

Study Guide for Advance Test 2020

This study guide references two resources you should become familiar with: [PUB 4491 Training Guide](#) and [PUB 4012 Volunteer Resource Guide](#)

Scenario 1:

1. Use the decision tree in PUB 4012, page B-8 and then reference the standard deduction amounts from page A-1. Pay attention to year of passing.
2. Pub 4012 page G-9 is where you can reference which children qualify and the amounts allowed to claim.

Scenario 2:

3. Review PUB 4012 pages G2 through G-4 to learn about the Child tax Credit and Credit For Other Dependents and who qualifies for them. Then look at I-2 for information on Earned Income Credit.
4. Look at Income Chart on page D-1 of PUB 4012

Scenario 3:

5. Look in PUB 4012 page D-59 and PUB 4491 page 29-3
6. This question is tricky if you don't understand the terminology and how things affect a tax return. I have an HSA training slides that might help on <https://www.vitaresources.net/studyguides.html> . Or review PUB 4491 pages 17-11 and 17-13 thru 17-14.
7. PUB 4491 page 17-11
8. PUB 4491 **there has been a change in 2020 to what is allowed "qualified" see page 17-13

Scenario 4:

9. See example in PUB 4491 page 6-5 and follow in PUB 4012 who can be Qualifying Child and Qualifying Relative tables for each adult in the scenario (starting page C-1)
10. Refer to PUB 4012 pages I-3 through I-4 to see who qualifies to claim Molly **there is more than one right answer

Scenario 5:

11. Review Itemized Deduction sections of PUB 4491 pages 2-4, 201 to 20-14
12. This is new this year—see page vii of PUB 4491 and read the scenario carefully (also can read Note in PUB 4012 E-1)

Scenario 6: (create a tax return in Practice Lab)

13. See PUB 4012 page E-11 for limits
14. See PUB 4012 page E-4 for qualifications
15. See PUB 4012 page G-9 for what qualifies
16. Look at the 1040 you created line #18c. Review what expenses are qualified to be claimed PUB 4012 page J-6Look at Schedule 3 Line 9
17. PUB 4012 page H-8 ; PUB 4491 page vi has more information
18. Look at PUB 4012 page H-8 and PUB 4491 page vi
19. Look at the table page I-2 to see if they qualify

Scenario 7: (create a tax return in Practice Lab)

20. Refer to table in PUB 4012 page F2
21. Refer to the ABC investment statement and 1040 Line 2b
22. Look at the 1040 generated and look at Line 6 (refer to scenario notes to make sure you didn't miss anything)
23. See 1040 Line 4d (can also look in at Taxslayer software—the 1099-R summary page where it lists the 1099Rs entered)
24. See Pub 4491 pages 17-6 thru 17-7 for requirements
25. Look at the schedule 1 line 8 that generated. Review scenario notes carefully and note that any gambling winnings NOT reported on a W2G get entered in Taxslayer under "Other Income."
26. Look at the 1040 that generated Line 5b
27. Look at the scenario notes carefully and the return that printed Line 19
28. Look at Sylvia's age and read PUB 4491 page v and small section on vii

Scenario 8: (create a tax return in Practice Lab)

29. Use the filing status tree PUB 4012 page B9-B10 and compare to table on PUB 4012 Page A-1 or F1
30. What expenses are reasonable, necessary, and customary for the type of job. **as far as clothes go... think of a painter's overalls vs pair of jeans. The overalls generally aren't worn out anywhere else—they are an allowed expense. The jeans can be worn elsewhere so they are not an allowed expense. Hope that helps
31. Look at the 1040 you generated line #13; double check your entries for Schedule C—especially allowable expenses and mileage
32. See PUB 4012 pages D60-62
33. See PUB 4012 pages H-6
34. See PUB 4491 pages 1-4 through 1-6
35. See Pub 4491 page 9-14 (tip)