

# Federal Electronic Filing Instructions

Tax Year 2014

These instructions are provided to help you understand and complete the final steps for electronically filing your Federal Return. We HIGHLY recommend you print this for your reference.

**You are responsible for confirming the status of your electronically filed return.** You can confirm the status of your return by going to [efstatus.taxact.com](http://efstatus.taxact.com). You will need to enter the Primary Social Security Number and Last Name on the return along with your ZIP Code.

**Self Select PIN:** You do not need to mail any paper signature forms to the IRS. Your return has been successfully filed once you receive your acceptance from the IRS.

## **Refund:**

You have elected to receive your refund of \$7,303 via direct deposit.

You can start checking the status of your refund, within 24 hours of e-filing, at the IRS Website <http://www.irs.gov> under Where's My Refund. The IRS issues most refunds in less than 21 days. Updates to refund status are made once daily - usually at night.

**\*\*If you are unable to complete the above instructions, or you need assistance in completing them contact us at: [efilesupport@taxact.com](mailto:efilesupport@taxact.com).**

For the year Jan. 1-Dec. 31, 2014, or other tax year beginning _____, ending _____		See separate instructions.
Your first name and initial <b>Richard D</b>	Last name <b>Peterson</b>	Your social security number <b>414-92-0453</b>
If a joint return, spouse's first name and initial <b>Beverly J</b>	Last name <b>Peterson</b>	Spouse's social security number <b>412-94-5676</b>
Home address (number and street). If you have a P.O. box, see instructions. <b>2313 Covey Lane</b>		Apt. no. <b>N/A</b>
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). <b>Chattanooga, TN 37421</b>		<b>Presidential Election Campaign</b> Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund. <input checked="" type="checkbox"/> <b>You</b> <input checked="" type="checkbox"/> <b>Spouse</b>
Foreign country name	Foreign province/state/county	

**Filing Status**

1 <input type="checkbox"/> Single 2 <input checked="" type="checkbox"/> Married filing jointly (even if only one had income) 3 <input type="checkbox"/> Married filing separately. Enter spouse's SSN above and full name here. ▶	4 <input type="checkbox"/> Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶ 5 <input type="checkbox"/> Qualifying widow(er) with dependent child
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Check only one box.

**Exemptions**

6a ☒ **Yourself.** If someone can claim you as a dependent, **do not** check box 6a . . . . . } **Boxes checked on 6a and 6b** **2**

b ☒ **Spouse.** . . . . . } **No. of children on 6c who:**

c Dependents:	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) X if child under age 17 qualifying for child tax credit (see instr.)	
(1) First name Last name <b>Ellie Peterson</b>	<b>414-71-6822</b>	<b>Son</b>	<input type="checkbox"/>	<b>• lived with you</b> <b>4</b>
<b>Joshua Peterson</b>	<b>409-85-0693</b>	<b>Son</b>	<input checked="" type="checkbox"/>	<b>• did not live with you due to divorce or separation (see instructions)</b> <b>0</b>
<b>John Peterson</b>	<b>413-61-8209</b>	<b>Son</b>	<input type="checkbox"/>	<b>Dependents on 6c not entered above</b> <b>0</b>
<b>Melanie Peterson</b>	<b>410-81-1728</b>	<b>Daughter</b>	<input type="checkbox"/>	<b>Add numbers on lines above</b> <b>6</b>

If more than four dependents, see instructions and check here ☐

d Total number of exemptions claimed . . . . .

**Income**

7 Wages, salaries, tips, etc. Attach Form(s) W-2 . . . . .	<b>7</b>	<b>11,860.</b>
8a Taxable interest. Attach Schedule B if required . . . . .	<b>8a</b>	
b Tax-exempt interest. <b>Do not</b> include on line 8a . . . . .	<b>8b</b>	
9a Ordinary dividends. Attach Schedule B if required . . . . .	<b>9a</b>	
b Qualified dividends . . . . .	<b>9b</b>	
10 Taxable refunds, credits, or offsets of state and local income taxes . . . . .	<b>10</b>	
11 Alimony received . . . . .	<b>11</b>	
12 Business income or (loss). Attach Schedule C or C-EZ . . . . .	<b>12</b>	<b>-13,565.</b>
13 Capital gain or (loss). Attach Schedule D if required. If not required, check here. . . ▶ <input type="checkbox"/>	<b>13</b>	
14 Other gains or (losses). Attach Form 4797 . . . . .	<b>14</b>	
15a IRA distributions . . . . .	<b>15a</b>	
b Taxable amount . . . . .	<b>15b</b>	<b>142,086.</b>
16a Pensions and annuities . . . . .	<b>16a</b>	
b Taxable amount . . . . .	<b>16b</b>	
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E . . . . .	<b>17</b>	
18 Farm income or (loss). Attach Schedule F . . . . .	<b>18</b>	
19 Unemployment compensation . . . . .	<b>19</b>	
20a Social security benefits . . . . .	<b>20a</b>	
b Taxable amount . . . . .	<b>20b</b>	
21 Other income. List type and amount . . . . .	<b>21</b>	
22 Combine the amounts in the far right column for lines 7 through 21. This is your <b>total income</b> ▶	<b>22</b>	<b>140,381.</b>

**Adjusted Gross Income**

23 Educator expenses . . . . .	<b>23</b>	<b>55.</b>	
24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ . . . . .	<b>24</b>		
25 Health savings account deduction. Attach Form 8889 . . . . .	<b>25</b>		
26 Moving expenses. Attach Form 3903 . . . . .	<b>26</b>		
27 Deductible part of self-employment tax. Attach Schedule SE . . . . .	<b>27</b>		
28 Self-employed SEP, SIMPLE, and qualified plans . . . . .	<b>28</b>		
29 Self-employed health insurance deduction . . . . .	<b>29</b>		
30 Penalty on early withdrawal of savings . . . . .	<b>30</b>		
31a Alimony paid b Recipient's SSN ▶ . . . . .	<b>31a</b>		
32 IRA deduction . . . . .	<b>32</b>		
33 Student loan interest deduction . . . . .	<b>33</b>	<b>805.</b>	
34 Tuition and fees. Attach Form 8917 . . . . .	<b>34</b>	<b>2,000.</b>	
35 Domestic production activities deduction. Attach Form 8903 . . . . .	<b>35</b>		
36 Add lines 23 through 35. . . . .	<b>36</b>	<b>2,860.</b>	
37 Subtract line 36 from line 22. This is your <b>adjusted gross income</b> ▶	<b>37</b>	<b>137,521.</b>	

**Tax and Credits**

38	Amount from line 37 (adjusted gross income)	38	<b>137,521.</b>
39a	Check <input type="checkbox"/> You were born before January 2, 1950, <input type="checkbox"/> Blind. <input type="checkbox"/> Spouse was born before January 2, 1950, <input type="checkbox"/> Blind. Total boxes checked <b>0</b>		
b	If your spouse itemizes on a separate return or you were a dual-status alien, check here <input type="checkbox"/> 39b		
40	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	40	<b>18,648.</b>
41	Subtract line 40 from line 38	41	<b>118,873.</b>
42	Exemptions. If line 38 is \$152,525 or less, multiply \$3,950 by the number on line 6d. Otherwise, see instructions.	42	<b>23,700.</b>
43	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	<b>95,173.</b>
44	Tax (see instructions). Check if any from: a <input type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972 c <input type="checkbox"/>	44	<b>15,506.</b>
45	Alternative minimum tax (see instructions). Attach Form 6251	45	
46	Excess advance premium tax credit repayment. Attach Form 8962	46	
47	Add lines 44, 45, and 46	47	<b>15,506.</b>
48	Foreign tax credit. Attach Form 1116 if required	48	
49	Credit for child and dependent care expenses. Attach Form 2441	49	
50	Education credits from Form 8863, line 19	50	<b>1,500.</b>
51	Retirement savings contributions credit. Attach Form 8880	51	
52	Child tax credit. Attach Schedule 8812, if required	52	
53	Residential energy credits. Attach Form 5695	53	
54	Other credits from Form: a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/>	54	
55	Add lines 48 through 54. These are your total credits	55	<b>1,500.</b>
56	Subtract line 55 from line 47. If line 55 is more than line 47, enter -0-	56	<b>14,006.</b>

**Standard Deduction for-**

• People who check any box on line 39a or 39b or who can be claimed as a dependent, see instructions.  
• All others: Single or Married filing separately, \$6,200  
Married filing jointly or Qualifying widow(er), \$12,400  
Head of household, \$9,100

**Other Taxes**

57	Self-employment tax. Attach Schedule SE	57	
58	Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919	58	
59	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	59	
60a	Household employment taxes from Schedule H	60a	
b	First-time homebuyer credit repayment. Attach Form 5405 if required	60b	
61	Health care: individual responsibility (see instructions) Full-year coverage <input checked="" type="checkbox"/>	61	
62	Taxes from: a <input type="checkbox"/> Form 8959 b <input type="checkbox"/> Form 8960 c <input type="checkbox"/> Instructions; enter code(s)	62	
63	Add lines 56 through 62. This is your total tax	63	<b>14,006.</b>

**Payments**

64	Federal income tax withheld from Forms W-2 and 1099	64	<b>20,309.</b>
65	2014 estimated tax payments and amount applied from 2013 return	65	
66a	Earned income credit (EIC). <b>NO.</b>	66a	
b	Nontaxable combat pay election. <b>66b</b>		
67	Additional child tax credit. Attach Schedule 8812	67	
68	American opportunity credit from Form 8863, line 8	68	<b>1,000.</b>
69	Net premium tax credit. Attach Form 8962	69	
70	Amount paid with request for extension to file	70	
71	Excess social security and tier 1 RRTA tax withheld	71	
72	Credit for federal tax on fuels. Attach Form 4136	72	
73	Credits from Form: a <input type="checkbox"/> 2439b <input type="checkbox"/> Reserved c <input type="checkbox"/> Reserved d <input type="checkbox"/>	73	
74	Add lines 64, 65, 66a, and 67 through 73. These are your total payments	74	<b>21,309.</b>

**Refund**

75	If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you overpaid	75	<b>7,303.</b>
76a	Amount of line 75 you want refunded to you. If Form 8888 is attached, check here <input type="checkbox"/>	76a	<b>7,303.</b>
b	Routing number <b>064000017</b> c Type: <input checked="" type="checkbox"/> Checking <input type="checkbox"/> Savings		
d	Account number <b>5323025549</b>		
77	Amount of line 75 you want applied to your 2015 estimated tax	77	

**Amount You Owe**

78	Amount you owe. Subtract line 74 from line 63. For details on how to pay, see instructions	78	<b>0.</b>
79	Estimated tax penalty (see instructions)	79	

**Third Party Designee**

Do you want to allow another person to discuss this return with the IRS (see instructions)? <input type="checkbox"/> Yes. Complete below. <input type="checkbox"/> No	
Designee's name	Phone no.
Personal identification number (PIN)	

**Sign Here**

Joint return? See instr. Keep a copy for your records.

Your signature	Date	Your occupation <b>Biomed</b>	Daytime phone number <b>(423)987-7041</b>
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation <b>Teacher</b>	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)

**Paid Preparer Use Only**

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name	Firm's EIN		Phone no.	
Firm's address				

Department of the Treasury  
Internal Revenue Service (99)

## Itemized Deductions

OMB No. 1545-0074

# 2014

Attachment  
Sequence No. **07**

► Information about Schedule A and its separate instructions is at [www.irs.gov/schedulea](http://www.irs.gov/schedulea).

► **Attach to Form 1040.**

Name(s) shown on Form 1040

**Your social security number**

Richard D and Beverly J Peterson

414-92-0453

		<b>Cautions.</b> Do not include expenses reimbursed or paid by others.			
<b>Medical and Dental Expenses</b>	1	Medical and dental expenses (see instructions) . . . . .	1	19,551.	
	2	Enter amount from Form 1040, line 38   2   137,521.			
	3	Multiply line 2 by 10% (.10). But if either you or your spouse was born before January 2, 1950, multiply line 2 by 7.5% (.075) instead.	3	13,752.	
	4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-			4
<b>Taxes You Paid</b>	5	State and local ( <b>check only one box</b> ): a <input type="checkbox"/> Income taxes, or b <input checked="" type="checkbox"/> General sales taxes }	5	3,412.	
	6	Real estate taxes (see instructions).	6	1,038.	
	7	Personal property taxes . . . . .	7	101.	
	8	Other taxes. List type and amount ▶ _____ <b>Business property tax</b>	8	861.	
	9	Add lines 5 through 8 . . . . .			9
					5,412.
<b>Interest You Paid</b>	10	Home mortgage interest and points reported to you on Form 1098	10	3,862.	
	11	Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying no., and address ▶ _____ _____ _____			
			11		
	12	Points not reported to you on Form 1098. See instructions for special rules . .	12		
	13	Mortgage insurance premiums (see instructions) . . . . .	13		
	14	Investment interest. Attach Form 4952 if required. (See instructions.)	14		
	15	Add lines 10 through 14 . . . . .			15
					3,862.
<b>Gifts to Charity</b>	16	Gifts by cash or check. If you made any gift of \$250 or more, see instructions . . . . .	16	3,130.	
	17	Other than by cash or check. If any gift of \$250 or more, see instructions. You <b>must</b> attach Form 8283 if over \$500. . . . .	17	445.	
	18	Carryover from prior year . . . . .	18		
	19	Add lines 16 through 18. . . . .			19
				3,575.	
<b>Casualty and Theft Losses</b>	20	Casualty or theft loss(es). Attach Form 4684. (See instructions.) . . . . .			20
					0.
<b>Job Expenses and Certain Miscellaneous Deductions</b>	21	Unreimbursed employee expenses - job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.) ▶ _____ _____	21		
	22	Tax preparation fees . . . . .	22		
	23	Other expenses - investment, safe deposit box, etc. List type and amount ▶ _____ _____	23		
	24	Add lines 21 through 23 . . . . .	24		
	25	Enter amount from Form 1040, line 38   25			
	26	Multiply line 25 by 2% (.02) . . . . .	26		
	27	Subtract line 26 from line 24. If line 26 is more than line 24, enter -0- . . . . .			27
					0.
<b>Other Miscellaneous Deductions</b>	28	Other - from list in instructions. List type and amount ▶ _____ _____			28
					0.
<b>Total Itemized Deductions</b>	29	Is Form 1040, line 38, over \$152,525? <input checked="" type="checkbox"/> <b>No.</b> Your deduction is not limited. Add the amounts in the far right column for lines 4 through 28. Also, enter this amount on Form 1040, line 40. <input type="checkbox"/> <b>Yes.</b> Your deduction may be limited. See the Itemized Deductions Worksheet in the instructions to figure the amount to enter.			29
	30	If you elect to itemize deductions even though they are less than your standard deduction, check here . . . . .			
					18,648.

**SCHEDULE C**  
**(Form 1040)**

Department of the Treasury  
Internal Revenue Service (99)

**Profit or Loss From Business**  
(Sole Proprietorship)

► Information about Schedule C and its separate instructions is at [www.irs.gov/schedulec](http://www.irs.gov/schedulec).  
► Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

OMB No. 1545-0074

**2014**  
Attachment  
Sequence No. **09**

Name of proprietor <b>Richard D Peterson</b>		Social security number (SSN) <b>414-92-0453</b>
A Principal business or profession, including product or service (see instructions) <b>Recycling</b>		B Enter code from instructions ► <b>423500</b>
C Business name. If no separate business name, leave blank. <b>Peterson's Inventive Enterprises Inc.</b>		D Employer ID number (EIN), (see instr.) <b>46-3216206</b>
E Business address (including suite or room no.) ► <b>4029 Meadow Lane</b> City, town or post office, state, and ZIP code <b>Chattanooga, TN 37406</b>		
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 2014? If "No," see instructions for limit on losses . . . . . <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
H If you started or acquired this business during 2014, check here . . . . . <input checked="" type="checkbox"/>		
I Did you make any payments in 2014 that would require you to file Form(s) 1099? (see instructions) . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
J If "Yes," did you or will you file required Forms 1099? . . . . . <input type="checkbox"/> Yes <input type="checkbox"/> No		

**Part I Income**

1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked . . . . . <input type="checkbox"/>	1	2,718.
2 Returns and allowances . . . . .	2	
3 Subtract line 2 from line 1. . . . .	3	2,718.
4 Cost of goods sold (from line 42) . . . . .	4	7,194.
5 <b>Gross profit.</b> Subtract line 4 from line 3 . . . . .	5	-4,476.
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions) . . . . .	6	
7 <b>Gross income.</b> Add lines 5 and 6 . . . . .	7	-4,476.

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

8 Advertising . . . . .	8		18 Office expense (see instructions) . . . . .	18	
9 Car and truck expenses (see instructions) . . . . .	9	1,230.	19 Pension and profit-sharing plans . . . . .	19	
10 Commissions and fees . . . . .	10		20 Rent or lease (see instructions):		
11 Contract labor (see instructions) . . . . .	11	3,145.	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 instructions) . . . . .	13	814.	21 Repairs and maintenance . . . . .	21	
14 Employee benefit programs (other than on line 19) . . . . .	14		22 Supplies (not included in Part III) . . . . .	22	
15 Insurance (other than health) . . . . .	15	515.	23 Taxes and licenses . . . . .	23	1,247.
16 Interest:			24 Travel, meals, and entertainment:		
a Mortgage (paid to banks, etc.) . . . . .	16a		a Travel . . . . .	24a	
b Other . . . . .	16b	23.	b Deductible meals and entertainment (see instructions) . . . . .	24b	
17 Legal and professional services . . . . .	17	112.	25 Utilities . . . . .	25	1,313.
			26 Wages (less employment credits) . . . . .	26	
			27a Other expenses (from line 48) . . . . .	27a	
			b Reserved for future use . . . . .	27b	
28 <b>Total expenses</b> before expenses for business use of home. Add lines 8 through 27a . . . . .	28	8,399.			
29 Tentative profit or (loss). Subtract line 28 from line 7 . . . . .	29	-12,875.			
30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). <b>Simplified method filers only:</b> enter the total square footage of: (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30 . . . . .	30	690.			
31 <b>Net profit or (loss).</b> Subtract line 30 from line 29. • If a profit, enter on both <b>Form 1040, line 12</b> (or <b>Form 1040NR, line 13</b> ) and on <b>Schedule SE, line 2</b> . (If you checked the box on line 1, see instructions). Estates and trusts, enter on <b>Form 1041, line 3</b> . • If a loss, you <b>must</b> go to line 32.	31	-13,565.			
32 If you have a loss, check the box that describes your investment in this activity (see instructions). • If you checked 32a, enter the loss on both <b>Form 1040, line 12</b> , (or <b>Form 1040NR, line 13</b> ) and on <b>Schedule SE, line 2</b> . (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on <b>Form 1041, line 3</b> • If you checked 32b, you <b>must</b> attach <b>Form 6198</b> . Your loss may be limited.			32a <input checked="" type="checkbox"/> All investment is at risk. 32b <input type="checkbox"/> Some investment is not at risk.		



Form **8863**Department of the Treasury  
Internal Revenue Service (99)**Education Credits**  
**(American Opportunity and Lifetime Learning Credits)**

▶ Attach to Form 1040 or Form 1040A.

▶ Information about Form 8863 and its separate instructions is at [www.irs.gov/form8863](http://www.irs.gov/form8863).

OMB No. 1545-0074

**2014**Attachment  
Sequence No. **50**

Name(s) shown on return

**Richard D and Beverly J Peterson**

Your social security number

**414-92-0453***Complete a separate Part III on page 2 for each student for whom you are claiming either credit before you complete Parts I and II.***Part I Refundable American Opportunity Credit**

<b>1</b>	After completing Part III for each student, enter the total of all amounts from all Parts III, line 30 . . .	<b>1</b>	<b>2,500.</b>
<b>2</b>	Enter: \$180,000 if married filing jointly; \$90,000 if single, head of household, or qualifying widow(er) . . . . .	<b>2</b>	<b>180,000.</b>
<b>3</b>	Enter the amount from Form 1040, line 38, or Form 1040A, line 22. If you are filing Form 2555, 2555-EZ, or 4563, or you are excluding income from Puerto Rico, see Pub. 970 for the amount to enter. . . . .	<b>3</b>	<b>137,521.</b>
<b>4</b>	Subtract line 3 from line 2. If zero or less, <b>stop</b> ; you cannot take any education credit. . . . .	<b>4</b>	<b>42,479.</b>
<b>5</b>	Enter: \$20,000 if married filing jointly; \$10,000 if single, head of household, or qualifying widow(er) . . . . .	<b>5</b>	<b>20,000.</b>
<b>6</b>	If line 4 is: • Equal to or more than line 5, enter 1.000 on line 6. . . . . • Less than line 5, divide line 4 by line 5. Enter the result as a decimal (rounded to at least three places) . . . . .	<b>6</b>	<b>1.0000</b>
<b>7</b>	Multiply line 1 by line 6. <b>Caution:</b> If you were under age 24 at the end of the year <b>and</b> meet the conditions described in the instructions, you <b>cannot</b> take the refundable American opportunity credit; skip line 8, enter the amount from line 7 on line 9, and check this box . . . . . <input type="checkbox"/>	<b>7</b>	<b>2,500.</b>
<b>8</b>	<b>Refundable American opportunity credit.</b> Multiply line 7 by 40% (.40). Enter the amount here and on Form 1040, line 68, or Form 1040A, line 44. Then go to line 9 below. . . . .	<b>8</b>	<b>1,000.</b>

**Part II Nonrefundable Education Credits**

<b>9</b>	Subtract line 8 from line 7. Enter here and on line 2 of the Credit Limit Worksheet (see instructions)	<b>9</b>	<b>1,500.</b>
<b>10</b>	After completing Part III for each student, enter the total of all amounts from all Parts III, line 31. If zero, skip lines 11 through 17, enter -0- on line 18, and go to line 19. . . . .	<b>10</b>	
<b>11</b>	Enter the smaller of line 10 or \$10,000 . . . . .	<b>11</b>	
<b>12</b>	Multiply line 11 by 20% (.20) . . . . .	<b>12</b>	
<b>13</b>	Enter: \$128,000 if married filing jointly; \$64,000 if single, head of household, or qualifying widow(er) . . . . .	<b>13</b>	
<b>14</b>	Enter the amount from Form 1040, line 38, or Form 1040A, line 22. If you are filing Form 2555, 2555-EZ, or 4563, or you are excluding income from Puerto Rico, see Pub. 970 for the amount to enter. . . . .	<b>14</b>	
<b>15</b>	Subtract line 14 from line 13. If zero or less, skip lines 16 and 17, enter -0- on line 18, and go to line 19. . . . .	<b>15</b>	
<b>16</b>	Enter: \$20,000 if married filing jointly; \$10,000 if single, head of household, or qualifying widow(er) . . . . .	<b>16</b>	
<b>17</b>	If line 15 is: • Equal to or more than line 16, enter 1.000 on line 17 and go to line 18 • Less than line 16, divide line 15 by line 16. Enter the result as a decimal (rounded to at least three places) . . . . .	<b>17</b>	<b>0.0000</b>
<b>18</b>	Multiply line 12 by line 17. Enter here and on line 1 of the Credit Limit Worksheet (see instructions) ▶	<b>18</b>	
<b>19</b>	<b>Nonrefundable education credits.</b> Enter the amount from line 7 of the Credit Limit Worksheet (see instructions) here and on Form 1040, line 50, or Form 1040A, line 33 . . . . .	<b>19</b>	<b>1,500.</b>

For Paperwork Reduction Act Notice, see your tax return instructions.

Form **8863** (2014)

UYA

Name(s) shown on return

**Richard D and Beverly J Peterson**

Your social security number

**414-92-0453**

**Complete Part III for each student for whom you are claiming either the American opportunity credit or lifetime learning credit. Use additional copies of Page 2 as needed for each student.**

**Part III Student and Educational Institution Information**

See instructions.

<b>20</b> Student name (as shown on page 1 of your tax return)  <b>Melanie Peterson</b>	<b>21</b> Student social security number (as shown on page 1 of your tax return)  <b>410-81-1728</b>
<b>22</b> Educational institution information (see instructions)	
<b>a.</b> Name of first educational institution  <b>Transylvania University</b>  <b>(1)</b> Address. Number and street (or P.O. box). City, town or post office, state, and ZIP code. If a foreign address, see instructions.  <b>300 North Broadway</b> <b>Lexington, KY, 40508</b>  <b>(2)</b> Did the student receive Form 1098-T <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No from this institution for 2014?  <b>(3)</b> Did the student receive Form 1098-T from this institution for 2013 with Box 2 filled in and Box 7 checked? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  If you checked "No" in <b>both (2) and (3)</b> , skip <b>(4)</b> . <b>(4)</b> If you checked "Yes" in <b>(2) or (3)</b> , enter the institution's federal identification number (from Form 1098-T). <b>61-0444825</b>	<b>b.</b> Name of second educational institution (if any)   <b>(1)</b> Address. Number and street (or P.O. box). City, town or post office, state, and ZIP code. If a foreign address, see instructions.   <b>(2)</b> Did the student receive Form 1098-T <input type="checkbox"/> Yes <input type="checkbox"/> No from this institution for 2014?  <b>(3)</b> Did the student receive Form 1098-T from this institution for 2013 with Box 2 <input type="checkbox"/> Yes <input type="checkbox"/> No filled in and Box 7 checked?  If you checked "No" in <b>both (2) and (3)</b> , skip <b>(4)</b> . <b>(4)</b> If you checked "Yes" in <b>(2) or (3)</b> , enter the institution's federal identification number (from Form 1098-T). 
<b>23</b> Has the Hope Scholarship Credit or American opportunity credit been claimed for this student for any 4 tax years before 2014?  <input type="checkbox"/> Yes — <b>Stop!</b> Go to line 31 for this student.	<input checked="" type="checkbox"/> No — Go to line 24.
<b>24</b> Was the student enrolled at least half-time for at least one academic period that began or is treated as having begun in 2014 at an eligible educational institution in a program leading towards a postsecondary degree, certificate, or other recognized postsecondary educational credential? (see instructions)	<input checked="" type="checkbox"/> Yes — Go to line 25. <input type="checkbox"/> No — <b>Stop!</b> Go to line 31 for this student.
<b>25</b> Did the student complete the first 4 years of post-secondary education before 2014?	<input type="checkbox"/> Yes — <b>Stop!</b> Go to line 31 for this student. <input checked="" type="checkbox"/> No — Go to line 26.
<b>26</b> Was the student convicted, before the end of 2014, of a felony for possession or distribution of a controlled substance?	<input type="checkbox"/> Yes — <b>Stop!</b> Go to line 31 for this student. <input checked="" type="checkbox"/> No — Complete lines 27 through 30 for this student.



**You cannot take the American opportunity credit and the lifetime learning credit for the same student in the same year. If you complete lines 27 through 30 for this student, do not complete line 31.**

**American Opportunity Credit**

<b>27</b> Adjusted qualified education expenses (see instructions). <b>Do not enter more than \$4,000</b> . . . . .	<b>27</b>	<b>4,000.</b>
<b>28</b> Subtract \$2,000 from line 27. If zero or less, enter -0- . . . . .	<b>28</b>	<b>2,000.</b>
<b>29</b> Multiply line 28 by 25% (.25) . . . . .	<b>29</b>	<b>500.</b>
<b>30</b> If line 28 is zero, enter the amount from line 27. Otherwise, add \$2,000 to the amount on line 29 and enter the result. Skip line 31. Include the total of all amounts from all Parts III, line 30 on Part I, line 1. . . . .	<b>30</b>	<b>2,500.</b>
<b>Lifetime Learning Credit</b>		
<b>31</b> Adjusted qualified education expenses (see instructions). Include the total of all amounts from all Parts III, line 31, on Part II, line 10 . . . . .	<b>31</b>	



# Tuition and Fees Deduction

OMB No. 1545-0074

**2014**  
Attachment  
Sequence No. **60**

▶ Attach to Form 1040 or Form 1040A.

▶ Information about Form 8917 and its instructions is at [www.irs.gov/form8917](http://www.irs.gov/form8917).

Name(s) shown on return

**Richard D and Beverly J Peterson**

Your social security number

**414-92-0453**

**Caution:** You **cannot** take both an education credit from Form 8863 and the tuition and fees deduction from this form for the **same student** for the same tax year.

**Before you begin:** ✓ To see if you qualify for this deduction, see *Who Can Take the Deduction* in the instructions.  
✓ If you file Form 1040, figure any write-in adjustments to be entered on the dotted line next to Form 1040, line 36. See the 2014 Form 1040 instructions for line 36.

1	(a) Student's name (as shown on page 1 of your tax return)	(b) Student's social security number (as shown on page 1 of your tax return)	(c) Adjusted qualified expenses (see instructions)
	First name Last name		
	<b>Ellie Peterson</b>	<b>414-71-6822</b>	<b>6,281.</b>
2	Add the amounts on line 1, column (c), and enter the total . . . . .	<b>2</b>	<b>6,281.</b>
3	Enter the amount from Form 1040, line 22, or Form 1040A, line 15 . . .	<b>3</b>	<b>140,381.</b>
4	Enter the total from either: • Form 1040, lines 23 through 33, plus any write-in adjustments entered on the dotted line next to Form 1040, line 36, <b>or</b> • Form 1040A, lines 16 through 18 . . . . .	<b>4</b>	<b>860.</b>
5	Subtract line 4 from line 3.* If the result is more than \$80,000 (\$160,000 if married filing jointly), <b>stop</b> ; you cannot take the deduction for tuition and fees . . . . .	<b>5</b>	<b>139,521.</b>
*If you are filing Form 2555, 2555-EZ, or 4563, or you are excluding income from Puerto Rico, see <i>Effect of the Amount of Your Income on the Amount of Your Deduction</i> in Pub. 970, chapter 6, to figure the amount to enter on line 5.			
6	<b>Tuition and fees deduction.</b> Is the amount on line 5 more than \$65,000 (\$130,000 if married filing jointly)? <input checked="" type="checkbox"/> <b>Yes.</b> Enter the smaller of line 2, or \$2,000. } <input type="checkbox"/> <b>No.</b> Enter the smaller of line 2, or \$4,000. }	<b>6</b>	<b>2,000.</b>
<b>Also enter</b> this amount on Form 1040, line 34, or Form 1040A, line 19.			

**Expenses for Business Use of Your Home**▶ **File only with Schedule C (Form 1040). Use a separate Form 8829 for each home you used for business during the year.**▶ **Information about Form 8829 and its separate instructions is at [www.irs.gov/form8829](http://www.irs.gov/form8829).****2014**Attachment  
Sequence No. **176**

Name(s) of proprietor(s)

**Richard D Peterson**

Your social security number

**414-92-0453****Part I Part of Your Home Used for Business**

1	Area used regularly and exclusively for business, regularly for daycare, or for storage of inventory or product samples (see instructions)	1	325
2	Total area of home	2	2600
3	Divide line 1 by line 2. Enter the result as a percentage	3	12.50%
<b>For daycare facilities not used exclusively for business, go to line 4. All others, go to line 7.</b>			
4	Multiply days used for daycare during year by hours used per day	4	0 hr.
5	Total hours available for use during the year (365 days X 24 hours) (see instructions)	5	8,760 hr.
6	Divide line 4 by line 5. Enter the result as a decimal amount	6	
7	Business percentage. For daycare facilities not used exclusively for business, multiply line 6 by line 3 (enter the result as a percentage). All others, enter the amount from line 3	7	12.50%

**Part II Figure Your Allowable Deduction**

8	Enter the amount from Schedule C, line 29, <b>plus</b> any gain derived from the business use of your home, <b>minus</b> any loss from the trade or business not derived from the business use of your home (see instructions)	8	-12,875.
<b>See instructions for columns (a) and (b) before completing lines 9-21.</b>			
	(a) Direct expenses	(b) Indirect expenses	
9	Casualty losses (see instructions)	9	
10	Deductible mortgage interest (see instructions)	10	4,331.
11	Real estate taxes (see instructions)	11	1,186.
12	Add lines 9, 10, and 11	12	5,517.
13	Multiply line 12, column (b) by line 7.	13	690.
14	Add line 12, column (a) and line 13	14	690.
15	Subtract line 14 from line 8. If zero or less, enter -0-	15	0.
16	Excess mortgage interest (see instructions)	16	
17	Insurance	17	1,807.
18	Rent	18	
19	Repairs and maintenance	19	150.
20	Utilities	20	4,200.
21	Other expenses (see instructions)	21	
22	Add lines 16 through 21	22	6,157.
23	Multiply line 22, column (b) by line 7.	23	770.
24	Carryover of prior year operating expenses (see instructions)	24	
25	Add line 22, column (a), line 23, and line 24	25	770.
26	Allowable operating expenses. Enter the <b>smaller</b> of line 15 or line 25	26	
27	Limit on excess casualty losses and depreciation. Subtract line 26 from line 15	27	
28	Excess casualty losses (see instructions)	28	
29	Depreciation of your home from line 41 below	29	561.
30	Carryover of prior year excess casualty losses and depreciation (see instructions)	30	
31	Add lines 28 through 30	31	561.
32	Allowable excess casualty losses and depreciation. Enter the <b>smaller</b> of line 27 or line 31	32	
33	Add lines 14, 26, and 32	33	690.
34	Casualty loss portion, if any, from lines 14 and 32. Carry amount to <b>Form 4684</b> (see instructions)	34	
35	<b>Allowable expenses for business use of your home.</b> Subtract line 34 from line 33. Enter here and on Schedule C, line 30. If your home was used for more than one business, see instructions	35	690.

**Part III Depreciation of Your Home**

36	Enter the <b>smaller</b> of your home's adjusted basis or its fair market value (see instructions)	36	180,000.
37	Value of land included on line 36	37	5,000.
38	Basis of building. Subtract line 37 from line 36	38	175,000.
39	Business basis of building. Multiply line 38 by line 7	39	21,875.
40	Depreciation percentage (see instructions)	40	2.564%
41	Depreciation allowable (see instr.). Multiply line 39 by line 40. Enter here and on line 29 above	41	561.

**Part IV Carryover of Unallowed Expenses to 2015**

42	Operating expenses. Subtract line 26 from line 25. If less than zero, enter -0-	42	770.
43	Excess casualty losses and depreciation. Subtract line 32 from line 31. If less than zero, enter -0-	43	561.

For Paperwork Reduction Act Notice, see your tax return instructions.

**Depreciation and Amortization**  
**(Including Information on Listed Property)**

▶ Attach to your tax return.

▶ Information about Form 4562 and its separate instructions is at [www.irs.gov/form4562](http://www.irs.gov/form4562)**2014**Attachment  
Sequence No. **179**

Name(s) shown on return

**Richard D Peterson**

Business or activity to which this form relates

**Peterson's Inventive Enterpri**

Identifying number

**414-92-0453****Part I Election To Expense Certain Property Under Section 179****Note:** If you have any listed property, complete Part V before you complete Part I.

<b>1</b>	Maximum amount (see instructions)	<b>1</b>	
<b>2</b>	Total cost of section 179 property placed in service (see instructions)	<b>2</b>	
<b>3</b>	Threshold cost of section 179 property before reduction in limitation (see instructions)	<b>3</b>	
<b>4</b>	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	<b>4</b>	<b>0.</b>
<b>5</b>	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions.	<b>5</b>	<b>0.</b>
<b>6</b>	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
<b>7</b>	Listed property. Enter the amount from line 29	<b>7</b>	
<b>8</b>	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	<b>8</b>	
<b>9</b>	Tentative deduction. Enter the <b>smaller</b> of line 5 or line 8	<b>9</b>	
<b>10</b>	Carryover of disallowed deduction from line 13 of your 2013 Form 4562	<b>10</b>	
<b>11</b>	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	<b>11</b>	
<b>12</b>	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	<b>12</b>	
<b>13</b>	Carryover of disallowed deduction to 2015. Add lines 9 and 10, less line 12	<b>13</b>	

**Note:** Do not use Part II or Part III below for listed property. Instead, use Part V.**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)** (See instructions.)

<b>14</b>	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	<b>14</b>	
<b>15</b>	Property subject to section 168(f)(1) election	<b>15</b>	
<b>16</b>	Other depreciation (including ACRS)	<b>16</b>	<b>814.</b>

**Part III MACRS Depreciation (Do not include listed property.)** (See instructions.)**Section A**

<b>17</b>	MACRS deductions for assets placed in service in tax years beginning before 2014	<b>17</b>	
<b>18</b>	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

**Section B — Assets Placed in Service During 2014 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
<b>19a</b> 3-year property						
<b>b</b> 5-year property						
<b>c</b> 7-year property						
<b>d</b> 10-year property						
<b>e</b> 15-year property						
<b>f</b> 20-year property						
<b>g</b> 25-year property			25 yrs.		S/L	
<b>h</b> Residential rental property			27.5 yrs.	MM	S/L	
<b>i</b> Nonresidential real property			39 yrs.	MM	S/L	

**Section C — Assets Placed in Service During 2014 Tax Year Using the Alternative Depreciation System**

<b>20a</b> Class life					S/L	
<b>b</b> 12-year			12 yrs.		S/L	
<b>c</b> 40-year			40 yrs.	MM	S/L	

**Part IV Summary** (See instructions)

<b>21</b>	Listed property. Enter amount from line 28	<b>21</b>	
<b>22</b>	<b>Total.</b> Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	<b>22</b>	<b>814.</b>
<b>23</b>	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	<b>23</b>	

**Part V Listed Property** (Include automobiles, certain other vehicles, certain aircraft, certain computers, and property used for entertainment, recreation, or amusement.)

**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

**Section A—Depreciation and Other Information** (Caution: See the instructions for limits for passenger automobiles.)

**24a** Do you have evidence to support the business/investment use claimed? ☒ **Yes** ☐ **No** **24b** If "Yes," is the evidence written? ☒ **Yes** ☐ **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
<b>25</b> Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) . . . . .							<b>25</b>	
<b>26</b> Property used more than 50% in a qualified business use:								
2003 Chevy S-10 pickup	07/01/13	100.0%						
		%						
		%						
<b>27</b> Property used 50% or less in a qualified business use:								
2005 Buick Rendezvous	07/01/13	12.52%				S/L -		
		%				S/L -		
		%				S/L -		
<b>28</b> Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 . . . . .							<b>28</b>	
<b>29</b> Add amounts in column (i), line 26. Enter here and on line 7, page 1 . . . . .								<b>29</b>

**Section B—Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) 2003 Chevy S-10 Vehicle 1	(b) 2005 Buick Rendezvous Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
<b>30</b> Total business/investment miles driven during the year (do not include commuting miles) . . . . .	980	1216				
<b>31</b> Total commuting miles driven during the year . . . . .		7200				
<b>32</b> Total other personal (noncommuting) miles driven . . . . .		1300				
<b>33</b> Total miles driven during the year. Add lines 30 through 32 . . . . .	980	9716				
<b>34</b> Was the vehicle available for personal use during off-duty hours? . . . . .	Yes No	Yes No	Yes No	Yes No	Yes No	Yes No
	X	X				
<b>35</b> Was the vehicle used primarily by a more than 5% owner or related person? . . . . .	Yes No	Yes No	Yes No	Yes No	Yes No	Yes No
	X	X				
<b>36</b> Is another vehicle available for personal use? . . . . .	Yes No	Yes No	Yes No	Yes No	Yes No	Yes No
	X	X				

**Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees**

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

	Yes	No
<b>37</b> Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? . . . . .		
<b>38</b> Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners . . . . .		
<b>39</b> Do you treat all use of vehicles by employees as personal use? . . . . .		
<b>40</b> Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received? . . . . .		
<b>41</b> Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.) . . . . .		

**Note:** If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
<b>42</b> Amortization of costs that begins during your 2014 tax year (see instructions):					
<b>43</b> Amortization of costs that began before your 2014 tax year . . . . .				<b>43</b>	
<b>44</b> <b>Total.</b> Add amounts in column (f). See the instructions for where to report . . . . .				<b>44</b>	