

SwiftFP Example Tax Returns
Exercise Number Seven (sale of main home, student dependent, capital gains)
Forms Included: Form 1040, Schedule D, Form 5329, 1098-T, 1099-R,
Sale of Main Home Worksheet, Student Loan Interest Worksheet

Client's Social Security Number 257-00-4723

Filing Status Married Filing Joint

Taxpayer's Date of Birth 03/10/1972

Spouse's Date of Birth 01/15/1974

Client's First Name, Initial, and Last Name Mike E. Satcher

Secondary First Name, Initial, and Last Name Sheila A. Satcher

Secondary SSN 253-00-4714

Street Address 1492 Ellis St

Zip Code 30906 (Augusta, Georgia)

Daytime Telephone 706-555-5555

E-mail satchmo@hotmail.com

Taxpayer's Occupation Investor

Secondary's Occupation Homemaker

Neither taxpayer nor spouse is blind or deceased

Dependent Information

Dependent Name Lauren W. Satcher

Dependent Date of Birth 03/01/2005

Dependent SSN 254-00-4568

Relationship Daughter

Number of Months in Home 12

(Full time student - away at University of Georgia – Sophomore year)

Dependent is Not Disabled

Health Insurance Information: Health coverage was NOT purchased through the Health Insurance Marketplace.

No W-2 information to enter.

Schedule D Information –ALL Shares Belong to BOTH. (There is NO ADJUSTMENT CODE information to enter for any transaction) 1099-B, Box 12 Cost Basis Reported to the IRS

1500 Shares ACCO – Box 3 Shows Basis - Acquired 01/12/2002 – Sold 03/01/2024 – Sale Price \$30,000 – Cost \$25,000

500 Shares BP Oil – Box 3 Shows Basis - Acquired 02/13/2001 – Sold 04/02/2024 – Sale Price \$32,000 – Cost \$18,000

2100 Shares RCS – Box 3 Shows Basis - Acquired 05/19/2003 – Sold 05/20/2024 – Sale Price \$56,000 – Cost \$32,000

6000 Shares Google – Box 3 Shows Basis - Acquired 03/06/2004 – Sold 08/02/2024 – Sale Price \$82,600 – Cost \$23,200

Long Term Loss Carryover from 2023 (Joint Amount) – \$12,500

(Desktop program: To enter, click the "OTHER" button on the Schedule D Transaction entry window.)

Sale of Residence – Use the “SALE OF MAIN HOME WORKSHEET”

(Desktop program: To enter, click the “OTHER” button on the Schedule D Transaction entry window.)

The Satchers sold their home on May 2, 2024 for \$256,000. The home had originally been purchased November 10, 2010 for \$180,000. For both the taxpayer and the spouse, the number of days in the last 5 years that the property was the main home and the number of days in the last 5 years that the property was owned are both 1825 days (365 times 5). They qualify for the maximum exclusion.

1099-R Information

1099-R is for the Taxpayer

EIN of Payer: 58-0974325

Payer's Name and Address: Eagle Financial, 456 Ronald Reagan Dr, Evans, GA 30809

Gross Distribution \$35000

Taxable Amount \$35000

Federal Tax Withheld \$3500

Distribution Code 1

IRA Distribution Yes

State: GA

State ID: 28-3689701

No State Tax Withheld

Because this is an early distribution, Form 5329 will need to be included in the return. The TOTAL AMOUNT of the 1099-R Distribution is **NOT** subject to the 10% Early Withdrawal Penalty because the funds were used for HIGHER EDUCATION EXPENSES.

Desktop program: Transfer 1099-R Box 2a to Form 5329: **Part I Line 1**

ProWeb program: The early distribution is from a retirement plan. Complete Form 5329 after entering the 1099-R.

1098-T Information

Lauren received a 2024 1098-T in support of \$12,500 paid for college tuition for the year. 1098-T Box 7 is not checked. She is in her second year of college at the University of Georgia; ID Number: 58-3216540; Street Address: 424 E Broad St; Athens, GA 30602. She has not claimed the Hope Scholarship on 4 prior year tax returns, is a full-time student, has not completed the first 4 years of post-secondary education, and has never been convicted of a crime.

The Satchers also paid \$3,100 in 2024 for student loan interest to Navient Student Loan Corp.

Schedule A (Itemized Deduction)

Interest Paid

Mortgage Interest from Form 1098 – Bank of America \$9920

Real Estate Taxes Paid on Home \$2820

Personal Property Taxes (Auto Tags) \$715

Add the sales tax deduction for ZIP Code 30906 for the entire year (366 days)

Cash Contributions to Church \$15100