DEDUCTION	11,900	7,682	12,200	7,836	13,600	7,993	15,200	8,153	15,400	8,316
TOTAL DEDUCTIONS	18,588	15,125	18,588	15,125	18,588	15,125	18,588	15,125	18,588	15,125
TAX COMPUTATIONS										
Adjusted Gross Income	99,249	99,249	98,971	98,971	102,135	102,135	106,105	106,105	111,158	111,158
Total Deductions	18,588	15,125	18,588	15,125	18,588	15,125	18,588	15,125	18,588	15,125
Exemptions	15,200	0	15,600	0	15,800	0	16,200	0	16,600	0
TAXABLE INCOME	65,461	84,124	64,783	83,846	67,747	87,010	71,317	90,980	75,970	96,033
Tax From Tax Tables/Schedules	8,276	3,207	8,645	3,116	9,065	3,298	9,343	3,542	9,886	3,871
State Exemption Credits	N/A	850	N/A	866	N/A	992	N/A	1,122	N/A	1,144
Tax	8,276	2,357	8,645	2,250	9,065	2,306	9,343	2,420	9,886	2,727
Tax on Lump Sum Dist.	0	0	0	0	0	0	0	0	0	0
TAX BEFORE CREDITS	8,276	2,357	8,645	2,250	9,065	2,306	9,343	2,420	9,886	2,727
CREDITS (NONREFUNDABLE)										
Dependent Care Credit	0	0	0	0	0	0	0	0	0	0
Child Tax Credit *	2,000	N/A	2,000	N/A	2,000	N/A	2,000	N/A	1,900	N/A
Educational Credits *	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A
Elective Deferral/IRA Credit *	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A
Other Nonrefundable Credits	0	0	0	0	0	0	0	0	0	0
TOTAL CREDITS	2,000	0	2,000	0	2,000	0	2,000	0	1,900	0
TAX AFTER CREDITS	6,276	2,357	6,645	2,250	7,065	2,306	7,343	2,420	7,986	2,727
OTHER TAXES										
Self-Employment Tax	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A
Alternative Minimum Tax	0	0	0	0	0	0	0	0	0	0
Tax on IRA/Qualified Plan Dist.	0	0	0	0	0	0	0	0	0	0
Other Taxes	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER TAXES	0	0	0	0	0	0	0	0	0	0
TOTAL TAX	6,276	2,357	6,645	2,250	7,065	2,306	7,343	2,420	7,986	2,727
PAYMENTS/REFUNDABLE CREDITS										
Inc. Tax Withheld from Wages	9,834	3,463	10,129	3,463	10,433	3,463	10,746	3,463	11,068	3,463
Estimated Tax Payments	0	0	0	0	0	0	0	0	0	0
Earned Income Credit	0	N/A	0	N/A	0	N/A	0	N/A	0	N/A
Excess Soc. Sec./ Local Tax	0	0	0	0	0	0	0	0	0	0
Other Taxes Paid In	0	0	0	0	0	0	0	0	0	0
Refundable Credits **	0	0	0	0	0	0	0	0	0	0
TOTAL PAYMENTS	9,834	3,463	10,129	3,463	10,433	3,463	10,746	3,463	11,068	3,463
BALANCE DUE OR REFUND (-)	-3,558	-1,106	-3,484	-1,213	-3,368	-1,157	-3,403	-1,043	-3,082	-736
Tax Bracket / Effective Marginal ***	15 / 15	8 / 8	15 / 15	8 / 8	15 / 15	8 / 8	15 / 15	8 / 8	15 / 20	8 / 8

* May be limited by AGI and/or AMT. ** See separate worksheet for detailed breakdown. *** Effective marginal tax rate on next \$1000 of ordinary income, taking into account phase-outs, AMT, etc.

Estate Tax Calculator

Name(s): JOHN & MARY SMITH

000-00-0000

Tax Year: 2012

Gross Estate:

Real estate	\$	4,500,000
Stocks and bonds	\$	200,000
Mortgages, notes, and cash	\$	20,000
Insurance on the decedent's life	\$	400,000
Jointly owned property	\$	4,000,000
Other miscellaneous property	\$	
Transfers during the decedent's life	\$	
Powers of appointment	\$	
Annuities	\$	

Total Gross Estate \$ 9,120,000

Deductions:

Funeral and administrative expenses	\$	5,000
Debts, mortgages and liens	\$	20,000
Total of above	\$	25,000
Allowable amount of above	\$	25,000
Net losses during administration	\$	
Expenses for admin. property not subject to claims	\$	
Bequests, etc., to surviving spouse (marital ded.)	\$	
Charitable deductions	\$	

Total Deductions \$ 25,000

Tentative taxable estate \$ 9,095,000

State death tax deduction \$

Taxable estate \$ 9,095,000

Adjusted taxable gifts \$

Taxable estate plus gifts \$ 9,095,000

Tentative tax \$ 3,164,050

Total gift tax paid or payable \$

Gross estate tax \$ 3,164,050

Credits

Basic exclusion amount	\$	5,120,000
Deceased spousal unused exclusion amount (DSUE)	\$	3,000,000
Applicable exclusion amount	\$	8,120,000
Applicable credit amount	\$	2,822,800
Other credits	\$	

Total Credits \$ 2,822,800

Net Estate Tax \$ 341,250

Estimated calculation for planning purposes only.

Computing Repossession Gain of Real Property

Name: JOHN & MARY SMITH

ID#: 000-00-0000

GAIN ON REPOSSESSION OF REAL PROPERTY (Reported on Installment method)

1. Total amount received from sale prior to repossession	\$	75,000
2. Gain previously reported or gain prev. deferred or excluded	\$	20,000
3. Gain (line 1 minus line 2)	\$	55,000
4. Original basis used to determine gain	\$	40,000

LIMITATION

5. Gain on original sale	\$	60,000
6. Amount on line 2	\$	20,000
7. Repossession costs	\$	5,000
8. Add line 6 plus line 7	\$	25,000
9. Subtract line 8 from line 5	\$	35,000
10. GAIN TO BE REPORTED (smaller of 3 or 9, not less than 0)	\$	35,000

NEW BASIS OF REPOSSESSED REAL PROPERTY

11. Original basis used to determine gain (from line 4)	\$	40,000
12. Amount on line 1	\$	75,000
13. Subtract line 12 from line 11 (may be a negative figure)	\$	-35,000
14. Amount on line 2	\$	20,000
15. Amount on line 7	\$	5,000
16. Amount on line 10	\$	35,000
17. BASIS OF REPOSSESSED REAL PROPERTY (add 13, 14, 15 & 16) (if line 13 is negative use as a minus figure)	\$	25,000

Prepared By:

CFS Tax Software Inc
1445 Los Angeles Ave Ste 214
Simi Valley CA 93065
Tel: (800) 343-1157 Fax: (805) 522-0187
testing@taxtools.com

05-02-2013

Computation of NOL Carryback/Carryover

Name: JOHN & MARY SMITH

ID#: 000-00-0000

A. NOL Year: 2011

B. NOL is carried to: 2010

C. Filing Status for: 2010 Married Filing Joint

Taxpayer 65 and/or Blind (0, 1 or 2) 0

Spouse 65 and/or Blind (0, 1 or 2) 0

Number of dependents 0

D. Previous NOL Carryovers to: 2010

E. Previous NOL Carrybacks to: 2010 B23

Notes:

Bn = Line # on Form 1045, Sch B

[n] = Line # on Form 1045, page 1

1. Amount of 2011 NOL Carried to 2010.			36,500 B1 [10]
	As Filed	Re-figured	Modified
2a. 2010 AGI	45,000	45,000	45,000
2b. Less Previous NOL Carryovers and Carrybacks (D+E)	0	0	0
2c. Less Current NOL Carryover/back		-36,500	
2d. 2010 Capital Loss			
2e. 2010 Section 1202 Exclusion			B3
2f. 2010 Domestic Production Activities Deduction			B4
2g. Modifications to AGI			B5 B6
3. AGI	45,000 B11 [11]	8,500 [11]	45,000 B13

	Limitations	Total Expense			
4a. Medical Expenses	7.5%	12,000 B15	8,625 B14	11,363	8,625 B17
4b. Qualified Mortgage Insurance Premiums			0 B19	0	0 B20
4c. Charitable Contributions	50%	1,000	1,000 B25	1,000	1,000 B26
4d. Casualty Losses	10%	B29	0 B28	0	0 B31
4e. Misc. Subject to 2% Limit	2%	300 B34	0 B33	130	0 B36
4f. Deductions Exempt from High Income Phaseout		4,000	4,000	4,000	4,000
4g. Remaining Itemized Deductions			0	0	0
4h. High Income Deduction Phaseout			0	0	0
5. Total Itemized Deductions		Itemized Adj. 0 B7	13,625 [12]	16,493 [12]	13,625

6a. Standard Deduction for 2010			11,400	11,400	11,400
6b. Adjustments to the Standard Deduction					
6c. AGI Less Deductions (Line 3 less Greater of Lines 5 or 6a + 6b)			31,375 [13]	-7,993 [13]	31,375
6d. Exemptions (before phaseouts)			7,300 B8 [14]	7,300 [14]	
6e. High Income Exemption Phaseout			0 B8 [14]	0 [14]	
7. Taxable Income (Line 6c - 6d + 6e)			24,075 B2 (As filed Form 1040) [15]	-15,293 [15] (Re-figured 1045 page 1)	31,375 B9 (Modified 1045 Sch B)

8. Amount of 2011 NOL used in 2010 (Smaller of Line 1 or Line 7)	31,375
9. Remaining NOL to be carried to next available year (Line 1-Line 7, Not < 0)	5,125 B10

Prepared By:

CFS Tax Software Inc
1445 Los Angeles Ave Ste 214
Simi Valley CA 93065
Tel: (800) 343-1157 Fax: (805) 522-0187
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05-02-2013

Cancellation of Debt - Qualified Principal Residence Indebtedness Worksheet

Name: Joe I. & Mary Harris

123-45-6789

Property description Personal residence

Debt and property information immediately before cancellation of debt

Total recourse debt (loan balance)	1,050,000
Qualified principal residence indebtedness (QPRI)	875,000
Fair market value of property	650,000
Adjusted basis in property	600,000
Married filing separate (Y/N)?	No
Tax year (federal 2007-2013; CA 2007-2012)	2012

1. Nonqualified principal residence indebtedness

	Federal	California
a. Total recourse debt (loan balance immediately before COD) \$	1,050,000	1,050,000
b. Qualified principal residence indebtedness (QPRI)	875,000	875,000
c. Allowable debt limit	2,000,000	800,000
d. Limited qualified principal residence indebtedness (lesser of line 1b or line 1c) . . .	875,000	800,000
e. Nonqualified debt (line 1a - line 1d)	175,000	250,000

2. Cancellation of debt income

a. Total recourse debt (loan balance immediately before COD) (line 1a) \$	1,050,000	1,050,000
b. Fair market value (FMV)	650,000	650,000
c. Cancellation of debt income (line 2a - line 2b)	400,000	400,000
d. Nonqualified debt (from line 1e)	175,000	250,000
e. Excludable cancellation of debt (line 2c - line 2d) (enter on Form 982, line 2) . .	225,000	150,000
California allowable cancellation of debt limit		500,000
California limited excludable COD (lesser of two lines above)		150,000
f. Taxable cancellation of debt (line 2c - line 2e)	175,000	250,000
(May qualify for additional exclusion - see Pub. 4681, Chapter 1, <i>Exclusions</i>)		
g. California adjustment to income (federal line 2e - California line 2e) (enter on Schedule CA) . .		75,000

3. Gain or loss

a. Fair market value (FMV) (from line 2b) \$	650,000	650,000
b. Adjusted basis in property	600,000	600,000
c. Excludable cancellation of debt (from line 2e)	225,000	150,000
d. Basis after exclusion (line 3b - line 3c)	375,000	450,000
e. Gain or Loss (line 3a - line 3d)	275,000	200,000

Note: A loss on a personal residence is not deductible. See Pub. 523 to determine if a gain is taxable.

Cancellation of Debt - Loan History Worksheet

Name: Joe I. & Mary Harris

123-45-6789

Property description Personal residence

Purchase price 600,000 Purchase date May 15, 2006

This loan history worksheet can be used to determine the Qualified Principal Residence Indebtedness (QPRI) at the time of COD. Enter the initial loan in the first column followed by any additional loans or refinances in subsequent columns. Lastly, make an entry for the final COD Balances. Enter the final balance in both Loan Amount and Total Loan Balance Forward. Transfer the Total Debt and the Acquisition Debt in the final column to the Summary page's Total Recourse Debt and QPRI fields.

	Loan # 1	Loan # 2	Loan # 3	Loan # 4	Loan # 5
Loan Details:					
* Transaction type 	Acquisition	Refinance	Refinance	COD Balance	
* Date of loan 	05/15/2006	04/13/2007	03/14/2008	07/01/2012	
FMV/Appraised value . .	550,000	750,000	1,200,000	650,000	
Lender 	Chase	Chase	Countrywide	B of A	
* Loan Amount 	500,000	550,000	1,075,000	1,050,000	
Payment History:					
* Total loan balance forward		475,000	550,000	975,000	
Balance NOT refinanced					
New loan amount 	500,000	550,000	1,075,000	1,050,000	
New funds to allocate . .	500,000	75,000	525,000	75,000	
Use of New Funds:					
Acquisition 	500,000				
Improvements 			400,000		
Other 		75,000	125,000	75,000	
Allocated Balances:					
Acquisition debt (QPRI) . .	500,000	475,000	875,000	875,000	
Other debt 		75,000	200,000	175,000	
Total debt 	500,000	550,000	1,075,000	1,050,000	

Form 1099-C - Cancellation of Debt: (Principal Residence Only)

Date	Creditor	Amount
07/01/2012	Bank of America	1,050,000

(For informational use only.)

Total 1,050,000

* Required fields

Cancellation of Debt - Insolvency

Debtor Joe I. & Mary Harris

ID# 123-45-6789

Tax year 2012

Cancelled Debt	Creditor	Amount
FORM 1099-C: Chase		400,000
FORM 1099-C:		
FORM 1099-C:		
A. Total Cancelled Debt		\$ 400,000

Date of Cancellation and Valuation of Assets/Liabilities August 18, 2012

Assets

Cash - checking accounts	500	
Cash - savings accounts		
Certificates of deposit		
Securities (stocks, bonds, mutual funds)	15,000	
Notes and contracts receivable		
Life insurance (cash surrender value)		
Personal property (art, jewelry, etc.)	4,500	
Retirement funds (IRAs, 401(k), etc.)	180,000	
Automobile #1		
Automobile #2		
Business assets (machinery & equipment)		
Real estate (market value)	1,000,000	
<u>Other assets (specify)</u>		

B. Total Assets		\$ 1,200,000

Liabilities

Current debt (credit cards, accounts)		
Notes payable		
Auto loans payable		
Education, student loans		
Taxes payable		
Real estate mortgages	1,300,000	
<u>Other liabilities (specify)</u>		

C. Total Liabilities		\$ 1,300,000
D. Amount of Insolvency (C - B, NOT < 0)		\$ 100,000
E. Amount excluded from Income (lesser of A or D)		\$ 100,000
F. Amount Included in Income (A - D)		\$ 300,000

Explanation:

Auto Lease vs Buy Comparison

Name: JOHN & MARY SMITH

000-00-0000

Vehicle Description: 2012 Lexus 300

INPUT DATA

Tax rate	Federal: .	25.00%	State:	9.30%
Business use %				90.00%
Time value of money				5.00%
Does taxpayer itemize deductions?				Yes
Is taxpayer self-employed?				Yes
Taxpayer AGI	Other misc. expenses			

Lease Information

Date of lease start	05/01/2013
Term of lease (months)	48
Down payment on lease	4,000
Refundable security deposit	500
Monthly payment	645
Excess mileage penalty	

Purchase Information

Vehicle cost	48,500
Selling price at end of lease period	20,200
Will taxpayer pay cash?	No
Down payment on purchase	7,000
Loan interest rate	3.90%
Term of loan (months)	48
Depreciation method (200% DB, SL, SMR)	STANDARD MILEAGE

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Business miles	15,000	15,000	15,000	15,000		
Operating cost	3,000	3,000	3,000	3,000		
License (Pers. prop. portion)	300	280	260	240		

SUMMARY

	L E A S E			B U Y		
	Year	Lease Expense	Tax Benefit	Net PV of Expenses & Benefits	Purchase Expense	Tax Benefit
2013	12,960	2,633	10,246	17,781	3,171	14,473
2014	11,020	3,457	7,152	14,502	3,257	10,590
2015	11,000	3,445	6,797	14,482	3,135	10,165
2016	10,980	3,435	6,458	14,462	3,010	9,761
2017	2,080	831	1,040	-16,459	3,778	-16,556
TOTALS	48,040	13,801	31,693	44,768	16,351	28,433

BUYING provides a net PV cost savings of \$3,260.

Child: Uniform Definition of a 'Qualifying Child' for certain tax attributes. IRC 152(c) (for 2009 and later)

