

Swift FP Example Tax Returns

***Exercise Number Six
(Farm Income)***

Forms Included: Form 1040, Schedule C, Schedule F, Form 4562, Schedule SE, Form 8867

Client's Social Security Number 257-00-4710

Filing Status: Married Filing Joint

Taxpayer's Date of Birth 05/11/1964

Spouse's Date of Birth 01/15/1967

Neither Taxpayer nor Spouse is Blind or Deceased

Client's First Name, Initial, and Last Name

Vince E. Dooley

Spouse's First Name, Initial, and Last Name

Barbara J. Dooley

Spouse's SSN 253-00-4711

Street Address

PO Box 1419

Zip Code 30809 (Evans, Georgia)

Daytime Telephone 706-868-0985

Taxpayer's Occupation Farmer

Spouse's Occupation Homemaker

E-Mail dooleyfarm@yahoo.com

Dependent Information

No dependents

Healthcare Information

Taxpayer and spouse had minimum essential health coverage for the entire year.

Health insurance was NOT purchased through the marketplace/exchange.

W-2 Information

No W-2 information to enter

Schedule C Information

Schedule C is for **Spouse**

Principal Business Code: 454390 – Other Direct Selling

Business Name: Avon

No Employer ID Number

Business Address: <Same address as on 1040>

Schedule C Questions: Leave all questions to the DEFAULT answers

Income:

Gross Receipts or Sales: \$4658

Cost of Goods Sold –

Inventory at Beginning of Year...\$1452

Purchases..... \$1630

Inventory at End of Year.....\$368

Expenses:

Supplies: \$126

Other Expenses:

Business Cards...\$90

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Schedule F – Farm Income Information:

Schedule F is for **Taxpayer**

Principal Business Code: 111900 – Other Crop Farming

Employer ID Number: 58-9515151

Schedule F Questions:

Accounting Method: Cash

Materially Participate: Yes

Made Payments requiring Form 1099: NO

File all required Forms 1099? (will stay at NO)

Did you receive a subsidy? NO

Investment at Risk: Yes

No Prior Year Unallowed Loss

Income:

Sale of Livestock and Other Items Bought:

Corn -- \$42,000

Beans -- \$26,000

Pecans -- \$5,800

Soybeans -- \$6,800

Agricultural Program Payments: \$18,500

Taxable Agricultural Program Payments: \$18,500

CCC Loans: \$6,500

CCC Loans – Forfeited \$4,000

CCC Loans Taxable Amount \$4,000

Additional Crop Insurance & Disaster Payments (2019) \$5,600

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Additional Crop Insurance Taxable Amount \$5,600

Specified Other Income:

State Fuel Tax Credit \$2,300

Expenses: Car & Truck (Actual Expenses) [Be sure to enter through the Depreciation Module]
Description:

Truck

Date Placed in Service: 05/01/2014

Cost: \$35,450

Accumulated Depreciation \$23,000

Depr. Method: MACRS 5 YR 200%

On the Depreciation Data Entry Screen, Mark **14.Listed Property** as YES... select "TRUCK
Placed in Service after 2002"

Total Business Miles: 15200

Commuting Miles: 2500

Other Personal Miles: 3000

Actual Expenses (Tires & Maintenance): \$3210

Question (6) in the Listed Property Menu should be answered YES...the vehicle was available for personal use during off duty hours...All other questions in the Listed Property – Auto Menu are to be answered NO

Expenses: Tractor Depreciation - [Be sure to enter through the Depreciation Module]

Description: Kubota Tractor

Date Placed in Service: 03/02/2013

Cost: \$42,100

Accumulated Depreciation: \$23,758

Depr. Method: MACRS 7 YR 200%

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Farm Expenses (continued):

Fertilizer	\$23,000
Insurance (Other than Health)	\$7,500
Mortgage Interest	\$12,300
Labor	\$25,000
Repairs	\$780
Seeds	\$18,500
Taxes	\$4,300
Utilities	\$6,200

Answer the 8867 Due Diligence questions to qualify the taxpayer for Earned Income Credit.

Estimated Payments Made for 2019:

First Quarter	\$600.00
Second Quarter	\$600.00
Third Quarter	\$600.00
Fourth Quarter	\$600.00