

For the year Jan 1 - Dec 31, 2011, or other tax year beginning , 2011, ending , 20 See separate instructions.

Your first name MI Last name Your social security number

Trader Forex - 50K loss 999-99-9999

If a joint return, spouse's first name MI Last name Spouse's social security number

Home address (number and street). If you have a P.O. box, see instructions. Apartment no.

Any Street Make sure the SSN(s) above and on line 6c are correct.

City, town or post office. If you have a foreign address, also complete spaces below (see instructions). State ZIP code

New York, NY 10021 Presidential Election Campaign

Foreign country name Foreign province/county Foreign postal code

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. ☐ You ☐ Spouse

Filing Status 1 ☒ Single 4 ☐ 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. 2 ☐ Married filing jointly (even if only one had income) 3 ☐ Married filing separately. Enter spouse's SSN above & full name here. 5 ☐ Qualifying widow(er) with dependent child

Exemptions 6a ☒ Yourself. If someone can claim you as a dependent, do not check box 6a 6b ☐ Spouse. Boxes checked on 6a and 6b . . . 1 No. of children on 6c who:

c Dependents: (1) First name Last name (2) Dependent's social security number (3) Dependent's relationship to you (4) ☒ if child under age 17 qualifying for child tax or (see instrs) • lived with you . . . • did not live with you due to divorce or separation (see instrs) . . . Dependents on 6c not entered above . Add numbers on lines above . . . 1

d Total number of exemptions claimed. 1

Income 7 Wages, salaries, tips, etc. Attach Form(s) W-2. 7 67,000. 8a Taxable interest. Attach Schedule B if required. 8a 8b Tax-exempt interest. Do not include on line 8a. 8b 9a Ordinary dividends. Attach Schedule B if required. 9a 9b Qualified dividends. 9b 10 Taxable refunds, credits, or offsets of state and local income taxes. 10 11 Alimony received. 11 12 Business income or (loss). Attach Schedule C or C-EZ. 12 -4,716. 13 Capital gain or (loss). Att Sch D if reqd. If not reqd, ck here. 13 14 Other gains or (losses). Attach Form 4797. 14 -62,000. 15a IRA distributions. 15a b Taxable amount. 15b 16a Pensions and annuities. 16a b Taxable amount. 16b 17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E. 17 18 Farm income or (loss). Attach Schedule F. 18 19 Unemployment compensation. 19 20a Social security benefits. 20a b Taxable amount. 20b 21 Other income. 21 22 Combine the amounts in the far right column for lines 7 through 21. This is your total income. 22 284.

Adjusted Gross Income 23 Educator expenses. 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 Deductible part of self-employment tax. Attach Schedule SE. 27 28 Self-employed SEP, SIMPLE, and qualified plans. 28 29 Self-employed health insurance deduction. 29 30 Penalty on early withdrawal of savings. 30 31a Alimony paid b Recipient's SSN. 31a 32 IRA deduction. 32 33 Student loan interest deduction. 33 34 Tuition and fees. Attach Form 8917. 34 35 Domestic production activities deduction. Attach Form 8903. 35 36 Add lines 23 through 35. 36 0. 37 Subtract line 36 from line 22. This is your adjusted gross income. 37 284.

Tax and Credits

38 Amount from line 37 (adjusted gross income) 38 284.

39a Check if: ☐ You were born before January 2, 1947, ☐ Blind. ☐ Spouse was born before January 2, 1947, ☐ Blind. Total boxes checked 39a ☐b If your spouse itemizes on a separate return or you were a dual-status alien, check here 39b ☐**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, \$5,800
Married filing jointly or Qualifying widow(er), \$11,600
Head of household, \$8,500

40 Itemized deductions (from Schedule A) or your standard deduction (see instructions) 40 15,352.

41 Subtract line 40 from line 38 41 -15,068.

42 Exemptions. Multiply \$3,700 by the number on line 6d 42 3,700.

43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0- 43 0.

44 Tax (see instrs). Check if any from: a ☐ Form(s) 8814 c ☐ 962 election 44 0.b ☐ Form 4972 45 0.

45 Alternative minimum tax (see instructions). Attach Form 6251 46 0.

46 Add lines 44 and 45 46 0.

47 Foreign tax credit. Attach Form 1116 if required. 47

48 Credit for child and dependent care expenses. Attach Form 2441 48

49 Education credits from Form 8863, line 23 49

50 Retirement savings contributions credit. Attach Form 8880 50

51 Child tax credit (see instructions) 51

52 Residential energy credits. Attach Form 5695 52

53 Other crs from Form: a ☐ 3800 b ☐ 8801 c ☐ 53

54 Add lines 47 through 53. These are your total credits 54

55 Subtract line 54 from line 46. If line 54 is more than line 46, enter -0- 55 0.

Other Taxes

56 Self-employment tax. Attach Schedule SE 56

57 Unreported social security and Medicare tax from Form: a ☐ 4137 b ☐ 8919 57

58 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required 58

59a Household employment taxes from Schedule H 59a

b First-time homebuyer credit repayment. Attach Form 5405 if required 59b

60 Other taxes. Enter code(s) from instructions 60

61 Add lines 55-60. This is your total tax 61 0.

Payments

If you have a qualifying child, attach Schedule EIC.

62 Federal income tax withheld from Forms W-2 and 1099 62 7,500.

63 2011 estimated tax payments and amount applied from 2010 return 63

64a Earned income credit (EIC) 64a

b Nontaxable combat pay election. 64b

65 Additional child tax credit. Attach Form 8812 65

66 American opportunity credit from Form 8863, line 14 66

67 First-time homebuyer credit from Form 5405, line 10 67

68 Amount paid with request for extension to file 68

69 Excess social security and tier 1 RRTA tax withheld 69

70 Credit for federal tax on fuels. Attach Form 4136 70

71 Credits from Form: a ☐ 2439 b ☐ 8839 c ☐ 8801 d ☐ 8885 71

72 Add lines 62, 63, 64a, & 65-71. These are your total pmts 72 7,500.

Refund

73 If line 72 is more than line 61, subtract line 61 from line 72. This is the amount you overpaid 73 7,500.

74a Amount of line 73 you want refunded to you. If Form 8888 is attached, check here 74a 7,500.

b Routing number XXXXXXXXXXXX c Type: ☐ Checking ☐ Savings

d Account number XXXXXXXXXXXXXXXXXXXXXXXXXX

75 Amount of line 73 you want applied to your 2012 estimated tax 75

Direct deposit?
See instructions.

Amount You Owe

76 Amount you owe. Subtract line 72 from line 61. For details on how to pay see instructions 76

77 Estimated tax penalty (see instructions) 77

Third Party DesigneeDo you want to allow another person to discuss this return with the IRS (see instructions)? ☒ Yes. Complete below. ☐ No

Designee's name z WebGuideExamples Phone no. 877-662-2014 Personal identification number (PIN)

Sign Here

Joint return?
See instructions.

Keep a copy
for your records.

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 Date Your occupation Daytime phone number

Spouse's signature. If a joint return, both must sign. Date Spouse's occupation

If the IRS sent you an Identity Protection PIN, enter it here (see inst)

Print/Type preparer's name Preparer's signature Date Check ☐ if self-employed PTIN**Paid Preparer's Use Only**

z WebGuideExamples z WebGuideExamples

Firm's name Green & Company CPAs, LLC

Firm's address 54 Danbury Rd., #351

Ridgefield, CT 06877

Firm's EIN 20-0751653

Phone no. 877-662-2014

SCHEDULE A
(Form 1040)Department of the Treasury
Internal Revenue Service (99)**Itemized Deductions**

OMB No. 1545-0074

2011Attachment
Sequence No. **07**▶ **Attach to Form 1040.**▶ **See Instructions for Schedule A (Form 1040).**

Name(s) shown on Form 1040

Your social security number

Trader Forex - 50K loss

999-99-9999

Medical and Dental Expenses	Caution. Do not include expenses reimbursed or paid by others.			
1	Medical and dental expenses (see instructions)	1		
2	Enter amount from Form 1040, line 38. 2			
3	Multiply line 2 by 7.5% (.075)	3		
4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-	4		0.
Taxes You Paid	5 State and local (check only one box):	5	3,500.	
	a <input checked="" type="checkbox"/> Income taxes, or			
	b <input type="checkbox"/> General sales taxes	6	2,540.	
6	Real estate taxes (see instructions)	7		
7	Personal property tax	8		
8	Other taxes. List type and amount ▶	9		6,040.
9	Add lines 5 through 8			
Interest You Paid	10 Home mtg interest and points reported to you on Form 1098	10	9,312.	
	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 number, and address ▶	11		

	-----	12		
	12 Points not reported to you on Form 1098. See instrs for spl rules	13		
	13 Mortgage insurance premiums (see instructions)	14		
	14 Investment interest. Attach Form 4952 if required. (See instrs.)	15		9,312.
	15 Add lines 10 through 14			
Gifts to Charity	16 Gifts by cash or check. If you made any gift of \$250 or more, see instrs	16		
	17 Other than by cash or check. If any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500	17		
	18 Carryover from prior year	19		0.
	19 Add lines 16 through 18			
Casualty and Theft Losses	20 Casualty or theft loss(es). Attach Form 4684. (See instructions.)	20		0.
Job Expenses and Certain Miscellaneous Deductions	21 Unreimbursed employee expenses — job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.) ▶	21		
	-----	22		
	22 Tax preparation fees	23		
	23 Other expenses — investment, safe deposit box, etc. List type and amount ▶	24		
	-----	25		
	24 Add lines 21 through 23	26		
	25 Enter amount from Form 1040, line 38. 25	27		0.
	26 Multiply line 25 by 2% (.02)			
	27 Subtract line 26 from line 24. If line 26 is more than line 24, enter -0-			
Other Miscellaneous Deductions	28 Other — from list in instructions. List type and amount ▶	28		0.

Total Itemized Deductions	29 Add the amounts in the far right column for lines 4 through 28. Also, enter this amount on Form 1040, line 40	29		15,352.
	30 If you elect to itemize deductions even though they are less than your standard deduction, check here. ▶ <input type="checkbox"/>			

SCHEDULE C
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Profit or Loss From Business
(Sole Proprietorship)

► For information on Schedule C and its instructions, go to www.irs.gov/schedulec.
► Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

OMB No. 1545-0074

2011

Attachment
Sequence No. **09**

Name of proprietor

Trader Forex - 50K loss

Social security number (SSN)

999-99-9999

A Principal business or profession, including product or service (see instructions)

Trader in currencies (June to December of 2011) - see notes

B Enter code from instructions

► 523900

C Business name. If no separate business name, leave blank.

D Employer ID number (EIN), (see instrs)

E Business address (including suite or room no.) ►

City, town or post office, state, and ZIP code

F Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) ►

G Did you 'materially participate' in the operation of this business during 2011? If 'No,' see instructions for limit on losses... ☒ Yes ☐ No

H If you started or acquired this business during 2011, check here. ☒ Yes ☐ No

I Did you make any payments in 2011 that would require you to file Form(s) 1099? (see instructions) ☐ Yes ☒ No

J If 'Yes,' did you or will you file all required Forms 1099? ☐ Yes ☒ No

Part I **Income**

1 a Merchant card and third party payments. For 2011, enter -0-.....	1 a	0.
b Gross receipts or sales not entered on line 1a (see instructions).....	1 b	
c Income reported to you on Form W-2 if the 'Statutory Employee' box on that form was checked. Caution. See instructions before completing this line.....	1 c	
d Total gross receipts. Add lines 1a through 1c.....	1 d	
2 Returns and allowances plus any other adjustments (see instructions).....	2	
3 Subtract line 2 from line 1d.....	3	
4 Cost of goods sold (from line 42).....	4	
5 Gross profit. Subtract line 4 from line 3.....	5	
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions).....	6	
7 Gross income. Add lines 5 and 6.....	7	

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		19 Pension and profit-sharing plans.....	19	
10 Commissions and fees.....	10		20 Rent or lease (see instructions):		
11 Contract labor (see instructions).....	11		a Vehicles, machinery, and equipment.....	20 a	
12 Depletion.....	12		b Other business property.....	20 b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions).....	13		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		23 Taxes and licenses.....	23	
16 Interest:			24 Travel, meals, and entertainment:		
a Mortgage (paid to banks, etc).....	16 a		a Travel.....	24 a	
b Other.....	16 b		b Deductible meals and entertainment (see instructions).....	24 b	
17 Legal & professional services.....	17		25 Utilities.....	25	
			26 Wages (less employment credits).....	26	
			27 a Other expenses (from line 48).....	27 a	2,567.
			b Reserved for future use.....	27 b	
28 Total expenses before expenses for business use of home. Add lines 8 through 27a.....	28			28	2,567.
29 Tentative profit or (loss). Subtract line 28 from line 7.....	29			29	-2,567.
30 Expenses for business use of your home. Attach Form 8829 . Do not report such expenses elsewhere.....	30			30	2,149.
31 Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Form 1040, line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2 . If you entered an amount on line 1c, see instructions. Estates and trusts, enter on Form 1041, line 3 . • If a loss, you must go to line 32.				31	-4,716.
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 Form 1040, line 12 , (or Form 1040NR, line 13) and on Schedule SE, line 2 . If you entered an amount on line 1c, see the instructions for line 31. Estates and trusts, enter on Form 1041, line 3 . • If you checked 32b, you must attach Form 6198 . Your loss may be limited.				32 a	<input checked="" type="checkbox"/> All investment is at risk.
				32 b	<input type="checkbox"/> Some investment is not at risk.

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

FDIZ0112L 10/25/11

Schedule **C** (Form 1040) 2011

Part III Cost of Goods Sold (see instructions)

33 Method(s) used to value closing inventory: a <input type="checkbox"/> Cost b <input type="checkbox"/> Lower of cost or market c <input type="checkbox"/> Other (attach explanation)	
34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If 'Yes,' attach explanation	<input type="checkbox"/> Yes <input type="checkbox"/> No
35 Inventory at beginning of year. If different from last year's closing inventory, attach explanation	35
36 Purchases less cost of items withdrawn for personal use	36
37 Cost of labor. Do not include any amounts paid to yourself	37
38 Materials and supplies	38
39 Other costs	39
40 Add lines 35 through 39	40
41 Inventory at end of year	41
42 Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on line 4	42

Part IV Information on Your Vehicle. Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) ▶ _____.

44 Of the total number of miles you drove your vehicle during 2011, enter the number of miles you used your vehicle for:

a Business _____ **b** Commuting (see instructions) _____ **c** Other _____

45 Was your vehicle available for personal use during off-duty hours? ☐ Yes ☐ No

46 Do you (or your spouse) have another vehicle available for personal use? ☐ Yes ☐ No

47a Do you have evidence to support your deduction? ☐ Yes ☐ No

b If 'Yes,' is the evidence written? ☐ Yes ☐ No

Part V Other Expenses. List below business expenses not included on lines 8-26 or line 30.

Trader tax and accounting	890.
Trading books	182.
Trading data feeds	1,495.
.....	
.....	
.....	
.....	
48 Total other expenses. Enter here and on line 27a	48 2,567.

Form **4797**Department of the Treasury
Internal Revenue Service (99)**Sales of Business Property**
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return. ▶ See separate instructions.

OMB No. 1545-0184

2011Attachment
Sequence No. **27**

Name(s) shown on return

Trader Forex - 50K loss

Identifying number

999-99-9999

- 1 Enter the gross proceeds from sales or exchanges reported to you for 2011 on Form(s) 1099-B or 1099-S
-
- (or substitute statement) that you are including on line 2, 10, or 20 (see instructions).....

1**Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft – Most Property Held More Than 1 Year** (see instructions)

2	(a) Description of property	(b) Date acquired (month, day, year)	(c) Date sold (month, day, year)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)

- 3 Gain, if any, from Form 4684, line 39.....
- 4 Section 1231 gain from installment sales from Form 6252, line 26 or 37.....
- 5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824.....
- 6 Gain, if any, from line 32, from other than casualty or theft.....
- 7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows:.....

3**4****5****6****7**

Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.

Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.

- 8 Nonrecaptured net section 1231 losses from prior years (see instructions).....
- 9 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions).....

8**9****Part II Ordinary Gains and Losses** (see instructions)

- 10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

Forex trading a/c - IRC Sec 988 (Trader Transaction)					
Various	Various				-62,000.

- 11 Loss, if any, from line 7.....
- 12 Gain, if any, from line 7 or amount from line 8, if applicable.....
- 13 Gain, if any, from line 31.....
- 14 Net gain or (loss) from Form 4684, lines 31 and 38a.....
- 15 Ordinary gain from installment sales from Form 6252, line 25 or 36.....
- 16 Ordinary gain or (loss) from like-kind exchanges from Form 8824.....
- 17 Combine lines 10 through 16.....

11**12****13****14****15****16****17**

-62,000.

- 18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:

a If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from 'Form 4797, line 18a.' See instructions.....

18a

b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14.....

18b

-62,000.

BAA For Paperwork Reduction Act Notice, see separate instructions.Form **4797** (2011)

Form **6251**Department of the Treasury
Internal Revenue Service (99)**Alternative Minimum Tax — Individuals**▶ See separate instructions.
▶ Attach to Form 1040 or Form 1040NR.

OMB No. 1545-0074

2011Attachment
Sequence No. **32**

Name(s) shown on Form 1040 or Form 1040NR

Your social security number

Trader Forex - 50K loss

999-99-9999

Part I Alternative Minimum Taxable Income (See instructions for how to complete each line.)

1	If filing Schedule A (Form 1040), enter the amount from Form 1040, line 41 and go to line 2. Otherwise, enter the amount from Form 1040, line 38, and go to line 7. (If less than zero, enter as a negative amount.)	1	-15,068.
2	Medical and dental. Enter the smaller of Schedule A (Form 1040), line 4 or 2.5% (.025) of Form 1040, line 38. If zero or less, enter -0-	2	
3	Taxes from Schedule A (Form 1040), line 9	3	6,040.
4	Enter the home mortgage interest adjustment, if any, from line 6 of the worksheet in the instructions for this line	4	
5	Miscellaneous deductions from Schedule A (Form 1040), line 27	5	
6	Skip this line. It is reserved for future use	6	
7	Tax refund from Form 1040, line 10 or line 21	7	
8	Investment interest expense (difference between regular tax and AMT)	8	
9	Depletion (difference between regular tax and AMT)	9	
10	Net operating loss deduction from Form 1040, line 21. Enter as a positive amount	10	
11	Alternative tax net operating loss deduction	11	
12	Interest from specified private activity bonds exempt from the regular tax	12	
13	Qualified small business stock (7% of gain excluded under section 1202)	13	
14	Exercise of incentive stock options (excess of AMT income over regular tax income)	14	
15	Estates and trusts (amount from Schedule K-1 (Form 1041), box 12, code A)	15	
16	Electing large partnerships (amount from Schedule K-1 (Form 1065-B), box 6)	16	
17	Disposition of property (difference between AMT and regular tax gain or loss)	17	
18	Depreciation on assets placed in service after 1986 (difference between regular tax and AMT)	18	
19	Passive activities (difference between AMT and regular tax income or loss)	19	
20	Loss limitations (difference between AMT and regular tax income or loss)	20	
21	Circulation costs (difference between regular tax and AMT)	21	
22	Long-term contracts (difference between AMT and regular tax income)	22	
23	Mining costs (difference between regular tax and AMT)	23	
24	Research and experimental costs (difference between regular tax and AMT)	24	
25	Income from certain installment sales before January 1, 1987	25	
26	Intangible drilling costs preference	26	
27	Other adjustments, including income-based related adjustments	27	
28	Alternative minimum taxable income. Combine lines 1 through 27. (If married filing separately and line 28 is more than \$223,900, see instructions.)	28	-9,028.

Part II Alternative Minimum Tax (AMT)

29	Exemption. (If you were under age 24 at the end of 2011, see instructions.)																		
<table border="0"> <tr> <td>IF your filing status is . . .</td> <td>AND line 28 is not over . . .</td> <td>THEN enter on line 29 . . .</td> <td></td> </tr> <tr> <td>Single or head of household</td> <td>\$112,500</td> <td>\$48,450</td> <td></td> </tr> <tr> <td>Married filing jointly or qualifying widow(er)</td> <td>150,000</td> <td>74,450</td> <td></td> </tr> <tr> <td>Married filing separately</td> <td>75,000</td> <td>37,225</td> <td></td> </tr> </table>				IF your filing status is . . .	AND line 28 is not over . . .	THEN enter on line 29 . . .		Single or head of household	\$112,500	\$48,450		Married filing jointly or qualifying widow(er)	150,000	74,450		Married filing separately	75,000	37,225	
IF your filing status is . . .	AND line 28 is not over . . .	THEN enter on line 29 . . .																	
Single or head of household	\$112,500	\$48,450																	
Married filing jointly or qualifying widow(er)	150,000	74,450																	
Married filing separately	75,000	37,225																	
	If line 28 is over the amount shown above for your filing status, see instructions.																		
30	Subtract line 29 from line 28. If more than zero, go to line 31. If zero or less, enter -0- here and on lines 31, 33 and 35, and go to line 34.	30	0.																
31	<ul style="list-style-type: none"> • If you are filing Form 2555 or 2555-EZ, see instructions for the amount to enter. • If you reported capital gain distributions directly on Form 1040, line 13; you reported qualified dividends on Form 1040, line 9b; or you had a gain on both lines 15 and 16 of Schedule D (Form 1040) (as refigured for the AMT, if necessary), complete Part III on page 2 and enter the amount from line 54 here. • All others: If line 30 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 30 by 26% (.26). Otherwise, multiply line 30 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result. 	31	0.																
32	Alternative minimum tax foreign tax credit (see instructions)	32																	
33	Tentative minimum tax. Subtract line 32 from line 31.	33	0.																
34	Tax from Form 1040, line 44 (minus any tax from Form 4972 and any foreign tax credit from Form 1040, line 47). If you used Schedule J to figure your tax, the amount from line 44 of Form 1040 must be refigured without using Schedule J (see instructions).	34	0.																
35	AMT. Subtract line 34 from line 33. If zero or less, enter -0-. Enter here and on Form 1040, line 45.	35	0.																

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

FDIA5312L 12/22/11

Form **6251** (2011)

Form **8886**

(Rev March 2011)

Department of the Treasury
Internal Revenue Service**Reportable Transaction Disclosure Statement**▶ **Attach to your tax return.**▶ **See separate instructions.**

OMB No. 1545-1800

Attachment
Sequence No. **137**

Name(s) shown on return (individuals enter last name, first name, middle initial)

Trader Forex - 50K loss

Identifying number

999-99-9999

Number, street, and room or suite no.

Any Street

City or town

New York

State

NY

ZIP code

10021**A** If you are filing more than one Form 8886 with your tax return, sequentially number each Form 8886 and enter the statement number for this Form 8886 ▶ Statement number _____ of _____**B** Enter the form number of the tax return to which this form is attached or related ▶ **1040**Enter the year of the tax return identified above. ▶ **2011**Is this Form 8886 being filed with an amended tax return? ▶ ☐ Yes ☒ No**C** Check the box(es) that apply (see instructions). ☒ Initial year filer ☐ Protective disclosure**1a** Name of reportable transaction**Loss Transaction - Sec. 988 Forex Loss****1b** Initial year participated in transaction**2011****1c** Reportable transaction or tax shelter registration number (see instructions)**2** Identify the type of reportable transaction. Check all boxes that apply (see instructions).**a** ☐ Listed**c** ☐ Contractual protection**e** ☐ Transaction of interest**b** ☐ Confidential**d** ☒ Loss**3** If you checked box 2a or 2e, enter the published guidance number for the listed transaction or transaction of interest ▶ _____**4** Enter the number of 'same as or substantially similar' transactions reported on this form. ▶ **1****5** If you participated in this reportable transaction indirectly through a partnership, S corporation, trust, and foreign entity, check the applicable boxes and provide the information below for the entity(s) (see instructions). (Attach additional sheets, if necessary.)**a** Type of entity ▶ ☐ Partnership ☐ Trust ☐ Partnership ☐ Trust
☐ S Corporation ☐ Foreign ☐ S Corporation ☐ Foreign**b** Name. ▶ _____**c** Employer identification number (EIN), if known ▶ _____**d** Date Schedule K-1 received from entity (enter 'none' if Schedule K-1 not received) ▶ _____**6** Enter below the name and address of each individual or entity to whom you paid a fee with regard to the transaction if that individual or entity promoted, solicited, or recommended your participation in the transaction, or provided tax advice related to the transaction. (Attach additional sheets, if necessary.)**a** Name

ID number (if known)

Fees paid

\$

Number, street, and room or suite number

City or town

State

ZIP code

b Name

ID number (if known)

Fees paid

\$

Number, street, and room or suite number

City or town

State

ZIP code

7 Facts

a Identify the type of tax benefit generated by the transaction. Check all the boxes that apply (see instructions).

- | | | | |
|---|---|--|--------------------------------------|
| <input type="checkbox"/> Deductions | <input type="checkbox"/> Exclusions from gross income | <input type="checkbox"/> Absence of adjustments to basis | <input type="checkbox"/> Tax Credits |
| <input type="checkbox"/> Capital loss | <input type="checkbox"/> Nonrecognition of gain | <input type="checkbox"/> Deferral | |
| <input checked="" type="checkbox"/> Ordinary loss | <input type="checkbox"/> Adjustments to basis | <input type="checkbox"/> Other _____ | |

b Further describe the amount and nature of the expected tax treatment and expected tax benefits generated by the transaction for all affected years. Include facts of each step of the transaction that relate to the expected tax benefits including the amount and nature of your investment. Include in your description your participation in the transaction and all related transactions regardless of the year in which they were entered into. Also, include a description of any tax result protection with respect to the transaction.

Interbank or forex currency transactions are IRC section 988 contracts reported as other ordinary income or loss. As a trader rather than a manufacturer, Taxpayer is entitled to elect out of IRC 988 for IRC 1256 treatment. Taxpayer did not make the election out of IRC Section 988, therefore his respective forex loss for 2011 is reported on Form 4797, Part II.

8 Identify all individuals and entities involved in the transaction that are tax-exempt, foreign, or related. Check the appropriate box(es) (see instructions). Include their name(s), identifying number(s), address(es), and a brief description of their involvement. For each foreign entity, identify its country of incorporation or existence. For each individual or related entity, explain how the individual or entity is related. Attach additional sheets, if necessary.

a Type of individual or entity: ☐ Tax-exempt ☐ Foreign ☐ Related

Name	Identifying number
------	--------------------

Address

Description

b Type of individual or entity: ☐ Tax-exempt ☐ Foreign ☐ Related

Name	Identifying number
------	--------------------

Address

Description

Form **8829**Department of the Treasury
Internal Revenue Service (99)**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.**
 ► **See separate instructions.**

OMB No. 1545-0074

2011Attachment
Sequence No. **176**

Name(s) of proprietor(s)

Trader Forex - 50K loss

Your social security number

999-99-9999

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	185
2	Total area of home.....	2	1,205
3	Divide line 1 by line 2. Enter the result as a percentage.....	3	15.35 %
For daycare facilities not used exclusively for business go to line 4. All others go to line 7.			
4	Multiply days used for daycare during year by hours used per day.....	4	hr
5	Total hours available for use during the year (365 days x 24 hours) (see instructions).....	5	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	15.35 %

Part II Figure Your Allowable Deduction

8	Enter the amount from Schedule C, line 29, plus any gain derived from the business use of your home and shown on Schedule D or Form 4797, minus any loss from the trade or business not derived from the business use of your home and shown on Schedule D or Form 4797. See instructions.....	8	-2,567.
See instrs for columns (a) and (b) before completing lines 9-21.			
9	Casualty losses (see instructions).....	9	
10	Deductible mortgage interest (see instructions).....	10	11,000.
11	Real estate taxes (see instructions).....	11	3,000.
12	Add lines 9, 10, and 11.....	12	14,000.
13	Multiply line 12, column (b) by line 7.....	13	2,149.
14	Add line 12, column (a) and line 13.....	14	2,149.
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	4,500.
18	Rent.....	18	
19	Repairs and maintenance.....	19	800.
20	Utilities.....	20	6,500.
21	Other expenses (see instrs).....	21	200.
22	Add lines 16 through 21.....	22	12,000.
23	Multiply line 22, column (b) by line 7.....	23	1,842.
24	Carryover of operating expenses from 2010 Form 8829, line 42.....	24	
25	Add line 22 column (a), line 23, and line 24.....	25	1,842.
26	Allowable operating expenses. Enter the smaller 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	
30	Carryover of excess casualty losses and depreciation from 2010 Form 8829, line 43.....	30	
31	Add lines 28 through 30.....	31	
32	Allowable excess casualty losses and depreciation. Enter the smaller of line 27 or line 31.....	32	
33	Add lines 14, 26, and 32.....	33	2,149.
34	Casualty loss portion, if any, from lines 14 and 32. Carry amount to Form 4684 (see instructions).....	34	
35	Allowable expenses for business use of your home. 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	2,149.

Part III Depreciation of Your Home

36	Enter the smaller of your home's adjusted basis or its fair market value (see instructions).....	36	
37	Value of land included on line 36.....	37	
38	Basis of building. Subtract line 37 from line 36.....	38	
39	Business basis of building. Multiply line 38 by line 7.....	39	
40	Depreciation percentage (see instructions).....	40	%
41	Depreciation allowable (see instructions). Multiply line 39 by line 40. Enter here and on line 29 above.....	41	

Part IV Carryover of Unallowed Expenses to 2012

42	Operating expenses. Subtract line 26 from line 25. If less than zero, enter -0-.....	42	1,842.
43	Excess casualty losses and depreciation. Subtract line 32 from line 31. If less than zero, enter -0-.....	43	0.

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

FDIA6902L 09/12/11

Form **8829** (2011)

2011

Federal Statements

Page 1

Client EX12F-NY

Trader Forex - 50K loss

999-99-9999

2/19/12

10:24AM

Statement 1
Form 8829, Line 21
Other Expenses

	<u>Direct</u>	<u>Indirect</u>
Miscellaneous.....	\$ 0.	\$ 200.
Total	<u>\$ 0.</u>	<u>\$ 200.</u>

Demo

Client EX12F-NY

Trader Forex - 50K loss

999-99-9999

2/19/12

10:24AM

Note to Schedule C and Form 4797, Part II in connection with taxpayer's trading business activity: "trader in currencies"

TAXPAYER QUALIFIES AS A "TRADER IN CURRENCIES"

Taxpayer qualifies as a "trader in currencies" from June through December of 2011. Taxpayer's trading business expenses are reported as business expenses on Schedule C and the currency trading gains and losses are reported on Form 4797, Part II.

Taxpayer received W-2 income from a sales position held from January through the end of May 2011. Taxpayer left his W-2 employment to trade full-time from June through December of 2011.

Taxpayer clearly meets the requirements for a trading business set forth below.

=====

Trader in Currencies is a business the same as Trader in Securities.

Taxpayer operated a trading business, in accordance with the definition below, from June through December of 2010. Considerable time spent every trading day, consistent and frequent number of trades, and trading proceeds all support taxpayer's rising to the level of conducting this activity as a business.

We excerpt IRS Publication 550, Chapter 4 - Special Rules for Traders Securities. (See our added notes in parenthesis).

Special rules apply if you are a trader in securities in the business of buying and selling securities for your own account. To be engaged in business as a trader in securities, you must meet all the following conditions. (Taxpayer met all the following conditions for tax year 2011).

..You must seek to profit from daily market movements in the prices of securities and not from dividends, interest, or capital appreciation.

..Your activity must be substantial.

..You must carry on the activity with continuity and regularity.

The following facts and circumstances should be considered in determining if your activity is a securities trading business.

..Typical holding periods for securities bought and sold. (Taxpayer had very short holding periods).

..The frequency and dollar amount of your trades during the year. (Taxpayer traded frequently with lower dollar amounts - high turnover).

..The extent to which you pursue the activity to produce income for a livelihood. (Taxpayer's intention is to earn a living from this trading business activity).

..The amount of time you devote to the activity. (Taxpayer spends a good part of every day on this activity).

Note.

You may be a trader in some securities and have other securities you hold for investment. The special rules discussed here do not apply to the securities held for investment. You must keep detailed records to distinguish the securities. The securities held for investment must be identified as such in your records on the day you got them (for example, by holding them in a separate brokerage account). (If taxpayer has investment securities they are clearly "segregated" from his trading securities in accordance with current IRS regulations).

Client EX12F-NY

Trader Forex - 50K loss

999-99-9999

2/19/12

10:24AM

How To Report.

Interbank or forex currency transactions are IRC section 988 contracts reported on Form 1040 as other income or loss. As a trader rather than a manufacturer, Taxpayer is entitled to elect out of IRC 988 for IRC 1256 treatment. Taxpayer did not make the election out of IRC Section 988, therefore his respective forex loss for 2011 is reported on Form 4797, Part II.

Expenses.

Interest expense and other investment expenses that an investor would deduct on Schedule A (Form 1040) are deducted by a trader on Schedule C (Form 1040), Profit or Loss From Business, if the expenses are from the trading business. Commissions and other costs of acquiring or disposing of securities are not deductible but must be used to figure gain or loss. The limit on investment interest expense, which applies to investors, does not apply to interest paid or incurred in a trading business. (Taxpayer duly reported his trading business expenses on Schedule C: trader in currencies.)

Self-employment tax.

Gains and losses from selling securities as part of a trading business are not subject to self-employment tax.

=====

SUMMARY OF ABOVE

Taxpayer qualifies as a "trader in currencies" from June through December of 2011. Taxpayer's trading business expenses are reported on Schedule C and his currency trading gains and losses are reported on Form 4797, Part II.

Taxpayer is not subject to self-employment taxes on this trading activity. Taxpayer's securities investment positions (if any) are subject to normal rules for investing activities (Schedule D capital gain or loss, wash sales, and Schedule A for investment expenses).

Client EX12F-NY

Trader Forex - 50K loss

999-99-9999

2/19/12

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Wage Schedule

<u>Taxpayer - Employer</u>	<u>Wages</u>	<u>Federal W/H</u>	<u>FICA</u>	<u>Medi- care</u>	<u>State W/H</u>	<u>Local W/H</u>
X Company - left job May 30, 2011	67,000.	7,500.	2,814.	972.	3,500.	
Grand Total	<u>67,000.</u>	<u>7,500.</u>	<u>2,814.</u>	<u>972.</u>	<u>3,500.</u>	<u>0.</u>

State and Local Refunds Taxable in 2011
(Refunds on Prior Year Return Taxable in Current Year)

1. State and local income tax refunds (prior year)	3,931.
2. Refunds attributable to post 12/31/2010 payments per IRS Pub. 525	0.
3. Net state and local income tax refunds	3,931.
4. State and local taxes paid from prior year Sch. A, line 5	3,974.
5. Prior year allowable sales tax deduction	161.
6. Excess of income taxes deducted over sales taxes	3,813.
7. Enter the smaller of line 3 or line 6	3,813.
8. Itemized deductions from prior year Sch. A, line 29	15,826.
9. Prior year recomputed itemized deductions (if phaseout)	0.
10. Prior year base standard deduction	5,700.
11. Prior year add'l standard deduction for age/blindness	0.
12. Prior year disaster loss / new motor vehicle deduction	0.
13. Prior year total standard deduction (add lines 10, 11, and 12)	5,700.
14. Enter the larger of line 9 or line 13	5,700.
15. Subtract line 14 from line 8 (not less than 0)	10,126.
16. Enter the smaller of line 7 or line 15	3,813.
17. Negative taxable income (prior year)	-15,665.
18. Refund with no benefit due to AMT, nonref. cred., 0% cap gain rate	0.
19. State and local refunds taxable this year (add lines 16, 17, and 18, but not less than 0)	<u>0.</u>

State and Local Refunds Taxable in 2012
(IRS Pub. 525)

1. State and local income tax refunds (current year)	3,500.
2. Refunds attributable to post 12/31/2011 payments per IRS Pub. 525	0.
3. Net state and local income tax refunds	3,500.
4. State and local income taxes paid from Schedule A, line 5	3,500.
5. Allowable general sales tax deduction	155.
6. Excess of income taxes deducted over sales taxes deducted	3,345.
7. Enter the smaller of line 3 or line 6	3,345.
8. Itemized deductions from Schedule A, line 29	15,352.
9. Recomputed itemized deductions, if phaseout (n/a for 2011)	0.
10. Standard deduction	5,800.
11. Enter the larger of line 9 or line 10	5,800.
12. Subtract line 11 from line 8 (not less than 0)	9,552.
13. Enter the smaller of line 7 or line 12	3,345.
14. Negative taxable income (current year)	-18,768.
15. State and local refunds taxable next year (add lines 13 and 14, but not less than 0)	<u>0.</u>

Client EX12F-NY

Trader Forex - 50K loss

999-99-9999

2/19/12

10:24AM

Federal Income Tax Withheld

X Company - left job May 30, 2011

Total	<u>7,500.</u>
	<u><u>7,500.</u></u>

State and Local Taxes (Schedule A, Line 5)

State and Local Income Taxes

	<u>State</u>	<u>Local</u>
Income tax withheld	3,500.	0.
Disability/unemployment insurance	0.	0.
Estimated tax payments	0.	0.
Credit for prior year overpayment	0.	0.
Credit for income tax withheld (K-1)	0.	0.
1/11 payment on 2010 estimate	0.	0.
Paid with 2010 extension	0.	0.
Paid with 2010 return	0.	0.
Paid for prior years and/or to other states	0.	0.
Total income taxes	<u>3,500.</u>	<u>0.</u>

Total state and local income taxes

3,500.

State and Local Sales Taxes Using the Optional Sales Tax Tables

Available Income:

Adjusted gross income per Form 1040	284.
Tax-exempt interest	0.
Nontaxable combat pay	0.
Nontaxable social security benefits	0.
Nontaxable pensions	0.
Nontaxable IRAs	0.
Economic recovery payments	0.
Prior year refundable credits (refundable portion only)	0.
Additional nontaxable amounts	0.
Total Available Income (not less than zero)	<u><u>284.</u></u>

Number of Exemptions

1.

1. State general sales taxes per Tables 155.
2. Local general sales taxes per Tables for residents of AK, AZ, AR, CO, GA, IL, LA, MO, NC, NY, SC, TN, UT, and VA plus residents of Los Angeles County (based on 1% rate) 41.
3. Local general sales tax rate
4. If line 2 is zero, enter your state general sales tax rate. Otherwise, skip line 4 and 5, and go to line 6
5. Divide line 3 by line 4
6. Local general sales taxes. If line 2 is zero, multiply line 1 by line 5. Otherwise, multiply line 2 by line 3. 0.
7. State and local general sales taxes (add lines 1 and 6) 155.
8. Sales taxes paid on vehicles, boats, etc. 0.
9. Sales tax deduction when using Tables (add lines 7 and 8) 155.

Client EX12F-NY

Trader Forex - 50K loss

999-99-9999

2/19/12

10:24AM

State and Local Taxes (Schedule A, Line 5) (continued)State and Local Sales Tax Deduction
(Greater of Taxes Paid or Table Amount)

1. General sales taxes paid	0.
2. Use taxes paid	8.
3. Total actual taxes paid (add lines 1 and 2)	8.
4. Sales taxes using Tables	155.
5. Greater of sales taxes paid or Table amount	<u>155.</u>

State & Local Taxes to Sch. A, Ln 5 (greater of income or sales tax) 3,500.

**Schedule A, Line 6
Real Estate Taxes**

Home Office Nonbusiness Allocation 2,540.
2,540.

**Schedule A, Line 10
Home Mortgage Interest Reported on Form 1098**

Home Office Nonbusiness Allocation 9,312.
9,312.

**Form 8829 - Personal Portion of Mortgage Interest, Mortgage Insurance Premiums
and Real Estate Taxes to Carry to Schedule A**

Mortgage Interest.....	\$	9,312.
Real Estate Taxes.....		<u>2,540.</u>
	\$	<u>11,852.</u>

2/19/12

10:24AM

EX6F-NY

Taxpayer quit his W-2 job in May of 2011 and began trading forex full time in June. He traded full-time from June through December of 2011.

Taxpayer had \$12,000 in forex losses in 2011 which are reported on Form 4797, Part II as ordinary loss per IRC Section 988. Since the taxpayer is considered a full time trader during the period of the forex loss, these losses can be used to generate a net operating loss in the current year.

Demo

Resident Income Tax Return

New York State • New York City • Yonkers

2011

IT-201

For the full year January 1, 2011, through December 31, 2011, or fiscal year beginning

For help completing your return, see the instructions for Form IT-201.

and ending

You must enter your date(s) of birth and social security number(s) below.

Your first name and middle initial	Your last name (for a joint return enter spouse's name on line below)	Your date of birth	▼ Your social security no.
TRADER	FOREX - 50K LOSS	03-01-1975	999-99-9999
Spouse's first name and middle initial	Spouse's last name	Spouse's date of birth	▼ Spouse's social security no.

Mailing address (*see instructions*) (number and street or rural route)

Apartment number

New York State county of residence

ANY STREET

• NY

City, village, or post office

State ZIP code

Country (if not United States)

School district name

NEW YORK

NY 10021

• MANHATTAN

Permanent home address (*see instructions*) (number and street or rural route)

Apartment number

School district

369

City, village, or post office

State ZIP code

NY

Decedent information: •

Taxpayer's date of death

Spouse's date of death

- (A) Filing status — mark an X in one box:**
- 1 ☒ Single
- 2 ☐ Married filing joint return
(enter spouse's social security number above)
- 3 ☐ Married filing separate return
(enter spouse's social security number above)
- 4 ☐ Head of household (with qualifying person)
- 5 ☐ Qualifying widow(er) with dependent child

Staple check or money order here.

(D) E-file this return. Most taxpayers **must** now e-file (*see instructions*).

- (E)** (1) Did you or your spouse **maintain living quarters in NYC** during 2011 (*see instructions*)? Yes ☒ No ☐
- (2) Enter the number of days spent in NYC in 2011
(any part of a day spent in NYC is considered a day) 365

(F) NYC residents and NYC part-year residents only (*see instructions*):(1) Number of months **you** lived in NYC in 2011 • 12(2) Number of months **your spouse** lived in NYC in 2011 •**(B)** Did you **itemize** your deductions on your 2011 federal income tax return? Yes ☒ No ☐**(G)** Enter your **2-character special condition code** if applicable (*see instructions*) •**(C)** Can you be **claimed** as a dependent on another taxpayer's federal return? Yes ☐ No ☒If applicable, also enter your **second 2-character special condition code** •**Federal income and adjustments**Only full-year NY State residents may file this form. For lines 1 through 18 below, enter your income items and total adjustments as they appear on your federal return (*see instructions*). Also see instructions for showing a loss.

Dollars

1 Wages, salaries, tips, etc	1.	67,000.
2 Taxable interest income	2.	
3 Ordinary dividends	3.	
4 Taxable refunds, credits, or offsets of state and local income taxes (<i>also enter on line 25</i>)	4.	
5 Alimony received	5.	
6 Business income or loss (<i>attach a copy of federal Schedule C or C-EZ, Form 1040</i>)	6.	-4,716.
7 Capital gain or loss (<i>if required, attach a copy of federal Schedule D, Form 1040</i>)	7.	
8 Other gains or losses (<i>attach a copy of federal Form 4797</i>)	8.	-62,000.
9 Taxable amount of IRA distributions. If received as a beneficiary, mark an X in the box	9.	
10 Taxable amount of pensions and annuities. If received as a beneficiary, mark an X in the box	10.	
11 Rental real estate, royalties, partnerships, S corporations, trusts, etc (<i>attach copy of federal Schedule E, Form 1040</i>)	11.	
12 Farm income or loss (<i>attach a copy of federal Schedule F, Form 1040</i>)	12.	
13 Unemployment compensation	13.	
14 Taxable amount of social security benefits (<i>also enter on line 27</i>)	14.	
15 Other income (<i>see instrs</i>) Identify:	15.	
16 Add lines 1 through 15	16.	284.
17 Total federal adjustments to income (<i>see instructions</i>) Identify:	17.	
18 Federal adjusted gross income (subtract line 17 from line 16)	18.	284.

NYIA1312L 09/27/11

2011111032



You must file all four pages of this original scannable return with the Tax Department.

999-99-9999

TRADER FOREX - 50K LOSS

Dollars

19 Federal adjusted gross income (from line 18 on page 1) 19. 284 .

New York additions (see instructions)

20 Interest income on state and local bonds and obligations (but not those of NY State or its local governments) 20.
 21 Public employee 414(h) retirement contributions from your wage and tax statements (see instrs) 21.
 22 New York's 529 college savings program distributions (see instructions) 22.
 23 Other (see instructions) Identify: 23.
 24 Add lines 19 through 23 24. 284 .

New York subtractions (see instructions)

25 Taxable refunds, credits, or offsets of state and local income taxes (from line 4) 25.
 26 Pensions of NYS and local governments and the federal government (see instrs) 26.
 27 Taxable amount of social security benefits (from line 14) 27.
 28 Interest income on U.S. government bonds 28.
 29 Pension and annuity income exclusion (see instructions) 29.
 30 New York's 529 college savings program deduction / earnings 30.
 31 Other (see instrs) . Identify: 31.
 32 Add lines 25 through 31 32.
 33 New York adjusted gross income (subtract line 32 from line 24) 33. 284 .

Standard deduction or itemized deduction (see instructions)

34 Enter your **standard deduction** (from table below) or your **itemized deduction** (from worksheet below). Mark an **X** in the appropriate box: • **Standard** or • **X** **Itemized** 34. 11,852 .
 35 Subtract line 34 from line 33 (if line 34 is more than line 33, leave blank) 35.
 36 Dependent exemptions (not the same as total federal exemptions; see instructions) 36.
 37 Taxable income (subtract line 36 from line 35) 37.

◀ or ▶

New York State standard deduction table

Filing status (from page 1)	Standard deduction (enter on line 34 above)
1 Single and you marked item C Yes	\$ 3,000
1 Single and you marked item C No	7,500
2 Married filing joint return	15,000
3 Married filing separate return	7,500
4 Head of household (with qualifying person)	10,500
5 Qualifying widow(er) with dependent child	15,000

New York State itemized deduction worksheet

a Medical and dental expenses (federal Schedule A, line 4)	a.	
b Taxes you paid (federal Schedule A, line 9)	b.	6,040 .
c Interest you paid (federal Schedule A, line 15)	c.	9,312 .
d Gifts to charity (federal Schedule A, line 19)	d.	
e Casualty and theft losses (federal Schedule A, line 20)	e.	
f Job expenses/misc deductions (fed Sch A, line 27)	f.	
g Other misc deductions (federal Sch A, line 28)	g.	
h Enter amount from federal Schedule A, line 29	h.	15,352 .
i State, local, and foreign income taxes (or general sales tax, if applicable) and other subtraction adjustments (see instrs) SEE ST 1	i.	3,500 .
j Subtract line i from line h	j.	11,852 .
k Addition adjustments (see instrs)	k.	
l Add lines j and k	l.	11,852 .
m Itemized deduction adjustment (see instructions)	m.	
n Subtract line m from line l	n.	11,852 .
o College tuition itemized deduction (see Form IT-272)	o.	
p New York State itemized deduction (add lines n and o; enter on line 34 above)	p.	11,852 .



TRADER FOREX - 50K LOSS

999-99-9999

Tax computation, credits, and other taxes (see instructions)

Dollars

38	Taxable income (from line 37 on page 2)	38.	
39	New York State tax on line 38 amount (see Tax Computation in the instructions)	39.	
40	New York State household credit (from table 1, 2, or 3 in the instructions)	40.	75 .
41	Resident credit (attach Form IT-112-R or IT-112-C, or both; see instructions)	41.	
42	Other New York State nonrefundable credits (from Form IT-201-ATT, line 7; attach form)	42.	
43	Add lines 40, 41, and 42	43.	75 .
44	Subtract line 43 from line 39 (if line 43 is more than line 39, leave blank)	44.	
45	Net other New York State taxes (from Form IT-201-ATT, line 30; attach form)	45.	
46	Total New York State taxes (add lines 44 and 45)	46.	

New York City and Yonkers taxes, credits, and tax surcharges

47	New York City resident tax on line 38 amount (see instrs)	47.		
48	New York City household credit (from table 4, 5, or 6 in instructions)	48.	15 .	
49	Subtract line 48 from line 47 (if line 48 is more than line 47, leave blank)	49.		
50	Part-year New York City resident tax (attach Form IT-360.1)	50.		
51	Other New York City taxes (from Form IT-201-ATT, line 34; attach form)	51.		
52	Add lines 49, 50, and 51	52.		
53	New York City nonrefundable credits (from Form IT-201-ATT, line 10; attach form)	53.		
54	Subtract line 53 from line 52 (if line 53 is more than line 52, leave blank)	54.		
55	Yonkers resident income tax surcharge (see instructions)	55.		
56	Yonkers nonresident earnings tax (attach Form Y-203)	56.		
57	Part-year Yonkers resident income tax surcharge (attach Form IT-360.1)	57.		
58	Total New York City and Yonkers taxes/surcharges (add lines 54 through 57)	58.		
59	Sales or use tax (See the instructions. Do not leave line 59 blank.)	59.		9 .

See instructions to
compute NYC and
Yonkers taxes, credits,
and tax surcharges.**Voluntary contributions** (whole dollar amounts only; see instructions)

60a	Return a Gift to Wildlife	60a.		
60b	Missing/Exploited Children Fund	60b.		
60c	Breast Cancer Research Fund	60c.		
60d	Alzheimer's Fund	60d.		
60e	Olympic Fund (\$2 or \$4; see instructions)	60e.		
60f	Prostate Cancer Research Fund	60f.		
60g	9/11 Memorial	60g.		
60h	Volunteer Firefighting & EMS Recruitment Fund	60h.		
60	Total voluntary contributions (add lines 60a through 60h)	60.		
61	Total New York State, New York City, and Yonkers taxes, sales or use tax, and voluntary contributions (add lines 46, 58, 59, and 60)	61.		9 .



999-99-9999

TRADER FOREX - 50K LOSS

62 Total New York State, New York City, and Yonkers taxes, sales or use tax, and voluntary contributions (from line 61 on page 3)

62.

9.

Payments and refundable credits (see instructions)

63	Empire State child credit (attach Form IT-213)	63.		
64	NYS/NYC child and dependent care credit (attach Form IT-216)	64.		
65	NYS earned income credit (EIC) (attach Form IT-215 or IT-209)	65.		
66	NYS noncustodial parent EIC (attach Form IT-209)	66.		
67	Real property tax credit (attach Form IT-214)	67.		
68	College tuition credit (attach Form IT-272)	68.		
69	NYC school tax credit (also complete (F) on page 1; see instrs)	69.	63.	
70	NYC earned income credit (attach Form IT-215 or IT-209)	70.		
71	Other refundable credits (from Form IT-201-ATT, line 18; attach form)	71.		
72	Total New York State tax withheld	72.	3,500.	
73	Total New York City tax withheld	73.		
74	Total Yonkers tax withheld	74.		
75	Total estimated tax payments / Amount paid with Form IT-370	75.		
76	Total payments (add lines 63 through 75)	76.		3,563.

If applicable, complete Forms IT-2, IT-1099-R, and/or IT-1099-UI and attach them to your return (see instructions)

Staple them (and any other applicable forms) to the top of this page 4.

See the instructions for the proper assembly of your four-page return and all attachments.

Your refund / amount overpaid (see instructions)

77	Amount overpaid (if line 76 is more than line 62, subtract line 62 from line 76)	77.		3,554.
78	Amount of line 77 to be refunded			

Mark one refund choice:	direct deposit	(fill in line 82)	- or -	debit card	- or -	X	paper check	78.	3,554.
-------------------------	----------------	-------------------	--------	------------	--------	---	-------------	-----	--------

79	Amount of line 77 that you want applied to your 2012 estimated tax (see instructions)	79.		
----	---	-----	--	--

See the instructions for information about your three refund choices.

Amount you owe (see instructions)

80	Amount you owe (if line 76 is less than line 62, subtract line 76 from line 62). To pay by electronic funds withdrawal, mark this box and mark line 82	80.	
81	Estimated tax penalty (Include this amount in line 80 or reduce the overpayment on line 77; see instructions.)	81.	

Account information

82	Account information for direct deposit or electronic funds withdrawal. See instructions. If the funds for your payment (or refund) would come from (or go to) an account outside the U.S., mark an X in this box (see instructions)	
----	---	--

82a	Routing number	•	Electronic funds withdrawal effective date
-----	----------------	---	--

82b	Account number	•	82c	Account Type	•	Checking	•	Savings
-----	----------------	---	-----	--------------	---	----------	---	---------

Third-party designee? (see instrs.)	Print designee's name	Designee's phone number	Personal identification number (PIN)
Yes X No	Z WEBGUIDEEXAMPLES	877-662-2014	
	E-mail:		

▼ Paid preparer must complete (see instructions) ▼

Preparer's signature

Date:

► Preparer's NYTPRIN

► Z WEBGUIDEEXAMPLES

Firm's name (or yours, if self-employed)

GREEN & COMPANY CPAS, LLC

Address

54 DANBURY RD., #351
RIDGEFIELD, CT 06877

E-mail:

▼ Preparer's PTIN or SSN

• Employer ID number

20-0751653

Mark an X if self-employed

▼ Taxpayer(s) must sign here ▼

Your signature

Your occupation • TRADER

Spouse's signature and occupation (if joint return)

▼ Daytime phone number

Date

E-mail:

See instructions for where to mail your return.



Summary of W-2 Statements

New York State • New York City • Yonkers

2011

IT-2

Do not detach or separate the W-2 Records below. File Form IT-2 as an entire page. See instructions.

Taxpayer's first name and middle initial

TRADER

Taxpayer's last name

FOREX - 50K LOSS

▼ Your social security number

999-99-9999

Spouse's first name and middle initial

Spouse's last name

▼ Spouse's social security number

W-2 Record 1

Box c Employer's name and full address (including ZIP code)

X COMPANY - LEFT JOB MAY 30, 2011

Box b Employer identification number (EIN)**This W-2 record is for**

(mark an X in one box):

Taxpayer ☒ Spouse**Box 1** Wages, tips, other compensation

67,000.

Box 8 Allocated tips**Box 12a** Amount

▼ Code

Box 12b Amount

▼ Code

Box 12c Amount

▼ Code

Box 12d Amount

▼ Code

Box 13 Statutory employee**Box 14a** Amount

▼ Description

Box 14b Amount

▼ Description

Box 10 Dependent care benefits**Box 11** Nonqualified plans**Box 14c** Amount

▼ Description

Box 15 State

NY

Box 16 State wages, tips, etc (for NYS)

67,000.

Box 17 New York State income tax withheld

3,500.

Box 18 Local wages, tips, etc (see instr)

Locality a

Locality b

Box 19 Local income tax withheld

Locality a

Locality b

Box 20 Locality name

Locality a

Locality b

Corrected (W-2c)

Do not detach.**Box c** Employer's name and full address (including ZIP code)

W-2 Record 2

Box b Employer identification number (EIN)**This W-2 record is for**

(mark an X in one box):

Taxpayer ☐ Spouse**Box 1** Wages, tips, other compensation**Box 8** Allocated tips**Box 12a** Amount

▼ Code

Box 12b Amount

▼ Code

Box 12c Amount

▼ Code

Box 12d Amount

▼ Code

Box 13 Statutory employee**Box 14a** Amount

▼ Description

Box 14b Amount

▼ Description

Box 10 Dependent care benefits**Box 11** Nonqualified plans**Box 14c** Amount

▼ Description

Box 15 State**Box 16** State wages, tips, etc (for NYS)**Box 17** New York State income tax withheld**Box 18** Local wages, tips, etc (see instr)

Locality a

Locality b

Box 19 Local income tax withheld

Locality a

Locality b

Box 20 Locality name

Locality a

Locality b

Corrected (W-2c)

1021111032



2011

NEW YORK STATEMENTS

PAGE 1

CLIENT EX12F-NY

TRADER FOREX - 50K LOSS

999-99-9999

2/19/12

10:24AM

STATEMENT 1
FORM IT-201, ITEMIZED DEDUCTION WORKSHEET, LINE I
STATE, LOCAL, FOREIGN TAX, OTHER SUBTRACTIONS

STATE, LOCAL, FOREIGN, AND GENERAL SALES TAXES.....	\$	3,500.
TOTAL	\$	<u>3,500.</u>

Demo

2011

Federal Income Tax Summary

Page 1

Client EX12F-NY

Trader Forex - 50K loss

999-99-9999

2/19/12

10:24 AM

	2011	2010	Diff
INCOME			
Wages, salaries, tips, etc.....	67,000	67,000	0
Refunds of state and local taxes.....	0	3,527	-3,527
Business income.....	-4,716	-4,716	0
Form 4797 gains or losses.....	-62,000	-62,000	0
Total income.....	284	3,811	-3,527
ADJUSTMENTS TO INCOME			
Total adjustments.....	0	0	0
Adjusted gross income.....	284	3,811	-3,527
ITEMIZED DEDUCTIONS			
Taxes.....	6,040	6,514	-474
Interest.....	9,312	9,312	0
Total itemized deductions.....	15,352	15,826	-474
TAX COMPUTATION			
Standard deduction.....	5,800	5,700	100
Larger of itemized or standard deduction	15,352	15,826	-474
Income prior to exemption deduction.....	-15,068	-12,015	-3,053
Exemption deduction.....	3,700	3,650	50
Taxable income.....	-18,768	-15,665	-3,103
Tax before credits.....	0	0	0
CREDITS			
Total credits.....	0	0	0
Tax after credits.....	0	0	0
OTHER TAXES			
Total tax.....	0	0	0
PAYMENTS			
Federal income tax withheld.....	7,500	7,500	0
Total payments.....	7,500	7,500	0
REFUND OR AMOUNT DUE			
Amount overpaid.....	7,500	7,500	0
Amount refunded to you.....	7,500	7,500	0
Amount you owe.....	0	0	0
TAX RATES			
Marginal tax rate.....	0.0%	0.0%	0.0%

2011

New York Income Tax Summary

Page 1

Client EX12F-NY

Trader Forex - 50K loss

999-99-9999

2/19/12

10:24 AM

	2011	2010	Diff
NEW YORK TAX SUMMARY			
Federal adjusted gross income.....	284	3,811	-3,527
NEW YORK SUBTRACTIONS			
Refunds of state and local taxes.....	0	3,527	-3,527
ADJUSTED GROSS INCOME			
New York adjusted gross income.....	284	284	0
TAXABLE INCOME			
Itemized/Standard deduction.....	11,852	11,852	0
New York taxable income.....	0	0	0
TAX AND CREDITS			
New York state tax.....	0	0	0
New York state household credit.....	75	75	0
New York City household credit.....	15	15	0
Sales or Use tax.....	9	8	1
Total state and city taxes and contribut	9	8	1
PAYMENTS			
New York City school tax credit.....	63	63	0
Total New York state tax withheld.....	3,500	3,500	0
Total New York City tax withheld.....	0	431	-431
Total payments.....	3,563	3,994	-431
REFUND OR AMOUNT DUE			
Amount overpaid.....	3,554	3,986	-432
Amount refunded to you.....	3,554	3,986	-432
Amount you owe.....	0	0	0
TAX RATES			
Marginal tax rate.....	0.00%	0.00%	0.00%
New York City marginal tax rate.....	0.00%	0.00%	0.00%
Yonkers marginal tax rate.....	0.00%	0.00%	0.00%

2011**General Information****Page 1****Client EX12F-NY****Trader Forex - 50K loss****999-99-9999**

2/19/12

10:24AM

Forms needed for this return

Federal: 1040, Sch A, Sch C, 4797, 6251, 8829, 8886
New York: IT-201, IT-2

Tax Rates

	<u>Marginal</u>	<u>Effective</u>
Federal	0.%	0.%
New York	0.%	0.%

Carryovers to 2012Federal Carryovers

Bus Use of Home Operating Expenses	1,842.
AMT Bus Use of Home Operating Exp	1,842.

Demo

Retirement Contributions

- ☐ In 2011 the taxpayer could have contributed \$5,000 to a traditional IRA, with estimated tax savings of \$0, or the taxpayer could have contributed \$5,000 to a Roth IRA (assuming no other changes). Contributions can be made up until April 17th, 2012.

Future Tax Savings

- ☐ In 2012 the taxpayer can contribute \$5,000 to a traditional IRA, with estimated tax savings of \$0, or the taxpayer can contribute \$5,000 to a Roth IRA (assuming no other changes).

Tax Tips

- ☐ Taxable income is \$-18,768, placing the taxpayer in a 0% marginal tax bracket. Based on 2011 tax rates, income would have to increase by over \$18,768 in order for any income to begin being taxed in the 10% bracket. This may be used as a guide in determining the advantages or disadvantages of receiving discretionary income in 2012.
- ☐ The taxpayer has a state and local income tax refund, but none of it is taxable due to tax benefit rules. If the government agency submits Form 1099G or a similar statement to the IRS, you may want to generate a statement for attachment to the return, showing application of the tax benefit rules. This may prevent an inquiry from the IRS.
- ☐ The costs associated with maintaining a home office can be deducted only if strict IRS guidelines are met. Ensure that the home office is used exclusively for business, that the taxpayer uses the office to conduct administrative or management activities of a trade or business, and that there is no other fixed location of the trade or business where the taxpayer conducts substantial administrative or management activities for the business. Refer to IRS Publication 587 for additional rules related to the home office deduction.
- ☐ For home sales operations, ensure that storage space is included in the calculation of business square footage. Additional storage space can be underutilized spaces such as attics and basements. The storage space must be used on a regular basis and be an identifiable separate space suitable for storage.
- ☐ The taxpayer has a large overpayment. Ensure that the Form W-4 on file with the employer accurately reflects the personal allowances that the taxpayer is entitled to.

Compliance Tips

- ☐ Schedule C for Trader Forex - 50K loss (1) : Ensure that all required information returns such as Form 1099, 1098, 5498, and W-2G have been filed. Penalties for not filing required information returns can be fairly high.

Schedule A Comparison Flags

- ☐ Schedule A state and local taxes are 187% higher than the typical amount deducted by taxpayers claiming the deduction, with similar AGI.
- ☐ Schedule A real estate taxes are 28% lower than the typical amount deducted by taxpayers claiming the deduction, with similar AGI.
- ☐ Schedule A total taxes paid are 56% higher than the typical amount deducted by taxpayers claiming the deduction, with similar AGI.
- ☐ Schedule A home mortgage interest reported on Form 1098 is 6% lower than the typical amount deducted by taxpayers claiming the deduction, with similar AGI.
- ☐ Schedule A total interest paid deduction is 5% lower than the typical amount deducted by taxpayers claiming the deduction, with similar AGI.
- ☐ Schedule A total itemized deductions are 16% lower than the typical amount deducted by taxpayers claiming the deduction, with similar AGI.

2011

Schedule A Analysis

Client EX12F-NY

Trader Forex - 50K loss

999-99-9999

2/19/12 AGI Range Used for This Analysis Under \$5,000	This Return		Typical Return*		10:24AM This Return's Deviation From Typical
	Amounts	% of AGI	Amounts	% of AGI	
AGI					
Adjusted gross income	284.	N/A	2,501.	N/A	
MEDICAL AND DENTAL EXPENSES					
Medical and dental expenses before limitation			9,457.	378.12%	
Medical and dental expenses after limitation			9,269.	370.61%	
TAXES PAID DEDUCTION					
State and local taxes	3,500.	1232.39%	1,218.	48.72%	+187.36% **
Real estate taxes	2,540.	894.37%	3,547.	141.81%	-28.39% **
Personal property taxes			296.	11.83%	
Other taxes			404.	16.17%	
Total taxes paid deduction	6,040.	2126.76%	3,866.	154.59%	+56.23% **
INTEREST PAID DEDUCTION					
Home mortgage interest on Form 1098	9,312.	3278.87%	9,875.	394.84%	-5.7% **
Home mortgage interest not on Form 1098			3,368.	134.67%	
Deductible points			182.	7.28%	
Qualified mortgage insurance premiums			1,880.	75.16%	
Investment interest deduction			1,698.	67.89%	
Total interest paid deduction	9,312.	3278.87%	9,816.	392.5%	-5.13% **
CHARITABLE CONTRIBUTIONS					
Cash or check contributions			1,532.	61.27%	
Other than cash contributions			679.	27.15%	
Carryover from prior years			3,117.	124.63%	
Allowable charitable contributions			726.	29.02%	
CASUALTY AND THEFT LOSSES					
Casualty or theft loss deduction			1,471.	58.83%	
MISCELLANEOUS DEDUCTIONS SUBJECT TO 2% LIMITATION					
Unreimbursed employee business expenses			2,709.	108.32%	
Other deductions			4,756.	190.17%	
Total miscellaneous deductions before limitation			2,459.	98.31%	
Total miscellaneous deductions after limitation			2,605.	104.14%	
OTHER MISCELLANEOUS DEDUCTIONS					
Gambling loss deduction			1,694.	67.74%	
Other deductions			2,663.	106.47%	
Total other miscellaneous deductions			24,167.	966.29%	
TOTAL ITEMIZED DEDUCTIONS					
Total itemized deductions after limitation	15,352.	5405.63%	18,261.	730.15%	-15.93% **

* Typical amounts are estimates derived from IRS Table 2.1 - Individual Income Tax Returns with Itemized Deductions (Tax Year 2009), posted on the IRS website. Generally, this analysis expresses the typical deduction as a percentage of the taxpayers actual AGI. However, for taxpayers whose AGI is under \$5,000, the typical column reflects average AGI and itemized deductions and does not fluctuate, because actual AGI for these taxpayers could be negative.

** Above or below the user specified range.

2011

Schedule C Analysis

Client EX12F-NY

Trader Forex - 50K loss

999-99-9999

2/19/12	Actual Amounts For This Business		National Average Expense Ratios Applied to This Business*		10:24AM
Trader Forex - 50K loss (1) PBA Code: 523900 Other Financial Investment Activities (advice, etc.)	Amounts	% of Sales	Amounts	% of Sales	This Business' Deviation from Averages

INCOME

Gross receipts less returns and allowances		N/A		N/A	
Cost of goods sold:					
Beginning inventory				0.3%	
Purchases				22.25%	
Cost of labor					
Materials and supplies				2.54%	
Other costs				19.21%	
Ending inventory				0.55%	
Cost of goods sold					
Gross profit					
Other income				-0.42%	
Total income	0.		0.		

EXPENSES

Advertising				1.2%	
Car and truck expenses				2.88%	
Commissions				4.85%	
Contract labor				1.23%	
Depletion					
Depreciation				1.21%	
Employee benefit programs				0.18%	
Insurance				0.39%	
Mortgage interest				0.04%	
Other interest				0.85%	
Legal and professional services				1.1%	
Office expense				1.74%	
Pension and profit-sharing plans				0.04%	
Rent or lease of machinery and equipment				0.08%	
Rent on other business property				2.15%	
Repairs and maintenance				1.1%	
Supplies				1.04%	
Taxes and licenses				0.37%	
Travel				1.81%	
Meals and entertainment				1.42%	
Utilities				1.71%	
Wages				3.82%	
Other expenses	2,567.			20.38%	
Expenses for business use of home	2,149.			0.98%	
Total expenses	4,716.		0.		
NET PROFIT	-4,716.		0.		

* National average expense ratios are derived from the IRS summer 2011 statistics of income bulletin for sole proprietorships (Sole Proprietor Returns, 2009 section). The ratios are expressed as a percentage of gross receipts for businesses of this type, or similar type.