**Short Paper**

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ACC 330: Federal Taxation I

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June 4, 2023

The Lawsons' primary revenue streams comprised their remunerations derived from their occupation as educators at the community's primary educational institution. The data was obtained from the W2 forms of the individuals, which provided a comprehensive breakdown of their earnings, federal tax withholdings, Social Security wages, and Medicare wages.

Several deductions were accounted for. These itemized deductions total $25,100 and include medical expenses ($600), state and local taxes ($1,856), state and local real estate taxes ($3,355), general sales tax ($964), home mortgage interest and insurance premiums ($9,004), and classroom expenses ($1,505). In addition, mortgage interest ($6,805), mortgage insurance premiums ($2,199), and additional property taxes ($3,355) were deducted for their primary residence. In addition, they reported covering Ana's medical co-payments ($600) and Alexander's ($1,010) and Susan's ($499) classroom expenses.

Based on the information provided, there is no explicit mention of any tax credits. One of the requisite documents filed for tax return pertained to Schedule 8812, which pertains to providing credits for dependents and qualifying children. Because Ana Alvarez is under their care and lacks any source of revenue, it is plausible that the individual in question has asserted her as a dependent. This would enable them to receive certain tax credits, although the precise amount or specifics were not explicitly stated in the information.

Supplementary forms were utilized to finalize their tax filing. The documents encompass Schedule 8812, which pertains to credits for qualifying children and other dependents, Schedule A, which pertains to itemized deductions, and a paid preparer's due diligence checklist.

As per the provided details, after the application of their allowable deductions, the taxable income of the concerned individual has been reported to be $65,800. The calculations determine taxable income by deducting the aggregate amount of standard or itemized deductions and any adjustments to income from the gross income. The computation of the tax liability on the said taxable income shall be determined following the tax brackets prescribed by the Internal Revenue Service for the pertinent year. The taxpayer's tax liability is subject to reduction by any tax credits, and the remaining amount due or refundable is ascertained by comparing the total tax liability with the total tax already remitted during the year via withholding or estimated payments.

The determination of the tax return's outcome is contingent upon comparing the aggregate tax liability for the fiscal year (post deductions and credits) and the total sum of tax already remitted through withholding or estimated tax payments. If the sum remitted is lower than the overall tax obligation, the taxpayer shall be deemed to have an outstanding balance. As per the tax return Alexander and Susan Lawson filed, it appears that they have a tax liability of $500 that remains unpaid, indicating an underpayment of taxes for the year.