

2005
INDIVIDUAL INCOME TAX RETURN
FILING INSTRUCTIONS

Name: *SAM & SHIRLEY A SAMPLE CLIENT*

FEDERAL FILING INSTRUCTIONS

Your 2005 Form 1040 shows a total overpayment of \$2,880, which is to be refunded to you in its entirety.

Sign and date the return on Page 2. Initial and date the copy, and retain it for your records.

Your jointly filed tax return is not considered valid unless it is signed by both the taxpayer and spouse. Both parties should also initial and date the return copy.

Mail the Form 1040 return by **AS SOON AS POSSIBLE** to:

Internal Revenue Service
Kansas City, MO 64999-0002

OHIO FILING INSTRUCTIONS

Your 2005 Form IT-1040 shows a total overpayment of \$617, which is to be refunded in its entirety.

Sign and date the return on Page 1 and mail it by **AS SOON AS POSSIBLE** to:

Ohio Department of Taxation
P.O. Box 2679
Columbus, OH 43270-2679

Form

1040

Department of the Treasury - Internal Revenue Service

U.S. Individual Income Tax Return 2005

(99) IRS Use Only - Do not write or staple in this space.

L A B E L H E R E	For the year Jan. 1-Dec. 31, 2005, or other tax year beginning _____, 2005, ending _____, 20		OMB No. 1545-0074
	Your first name and initial SAM	Last name SAMPLE CLIENT	Your social security number 222-22-2222
	If a joint return, sp. first name & initial SHIRLEY A	Last name SAMPLE CLIENT	Spouse's social security number 333-33-3333
	Home address (number and street). If you have a P.O. box, see page 16. 4512 ARROWWOOD DR		Apt. no. ▲ You must enter ▲ your SSN(s) above.
City, town or post office, state, and ZIP code. If you have a foreign address, see page 16. CUYAHOGA FALLS OH 11111		Checking a box below will not change your tax or refund.	

Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 16) 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

4 Head of household (with qualifying person). (See page 17.) If the qualifying person is a child but not your dependent, enter this child's name here.

5 Qualifying widow(er) with dependent child (see page 17)

Exemptions

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

6b Spouse

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) Ck. if qual. child for child tax cr. (see pg. 19)
STAN	SAMPLE CLIENT	111-11-1111	Son	<input checked="" type="checkbox"/>

Boxes checked on 6a and 6b **2**

No. of children on 6c who:

- lived with you **1**
- did not live with you due to divorce or separation (see page 20)

Dependents on 6c not entered above

Add numbers on lines above **3**

d Total number of exemptions claimed **3**

Income

7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	50,000
8a	Taxable interest. Attach Schedule B if required	8a	1,580
8b	Tax-exempt interest. Do not include on line 8a	8b	
9a	Ordinary dividends. Attach Schedule B if required	9a	2,200
9b	Qualified dividends (see page 23)	9b	
10	Taxable refunds, credits, or offsets of state and local income taxes (see page 23)	10	800
11	Alimony received	11	
12	Business income or (loss). Attach Schedule C or C-EZ	12	23,420
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	13	
14	Other gains or (losses). Attach Form 4797	14	
15a	IRA distributions	15a	
15b	Taxable amount (see page 25)	15b	
16a	Pensions and annuities	16a	
16b	Taxable amount (see page 25)	16b	
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	-223
18	Farm income or (loss). Attach Schedule F	18	
19	Unemployment compensation	19	
20a	Social security benefits	20a	
20b	Taxable amount (see page 27)	20b	
21	Other income. List type and amt. (see page 29)	21	
22	Add the amounts in the far right column for lines 7 through 21. This is your total income	22	77,777

Adjusted Gross Income

23	Educator expenses (see page 29)	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	One-half of self-employment tax. Attach Schedule SE	27	1,655
28	Self-employed SEP, SIMPLE, and qualified plans	28	
29	Self-employed health insurance deduction (see page 30)	29	4,800
30	Penalty on early withdrawal of savings	30	
31a	Alimony paid b Recipient's SSN <input type="checkbox"/>	31a	
32	IRA deduction (see page 31)	32	9,000
33	Student loan interest deduction (see page 33)	33	
34	Tuition and fees deduction (see page 34)	34	
35	Domestic production activities deduction. Attach Form 8903	35	
36	Add lines 23 through 31a and 32 through 35	36	15,455
37	Subtract line 36 from line 22. This is your adjusted gross income	37	62,322

Tax and Credits	38 Amount from line 37 (adjusted gross income)	38	62,322	
	39a Check <input type="checkbox"/> You were born before January 2, 1941, <input type="checkbox"/> Blind. <input type="checkbox"/> Spouse was born before January 2, 1941, <input type="checkbox"/> Blind. Total boxes checked 39a			
	b If your spouse itemizes on a separate return or you were a dual-status alien, see page 35 and check here 39b			
Standard Deduction for- ■ People who checked any box on line 39a or 39b or who can be claimed as a dependent, see page 36. ■ All others: Single or Married filing separately, \$5,000 Married filing jointly or Qualifying widow(er), \$10,000 Head of household, \$7,300	40 Itemized deductions (from Schedule A) or your standard deduction (see left margin)	40	22,469	
	41 Subtract line 40 from line 38	41	39,853	
	42 If line 38 is over \$109,475, or you provided housing to a person displaced by Hurricane Katrina, see page 37. Otherwise, multiply \$3,200 by the total number of exemptions claimed on line 6d	42	9,600	
	43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	30,253	
	44 Tax (see page 37). Check if any tax is from: a <input type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972	44	3,811	
	45 Alternative minimum tax (see page 39). Attach Form 6251	45		
	46 Add lines 44 and 45	46	3,811	
	47 Foreign tax credit. Attach Form 1116 if required	47		
	48 Credit for child and dependent care expenses. Attach Form 2441	48		
	49 Credit for the elderly or the disabled. Attach Schedule R	49		
	50 Education credits. Attach Form 8863	50		
	51 Retirement savings contributions credit. Attach Form 8880	51		
	52 Child tax credit (see page 41). Attach Form 8901 if required	52	1,000	
	53 Adoption credit. Attach Form 8839	53		
	54 Credits from: a <input type="checkbox"/> Form 8396 b <input type="checkbox"/> Form 8859	54		
55 Other credits. Check applicable box(es): a <input type="checkbox"/> Form 3800 b <input type="checkbox"/> Form 8801 c <input type="checkbox"/> Form	55			
	56 Add lines 47 through 55. These are your total credits	56	1,000	
	57 Subtract line 56 from line 46. If line 56 is more than line 46, enter -0-	57	2,811	
Other Taxes	58 Self-employment tax. Attach Schedule SE	58	3,309	
	59 Social security and Medicare tax on tip income not reported to employer. Attach Form 4137	59		
	60 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	60		
	61 Advance earned income credit payments from Form(s) W-2	61		
	62 Household employment taxes. Attach Schedule H	62		
Payments	63 Add lines 57 - 62. This is your total tax	63	6,120	
	64 Federal income tax withheld from Forms W-2 and 1099	64	9,000	
	65 2005 estimated tax payments and amount applied from 2004 return	65		
	66a Earned income credit (EIC)	66a		
	b Nontaxable combat pay election 66b	66b		
	67 Excess social security and tier 1 RRTA tax withheld (see page 59)	67		
	68 Additional child tax credit. Attach Form 8812	68		
	69 Amount paid with request for extension to file (see page 59)	69		
	70 Payments from: a <input type="checkbox"/> Form 2439 b <input type="checkbox"/> Form 4136 c <input type="checkbox"/> Form 8885	70		
	71 Add ln. 64, 65, 66a, & 67 - 70. These are your total payments	71	9,000	
Refund	72 If line 71 is more than line 63, subtract line 63 from line 71. This is the amount you overpaid	72	2,880	
	73a Amount of line 72 you want refunded to you	73a	2,880	
	b Routing number <input type="text"/> c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings d Account number <input type="text"/>			
	74 Amount of line 72 you want applied to your 2006 estimated tax	74		
Amount You Owe	75 Amount you owe. Subtract line 71 from line 63. For details on how to pay, see page 60	75		
	76 Estimated tax penalty (see page 60)	76		
Third Party Designee	Do you want to allow another person to discuss this return with the IRS (see page 61)? <input checked="" type="checkbox"/> Yes. Complete the following. <input type="checkbox"/> No			
	Designee's name Preparer	Personal identification number (PIN) <input type="text"/>	Phone no. <input type="text"/>	
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 <input type="text"/>	Date <input type="text"/>	Your occupation SUPERVISOR	Daytime phone number <input type="text"/>
	Spouse's signature. If a joint return, both must sign. <input type="text"/>	Date <input type="text"/>	Spouse's occupation SALES	
Paid Preparer's Use Only	Preparer's signature <input type="text"/>	Date <input type="text"/>	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN <input type="text"/>
	Firm's name (or yours if self-employed), address, and ZIP code <input type="text"/>	This tax return prepared by a non-paid preparer.		EIN <input type="text"/> Phone no. <input type="text"/>

**SCHEDULES A&B
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

Schedule A-Itemized Deductions

(Schedule B is on back)

OMB No. 1545-0074

2005

Attachment
Sequence No. **07**

▶ **Attach to Form 1040.** ▶ **See Instructions for Schedules A & B (Form 1040).**

Name(s) shown on Form 1040

SAM & SHIRLEY A SAMPLE CLIENT

Your social security number

222-22-2222

Medical and Dental Expenses	Caution. Do not include expenses reimbursed or paid by others.				
	1 Medical and dental expenses (see page A-2)	1			
	2 Enter amt. from Form 1040, line 38	2	62,322		
	3 Multiply line 2 by 7.5% (.075)	3	4,674		
4 Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-				4	
Taxes You Paid <small>(See page A-2.)</small>	5 State and local (check only one box):	5	8,519		
	a <input checked="" type="checkbox"/> Income taxes, or				
	b <input type="checkbox"/> General sales taxes (see page A-3)	6	2,400		
	6 Real estate taxes (see page A-5)	7			
	7 Personal property taxes	8			
	8 Other taxes. List type and amount ▶				
	9 Add lines 5 through 8				9
					10,919
Interest You Paid <small>(See page A-5.)</small>	10 Home mortgage interest and points reported to you on Form 1098	10	8,900		
	11 Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see page A-6 and show that person's name, identifying no., and address▶				
	12 Points not reported to you on Form 1098. See page A-6 for special rules	11			
	13 Investment interest. Attach Form 4952 if required. (See page A-6.)	12			
	14 Add lines 10 through 13	13			14
				8,900	
Gifts to Charity <small>If you made a gift and got a benefit for it, see page A-7.</small>	15a Total gifts by cash or check. If you made any gift of \$250 or more, see page A-7	15a	2,200		
	15b Gifts by cash or check after August 27, 2005, that you elect to treat as qualified contributions (see page A-7)	15b			
	16 Other than by cash or check. If any gift of \$250 or more, see page A-7. You must attach Form 8283 if over \$500	16	450		
	17 Carryover from prior year	17			
18 Add lines 15a, 16, and 17				18	
				2,650	
Casualty and Theft Losses	19 Casualty or theft loss(es). Attach Form 4684. (See page A-8.)			19	
Job Expenses and Certain Miscellaneous Deductions <small>(See page A-8.)</small>	20 Unreimbursed employee expenses-job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See page A-8.) ▶	20			
	21 Tax preparation fees	21			
	22 Other expenses-investment, safe deposit box, etc. List type and amount ▶	22			
	23 Add lines 20 through 22	23			
	24 Enter amt. from Form 1040, line 38	24	62,322		
	25 Multiply line 24 by 2% (.02)	25	1,246		
	26 Subtract line 25 from line 23. If line 25 is more than line 23, enter -0-				26
Other Miscellaneous Deductions	27 Other-from list on page A-9. List type and amount ▶			27	
Total Itemized Deductions	28 Is Form 1040, line 38, over \$145,950 (over \$72,975 if married filing separately)?				
	<input checked="" type="checkbox"/> No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 27. Also, enter this amount on Form 1040, line 40.				
	<input type="checkbox"/> Yes. Your deduction may be limited. See page A-9 for the amount to enter.				
29 If you elect to itemize deductions even though they are less than your standard deduction, check here▶				28	
				22,469	

Name(s) shown on Form 1040. Do not enter name and social security number if shown on other side.

Your social security number

SAM & SHIRLEY A SAMPLE CLIENT

222-22-2222

Schedule B-Interest and Ordinary Dividends

Attachment Sequence No. **08**

Part I Interest

(See page B-1 and the instructions for Form 1040, line 8a.)

Note. If you received a Form 1099-INT, Form 1099-OID, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

- 1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see page B-1 and list this interest first. Also, show that buyer's social security number and address ▶
FIRST PLACE BANK
INVESTMENT TIME
- 2 Add the amounts on line 1
- 3 Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815
- 4 Subtract line 3 from line 2. Enter the result here and on Form 1040, line 8a ▶

Amount	
1	380
	1,200
2	1,580
3	
4	1,580

Note. If line 4 is over \$1,500, you must complete Part III.

Part II Ordinary Dividends

(See page B-1 and the instructions for Form 1040, line 9a.)

Note. If you received a Form 1099-DIV or substitute statement from a brokerage firm, list the firm's name as the payer and enter the ordinary dividends shown on that form.

- 5 List name of payer ▶
INVESTMENT TIME
- 6 Add the amounts on line 5. Enter the total here and on Form 1040, line 9a ▶

Amount	
5	2,200
6	2,200

Note. If line 6 is over \$1,500, you must complete Part III.

Part III Foreign Accounts and Trusts

(See page B-2.)

You must complete this part if you (a) had over \$1,500 of taxable interest or ordinary dividends; or (b) had a foreign account; or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

- 7a At any time during 2005, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See page B-2 for exceptions and filing requirements for Form TD F 90-22.1
- b If "Yes," enter the name of the foreign country ▶
- 8 During 2005, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See page B-2

Yes	No
	X
	X

**SCHEDULE C
(Form 1040)**

Profit or Loss From Business

(Sole Proprietorship)

OMB No. 1545-0074

2005

Attachment Sequence No. **09**

Department of the Treasury
Internal Revenue Service (99)

▶ Partnerships, joint ventures, etc., must file Form 1065 or Form 1065-B.
▶ Attach to Form 1040 or 1041. ▶ See Instructions for Schedule C (Form 1040).

Name of proprietor

Social security number (SSN)

SHIRLEY A SAMPLE CLIENT

333-33-3333

A Principal business or profession, including product or service (see page C-2 of the instructions) RETAIL	B Enter code from pages C-8, 9, & 10 ▶
C Business name. If no separate business name, leave blank. ABC PRINT SHOP	D Employer ID number (EIN), if any
E Business address (including suite or room no.) ▶ 111 HIGHWAY 12 City, town or post office, state, and ZIP code HUBER HTS OH 11111	
F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ▶	
G Did you "materially participate" in the operation of this business during 2005? If "No," see page C-3 for limit on losses <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
H If you started or acquired this business during 2005, check here ▶ <input type="checkbox"/>	

Part I Income

1 Gross receipts or sales. Caution. If this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked, see page C-3 and check here ▶ <input type="checkbox"/>	1	98,000
2 Returns and allowances	2	
3 Subtract line 2 from line 1	3	98,000
4 Cost of goods sold (from line 42 on page 2)	4	45,500
5 Gross profit. Subtract line 4 from line 3	5	52,500
6 Other income, including Federal and state gasoline or fuel tax credit or refund (see page C-3)	6	
7 Gross income. Add lines 5 and 6 ▶	7	52,500

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8 Advertising	8	3,600	18 Office expense	18	980
9 Car and truck expenses (see page C-3)	9	2,890	19 Pension and profit-sharing plans	19	
10 Commissions and fees	10		20 Rent or lease (see page C-5):		
11 Contract labor (see page C-4)	11		a Vehicles, machinery, and equipment	20a	
12 Depletion	12		b Other business property	20b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see page C-4)	13		21 Repairs and maintenance	21	540
14 Employee benefit programs (other than on line 19)	14		22 Supplies (not included in Part III)	22	
15 Insurance (other than health)	15	1,600	23 Taxes and licenses	23	
16 Interest:			24 Travel, meals, and entertainment:		
a Mortgage (paid to banks, etc.)	16a		a Travel	24a	600
b Other	16b		b Deductible meals and entertainment (see page C-5)	24b	390
17 Legal and professional services	17	2,500	25 Utilities	25	3,980
28 Total expenses before expenses for business use of home. Add lines 8 through 27 in columns ▶	28		26 Wages (less employment credits)	26	12,000
29 Tentative profit (loss). Subtract line 28 from line 7	29		27 Other expenses (from line 48 on page 2)	27	
30 Expenses for business use of your home. Attach Form 8829	30				
31 Net profit or (loss). Subtract line 30 from line 29. ● If a profit, enter on Form 1040, line 12 , and also on Schedule SE, line 2 (statutory employees, see page C-6). Estates and trusts, enter on Form 1041, line 3. ● If a loss, you must go to line 32.	31				23,420
32 If you have a loss, check the box that describes your investment in this activity (see page C-6). ● If you checked 32a, enter the loss on Form 1040, line 12 , and also on Schedule SE, line 2 (statutory employees, see page C-6). Estates and trusts, enter on Form 1041, line 3. ● If you checked 32b, you must attach Form 6198 . Your loss may be limited.	32a	<input type="checkbox"/>	32b	<input type="checkbox"/>	All investment is at risk. Some investment is not at risk.

For Paperwork Reduction Act Notice, see page C-7 of the instructions.

Schedule C (Form 1040) 2005

**SCHEDULE E
(Form 1040)**

Supplemental Income and Loss

(From rental real estate, royalties, partnerships,
S corporations, estates, trusts, REMICs, etc.)

OMB No. 1545-0074

2005

Attachment
Sequence No. **13**

Department of the Treasury
Internal Revenue Service (99)

▶ Attach to Form 1040 or Form 1041.

▶ See Instructions for Schedule E (Form 1040).

Name(s) shown on return

Your social security number

SAM & SHIRLEY A SAMPLE CLIENT

222-22-2222

Part I Income or Loss From Rental Real Estate and Royalties Note. If you are in the business of renting personal property, use Schedule C or C-EZ (see page E-3). Report farm rental income or loss from Form 4835 on page 2, line 40.

1	List the type and location of each rental real estate property :		Yes	No
			A	X
			B	
			C	

2 For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of:
 • 14 days or
 • 10% of the total days rented at fair rental value?
 (See page E-3.)

Income:	3	Properties			3	Totals	
		A	B	C		(Add columns A, B, and C.)	
3 Rents received	3	9,000			3	9,000	
4 Royalties received	4				4		
Expenses:							
5 Advertising	5	200					
6 Auto and travel (see page E-4) ...	6	78					
7 Cleaning and maintenance	7	320					
8 Commissions	8						
9 Insurance	9						
10 Legal and other professional fees	10	125					
11 Management fees	11						
12 Mortgage interest paid to banks, etc. (see page E-4)	12	4,800			12	4,800	
13 Other interest	13						
14 Repairs	14						
15 Supplies	15						
16 Taxes	16	1,600					
17 Utilities	17						
18 Other (list) ▶	18						
19 Add lines 5 through 18	19	7,123			19	7,123	
20 Depreciation expense or depletion (see page E-4)	20	2,100			20	2,100	
21 Total expenses. Add lines 19 and 20	21	9,223					
22 Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see page E-5 to find out if you must file Form 6198	22	-223					
23 Deductible rental real estate loss. Caution. Your rental real estate loss on line 22 may be limited. See page E-5 to find out if you must file Form 8582 . Real estate professionals must complete line 43 on page 2	23	223					
24 Income. Add positive amounts shown on line 22. Do not include any losses	24				24	0	
25 Losses. Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here	25				25	223	
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17. Otherwise, include this amount in the total on line 41 on page 2	26				26	-223	

Name(s) shown on return. Do not enter name and social security number if shown on other side.

Your social security number

SAM & SHIRLEY A SAMPLE CLIENT

222-22-2222

Caution. The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

Part II Income or Loss From Partnerships and S Corporations **Note.** If you report a loss from an at-risk activity for which any amount is not at risk, you must check the box in column (e) on line 28 and attach Form 6198. See page E-1.

27 Are you reporting any loss not allowed in a prior year due to the at-risk or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? Yes No
If you answered "Yes," see page E-6 before completing this section.

28	(a) Name	(b) Enter P for partnership; S for S corp.	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if any amount is not at risk
A	PUMPHANDLE	S		33-3333333	
B					
C					
D					

Passive Income and Loss		Nonpassive Income and Loss		
(f) Passive loss allowed (attach Form 8582 if required)	(g) Passive income from Schedule K-1	(h) Nonpassive loss from Schedule K-1	(i) Section 179 expense deduction from Form 4562	(j) Nonpassive income from Schedule K-1
A	0			
B				
C				
D				
29a	Totals			
b	Totals			
30	Add columns (g) and (j) of line 29a		30	0
31	Add columns (f), (h), and (i) of line 29b		31	(0)
32	Total partnership and S corporation income or (loss). Combine lines 30 and 31. Enter the result here and include in the total on line 41 below		32	0

Part III Income or Loss From Estates and Trusts

33	(a) Name	(b) Employer identification number
A		
B		
Passive Income and Loss		Nonpassive Income and Loss
(c) Passive deduction or loss allowed (attach Form 8582 if required)	(d) Passive income from Schedule K-1	(e) Deduction or loss from Schedule K-1
A		
B		
34a	Totals	
b	Totals	
35	Add columns (d) and (f) of line 34a	35
36	Add columns (c) and (e) of line 34b	36
37	Total estate and trust income or (loss). Combine lines 35 and 36. Enter the result here and include in the total on line 41 below	37

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs)-Residual Holder

38	(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c (see page E-6)	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b
39	Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below				39

Part V Summary

40	Net farm rental income or (loss) from Form 4835. Also, complete line 42 below	40	
41	Total income or (loss). Combine lines 26, 32, 37, 39, and 40. Enter the result here and on Form 1040, line 17	41	-223
42	Reconciliation of farming and fishing income. Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120S), box 17, code N; and Schedule K-1 (Form 1041), line 14, code F (see page E-7)	42	
43	Reconciliation for real estate professionals. If you were a real estate professional (see page E-1), enter the net income or (loss) you reported anywhere on Form 1040 from all rental real estate activities in which you materially participated under the passive activity loss rules	43	

**SCHEDULE SE
(Form 1040)**

Self-Employment Tax

OMB No. 1545-0074

2005

Attachment Sequence No. **17**

Department of the Treasury
Internal Revenue Service (99)

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

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

SHIRLEY A SAMPLE CLIENT

Social security number of person with **self-employment** income ▶

333-33-3333

Who Must File Schedule SE

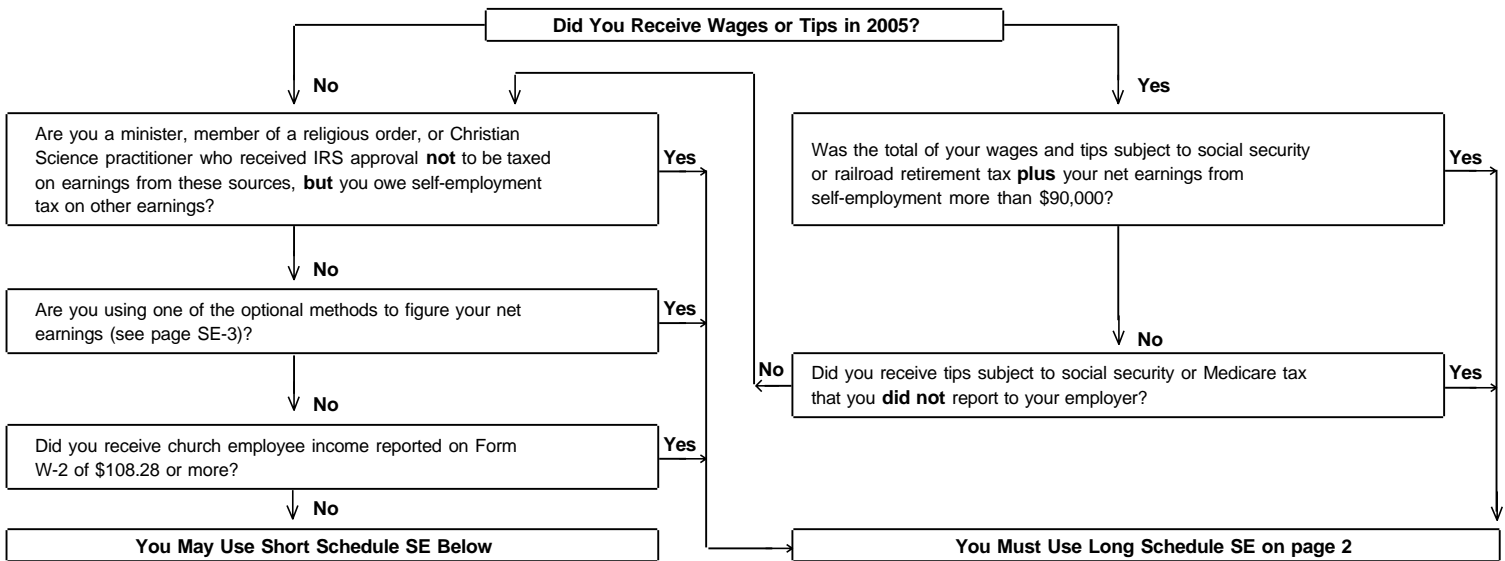
You must file Schedule SE if:

- You had net earnings from self-employment from **other than** church employee income (line 4 of Short Schedule SE or line 4c of Long Schedule SE) of \$400 or more, **or**
- You had church employee income of \$108.28 or more. Income from services you performed as a minister or a member of a religious order **is not** church employee income (see page SE-1).

Note. Even if you had a loss or a small amount of income from self-employment, it may be to your benefit to file Schedule SE and use either "optional method" in Part II of Long Schedule SE (see page SE-3).

Exception. If your only self-employment income was from earnings as a minister, member of a religious order, or Christian Science practitioner **and** you filed Form 4361 and received IRS approval not to be taxed on those earnings, **do not** file Schedule SE. Instead, write "Exempt-Form 4361" on Form 1040, line 58.

May I Use Short Schedule SE or Must I Use Long Schedule SE?



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

1	Net farm profit or (loss) from Schedule F, line 36, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A	1	
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. Ministers and members of religious orders, see page SE-1 for amounts to report on this line. See page SE-2 for other income to report	2	23,420
3	Combine lines 1 and 2	3	23,420
4	Net earnings from self-employment. Multiply line 3 by 92.35% (.9235). If less than \$400, do not file this schedule; you do not owe self-employment tax	4	21,628
5	Self-employment tax. If the amount on line 4 is: ● \$90,000 or less, multiply line 4 by 15.3% (.153). Enter the result here and on Form 1040, line 58. ● More than \$90,000, multiply line 4 by 2.9% (.029). Then, add \$11,160.00 to the result. Enter the total here and on Form 1040, line 58.	5	3,309
6	Deduction for one-half of self-employment tax. Multiply line 5 by 50% (.5). Enter the result here and on Form 1040, line 27	6	1,655

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule SE (Form 1040) 2005

Form 1040	Traditional IRA Deduction Worksheet	2005
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Name SAM & SHIRLEY A SAMPLE CLIENT	Taxpayer Identification Number 222-22-2222
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	Taxpayer IRA	Spouse's IRA
1a. Were you covered by a retirement plan?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
1b. If married filing jointly, or married filing separately and you lived with your spouse at any time in 2005, was your spouse covered by a retirement plan?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Next: If you checked "No" on line 1a, and "No" on line 1b for married filing joint or married filing separate when required, skip lines 2-6, enter \$4,000 (\$4,500 if 50 or older) on line 7a (and 7b if applicable) and go to line 8. Otherwise, go to line 2.

2. Enter the amount shown below for your filing status.

- Single, head of household, or married filing separately and you **lived apart** from your spouse for all of 2005, enter \$60,000
- Qualifying widow(er), enter \$80,000
- Married filing jointly, enter \$80,000 in both columns. But if you checked "No" on either line 1a or 1b, enter \$160,000 for the person who was not covered by a plan
- Married filing separately and you lived with your spouse at any time in 2005, enter \$10,000

2a. _____	2b. _____
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3. Add the amounts on Form 1040 lines 7, 8a, 9a, 10 through 14, 15b or the taxable IRA distribution from the IRA with IRA worksheet from Pub.590 if applicable, 16b, 17 through 19, line 21. Do not include any foreign earned income exclusion, foreign housing exclusion, exclusion of qualified bond interest shown on Form 8815, or exclusion of employer-paid adoption expenses shown on Form 8839. **3.** _____

4. Add amounts on Form 1040, line 23 through 31a, and any amount you entered on the dotted line next to line 36 **4.** _____

5. Subtract line 4 from line 3. Enter the result in both columns. If this amount is equal to or more than the amount on line 2, none of your IRA contributions are deductible.	5a. _____	5b. _____
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6. Subtract line 5 from line 2 in each column. If the result is \$10,000 or more, enter \$4,000 (\$4,500 if 50 or older) on line 7 and go to line 8 for that column	6a. _____	6b. _____
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7. Multiply line 6a and 6b by 40% (.40) (by 45% (.45) if age 50 or older at the end of 2005). If the result is not a multiple of \$10, increase it to the next multiple of \$10 (for example, round \$611.40 to \$620). If the result is \$200 or more, enter the result. But if it is less than \$200, enter \$200	7a. <u>4,500</u>	7b. <u>4,500</u>
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8. Enter your wages, and your spouse's if filing jointly, and other earned income for Form 1040, minus any deductions on Form 1040, lines 27 and 28. Do not reduce wages by any loss from self-employment. **8.** 71,765

9. Enter traditional IRA contributions made, or that will be made by April 17, 2006, for 2005 to your IRA on line 9a and to your spouse's IRA on line 9b	9a. <u>4,500</u>	9b. <u>4,500</u>
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10. On line 10a, enter the smallest of line 7a, line 8, or line 9a. On line 10b, enter the smallest of line 7b, line 8, or line 9b. This is the most you can deduct. Add the amounts on lines 10a and 10b and enter the total on Form 1040, line 32. If line 9 is more than line 10, go to line 11. (If you are the higher income spouse, use the portion of line 8 that represents your compensation. If you are the lower income spouse, line 8 is reduced by your spouse's traditional and Roth IRA contributions.)	10a. <u>4,500</u>	10b. <u>4,500</u>
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Nondeductible IRA contributions

11. Subtract line 10 from the smaller of line 8 or 9. Enter on line 1 of your Form 8606 the amount from line 11 you choose to make nondeductible	11a. _____	11b. _____
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Federal Statements

Form 1040, Dividend Income

<u>Payer</u>	<u>Ordinary Dividends</u>	<u>Qualified Dividends</u>
INVESTMENT TIME	\$ 2,200	\$
Total	\$ 2,200	\$ 0

Form 1040, Line 11 - Alimony Received

<u>Description</u>	<u>Taxpayer Amount</u>	<u>Spouse Amount</u>
Alimony Received	\$	\$
Total	\$ 0	\$ 0

Federal Statements

Schedule A, Line 5a, State and Local income taxes

<u>Description</u>	<u>Amount</u>
State Withholding on W-2s	\$ 2,500
City Withholding on W-2s	2,000
State Tax Payments	4,019
Total	<u>\$ 8,519</u>

Schedule A, Line 6 - Real Estate Taxes

<u>Description</u>	<u>Amount</u>
ARROWOOD DR	\$ 2,400
Total	<u>\$ 2,400</u>

Schedule A, Line 10 - Home Mortgage Interest From Form 1098

<u>Description</u>	<u>Amount</u>
ABC MORTG CO	\$ 8,900
Total	<u>\$ 8,900</u>

Schedule A, Line 15a - Charitable Contributions by Cash or Check

<u>Description</u>	<u>Amount</u>	<u>Qualified Contribution (Made after 8/27/05)</u>
MISC	\$ 1,200	
OTHER	1,000	
Total	<u>\$ 2,200</u>	

Form 1040	Salaries & Wages Report	2005
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Name SAM & SHIRLEY A SAMPLE CLIENT	Taxpayer Identification Number 222-22-2222
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	T/S	Employer	Federal Wages	Federal Withheld	Soc Sec Wages
A	T	XXXX	50,000	9,000	50,000
B					
C					
D					
E					
F					
G					
H					
I					
J					
K					
L					
M					
		Taxpayer	50,000	9,000	50,000
		Spouse			
		Totals	50,000	9,000	50,000

	Soc Sec Withheld	Medicare Wages	Medicare Withheld	Allocated Tips	Advanced EIC	Dep Care Ben	Other, Box 14
A	3,100	50,000	725				
B							
C							
D							
E							
F							
G							
H							
I							
J							
K							
L							
M							
	Taxpayer	3,100	50,000	725			
	Spouse						
	Totals	3,100	50,000	725			

	State	State Wages	State Withheld	Name of Locality	Local Wages	Local Withheld
A	OH	50,000	2,500		50,000	2,000
B						
C						
D						
E						
F						
G						
H						
I						
J						
K						
L						
M						
		Taxpayer	50,000		50,000	2,000
		Spouse				
		Totals	50,000		50,000	2,000

IT 1040 OHIO Income Tax Return

2005

For the year Jan. 1-Dec. 31, 2005 or other taxable year ending _____, 20____. Social security numbers must be filled in below.

Please do not attach to this return any payment or form IT 40P (see page 41).

Your first name SAM	Initial SAMPLE	Last name CLIENT	Your social security number 222-22-2222	Filing status - check only one <input type="checkbox"/> Single or head of household <input checked="" type="checkbox"/> Married filing jointly <input type="checkbox"/> Married filing separately - enter spouse's SS#
If a joint return, spouse's first name SHIRLEY A	Initial SAMPLE	Last name CLIENT	Spouse's soc. sec. no. (if joint return) 333-33-3333	
Home address (number and street) 4512 ARROWOOD DR			Apt. number 	Ohio county SUMMIT
City, town or post office, state and ZIP code CUYAHOGA FALLS OH 11111			Ohio public school district number (see pages 35-39.) 	▶ 7705
Ohio Residency Status (see instructions) <input checked="" type="checkbox"/> Resident <input type="checkbox"/> Nonresident			Ohio Political Party Fund Do you want \$1 to go to this fund? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If joint return, does your spouse want \$1 to go to this fund? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Note: Checking "Yes" will not increase your tax or decrease your refund.	

INCOME	1. Federal adjusted gross income (from federal form 1040, line 37; or 1040A, line 21; or 1040EZ, line 4)	1.	62,322	00
	2. Ohio adjustments (from line 48 on back of this return)	2.	(800)	00
	3. Ohio adjusted gross income (line 2 added to or subtracted from line 1)	3.	61,522	00
	4. Multiply your personal and dependent exemptions <input type="text" value="3"/> times \$1,350 and enter the result here	4.	4,050	00
	5. Ohio taxable income (subtract line 4 from line 3)	5.	57,472	00
TAX AND CREDITS	6. Tax on line 5 (see tax tables, pages 28-34)	6.	2,152	00
	7. Credits from Schedule B (line 58 on back of this return)	7.	00	00
	8. Ohio tax less Schedule B credits. (Subtract line 7 from line 6. If line 7 is more than line 6, enter -0-.)	8.	2,152	00
	9. Exemption credit: Number of personal and dependent exemptions <input type="text" value="3"/> times \$20	9.	60	00
	10. Ohio tax less exemption credit (Subtract line 9 from line 8. If line 9 is more than line 8, enter -0-.)	10.	2,092	00
	11. Joint filing credit (see instructions and attach documentation) <input type="text" value="10"/> % times line 10 (limit \$650) See Stmt 1	11.	209	00
	12. Ohio tax less joint filing credit. (Subtract line 11 from line 10. If line 11 is more than line 10, enter -0-.)	12.	1,883	00
	13. Resident/nonresident/part-year credits (Sch. C or D) and nonrefundable business credits (attach Sch. E)	13.	00	00
	14. Ohio income tax before manufacturing equipment grant. (Subtract line 13 from line 12. If line 13 is more than line 12, enter -0-.)	14.	1,883	00
	15. Manufacturing equipment grant. You must attach the grant request form NEW	15.	00	00
	16. Ohio income tax. (Subtract line 15 from line 14. If line 15 is more than line 14, enter -0-.)	16.	1,883	00
	17. Interest penalty on underpayment of estimated tax: Check <input type="checkbox"/> if form IT 2210 is attached 17.	00	00	00
	18. Unpaid Ohio use tax (please see worksheet on page 27)	18.	00	00
	The amount you show on this line is part of your total income tax liability for this year.			
19. Total Ohio tax (add lines 16, 17 and 18)	19.	1,883	00	

PAYMENTS	20. Ohio Tax Withheld (box 17 on your W-2) (attach W-2s to the back of this form) AMOUNT WITHHELD ▶ 20.		2,500	00	Go paperless. It's FREE! Try I-File. tax.ohio.gov File electronically and receive your refund in 5-7 days by direct deposit!
	21. Ohio estimated tax, IT 40P payments for 2005, and 2004 overpayment credited to 2005 21.		00	00	
	22. Refundable business jobs Credit Refundable pass-through entity Credit Total of lines 22a <input type="text"/> 22b <input type="text"/> 22a & 22b 22.		00	00	
	23. Add lines 20, 21 and 22 TOTAL PAYMENTS ▶ 23.		2,500	00	

REFUND OR AMOUNT YOU OWE	24. Amount You Owe (if line 23 is less than line 19, subtract line 23 from line 19). See pages 41 and 42. Check here <input type="checkbox"/> and enclose form IT 40P if you are making a payment - make check payable to Ohio Treasurer of State. Check here <input type="checkbox"/> if you have paid or will pay with an electronic check or credit card AMOUNT YOU OWE ▶ 24.		0	00
	25. If ln. 23 is GREATER than ln. 19, subtract ln. 19 from ln. 23 AMOUNT OVERPAID ▶ 25.		617	00
	26. Amount of line 25 to be credited to 2006 estimated income tax liability CREDIT ▶ 26.		00	00
	27. Amount of line 25 you wish to donate to the Military Injury Relief Fund NEW 27.		00	00
	28. Amount of line 25 you wish to donate for nature preserves, scenic rivers and protection of endangered species 28.		00	00
	29. Amount of line 25 you wish to of endangered wildlife 29.		00	00
30. Amount of line 25 to be refunded. (Subtract amounts on lines 26, 27, 28 & 29 from ln. 25. YOUR REFUND ▶ 30.		617	00	

IF THE BALANCE DUE IS LESS THAN \$1.01, PAYMENT NEED NOT BE MADE, AND IF THE OVERPAYMENT IS LESS THAN \$1.01, NO REFUND WILL BE ISSUED. I have read this return. Under penalties of perjury, I declare that to the best of my knowledge and belief, the return is true, correct and complete.

SIGN HERE	▶ Your signature	Date	
	▶ Spouse's signature (if filing jointly, BOTH must sign)	Phone number (optional)	000-202-0222
	Preparer's signature		
	Preparer's phone number		

For Departmental Use Only	
NO Payment Enclosed - Mail to Ohio Department of Taxation P.O. Box 2679 Columbus, OH 43270-2679	Payment Enclosed - Mail to Ohio Department of Taxation P.O. Box 2057 Columbus, OH 43270-2057

Schedule A - Adjustments to Income (Additions and Deductions)	Additions - add to the extent not included in federal adjusted gross income (line 1)				
	31. Add non-Ohio state or local government interest and dividends	31. ●		00	
	32. Add pass-through entity add-back	32. ●		00	
	33. Add income from an electing small business trust (ESBT - see instructions)	33. ●		00	
	34. Other. Check all that apply:				
	a. <input type="checkbox"/> Federal interest and dividends subject to state taxation and miscellaneous federal tax adjustments				
	b. <input type="checkbox"/> Reimbursement of college tuition expenses and fees deducted in any previous year(s)				
	c. <input type="checkbox"/> Losses from sale or disposition of Ohio public obligations				
	d. <input type="checkbox"/> Nonmedical withdrawals from an Ohio medical savings account and miscellaneous federal tax adjustments				
	e. <input type="checkbox"/> Reimbursement of expenses previously deducted for Ohio income tax purposes, but only if the reimbursement is not in FAGI				
	f. <input type="checkbox"/> Noneducation expenditures from college savings account				
	g. <input type="checkbox"/> Add back the depreciation adjustment for Internal Revenue Code sections 168(k) and 179				
	Total of a through g	34. ●		00	
	35. Total additions (add lines 31 through 34)	35. ●		00	
	Deductions - see limitations in instructions				
	36. Deduct federal interest and dividends exempt from state taxation	36. ●		00	
	37. Deduct compensation earned in Ohio by full-year residents of neighboring states and certain income earned by military nonresidents Check box if you are a military nonresident <input type="checkbox"/>	37. ●		00	
	38. Deduct state or municipal income tax overpayments (see instructions)	38. ●	800	00	
	39. Deduct disability and survivorship benefits (does not include pension continuations)	39. ●		00	
	40. Deduct qualifying social security benefits and some railroad benefits	40. ●		00	
	41. Deduct contributions to CollegeAdvantage 529 savings plan and/or purchases of tuition credits	41. ●		00	
	42. Deduct qualified tuition expenses paid to an eligible Ohio educational institution	42. ●		00	
	43. Deduct unsubsidized health insurance, long-term care insurance and excess medical expenses (see worksheet)	43. ●		00	
	44. Deduct funds deposited into, and earnings of, a medical savings account for eligible medical expenses (see worksheet)	44. ●		00	
	45. Deduct losses from an electing small business trust (ESBT - see instructions)	45. ●		00	
	46. Other. Check all that apply:				
	a. <input type="checkbox"/> Wage and salary expense not deducted due to the federal targeted jobs or the work opportunity tax credits				
	b. <input type="checkbox"/> Interest income from Ohio public obligations and Ohio purchase obligations and gains from the sale or disposition of Ohio public obligations				
	c. <input type="checkbox"/> Refund or reimbursements shown on federal form 1040, line 21, for itemized deductions claimed on a prior year federal income tax return				
	d. <input type="checkbox"/> Repayment of income reported in a prior year and miscellaneous federal tax adjustments				
	e. <input type="checkbox"/> Amount contributed to an individual development account				
	f. <input type="checkbox"/> Depreciation expense adjustment for Internal Revenue Code sections 168(k) and 179				
	Total of a through f	46. ●		00	
	47. Total deductions (add lines 36 through 46)	47. ●	800	00	
	48. Net adjustments - If line 35 is GREATER than line 47, enter the difference here and on line 2 as a positive amount. If line 35 is LESS than line 47, enter the difference here and on line 2 as a negative amount	48. ●	(800)	00	
	Schedule B Credits	49. Retirement income credit (see instructions for credit table) (limit - \$200 per return)	49. ●		00
		50. Senior citizen credit (limit - \$50 per return)	50. ●		00
		51. Lump sum distribution credit (you must be 65 years of age or older to claim this credit)	51. ●		00
		52. Child care and dependent care credit (see instructions and worksheet)	52. ●		00
		53. Lump sum retirement credit	53. ●		00
		54. If line 5 is less than or equal to \$10,000, enter \$107; otherwise, enter -0- or leave blank NEW	54. ●		00
		55. Job training credit (see instructions and worksheet) (limit - \$500 per taxpayer)	55. ●		00
		56. Ohio political contributions credit (limit - \$50 per taxpayer)	56. ●		00
		57. Ohio adoption credit (limit - \$500 per child)	57. ●		00
		58. Total credits (add lines 49 through 57) - enter here and on line 7	58. ●		00
	Schedule C Ohio Resident	59. Enter the portion of line 3 subjected to tax by other states or the District of Columbia while an Ohio resident (new limitation - see line instructions)	59. ●		00
		60. Enter Ohio adjusted gross income (line 3)	60. ●		00
		61. Divide line 59 by line 60 <input type="text"/> % Multiply by the amount on line 12	61. ●		00
62. Enter the 2005 income tax, less all credits other than withholding and estimated tax payments and overpayment carryforwards from previous years, paid to other states or the District of Columbia (new limitation - see line instructions)		62. ●		00	
63. Enter the smaller of line 61 or line 62. This is your Ohio resident tax credit. Enter here and on line 13.		63. ●		00	
List the state(s) other than Ohio with which you filed 2005 income tax returns					
<input type="text"/>					
Sched. D Nr./ Part-Year Res.	64. Enter the portion of Ohio adjusted gross income (line 3) that was not earned or received in Ohio (attach form IT 2023)	64. ●		00	
	65. Enter the Ohio adjusted gross income (line 3)	65. ●		00	
	66. Divide line 64 by line 65 <input type="text"/> % Multiply by the amount on line 12. Enter here and on line 13.	66. ●		00	