

### **Test Scenario 3** (NACTP Test 8)

*Oklahoma Forms:* 511, 511-BAT, 511CR, 538-S and State1099G

*Taxpayer:* Baby Sitter  
222 Nursery Lane  
Oklahoma City, OK 73110

*SSN:* 400-00-5008 – ATS      400-00-5058 – PATS

*Dependent:* John Doe

*SSN:* 400-00-5018 – ATS      400-00-5068 – PAT

#### *Modification to Federal return:*

- *W2:* Reduce the W2 wages by \$3,000 and the Federal withholding by \$100. Add Oklahoma withholding of \$75
- *1099G:* Add \$3,000 of unemployment income with \$100 of Federal withholding and \$40 of Oklahoma withholding.
- *Federal Schedule A:* Revise as needed to incorporate the State withholding, but do not change the total on line 29.

*511-BAT, line 2* – Only include ‘allowable’ ordinary trade or business expenses. There are unallowable expenses on Form 8829 which flows to the Federal Schedule C, line 30. These expenses must be excluded from Form 511-BAT, line 2. The unallowable expenses found on Form 8829 are:

- The portion of line 10 ‘deductible mortgage interest’ included in line 14 and
- The line 29 ‘depreciation of your home’.

A completed Form 51-BAT is provided for reference.

#### *Additional Information:*

- Use the Federal AGI to compute Use Tax.
- Donate \$7 to the Oklahoma Lupus Revolving Fund (Schedule 511-G, line 16)

*Final Result:* Refund equals \$196 (Form 511, line 34)



# OKLAHOMA BUSINESS ACTIVITY TAX

FOR INDIVIDUALS WHO HAVE A SOLE PROPRIETORSHIP OR REPORT FARM INCOME

Form 511-BAT-2012

Your Social Security Number:  
400-00-5008

NAICS Code (This is shown in Box B of your primary Federal Schedule C/C-EZ or Schedule F)  
  
624410

Your first name, middle initial and last name  
BABY SITTER

Mailing address (number and street, including apartment, or rural route)  
222 NURSERY LANE

City, State and Zip  
OKLAHOMA CITY OK 73110

Check this box if you began doing business in Oklahoma during 2012 .....

### GENERAL INFORMATION

Every sole proprietor or farmer, except single-member limited liability companies (LLCs), doing business in Oklahoma is required to file a Form 511-BAT. All LLCs, including those that are disregarded entities for Federal income tax purposes, are now required to file Form BT-190. If filing a joint income tax return and both spouses are doing business in Oklahoma, complete one Form 511-BAT.

If you began doing business in Oklahoma prior to January 1, 2012 you are subject to an annual Business Activity Tax of \$25. This tax will be entered on Form 511, line 21 or Form 511NR, line 41. When timely paid, you are entitled to a nonrefundable income tax credit on Form 511, line 17 or Form 511NR, line 38; see Form 511CR, line 43 for more information.

All individuals complete Part 1. If you are not required to file an Oklahoma individual income tax return, also complete Part 2 below. The tax is due the same date as the individual income tax return, April 15, 2013.

### PART 1 - INCOME AND DEDUCTIONS

		Round to Nearest Whole Dollar	
1	Total Revenue .....	26,000	00
2	Allowable Ordinary Trade or Business Expenses .....	8,927	00
3	Net Revenue (line 1 minus line 2) .....	17,073	00

**DRAFT**  
**6/25/12**

NOTE: If you are filing an Oklahoma income tax return, do not complete part 2. Instead enclose this form with your return. The Business Activity Tax of \$25 will be entered on Form 511, line 21 or Form 511NR, line 41.

### PART 2 - BUSINESS ACTIVITY TAX (IF YOU ARE NOT FILING AN OKLAHOMA INDIVIDUAL INCOME TAX RETURN)

If you are not filing an Oklahoma Individual Income Tax Return and you began your business prior to January 1, 2012, you must pay the Business Activity Tax of \$25 with this form.

Enter the Business Activity Tax here.....  00

**SIGNATURE:** Under penalties of perjury, I declare that I have examined this return, including any accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete. If prepared by person other than the taxpayer, this declaration is based on all information of which preparer has any knowledge.

Your signature \_\_\_\_\_ Date \_\_\_\_\_  
  
Your printed name  
BABY SITTER

Signature of preparer \_\_\_\_\_ Date \_\_\_\_\_  
  
Printed name  
KAREN TAXPRO  
  
Preparer's address  
H AND R BLOCK  
DUBLIN, OH 43017  
  
Phone number  
( 614 ) 659-1158

**NACTP**

**Test 8**

*This is a single taxpayer who worked part of the year and ran a daycare out of her home the rest of the year. She is a widow with 1 child.*

*Forms: 1040, W2 (1), Schedule A, Schedule C, Schedule SE, 2441, Schedule EIC, 8283, 8812, 8829, 8867, 4562*

*Taxpayer:*

Baby Sitter

222 Nursery Lane

Tillamook, OR 97141

*SSN:* 600-00-1008

*DOB:* 10/21/1956

*Filing Status:* Qualifying Widow(er) Spouse DOD 06/10/2010

*Dependent:*

John Doe SSN 600-00-2008 DOB 03/19/2002

*Daycare Provider for John:*

Tiny Tots

222 Child Care Lane

Tillamook, OR 94141

EIN: 41-5555555

Amount paid: \$5000.00

# DEPRECIATION WORKSHEET - ALL METHODS

Name(s) **BABY SITTER**

SSN / EIN **600-00-1008**

**Business-Use Percentage of an Asset:** **SCH C CHILD CARE SERVICES** Subform: **8829**

- If the business-use percentage of an asset is expected to change from year to year, use a separate worksheet for that asset, recomputing the columns D through O each year.
- In states where depreciation is computed differently than federal, use a separate worksheet for state depreciation.
- When more than eight assets are being depreciated, use as many worksheets as necessary.

A ASSET	B LISTED	C DEPRECIATION		D Manner/ Date Acquired (Purchased, gift, inherited, etc.)	E Date Placed in Service, if different from year to year	F System (MACRS, ACRS, etc.) & Class/Life	G Cost or Other Basis (A-B)	H Land/ Salvage or other adj.*	I Qualified Basis (A-B)	J Business Use %	K Business Basis (C x D)
		I Y P L E I C	J M A C R S N								
1	HOME	H	U05/01/2012	O5/01/2012	MACRS	N	189000	10000	179000	45.3	81194
2											
3											
4											
5											
6											
7											
8											

\* Enter basis adjustment for clean-fuel vehicle deduction or electric vehicle credit in column B.

- In the section below, use the top row for each asset to compute depreciation for regular tax purposes, and the shaded row below to compute depreciation for AMT purposes.
- In column O, enter the tax year at the top and the asset's recovery year below (1st, 2nd, etc.). Find the percentage from the appropriate table.
- To continue depreciation after the third year, another row or use additional copies of this worksheet on flow worksheets. Enter in Column V any depreciation claimed on prior years worksheets.

L F.	M Sec. 179 Deduction	N Special** Depreciation Allowance, if any (col. G x percentage)	O Depreciable Amount (G-H)	P Recovery Period	Q Method and Convention	R Date of Disposition	S N. Depreciation Computation									
							T Year:	U Rec. Year	V Depr. (1x %) Year	W Rec. Year	X Depr. (1x %) Year	Y Rec. Year	Z Depr. (1x %) Year			
1	AMT	81194	81194	39	MM		1	1.6	1303							
2	AMT	81194	81194	39	MM		1	1.6	1303							
3	AMT															
4	AMT															
5	AMT															
6	AMT															
7	AMT															
8	AMT															

\*\* Reduce the result by any investment credit basis adjustment before entering the figure in column G.

\*\*\* An additional allowance of 30% for qualified assets placed in service in the New York Liberty Zone after September 1, 2001 and before January 1, 2010, or for other qualified assets placed in service after September 1, 2001 and before January 1, 2004, or 50% for assets placed in service after May 5, 2003 and before September 9, 2010 or 100% after September 8, 2010 and before January 1, 2012. See special rules that apply to certain disaster areas.

**System calculated prior depreciation**

# DEPRECIATION WORKSHEET - ALL METHODS

Name(s) **BABY SITTER**

SSN/EIN **600-00-1008**

**Business-Use Percentage of an Asset:** **SCH C CHILD CARE SERVICES** Subform: **8829**

- If the business-use percentage of an asset is expected to change from year to year, use a separate worksheet for that asset, recomputing the columns D through O each year.
- In states where depreciation is computed different than federal, use a separate worksheet for state depreciation.
- When more than eight assets are being depreciated, use as many worksheets as necessary.

ASSET	✓	DEPRECIATION		Manner/ Date Acquired	Date Placed in Service, if different	System (MACRS, ACRS, etc.) & Class/Life	A. Cost or Other Basis	B. Land/ Salvage or other adj.*	C. Qualified Basis (A-B)		D. Business Use %	E. Business Basis (C x D)
		Y	I						Year	Year		
1		H	I	U	05/01/2012	MACRS	N 189000	10000	179000	45.3	81194	
2												
3												
4												
5												
6												
7												
8												

\* Enter basis adjustment for clean-fuel vehicle deduction or electric vehicle credit in column B.

• In the section below, use the top row for each asset to compute depreciation for regular tax purposes, and the shaded row below it to compute depreciation for AMT purposes.

- In column O, enter the tax year at the top and the asset's recovery year below (1st, 2nd, etc.). Find the percentage from the appropriate table.
- To continue depreciation after the third year, another row or use additional copies of this worksheet as overflow worksheets. Enter in Column M any depreciation claimed on prior years' worksheets.

F. Sec. 179 Deduction	G. (E-F)**	H. Special*** Depreciation Allowance, if any (col. G x percentage)	I. Depreciable Amount (G-H)	J. Recovery Period	K. Method and Convention	L. Depreciation Claimed	M. Date of Disposition	N. Depreciation Computation						
								Year: 2012	Year:	Year:	Year:			
1	81194		81194	39				1	1.6	1303				
AMT	81194		81194	39	MM			1	1.6	1303				
2														
AMT														
3														
AMT														
4														
AMT														
5														
AMT														
6														
AMT														
7														
AMT														
8														
AMT														

\*\* Reduce the result by any investment credit basis adjustment before entering the figure in column G.

\*\*\* An additional allowance of 30% for qualified assets placed in service in the New York Liberty Zone after September 1, 2001 and before January 1, 2010, or for other qualified assets placed in service after September 1, 2001 and before January 1, 2004, or 50% for assets placed in service after May 9, 2003 and before September 9, 2010 or 100% after September 8, 2010 and before January 1, 2012. See special rules that apply to certain disaster areas.

**\* System calculated prior depreciation**

For the year Jan. 1- Dec. 31, 2012, or other tax year beginning , 2012, ending , 20

**BABY SITTER**  
**222 NURSERY LANE**  
**TILLAMOOK, OR 97141**

Foreign country name Foreign province/state/county Foreign postal code

**See separate instructions.**  
**Your social security number**  
**600-00-1008**  
**Spouse's social security number**

▲ Make sure the SSN(s) above and on line 6c are correct.

**Presidential Election Campaign**  
 Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.  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 & full name here.  
 4  Head of household (with qualifying person). (See instructions.)  
 5  Qualifying widow(er) with dependent child

Check only one box. If the qualifying person is a child but not your dependent, enter this child's name here. ▶

**Exemptions**

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

**Dependents:**

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> If qual. child < 17 for child tax or (see inst.)
JOHN DOE		600-00-2008	SON	<input checked="" type="checkbox"/>

If more than four dependents, see inst and check here ▶

Boxes checked on 6a and 6b: **1**  
 No. of children on 6c who:  
 • lived with you: **1**  
 • did not live with you due to divorce or separation (see inst.):  
 Dependents on 6c not entered above:  
 Add numbers on lines above ▶ **2**

d Total number of exemptions claimed **2**

**Income**

7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	13,200.
8a	Taxable interest. Attach Schedule B if required	8a	
b	Tax-exempt interest. Do not include on line 8a	8b	
9a	Ordinary dividends. Attach Schedule B if required	9a	
b	Qualified dividends	9b	
10	Taxable refunds, credits, or offsets of state and local income taxes	10	
11	Alimony received	11	
12	Business income or (loss). Attach Schedule C or C-EZ	12	12,957.
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here	13	
14	Other gains or (losses). Attach Form 4797	14	
15a	IRA distributions	15a	
b	Taxable amt	15b	
16a	Pensions and annuities	16a	
b	Taxable amt	16b	
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	
18	Farm income or (loss). Attach Schedule F	18	
19	Unemployment compensation	19	
20a	Social security benefits	20a	
b	Taxable amount	20b	
21	Other income. List type and amount	21	
22	Combine the amounts in the far right column for lines 7 through 21. This is your total income	22	26,157.

**Adjusted Gross Income**

23	Reserved	23	
24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24	
25	Health savings account deduction. Attach Form 8889	25	
26	Moving expenses. Attach Form 3903	26	
27	Deductible part of self-employment tax. Attach Schedule SE	27	915.
28	Self-employed SEP, SIMPLE, and qualified plans	28	
29	Self-employed health insurance deduction	29	
30	Penalty on early withdrawal of savings	30	
31a	Alimony paid	31a	
b	Recipient's SSN		
32	IRA deduction	32	
33	Student loan interest deduction	33	
34	Reserved	34	
35	Domestic production activities deduction. Attach Form 8903	35	
36	Add lines 23 through 35	36	915.
37	Subtract line 36 from line 22. This is your adjusted gross income	37	25,242.

KBA For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Form 1040 (2012)

**Tax and Credits**

38 Amount from line 37 (adjusted gross income) . . . . . 38 **25,242.**  
 39a Check  You were born before January 2, 1948,  Blind. } Total boxes  
 if:  Spouse was born before January 2, 1948,  Blind. } checked ▶ 39a  
 b If your spouse itemizes on a separate return or you were a dual-status alien, check here ▶ 39b

**Standard Deduction for -**

• People who check any box on line 39a or 39b or who can be claimed as a dependent, see instr.  
 • All others:

Single or Married filing separately, \$5,950

Married filing jointly or Qualifying widow(er), \$11,900

Head of household, \$8,700

40 Itemized deductions (from Schedule A) or your standard deduction (see left margin) . . . . . 40 **13,795.**  
 41 Subtract line 40 from line 38 . . . . . 41 **11,447.**  
 42 Exemptions. Multiply \$3,800 by the number on line 6d . . . . . 42 **7,600.**  
 43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0- . . . . . 43 **3,847.**  
 44 Tax Check if any from: a  Form(s) 8814 b  Form 4972 c  962 election . . . . . 44 **383.**  
 45 Alternative minimum tax (see instructions). Attach Form 6251 . . . . . 45  
 46 Add lines 44 and 45 . . . . . 46 **383.**  
 47 Foreign tax credit. Attach Form 1116 if required . . . . . 47  
 48 Credit for child and dependent care expenses. Attach Form 2441 . . . . . 48 **383.**  
 49 Education credits from Form 8863, line 19 . . . . . 49  
 50 Retirement savings contributions credit. Attach Form 8880 . . . . . 50  
 51 Child tax credit. Attach Schedule CTC, if required . . . . . 51  
 52 Residential energy credit. Attach Form 5695 . . . . . 52  
 53 Other credits from Form: a  3800 b  8801 c  A . . . . . 53  
 54 Add in 47 through 53. These are your total credits . . . . . 54 **383.**  
 55 Subtract line 54 from line 46. If line 54 is more than line 46, enter -0- . . . . . 55 **0.**

**Other Taxes**

56 Self-employment tax. Attach Schedule SE . . . . . 56 **1,591.**  
 57 Unreported social security and Medicare tax from Form: a  4137 b  8919 . . . . . 57  
 58 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required . . . . . 58  
 59a Household employment taxes from Schedule H . . . . . 59a  
 b First-time homebuyer credit repayment. Attach Form 5405 if required . . . . . 59b  
 60 Other taxes. Enter code(s) from instructions . . . . . 60  
 61 Add lines 55 through 60. This is your total tax . . . . . 61 **1,591.**

**Payments**

If you have a qualifying child, attach Schedule EIC.

62 Federal income tax withheld from Forms W-2 and 1099 . . . . . 62 **1,200.**  
 63 2012 estimated tax payments and amount applied from 2011 return . . . . . 63  
 64a Earned income credit (EIC) . . . . . 64a **1,869.**  
 b Nontaxable combat pay election  64b  
 65 Additional child tax credit. Attach Schedule CTC . . . . . 65 **1,000.**  
 66 American opportunity credit from Form 8863, line 8 . . . . . 66  
 67 RESERVED . . . . . 67  
 68 Amount paid with request for extension to file . . . . . 68  
 69 Excess social security and tier 1 RRTA tax withheld . . . . . 69  
 70 Credit for federal tax on fuels. Attach Form 4136 . . . . . 70  
 71 Credits from Form: a  2439 b  Re-served c  8801 d  8885 . . . . . 71  
 72 Add lines 62, 63, 64a, and 65 through 71. These are your total payments . . . . . 72 **4,069.**

**Refund**

73 If line 72 is more than line 61, subtract line 61 from line 72. This is the amount you overpaid . . . . . 73 **2,478.**  
 74a Amount of line 73 you want refunded to you. If Form 8888 is attached, check here  ▶  **2,478.**  
 Direct deposit? ▶ b Routing number ▶ c Type:  Checking  Savings  
 See ▶ d Account number  
 instructions. 75 Amount of line 73 you want applied to your 2013 estimated tax ▶ 75

**Amount You Owe**

76 Amount you owe. Subtract line 72 from line 61. For details on how to pay, see instructions . . . ▶ 76  
 77 Estimated tax penalty (see instructions) . . . . . 77

**Third Party Designee**

Do you want to allow another person to discuss this return with the IRS (see instructions)?  Yes. Complete below.  No  
 Designee's name Phone no. Personal ID 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  
**For Info Only-Do not file DAY CARE PROVID**  
 Spouse's signature. If a joint return, both must sign. Date Spouse's occupation If the IRS sent you an ID Protection PIN, enter it here (see inst.)  
**For Info Only-Do not file**

**Paid Preparer Use Only**

Print/Type preparer's name Preparer's signature Date Check  if self-employed PTIN  
**KAREN TAXPRO 09/20/2012 P47777777**  
 Firm's name ▶ **H AND R BLOCK** Firm's EIN ▶ **44-0607856**  
 Firm's address ▶ **DUBLIN, OH 43017** Phone no. **(614) 659-1158**

**SCHEDULE A  
(Form 1040)**

**Itemized Deductions**

OMB No. 1545-0074

**2012**

Department of the Treasury  
Internal Revenue Service (99)

▶ Attach to Form 1040. ▶ See Instructions for Schedule A (Form 1040).

Attachment  
Sequence No. **07**

Name(s) shown on Form 1040

Your social security number  
**600-00-1008**

**BABY SITTER**

<b>Medical and Dental Expenses</b>	<b>Caution.</b> Do not include expenses reimbursed or paid by others.		
1	Medical and dental expenses (see instructions)	1	
2	Enter amount from Form 1040, line 38	2	
3	Multiply line 2 by 7.5% (.075)	3	
4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-	4	
<b>Taxes You Paid</b>	5 State and local	5	0.
	a <input type="checkbox"/> Income taxes		
	b <input checked="" type="checkbox"/> Reserved		
6	Real estate taxes (see instructions) <b>REAL ESTATE TAXES 1,257.</b>	6	1,257.
7	Personal property taxes	7	2,300.
8	Other taxes. List type and amount ▶	8	
9	Add lines 5 through 8	9	3,557.
<b>Interest You Paid</b>	10 Home mortgage interest and points reported to you on Form 1098	10	3,388.
	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 ▶	11	
<b>Note.</b> Your mortgage interest deduction may be limited (see instructions).	12 Points not reported to you on Form 1098. See instructions for special rules	12	
	13 Reserved	13	
	14 Investment interest. Attach Form 4952 if required. (See instructions.)	14	
15	Add lines 10 through 14	15	3,388.
<b>Gifts to Charity</b>	16 Gifts by cash or check. If you made any gift of \$250 or more, see instructions. <b>CHURCH 2,250.</b>	16	2,250.
If you made a gift and got a benefit for it, see instructions.	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	4,600.
	18 Carryover from prior year	18	
19	Add lines 16 through 18	19	6,850.
<b>Casualty and Theft Losses</b>	20 Casualty or theft loss(es). Attach Form 4684. (See instructions.)	20	
<b>Job Expenses and Certain Miscellaneous Deductions</b>	21 Unreimbursed employee expenses - job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See inst.) ▶ <b>DRAFT</b>	21	
	22 Tax preparation fees	22	365.
	23 Other expenses - investment, safe deposit box, etc. List type and amount ▶	23	
24	Add lines 21 through 23	24	365.
25	Enter amount from Form 1040, line 38	25	25,242.
26	Multiply line 25 by 2% (.02)	26	505.
27	Subtract line 26 from line 24. If line 26 is more than line 24, enter -0-	27	0.
<b>Other Miscellaneous Deductions</b>	28 Other - from list in instructions. List type and amount ▶	28	
<b>Total Itemized Deductions</b>	29 Add the amounts in the far right column for lines 4 through 28. Also, enter this amount on Form 1040, line 40	29	13,795.
	30 If you elect to itemize deductions even though they are less than your standard deduction, check here <input type="checkbox"/>		

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

Schedule A (Form 1040) 2012

**SCHEDULE C  
(Form 1040)**

Department of the Treasury  
Internal Revenue Service (99)

**Profit or Loss From Business**

(Sole Proprietorship)

▶ For information on Schedule C and its instructions, go to [www.irs.gov/schedulec](http://www.irs.gov/schedulec)  
▶ Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

OMB No. 1545-0074

**2012**

Attachment  
Sequence No. **09**

Name of proprietor <b>BABY SITTER</b>	Social security number (SSN) <b>600-00-1008</b>
A Principal business or profession, including product or service (see instructions) <b>CHILD CARE SERVICES : DAY CARE</b>	B Enter code from instructions <b>624410</b>
C Business name. If no separate business name, leave blank.	D Employer ID number (EIN), (see instr.)

E Business address (including suite or room no.) ▶ **222 NURSERY LANE**  
City, town or post office, state, and ZIP code **TILLAMOOK, OR 97141**

F Accounting method: (1)  Cash (2)  Accrual (3)  Other (specify) ▶

G Did you "materially participate" in the operation of this business during 2012? If "No," see instructions for limit on losses . . . . .  Yes  No

H If you started or acquired this business during 2012, check here . . . . .  Yes  No

I Did you make any payments in 2012 that would require you to file Form(s) 1099? (see instructions) . . . . . Yes  No  No

J If "Yes," did you or will you file required Forms 1099? . . . . . Yes  No  No

Part I Income			
1 Gross receipts or sales. See instructions for line 1 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 . . . . . <input type="checkbox"/>	1		26,000.
2 Returns and allowances (see instructions) . . . . .	2		
3 Subtract line 2 from line 1 . . . . .	3		26,000.
4 Cost of goods sold (from line 42) . . . . .	4		
5 <b>Gross profit.</b> Subtract line 4 from line 3 . . . . .	5		26,000.
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions) . . . . .	6		
7 <b>Gross income.</b> Add lines 5 and 6 . . . . .	7		26,000.

Part II Expenses		Enter expenses for business use of your home only on line 30.	
8 Advertising . . . . .	8		235.
9 Car and truck expenses (see instructions) . . . . .	9		
10 Commissions and fees . . . . .	10		
11 Contract labor (see instructions) . . . . .	11		
12 Depletion . . . . .	12		
13 Depreciation and section 179 expense deduction (not included in Part III) (see inst) . . . . .	13		
14 Employee benefit programs (other than on line 19) . . . . .	14		
15 Insurance (other than health) . . . . .	15		
16 Interest:			
a Mortgage (paid to banks, etc.) . . . . .	16a		
b Other . . . . .	16b		
17 Legal and professional services . . . . .	17		
18 Office expense (see instructions) . . . . .	18		51.
19 Pension and profit-sharing plans . . . . .	19		
20 Rent or lease (see instructions):			
a Vehicles, machinery, and equipment . . . . .	20a		
b Other business property . . . . .	20b		
21 Repairs and maintenance . . . . .	21		
22 Supplies (not included in Part III) . . . . .	22		6,500.
23 Taxes and licenses . . . . .	23		
24 Travel, meals, and entertainment:			
a Travel . . . . .	24a		
b Deductible meals and entertainment (see instructions) . . . . .	24b		
25 Utilities . . . . .	25		
26 Wages (less employment credits) . . . . .	26		
27a Other expenses (from line 48) . . . . .	27a		
b Reserved for future use . . . . .	27b		
28 <b>Total expenses</b> before expenses for business use of home. Add lines 8 through 27a . . . . .	28		6,786.
29 Tentative profit or (loss). Subtract line 28 from line 7 . . . . .	29		19,214.
30 Expenses for business use of your home. Attach Form 8829. Do not report such expenses elsewhere . . . . .	30		6,257.
31 <b>Net profit or (loss).</b> Subtract line 30 from line 29.			
• If a profit, enter on both Form 1040, line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2. If you entered an amount on line 1c, see instr. 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, (or Form 1040NR, line 13) and on Schedule SE, line 2. (Statutory employees do not report this amount on Schedule SE, line 2.) Estates and trusts, enter on Form 1041, line 3.			
• If you checked 32b, you must attach Form 6198. Your loss may be limited.			
	31		12,957.
		32a <input type="checkbox"/>	All investment is at risk.
		32b <input type="checkbox"/>	Some investment is not at risk.

**SCHEDULE SE  
(Form 1040)**

Department of the Treasury  
Internal Revenue Service (99)

**Self-Employment Tax**

► Information about Schedule SE and its separate instructions is at [www.irs.gov/form1040](http://www.irs.gov/form1040).  
► Attach to Form 1040 or Form 1040NR.

OMB No. 1545-0074

**2012**

Attachment  
Sequence No. **17**

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

**BABY SITTER**

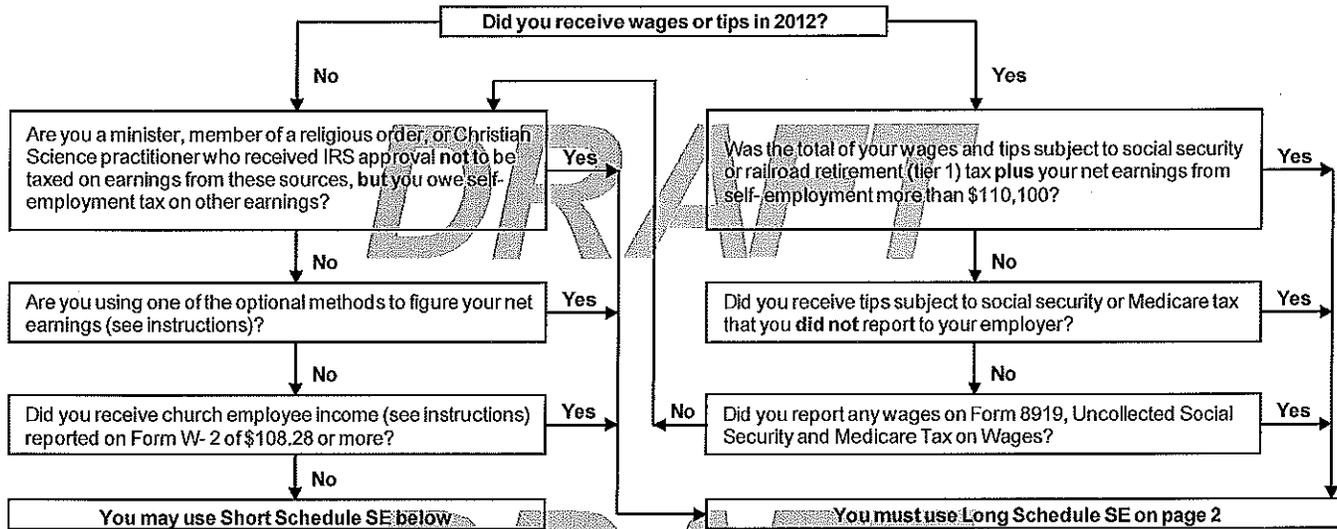
Social security number of person  
with self-employment income ►

**600-00-1008**

**Before you begin:** To determine if you must file Schedule SE, see the instructions.

**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 in the instructions.



**Section A - Short Schedule SE. Caution.** Read above to see if you can use Short Schedule SE.

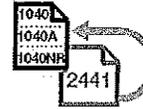
1a	Net farm profit or (loss) from Schedule F, line 34, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A	1a	0.
b	If you received social security retirement or disability benefits, enter the amount of Conservation Reserve Program payments included on Schedule F, line 4b, or listed on Schedule K-1 (Form 1065), box 20, code Y	1b	( )
2	Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; 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	12,957.
3	Combine lines 1a, 1b, and 2	3	12,957.
4	Multiply line 3 by 92.35% (.9235). If less than \$400, you do not owe self-employment tax; do not file this schedule unless you have an amount on line 1b. <b>Note.</b> If line 4 is less than \$400 due to Conservation Reserve Program payments on line 1b, see instructions.	4	11,966.
5	<b>Self-employment tax.</b> If the amount on line 4 is: • \$110,100 or less, multiply line 4 by 13.3% (.133). Enter the result here and on Form 1040, line 56, or Form 1040NR, line 54 • More than \$110,100, multiply line 4 by 2.9% (.029). Then, add \$11,450.40 to the result. Enter the total here and on Form 1040, line 56, or Form 1040NR, line 54	5	1,591.
6	<b>Deduction for employer-equivalent portion of self-employment tax.</b> If the amount on line 5 is: • \$14,643.30 or less, multiply line 5 by 57.51% (.5751) • More than \$14,643.30, multiply line 5 by 50% (.50) and add \$1,100 to the result. Enter the result here and on Form 1040, line 27, or Form 1040NR, line 27	6	915.

**KBA** For Paperwork Reduction Act Notice, see your tax return instructions.

Schedule SE (Form 1040) 2012

**Child and Dependent Care Expenses**

▶ Attach to Form 1040, Form 1040A, or Form 1040NR.  
 ▶ Information about Form 2441 and its separate instructions is at [www.irs.gov/form2441](http://www.irs.gov/form2441).



Department of the Treasury  
Internal Revenue Service (99)

Name(s) shown on return

**BABY SITTER**

Your social security number

**600-00-1008**

**Part I** Persons or Organizations Who Provided the Care - You must complete this part.  
 (If you have more than two care providers, see the instructions.)

1	(a) Care provider's name	(b) Address (number, street, apt. no., city, state, and ZIP code)	(c) Identifying number (SSN or EIN)	(d) Amount paid (see instructions)
	<b>TINY TOTS</b>	<b>222 CHILD CARE LANE TILLAMOOK OR 97141</b>	<b>41-5555555</b>	<b>5,000.</b>

Did you receive dependent care benefits?  No  Yes

No → Complete only Part II below.  
 Yes → Complete Part III on page 2 next.

**Caution.** If the care was provided in your home, you may owe employment taxes. If you do, you cannot file Form 1040A. For details, see the instructions for Form 1040, line 59a, or Form 1040NR, line 58a.

**Part II** Credit for Child and Dependent Care Expenses

**2** Information about your qualifying person(s). If you have more than two qualifying persons, see the instructions.

2	(a) Qualifying person's name First Last	(b) Qualifying person's social security number	(c) Qualified expenses you incurred and paid in 2012 for the person listed in column (a)
	<b>JOHN DOE</b>	<b>600-00-2008</b>	<b>5,000.</b>

<b>3</b>	Add the amounts in column (c) of line 2. Do not enter more than \$3,000 for one qualifying person or \$6,000 for two or more persons. If you completed Part III, enter the amount from line 31.	<b>3</b>	<b>3,000.</b>
<b>4</b>	Enter your earned income. See instructions.	<b>4</b>	<b>25,242.</b>
<b>5</b>	If married filing jointly, enter your spouse's earned income (if your spouse was a student or was disabled, see the instructions); all others, enter the amount from line 4.	<b>5</b>	<b>25,242.</b>
<b>6</b>	Enter the smallest of line 3, 4, or 5.	<b>6</b>	<b>3,000.</b>
<b>7</b>	Enter the amount from Form 1040, line 38; Form 1040A, line 22; or Form 1040NR, line 37.	<b>7</b>	<b>25,242.</b>

**8** Enter on line 8 the decimal amount shown below that applies to the amount on line 7

If line 7 is:		If line 7 is:	
Over	But not over	Over	But not over
\$0	— 15,000	\$29,000	— 31,000
	.35		.27
15,000	— 17,000	31,000	— 33,000
	.34		.26
17,000	— 19,000	33,000	— 35,000
	.33		.25
19,000	— 21,000	35,000	— 37,000
	.32		.24
21,000	— 23,000	37,000	— 39,000
	.31		.23
23,000	— 25,000	39,000	— 41,000
	.30		.22
25,000	— 27,000	41,000	— 43,000
	.29		.21
27,000	— 29,000	43,000	— No limit
	.28		.20

<b>9</b>	Multiply line 6 by the decimal amount on line 8. If you paid 2011 expenses in 2012, see the instructions.	<b>9</b>	<b>870.</b>
<b>10</b>	Tax liability limit. Enter the amount from the Credit Limit Worksheet in the instructions.	<b>10</b>	<b>383.</b>
<b>11</b>	Credit for child and dependent care expenses. Enter the smaller of line 9 or line 10 here and on Form 1040, line 48; Form 1040A, line 29; or Form 1040NR, line 46.	<b>11</b>	<b>383.</b>

KBA For Paperwork Reduction Act Notice, see your tax return instructions.

**SCHEDULE EIC**  
(Form 1040A or 1040)

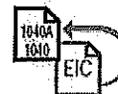
Department of the Treasury  
Internal Revenue Service (99)

**Earned Income Credit**

**Qualifying Child Information**

▶ Complete and attach to Form 1040A or 1040 only if you have a qualifying child.

▶ Information about Schedule EIC (Form 1040A or 1040) and its instructions is at [www.irs.gov/form1040](http://www.irs.gov/form1040).



OMB No. 1545-0074

**2012**

Attachment  
Sequence No. **43**

Name(s) shown on return

**BABY SITTER**

Your social security number

**600-00-1008**

**Before you begin:**

- See the instructions for Form 1040A, lines 38a and 38b, or Form 1040, lines 64a and 64b, to make sure that (a) you can take the EIC, and (b) you have a qualifying child.
- Be sure the child's name on line 1 and social security number (SSN) on line 2 agree with the child's social security card. Otherwise, at the time we process your return, we may reduce or disallow your EIC. If the name or SSN on the child's social security card is not correct, call the Social Security Administration at 1-800-772-1213.



- If you take the EIC even though you are not eligible, you may not be allowed to take the credit for up to 10 years. See separate instructions for details.
- It will take us longer to process your return and issue your refund if you do not fill in all lines that apply for each qualifying child.

**Qualifying Child Information**

Child 1

Child 2

Child 3

	Child 1	Child 2	Child 3
<b>1 Child's name</b> If you have more than three qualifying children, you only have to list three to get the maximum credit.	First name: <b>JOHN</b> Last name: <b>DOE</b>		
<b>2 Child's SSN</b> The child must have an SSN as defined in the instructions for Form 1040A, lines 38a and 38b, or Form 1040, lines 64a and 64b, unless the child was born and died in 2012. If your child was born and died in 2012 and did not have an SSN, enter "Died" on this line and attach a copy of the child's birth certificate, death certificate, or hospital medical records.	600-00-2008		
<b>3 Child's year of birth</b> If born after 1993 and the child was younger than you (or your spouse, if filing jointly), skip lines 4a and 4b; go to line 5.	Year: <u>2002</u>	Year: _____	Year: _____
<b>4 a</b> Was the child under age 24 at the end of 2012, a student, and younger than you (or your spouse, if filing jointly)?	<input type="checkbox"/> Yes. <input type="checkbox"/> No. Go to line 5.      Go to line 4b.	<input type="checkbox"/> Yes. <input type="checkbox"/> No. Go to line 5.      Go to line 4b.	<input type="checkbox"/> Yes. <input type="checkbox"/> No. Go to line 5.      Go to line 4b.
<b>b</b> Was the child permanently and totally disabled during any part of 2012?	<input checked="" type="checkbox"/> Yes. <input checked="" type="checkbox"/> No. Go to line 5.      The child is not a qualifying child.	<input type="checkbox"/> Yes. <input type="checkbox"/> No. Go to line 5.      The child is not a qualifying child.	<input type="checkbox"/> Yes. <input type="checkbox"/> No. Go to line 5.      The child is not a qualifying child.
<b>5 Child's relationship to you</b> (for example, son, daughter, grandchild, niece, nephew, foster child, etc.)	<b>SON</b>		
<b>6 Number of months child lived with you in the United States during 2012</b> • If the child lived with you for more than half of 2012 but less than 7 months, enter "7." • If the child was born or died in 2012 and your home was the child's home for more than half the time he or she was alive during 2012, enter "12."	<u>12</u> months Do not enter more than 12 months.	_____ months Do not enter more than 12 months.	_____ months Do not enter more than 12 months.

KBA For Paperwork Reduction Act Notice, see your tax return instructions.

Schedule EIC (Form 1040A or 1040) 2012

**Schedule 8812**  
(Form 1040A or 1040)

Department of the Treasury  
Internal Revenue Service (99)

**Child Tax Credit**

► Information about Schedule 8812 and its separate instructions is at [www.irs.gov/form1040](http://www.irs.gov/form1040).  
► Attach to Form 1040, Form 1040A, or Form 1040NR.

OMB No. 1545-0074

**2012**

Attachment  
Sequence No. **47**

Name(s) shown on return

**BABY SITTER**

Your social security number

**600-00-1008**

**Part I Filers Who Have Certain Child Dependents with an ITIN (Individual Taxpayer Identification Number)**



Complete this part only for each dependent who has an ITIN and for whom you are claiming the child tax credit. If your dependent does not qualify for the credit, you cannot include that dependent in the calculation of this credit.

Answer the following questions for each dependent listed on Form 1040, line 6c; Form 1040A, line 6c; or Form 1040NR, line 7c, who has an ITIN (Individual Taxpayer Identification Number) and that you indicated qualified for the child tax credit by checking column (4) for that dependent.

- A** For the first dependent identified with an ITIN and listed as a qualifying child for the child tax credit, did this child meet the substantial presence test? See separate instructions.  
 Yes  No
- B** For the second dependent identified with an ITIN and listed as a qualifying child for the child tax credit, did this child meet the substantial presence test? See separate instructions.  
 Yes  No
- C** For the third dependent identified with an ITIN and listed as a qualifying child for the child tax credit, did this child meet the substantial presence test? See separate instructions.  
 Yes  No
- D** For the fourth dependent identified with an ITIN and listed as a qualifying child for the child tax credit, did this child meet the substantial presence test? See separate instructions.  
 Yes  No

Note. If you have more than four dependents identified with an ITIN and listed as a qualifying child for the child tax credit, see the instructions and check here

**Part II Additional Child Tax Credit Filers**

<b>1</b>	<b>1040 filers:</b> Enter the amount from line 6 of your Child Tax Credit Worksheet (see the Instructions for Form 1040, line 51). <b>1040A filers:</b> Enter the amount from line 6 of your Child Tax Credit Worksheet (see the Instructions for Form 1040A, line 33). <b>1040NR filers:</b> Enter the amount from line 6 of your Child Tax Credit Worksheet (see the Instructions for Form 1040NR, line 48). If you used Pub. 972, enter the amount from line 8 of the Child Tax Credit Worksheet in the publication.			1,000.
<b>2</b>	Enter the amount from Form 1040, line 51, Form 1040A, line 33, or Form 1040NR, line 48			0.
<b>3</b>	Subtract line 2 from line 1. If zero, stop; you cannot take this credit			1,000.
<b>4a</b>	Earned income (see separate instructions)	4a	25,242.	
<b>b</b>	Nontaxable combat pay (see separate instructions)	4b		
<b>5</b>	Is the amount on line 4a more than \$3,000? <input type="checkbox"/> No. Leave line 5 blank and enter - 0- on line 6. <input checked="" type="checkbox"/> Yes. Subtract \$3,000 from the amount on line 4a. Enter the result	5	22,242.	
<b>6</b>	Multiply the amount on line 5 by 15% (.15) and enter the result Next. Do you have three or more qualifying children? <input checked="" type="checkbox"/> No. If line 6 is zero, stop; you cannot take this credit. Otherwise, skip Part II and enter the smaller of line 3 or line 6 on line 13. <input type="checkbox"/> Yes. If line 6 is equal to or more than line 3, skip Part II and enter the amount from line 3 on line 13. Otherwise, go to line 7.	6		3,336.

KBA For Paperwork Reduction Act Notice, see your tax return instructions.

Schedule 8812 (Form 1040A or 1040) 2012

**Part III Certain Filers Who Have Three or More Qualifying Children**

7	Withheld social security and Medicare taxes from Form(s) W-2, boxes 4 and 6. If married filing jointly, include your spouse's amounts with yours. If you worked for a railroad, see separate instructions	7	
8	<b>1040 filers:</b> Enter the total of the amounts from Form 1040, lines 27 and 57, plus any taxes that you identified using code "UT" and entered on line 60.	8	
	<b>1040A filers:</b> Enter - 0 - .		
	<b>1040NR filers:</b> Enter the total of the amounts from Form 1040NR, lines 27 and 55, plus any taxes that you identified using code "UT" and entered on line 59.		
9	Add lines 7 and 8	9	
10	<b>1040 filers:</b> Enter the total of the amounts from Form 1040, lines 64a and 69.	10	
	<b>1040A filers:</b> Enter the total of the amount from Form 1040A, line 38a, plus any excess social security and tier 1 RRTA taxes withheld that you entered to the left of line 41 (see separate instructions).		
	<b>1040NR filers:</b> Enter the amount from Form 1040NR, line 65.		
11	Subtract line 10 from line 9. If zero or less, enter - 0 -	11	
12	Enter the larger of line 6 or line 11	12	
	Next, enter the smaller of line 3 or line 12 on line 13.		

**Part IV Additional Child Tax Credit**

13	This is your additional child tax credit	13	1,000.
----	--	----	--------

Enter this amount on  
 Form 1040, line 65,  
 Form 1040A, line 39, or  
 Form 1040NR, line 63.

1040  
 1040A  
 1040NR

DRAFT

DRAFT

# Noncash Charitable Contributions

▶ **Attach to your tax return if you claimed a total deduction of over \$500 for all contributed property.**

▶ **Information about Form 8283 and its separate instructions is at [www.irs.gov/form8283](http://www.irs.gov/form8283).**

Name(s) shown on your income tax return

**BABY SITTER**

Identifying number

**600-00-1008**

**Note:** Figure the amount of your contribution deduction before completing this form. See your tax return instructions.

**Section A. Donated Property of \$5,000 or Less and Certain Publicly Traded Securities-** List in this section **only** items (or groups of similar items) for which you claimed a deduction of \$5,000 or less. Also, list certain publicly traded securities even if the deduction is more than \$5,000 (see instr.).

**Part I Information on Donated Property -** If you need more space, attach a statement.

1	(a) Name and address of the donee organization	(b) If donated property is a vehicle (see instr.), check the box. Also enter the vehicle identification number (unless Form 1098-C is attached)	(c) Description of donated property <small>(For a donated vehicle, enter the year, make, model, condition, and mileage, unless Form 1098-C is attached.)</small>
A	MY CHARITY 123 CHARITY ROW TILLAMOOK OR 97141	<input type="checkbox"/>	CLOTHING HOUSEHOLD ITEMS
B		<input type="checkbox"/>	
C		<input type="checkbox"/>	
D		<input type="checkbox"/>	
E		<input type="checkbox"/>	

**Note.** If the amount you claimed as a deduction for an item is \$500 or less, you do not have to complete columns (e), (f), and (g).

	(d) Date of the contribution	(e) Date acquired by donor (mo., yr.)	(f) How acquired by donor	(g) Donor's cost or adjusted basis	(h) Fair market value (see instr.)	(i) Method used to determine the fair market value
A	09/15/2012	VARIOUS	PURCHASED	22,500.	4,600.	THRIFT STORE VALUE
B						
C						
D						
E						

**Part II Partial Interests and Restricted Use Property-** Complete lines 2a through 2e if you gave less than an entire interest in a property listed in Part I. Complete lines 3a through 3c if conditions were placed on a contribution listed in Part I; also attach the required statement (see instr.).

- 2a** Enter the letter from Part I that identifies the property for which you gave less than an entire interest  
 If Part II applies to more than one property, attach a separate statement. ▶ \_\_\_\_\_
- b** Total amount claimed as a deduction for the property listed in Part I: (1) For this tax year ▶ \_\_\_\_\_  
 (2) For any prior tax years ▶ \_\_\_\_\_
- c** Name and address of each organization to which any such contribution was made in a prior year (complete only if different from the donee organization above):  
 Name of charitable organization (donee) \_\_\_\_\_  
 Address (number, street, and room or suite no.) \_\_\_\_\_  
 City or town, state, and ZIP code \_\_\_\_\_
- d** For tangible property, enter the place where the property is located or kept ▶ \_\_\_\_\_
- e** Name of any person, other than the donee organization, having actual possession of the property ▶ \_\_\_\_\_

	Yes	No
<b>3a</b> Is there a restriction, either temporary or permanent, on the donee's right to use or dispose of the donated property?	<input type="checkbox"/>	<input type="checkbox"/>
<b>b</b> Did you give to anyone (other than the donee organization or another organization participating with the donee organization in cooperative fundraising) the right to the income from the donated property or to the possession of the property, including the right to vote donated securities, to acquire the property by purchase or otherwise, or to designate the person having such income, possession, or right to acquire?	<input type="checkbox"/>	<input type="checkbox"/>
<b>c</b> Is there a restriction limiting the donated property for a particular use?	<input type="checkbox"/>	<input type="checkbox"/>

**Expenses for Business Use of Your Home**

Department of the Treasury  
Internal Revenue Service (99)

► File only with Schedule C (Form 1040). Use a separate Form 8829 for each home you used for business during the year.

► See separate instructions.

Name(s) of proprietor(s)

Your social security number

**BABY SITTER**

**600-00-1008**

**Part I Part of Your Home Used for Business**

1	Area used regularly and exclusively for business, regularly for daycare, or for storage of inventory or product samples (see instructions)	1	1,700
2	Total area of home	2	2,300
3	Divide line 1 by line 2. Enter the result as a percentage	3	73.91%
<b>For daycare facilities not used exclusively for business, go to line 4. All others go to line 7.</b>			
4	Multiply days used for daycare during year by hours used per day	4	3,016 hr.
5	Total hours available for use during the year (365 days x 24 hours) (see instructions)	5	8,760 hr.
6	Divide line 4 by line 5. Enter the result as a decimal amount	6	0.3434
7	Business percentage. For daycare facilities not used exclusively for business, multiply line 6 by line 3 (enter the result as a percentage). All others, enter the amount from line 3	7	45.36%

**Part II Figure Your Allowable Deduction**

**SEE ATTACHED COMPUTATION**

8	Enter the amount from Schedule C, line 29, plus any gain derived from the business use of your home and shown on Schedule D or Form 4797, minus any loss from the trade or business not derived from the business use of your home and shown on Schedule D or Form 4797. See instructions. See instructions for columns (a) and (b) before completing lines 9-21.	8	19,214.
9	Casualty losses (see instructions)	9	
10	Deductible mortgage interest (see instructions)	10	6,201.
11	Real estate taxes (see instructions)	11	2,300.
12	Add lines 9, 10, and 11	12	8,501.
13	Multiply line 12, column (b) by line 7.	13	3,856.
14	Add line 12, column (a) and line 13	14	3,856.
15	Subtract line 14 from line 8. If zero or less, enter -0-	15	15,358.
16	Excess mortgage interest (see instructions)	16	
17	Insurance	17	420.
18	Rent	18	
19	Repairs and maintenance	19	
20	Utilities	20	2,000.
21	Other expenses (see instructions)	21	
22	Add lines 16 through 21	22	2,420.
23	Multiply line 22, column (b) by line 7.	23	1,098.
24	Carryover of operating expenses from 2010 Form 8829, line 42	24	
25	Add line 22 column (a), line 23, and line 24	25	1,098.
26	Allowable operating expenses. Enter the smaller of line 15 or line 25	26	1,098.
27	Limit on excess casualty losses and depreciation. Subtract line 26 from line 15	27	14,260.
28	Excess casualty losses (see instructions)	28	
29	Depreciation of your home from line 41 below	29	1,303.
30	Carryover of excess casualty losses and depreciation from 2010 Form 8829, line 43	30	
31	Add lines 28 through 30	31	1,303.
32	Allowable excess casualty losses and depreciation. Enter the smaller of line 27 or line 31	32	1,303.
33	Add lines 14, 26, and 32	33	6,257.
34	Casualty loss portion, if any, from lines 14 and 32. Carry amount to Form 4684 (see instructions)	34	
35	<b>Allowable expenses for business use of your home.</b> Subtract line 34 from line 33. Enter here and on Schedule C, line 30. If your home was used for more than one business, see instructions	35	6,257.

**Part III Depreciation of Your Home**

36	Enter the smaller of your home's adjusted basis or its fair market value (see instructions)	36	189,000.
37	Value of land included on line 36	37	10,000.
38	Basis of building. Subtract line 37 from line 36	38	179,000.
39	Business basis of building. Multiply line 38 by line 7	39	81,194.
40	Depreciation percentage (see instructions)	40	1.605%
41	Depreciation allowable (see instructions). Multiply line 39 by line 40. Enter here and on line 29 above	41	1,303.

**Part IV Carryover of Unallowed Expenses to 2012**

42	Operating expenses. Subtract line 26 from line 25. If less than zero, enter -0-	42	0.
43	Excess casualty losses and depreciation. Subtract line 32 from line 31. If less than zero, enter -0-	43	0.

**Paid Preparer's Earned Income Credit Checklist**

▶ For more information about Form 8867, see [www.irs.gov/form8867](http://www.irs.gov/form8867)  
▶ To be completed by preparer and filed with Form 1040, 1040A, or 1040EZ.

Taxpayer name(s) shown on return  
**BABY SITTER**

Taxpayer's social security number  
**600-00-1008**

For the definitions of the following terms, see Pub. 596.

- Investment Income
- Qualifying Child
- Earned Income
- Full-time Student

**Part I All Taxpayers**

1 Enter preparer's name and PTIN ▶ **KAREN TAXPRO P47777777**

2 Is the taxpayer's filing status married filing separately?  Yes  No

▶ If you checked "Yes" on line 2, stop; the taxpayer cannot take the EIC. Otherwise, continue.

3 Does the taxpayer (and the taxpayer's spouse if filing jointly) have a social security number (SSN) that allows him or her to work or is valid for EIC purposes? See the instructions before answering  Yes  No

▶ If you checked "No" on line 3, stop; the taxpayer cannot take the EIC. Otherwise, continue.

4 Is the taxpayer filing Form 2555 or Form 2555-EZ (relating to the exclusion of foreign earned income)?  Yes  No

▶ If you checked "Yes" on line 4, stop; the taxpayer cannot take the EIC. Otherwise, continue.

5a Was the taxpayer a nonresident alien for any part of 2011?  Yes  No

▶ If you checked "Yes" on line 5a, go to line 5b. Otherwise, skip line 5b and go to line 6.

b Is the taxpayer's filing status married filing jointly?  Yes  No

▶ If you checked "Yes" on line 5a and "No" on line 5b, stop; the taxpayer cannot take the EIC. Otherwise, continue.

6 Is the taxpayer's investment income more than \$3,150? See Rule 6 in Pub. 596 before answering  Yes  No

▶ If you checked "Yes" on line 6, stop; the taxpayer cannot take the EIC. Otherwise, continue.

7 Could the taxpayer, or the taxpayer's spouse if filing jointly, be a qualifying child of another person for 2011? If the taxpayer's filing status is married filing jointly, check "No". Otherwise, see Rule 10 (Rule 13 if the taxpayer does not have a qualifying child) in Pub. 596 before answering  Yes  No

▶ If you checked "Yes" on line 7, stop; the taxpayer cannot take the EIC. Otherwise, go to Part II or Part III, whichever applies.

KBA For Paperwork Reduction Act Notice, see page 4.

Form 8867 (2011)

Information provided by: **BABY SITTER**  
Information provided in person.

Date information provided: **09/12/2012**

**Part II Taxpayers With a Child**

**Caution.** If there is more than one child, complete lines 8 through 14 for one child before going to the next column.

	Child 1	Child 2	Child 3
8 Child's name	JOHN DOE		
9 Is the child the taxpayer's son, daughter, stepchild, foster child, brother, sister, stepbrother, stepsister, half brother, half sister, or a descendant of any of them?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Is either of the following true? • The child is unmarried, or • The child is married, can be claimed as the taxpayer's dependent, and is not filing a joint return (or is filing it only as a claim for refund).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
11 Did the child live with the taxpayer in the United States for over half of the year? See the instructions before answering	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
12 Was the child (at the end of 2011) - • Under age 19 and younger than the taxpayer (or the taxpayer's spouse, if the taxpayer files jointly), • Under age 24, a full-time student, and younger than the taxpayer (or the taxpayer's spouse, if the taxpayer files jointly), or • Any age and permanently and totally disabled? ▶ If you checked "Yes" on lines 9, 10, 11, and 12, the child is the taxpayer's qualifying child; go to line 13a. If you checked "No" on line 9, 10, 11, or 12, the child is not the taxpayer's qualifying child; see the instructions for line 12 on page 4.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
13 a Could any other person check "Yes" on lines 9, 10, 11, and 12 for the child? ▶ If you checked "No" on line 13a, go to line 14. Otherwise, go to line 13b.	<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
b Enter the child's relationship to the other person(s).			
c Under the tiebreaker rules, is the child treated as the taxpayer's qualifying child? See the instructions before answering ▶ If you checked "Yes" on line 13c, go to line 14. If you checked "No," the taxpayer cannot take the EIC based on this child and cannot take the EIC for taxpayers who do not have a qualifying child. If there is more than one child, see the <b>Note</b> at the bottom of this page. If you checked "Don't know," explain to the taxpayer that, under the tiebreaker rules, the taxpayer's EIC and other tax benefits may be disallowed. Then, if the taxpayer wants to take the EIC based on this child, complete lines 14 and 15. If not, and there are no other qualifying children, the taxpayer cannot take the EIC, including the EIC for taxpayers without a qualifying child; do not complete Part III. If there is more than one child, see the <b>Note</b> at the bottom of this page.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Don't know
14 Does the qualifying child have an SSN that allows him or her to work or is valid for EIC purposes? See the instructions before answering ▶ If you checked "No" on line 14, the taxpayer cannot take the EIC based on this child and cannot take the EIC for taxpayers who do not have a qualifying child. If there is more than one child, see the <b>Note</b> at the bottom of this page. If you checked "Yes" on line 14, continue.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
15 Are the taxpayer's earned income and adjusted gross income each less than the limit that applies to the taxpayer for 2011? See Pub. 596 for the limit. ▶ If you checked "No" on line 15, stop; the taxpayer cannot take the EIC. If you checked "Yes" on line 15, the taxpayer can take the EIC. Complete <b>Schedule EIC</b> and attach it to the taxpayer's return. If there are two or three qualifying children with valid SSNs, list them on Schedule EIC in the same order as they are listed here. If the taxpayer's EIC was reduced or disallowed for a year after 1996, see Pub. 596 to see if <b>Form 8862</b> must be filed. Go to line 20.			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Note.</b> If you checked "No" on line 13c or 14 but there is more than one child, complete lines 8 through 14 for the other child(ren) (but for no more than three qualifying children). Also do this if you checked "Don't know" on line 13c and the taxpayer is not taking the EIC based on this child.			

**Part III Taxpayers Without a Qualifying Child**

16 Was the taxpayer's main home, and the main home of the taxpayer's spouse if filing jointly, in the United States for more than half the year? (Military personnel on extended active duty outside the United States are considered to be living in the United States during that duty period. See Pub. 596.)

Yes  No

▶ If you checked "No" on line 16, stop; the taxpayer cannot take the EIC. Otherwise, continue.

17 Was the taxpayer, or the taxpayer's spouse if filing jointly, at least age 25 but under age 65 at the end of 2011?

Yes  No

▶ If you checked "No" on line 17, stop; the taxpayer cannot take the EIC. Otherwise, continue.

18 Is the taxpayer, or the taxpayer's spouse if filing jointly, eligible to be claimed as a dependent on anyone else's federal income tax return for 2011? If the taxpayer's filing status is married filing jointly, check "No"

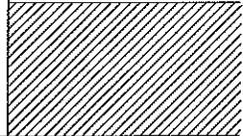
Yes  No

▶ If you checked "Yes" on line 18, stop; the taxpayer cannot take the EIC. Otherwise, continue.

19 Are the taxpayer's earned income and adjusted gross income each less than the limit that applies to the taxpayer for 2011? See Pub. 596 for the limit

Yes  No

▶ If you checked "No" on line 19, stop; the taxpayer cannot take the EIC. If you checked "Yes" on line 19, the taxpayer can take the EIC. If the taxpayer's EIC was reduced or disallowed for a year after 1996, see Pub. 596 to find out if Form 8862 must be filed. Go to line 20.



**Part IV Due Diligence Requirements**

20 Did you complete Form 8867 based on current information provided by the taxpayer or reasonably obtained by you?

Yes  No

21 Did you complete the EIC worksheet found in the Form 1040, 1040A, or 1040EZ instructions (or your own worksheet that provides the same information as the 1040, 1040A, or 1040EZ worksheet)?

Yes  No

22 Did you comply with knowledge requirements? (To comply with the knowledge requirements, you must not know or have reason to know that any information used to determine the taxpayer's eligibility for, and the amount of, the EIC is incorrect. You may not ignore the implications of information furnished to or known by you, and you must make reasonable inquiries if the information furnished appears to be incorrect, inconsistent, or incomplete. At the time you make these inquiries, you must document in your files the inquiries you made and the responses you received.)

Yes  No

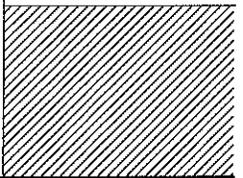
23 Did you keep the following records?

- Form 8867,
- The EIC worksheet(s) or your own worksheet(s),
- A record of how, when, and from whom the information used to prepare the form and worksheet(s) was obtained, and
- Copies of any documents provided by the taxpayer and on which you relied to complete the form and the worksheet

Yes  No

▶ If you checked "Yes" on lines 20, 21, 22, and 23, submit Form 8867 in the manner required, and keep the records described on line 23 for 3 years (see instructions), you have complied with all the due diligence requirements.

▶ If you checked "No" on lines 20, 21, 22, or 23, you have not complied with all the due diligence requirements and may have to pay a \$500 penalty for each failure to comply.



**Depreciation and Amortization**  
(Including Information on Listed Property)

Department of the Treasury  
Internal Revenue Service (99)

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return

Business or activity to which this form relates

Identifying number

**BABY SITTER**

**SCH C CHILD CARE SERVICES**

**600-00-1008**

**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 instructions)	1	
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	
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
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	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8.	9	
10	Carryover of disallowed deduction from line 13 of your 2011 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11.	12	
13	Carryover of disallowed deduction to 2013. Add lines 9 and 10, less line 12	13	

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 instr.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
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 2012	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 2012 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	05/01/12	81,194	39 yrs.	MM	S/L	1,303
				MM	S/L	

**Section C - Assets Placed in Service During 2012 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	
22	Total. Add amounts from line 12, lines 14 through 17, lines 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	1,303
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	

KBA For Paperwork Reduction Act Notice, see separate instructions.

Supporting Schedules

2012

Name: BABY SITTER

SSN: 600-00-1008

Schedule A

Line 17 - Gifts by Other Than Cash or Check

Description	Amount
FORM 8283	4,600
<b>Total</b>	<b>4,600</b>

FORM 8829 - 222 NURSERY LANE TILLAMOOK OR 97141  
 LINE 7 - SPECIAL COMPUTATION FOR CERTAIN DAYCARE FACILITIES

1. TOTAL AREA OF HOME.....	2,300	
2. AREA USED EXCLUSIVELY FOR DAYCARE.....	700	
3. AREA USED PARTLY FOR DAYCARE.....	1,000	
4. DIVIDE LINE 2 BY LINE 1.....		30.43%
5. DIVIDE LINE 3 BY LINE 1.....	43.48%	
6. MULTIPLY DAYS USED FOR DAYCARE DURING YEAR BY HOURS USED PER DAY.....	3,016	
7. TOTAL HOURS AVAILABLE FOR USE DURING THE YEAR.....	8,784	
8. DIVIDE LINE 6 BY LINE 7. ENTER THE RESULT AS A DECIMAL.	0.3434	
9. MULTIPLY LINE 5 BY LINE 8.....		14.93%
10. ADD LINE 4 AND LINE 9.....		45.36%