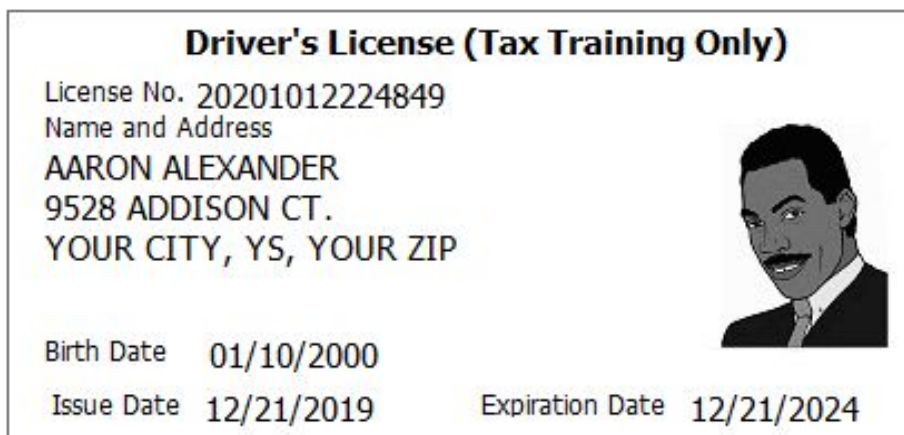
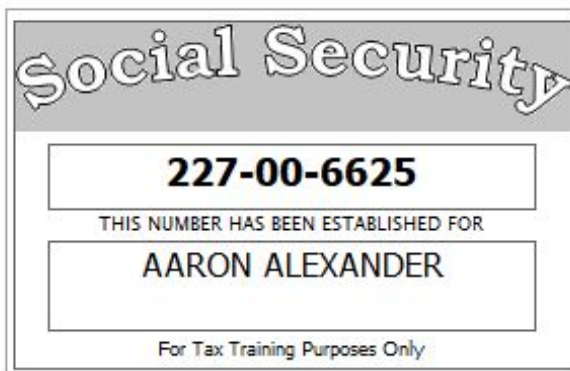



Exercise 1: Aaron Alexander

Interview Notes

- Aaron has never been married. He is not a student
- Aaron lives with his parents who provide more than half of his support.
- Aaron worked part time until he lost his job in April of the tax year.
- He did not receive an economic impact payment for the tax year.
- His health insurance coverage did not come from the Marketplace.
- If Aaron is due a refund, he would like direct deposit. If he has a balance due, he will mail the payment.



a. Employee's social security number 227-00-6625		Save. accurate, FAST! Use				Visit the IRS website at www.irs.gov/efile	
b. Employer identification number (EIN) 22-5376267		1. Wages, tips, other compensation \$6,150.49		2. Federal income tax withheld \$595.25			
c. Employer's name, address, and ZIP code ACKERMAN'S LANDSCAPING SERVICE 1809 CARTER AVE. YOUR CITY, YS YOUR ZIP		3. Social security wages \$6,150.49		4. Social security tax withheld \$381.33			
		5. Medicare wages and tips \$6,150.49		6. Medicare tax withheld \$89.18			
		7. Social security tips		8. Allocated tips			
d. Control number		9.		10. Dependant care benefits			
e. Employee's first name and initial Last name Suff. Employee's address and ZIP code AARON ALEXANDER 9528 ADDISON CT. YOUR CITY, YS, YOUR ZIP		11. Nonqualified plans		12a. See instructions for box 12			
		13. Statutory Employee Retirement Plan Third-party sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		12b.			
		14. Other		12c.			
				12d.			
15. State YS	Employer's state ID number 0000526372	16. State wages, tips, etc. \$6,150.49	17. State income tax 305.27	18. Local wages, tips, etc.	19. Local income tax	20. Locality name	
<p>Form W-2 Wage and Tax Statement 2020</p> <p>Copy B - To Be Filed With Employee's FEDERAL Tax Return.</p> <p>This information is being furnished to the Internal Revenue Service.</p>							

<input type="checkbox"/> CORRECTED (if checked)			
PAYER'S name Street address City or town, state or province, country, ZIP or foreign postal code Telephone no. STATE EMPLOYMENT COMMISSION 78283 COMMERCE ST. YOUR CITY, YS YOUR ZIP		1 Unemployment compensation \$8666	OMB No. 1545-0120
		2 State or local income tax refunds, credits or offsets	2020
PAYER'S TIN 36-7569636		RECIPIENT'S TIN 227-00-6625	
		Form 1099-G	
RECIPIENT'S name Street address City or town, state or province, country, ZIP or foreign postal code AARON ALEXANDER 9528 ADDISON CT. YOUR CITY, YS, YOUR ZIP		3 Box 2 amount is for tax year	4 Federal income tax withheld
		5 RTAA payments	6 Taxable grants
Account number (see instructions)		7 Agriculture payments	8 If checked, box 2 is trade or business income > <input type="checkbox"/>
		9 Market gain	
		10. State	10b State identification no.
		11 State income tax withheld	
Form 1099-G			

Certain Government Payments

Copy B For Recipient
 This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

AARON ALEXANDER		1234
9528 ADDISON CT. YOUR CITY, YS, YOUR ZIP		_____
PAY TO THE ORDER OF _____		\$ _____
CITY CREDIT UNION		DOLLARS
For _____		_____
268927334	0733629352	1234

Practice Questions

1. Using the Charts in Publication 4012 Tab C, can Aaron be claimed as a dependent on his parents' return?

- A. Yes, because he lived with them all year.
- B. Yes, because they provided more than half of his support.
- C. No, because he is too old to be their dependent.
- D. No, because his income is too high.

2. Unemployment compensation:

- A. Is taxable on the federal return, but is not taxable on the state return.
- B. Is not taxable on the federal return, but is taxable on the state return.
- C. Is taxable on both the federal return and the state return.
- D. Is not taxable on either the federal return or the state return.