

2/11/13

09:10AM

EX8F-CA:

During 2012, Joe had total trading proceeds over \$20 million and total round-trip trades of over 1,000 per review of the TradeLog reports. Trading was Joe's only occupation and source of livelihood in 2012. Joe qualifies as a "trader in commodities" (i.e., he has trader tax status), so he reports all his trading business expenses on Schedule C (Business Profit and Loss).

Joe was wise – he was profitable trading commodities for the year as of April 15, 2012, so he decided to not elect mark-to-market accounting for 2012. If he had decided to, the election would have been due by April 15, 2012. Joe understood that electing MTM would convert his commodities "capital gains and losses" to "ordinary gains and losses," and he did not want to forgo the 60% long-term capital gains rate benefit on commodities gains. Without MTM, Joe saved a considerable amount of federal taxes vs. Example 7.

Demo

2012

Federal Filing Instructions

Client EX8F-CA

Joe Trader no MTM Comm Gain Ex8

999-99-9999

2/11/13

09:10AM

FORM TO FILE:

Form 1040 - 2012 U.S. Individual Income Tax Return

SIGNATURE:

Sign and date Form 1040, page 2.

PAYMENT:

There is a balance due of \$32,145. Make your check payable to the "United States Treasury". Write your social security number, daytime phone number, and "2012 Form 1040" on the check. Do not attach the check to Form 1040 or Form 1040-V. Instead, place it loose in the envelope and also enclose Form 1040 and Form 1040-V.

WHEN TO FILE:

On or before April 15, 2013.

WHERE TO FILE:

Internal Revenue Service
P.O. Box 7704
San Francisco, CA 94120-7704

Demo

Form	1040	Department of the Treasury — Internal Revenue Service (99)	2012	OMB No. 1545-0074	IRS Use Only — Do not write or staple in this space.
For the year Jan 1 - Dec 31, 2012, or other tax year beginning , 2012, ending , 20			See separate instructions.		
Your first name and initial Last name			Your social security number		
Joe Trader no MTM Comm Gain Ex8			999-99-9999		
If a joint return, spouse's first name and initial Last name			Spouse's social security number		
Home address (number and street). If you have a P.O. box, see instructions. Apartment no.			▲ Make sure the SSN(s) above and on line 6c are correct.		
any street			Presidential Election Campaign		
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).			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.		
Los Angeles, CA 90025			<input checked="" type="checkbox"/> You <input type="checkbox"/> Spouse		
Foreign country name Foreign province/state/county Foreign postal code					
Filing Status					
1 <input checked="" type="checkbox"/> Single					
2 <input type="checkbox"/> Married filing jointly (even if only one had income)					
3 <input type="checkbox"/> Married filing separately. Enter spouse's SSN above & 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					
Check only one box.					
Exemptions					
6a <input checked="" type="checkbox"/> Yourself. If someone can claim you as a dependent, do not check box 6a.					
b <input type="checkbox"/> Spouse.					
c Dependents:					
(1) First name Last name (2) Dependent's social security number (3) Dependent's relationship to you (4) <input checked="" type="checkbox"/> if child under age 17 qualifying for child tax or (see instrs)					
If more than four dependents, see instructions and check here. ▶ <input type="checkbox"/>					
d Total number of exemptions claimed. 1					
Income					
7 Wages, salaries, tips, etc. Attach Form(s) W-2. 7					
8a Taxable interest. Attach Schedule B if required. 8a 1,762.					
b Tax-exempt interest. Do not include on line 8a. 8b					
9a Ordinary dividends. Attach Schedule B if required. 9a 897.					
b Qualified dividends. St. 1 9b 897.					
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					
13 Capital gain or (loss). Att Sch D if reqd. If not reqd, ck here. 13 204,637.					
14 Other gains or (losses). Attach Form 4797. 14					
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. 22 207,296.					
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. 37 207,296.					
BAA For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. FDIA0112L 01/11/13 Form 1040 (2012)					

Tax and Credits**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, \$5,950

Married filing jointly or Qualifying widow(er), \$11,900

Head of household, \$8,700

38 Amount from line 37 (adjusted gross income) 38 207,296.

39a Check ☐ You were born before January 2, 1948, ☐ Blind. Total boxes checked. ☐ 39a ☐ Spouse was born before January 2, 1948, ☐ Blind. ☐ 39bb If your spouse itemizes on a separate return or you were a dual-status alien, check here ☐ 39b

40 Itemized deductions (from Schedule A) or your standard deduction (see left margin) 40 18,043.

41 Subtract line 40 from line 38 41 189,253.

42 Exemptions. Multiply \$3,800 by the number on line 6d. 42 3,800.

43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0- 43 185,453.

44 Tax (see instrs). Check if any from: a ☐ Form(s) 8814 c ☐ 962 election b ☐ Form 4972. 44 29,410.

45 Alternative minimum tax (see instructions). Attach Form 6251. 45 2,735.

46 Add lines 44 and 45 46 32,145.

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 19 49

50 Retirement savings contributions credit. Attach Form 8880 50

51 Child tax credit. Attach Schedule 8812, if required 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 32,145.

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 32,145.

Payments

If you have a qualifying child, attach Schedule EIC.

62 Federal income tax withheld from Forms W-2 and 1099 62

63 2012 estimated tax payments and amount applied from 2011 return. 63

64a Earned income credit (EIC) No 64a

b Nontaxable combat pay election ☐ 64b

65 Additional child tax credit. Attach Schedule 8812 65

66 American opportunity credit from Form 8863, line 8 66

67 Reserved 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 ☐ Reserved c ☐ 8801 d ☐ 8885 71

72 Add lines 62, 63, 64a, & 65-71. These are your total pmts. 72 0.

Refund

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

74a Amount of line 73 you want refunded to you. If Form 8888 is attached, check here ☐ 74ab Routing number ☐ c Type: ☐ Checking ☐ Savingsd Account number ☐

75 Amount of line 73 you want applied to your 2013 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 32,145.

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. ☐ NoDesignee's name ☐ z Examples Phone no. ☐ (888) 558-5257 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 instrs) ☐Print/Type preparer's name ☐ z Examples Preparer's signature ☐ z Examples Date ☐ Check ☐ if self-employed PTIN ☐**Paid Preparer Use Only**Firm's name ☐ Green NFH, LLC Firm's EIN ☐ 45-4365561Firm's address ☐ PO Box 1198 Phone no. ☐ (888) 558-5257

Robertsdale, AL 36567

SCHEDULE A
(Form 1040)Department of the Treasury
Internal Revenue Service (99)**Itemized Deductions**► Information about Schedule A and its separate instructions is at www.irs.gov/form1040.
► **Attach to Form 1040.**

OMB No. 1545-0074

2012Attachment
Sequence No. **07**

Name(s) shown on Form 1040

Your social security number

Joe Trader no MTM Comm Gain Ex8

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	5,342.
2	Enter amount from Form 1040, line 38.	2	207,296.
3	Multiply line 2 by 7.5% (.075)	3	15,547.
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):		
	a <input checked="" type="checkbox"/> Income taxes, or	5	16,576.
	b <input type="checkbox"/> General sales taxes		
6	Real estate taxes (see instructions)	6	
7	Personal property taxes	7	
8	Other taxes. List type and amount ►	8	
9	Add lines 5 through 8	9	16,576.
Interest You Paid	10 Home mtg interest and points reported to you on Form 1098.	10	
	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	
Note. Your mortgage interest deduction may be limited (see instructions).	12 Points not reported to you on Form 1098. See instrs for spcl rules	12	
	13 Mortgage insurance premiums (see instructions)	13	
	14 Investment interest. Attach Form 4952 if required. (See instrs.)	14	482.
	15 Add lines 10 through 14	15	482.
Gifts to Charity	16 Gifts by cash or check. If you made any gift of \$250 or more, see instrs	16	985.
If you made a gift and got a benefit for it, see instructions.	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	18	
	19 Add lines 16 through 18	19	985.
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 Tax preparation fees	22	
	23 Other expenses — investment, safe deposit box, etc. List type and amount ►	23	65.
	Schwab - investment a/c	24	65.
	24 Add lines 21 through 23	25	207,296.
	25 Enter amount from Form 1040, line 38.	26	4,146.
	26 Multiply line 25 by 2% (.02)	27	0.
	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	18,043.
	30 If you elect to itemize deductions even though they are less than your standard deduction, check here.		

SCHEDULE B
(Form 1040A or 1040)Department of the Treasury
Internal Revenue Service (99)**Interest and Ordinary Dividends**

▶ Attach to Form 1040A or 1040.

▶ Information about Schedule B (Form 1040A or 1040) and its instructions is at www.irs.gov/form1040

OMB No. 1545-0074

2012Attachment
Sequence No. **08**

Name(s) shown on return

Joe Trader no MTM Comm Gain Ex8

Your social security number

999-99-9999

Part I
Interest(See
instructions for
Form 1040A, or
Form 1040, line
8a.)**Note.** If you
received a Form
1099-INT, Form
1099-OID, or
substitute statement
from a brokerage
firm, list the firm's
name as the payer
and enter the total
interest shown on
that form.**1** List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see the instructions and list this interest first. Also, show that buyer's social security number and address ▶Interactive Brokers - trading a/c**Amount**

1,762.

1**2** Add the amounts on line 1.....

1,762.

3 Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815.....**4** Subtract line 3 from line 2. Enter the result here and on Form 1040A, or Form 1040, line 8a. ▶

1,762.

Note. If line 4 is over \$1,500, you must complete Part III.**Part II****Ordinary
Dividends**(See
instructions for
Form 1040A, or
Form 1040,
line 9a.)**Note.** If you received
a Form 1099-DIV or
substitute statement
from a brokerage
firm, list the firm's
name as the payer
and enter the
ordinary dividends
shown on that form.**5** List name of payer ▶Schwab - invest a/c**Amount**

897.

5**6** Add the amounts on line 5. Enter the total here and on Form 1040A, or Form 1040, line 9a. ▶

897.

Note. If line 6 is over \$1,500, you must complete Part III.**Part III**
**Foreign
Accounts
and Trusts**(See
instructions.)You must complete this part if you **(a)** had over \$1,500 of taxable interest or ordinary dividends; **(b)** had a foreign account; or **(c)** received a distribution from, or were a grantor of, or a transferor to, a foreign trust.**Yes** **No****7 a** At any time during 2012, did you have a financial interest in or signature authority over a financial account (such as a bank account, securities account, or brokerage account) located in a foreign country? See instructions.....☐ ☒

If 'Yes,' are you required to file Form TD F 90-22.1 to report that financial interest or signature authority? See Form TD F 90-22.1 and its instructions for filing requirements and exceptions to those requirements.....

b If you are required to file Form TD F 90-22.1, enter the name of the foreign country where the financial account is located ▶☐ ☐**8** During 2012, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If 'Yes,' you may have to file Form 3520. See instructions.....☐ ☒

SCHEDULE C
(Form 1040)Department of the Treasury
Internal Revenue Service (99)**Profit or Loss From Business**
(Sole Proprietorship)

OMB No. 1545-0074

2012Attachment
Sequence No. **09****► 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.

Name of proprietor

Joe Trader no MTM Comm Gain Ex8

Social security number (SSN)

999-99-9999

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

Trader in Commodities - See Note

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 2012? If 'No,' see instructions for limit on losses. ☒ Yes ☐ No**H** If you started or acquired this business during 2012, check here ☒**I** Did you make any payments in 2012 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	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	Returns and allowances (see instructions).....	2	
3	Subtract line 2 from line 1.....	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)..... See Statement 2	6	46,147.
7	Gross income. Add lines 5 and 6.....	7	46,147.

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	7,865.	21	Repairs and maintenance.....	21	
14	Employee benefit programs (other than on line 19).....	14		22	Supplies (not included in Part III).....	22	953.
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	1,855.
b	Other.....	16 b	16,299.	b	Deductible meals and entertainment (see instructions).....	24 b	1,327.
17	Legal & professional services.....	17		25	Utilities.....	25	
28	Total expenses before expenses for business use of home. Add lines 8 through 27a.....	28		26	Wages (less employment credits).....	26	
29	Tentative profit or (loss). Subtract line 28 from line 7.....	29		27 a	Other expenses (from line 48).....	27 a	10,612.
30	Expenses for business use of your home. Attach Form 8829 . Do not report such expenses elsewhere.....	30		b	Reserved for future use	27 b	
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 checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3 . • If a loss, you must go to line 32.			31			0.

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 checked the box on line 1, 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.**32a** ☐ All investment is at risk.**32b** ☐ Some investment is not at risk.**BAA For Paperwork Reduction Act Notice, see your tax return instructions.**Schedule **C** (Form 1040) 2012

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 2012, 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.

See Statement 3	
48 Total other expenses. Enter here and on line 27a	48 10,612.

SCHEDULE D
(Form 1040)Department of the Treasury
Internal Revenue Service (99)**Capital Gains and Losses**▶ **Attach to Form 1040 or Form 1040NR.**▶ Information about Schedule D and its separate instructions is at www.irs.gov/form1040.▶ **Use Form 8949 to list your transactions for lines 1, 2, 3, 8, 9, and 10.**

OMB No. 1545-0074

2012Attachment
Sequence No. **12**

Name(s) shown on return

Joe Trader no MTM Comm Gain Ex8

Your social security number

999-99-9999

Part I Short-Term Capital Gains and Losses — Assets Held One Year or Less

Complete Form 8949 before completing line 1, 2, or 3. This form may be easier to complete if you round off cents to whole dollars.

	(d) Proceeds (sales price) from Form(s) 8949, Part I, line 2, column (d)	(e) Cost or other basis from Form(s) 8949, Part I, line 2, column (e)	(g) Adjustments to gain or loss from Form(s) 8949, Part I, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
1 Short-term totals from all Forms 8949 with box A checked in Part I				
2 Short-term totals from all Forms 8949 with box B checked in Part I				
3 Short-term totals from all Forms 8949 with box C checked in Part I				
4 Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824			4	75,708.
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1			5	
6 Short-term capital loss carryover. Enter the amount, if any, from line 8 of your Capital Loss Carryover Worksheet in the instructions			6	
7 Net short-term capital gain or (loss). Combine lines 1 through 6 in column (h). If you have any long-term capital gain or losses, go to Part II below. Otherwise, go to Part III on page 2			7	75,708.

Part II Long-Term Capital Gains and Losses — Assets Held More Than One Year

Complete Form 8949 before completing line 8, 9, or 10. This form may be easier to complete if you round off cents to whole dollars.

	(d) Proceeds (sales price) from Form(s) 8949, Part II, line 4, column (d)	(e) Cost or other basis from Form(s) 8949, Part II, line 4, column (e)	(g) Adjustments to gain or loss from Form(s) 8949, Part II, line 4, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
8 Long-term totals from all Forms 8949 with box A checked in Part II				
9 Long-term totals from all Forms 8949 with box B checked in Part II	875,105.	859,739.		15,366.
10 Long-term totals from all Forms 8949 with box C checked in Part II				
11 Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824			11	113,563.
12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1			12	
13 Capital gain distributions. See instrs.			13	
14 Long-term capital loss carryover. Enter the amount, if any, from line 13 of your Capital Loss Carryover Worksheet in the instructions			14	
15 Net long-term capital gain or (loss). Combine lines 8 through 14 in column (h). Then go to Part III on page 2			15	128,929.

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

Schedule D (Form 1040) 2012

Part III Summary

16 Combine lines 7 and 15 and enter the result.	16	204,637.
<ul style="list-style-type: none"> • If line 16 is a gain, enter the amount from line 16 on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 17 below. • If line 16 is a loss, skip lines 17 through 20 below. Then go to line 21. Also be sure to complete line 22. • If line 16 is zero, skip lines 17 through 21 below and enter -0- on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 22. 		
17 Are lines 15 and 16 both gains?		
<input checked="" type="checkbox"/> Yes. Go to line 18.		
<input type="checkbox"/> No. Skip lines 18 through 21, and go to line 22.		
18 Enter the amount, if any, from line 7 of the 28% Rate Gain Worksheet in the instructions.	18	0.
19 Enter the amount, if any, from line 18 of the Unrecaptured Section 1250 Gain Worksheet in the instructions.	19	
20 Are lines 18 and 19 both zero or blank?		
<input checked="" type="checkbox"/> Yes. Complete the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44 (or in the instructions for Form 1040NR, line 42). Do not complete lines 21 and 22 below.		
<input type="checkbox"/> No. Complete the Schedule D Tax Worksheet in the instructions. Do not complete lines 21 and 22 below.		
21 If line 16 is a loss, enter here and on Form 1040, line 13, or Form 1040NR, line 14, the smaller of:		
<ul style="list-style-type: none"> • The loss on line 16 or • (\$3,000), or if married filing separately, (\$1,500) 	21	
Note. When figuring which amount is smaller, treat both amounts as positive numbers.		
22 Do you have qualified dividends on Form 1040, line 9b, or Form 1040NR, line 10b?		
<input type="checkbox"/> Yes. Complete the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44 (or in the instructions for Form 1040NR, line 42).		
<input type="checkbox"/> No. Complete the rest of Form 1040 or Form 1040NR.		

Schedule D (Form 1040) 2012

Name(s) shown on return. (Name and SSN or taxpayer identification no. not required if shown on other side.)

SSN or taxpayer identification no.

Joe Trader no MTM Comm Gain Ex8

999-99-9999

Most brokers issue their own substitute statement instead of using Form 1099-B. They also may provide basis information (usually your cost) to you on the statement even if it is not reported to the IRS. Before you check Box A, B, or C below, determine whether you received any statement(s) and, if so, the transactions for which basis was reported to the IRS. Brokers are required to report basis to the IRS for most stock you bought in 2011 or later.

Part II Long-Term. Transactions involving capital assets you held more than one year are long term. For short-term transactions, see page 1.

You must check Box A, B, or C below. Check only one box. If more than one box applies for your long-term transactions, complete a separate Form 8949, page 2, for each applicable box. If you have more long-term transactions than will fit on this page for one or more of the boxes, complete as many forms with the same box checked as you need.

- ☐ (A) Long-term transactions reported on Form(s) 1099-B showing basis **was** reported to the IRS
- ☒ (B) Long-term transactions reported on Form(s) 1099-B showing basis **was not** reported to the IRS
- ☐ (C) Long-term transactions not reported to you on Form 1099-B

3 (a) Description of property (Example: 100 shares XYZ Co)	(b) Date acquired (Mo, day, yr)	(c) Date sold or disposed (Mo, day, yr)	(d) Proceeds (sales price) (see instructions)	(e) Cost or other basis. See the Note below and see <i>Column (e)</i> in the separate instructions	Adjustment, if any, to gain or loss. If you enter an amount in column (g), enter a code in column (f). See the separate instructions.		(h) Gain or (loss). Subtract column (e) from column (d) and combine the result with column (g)
					(f) Code(s) from instructions	(g) Amount of adjustment	
Google	Various	Various	875,105.	859,739.			15,366.
4 Totals. Add the amounts in columns (d), (e), (g), and (h) (subtract negative amounts). Enter each total here and include on your Schedule D, line 8 (if Box A above is checked), line 9 (if Box B above is checked), or line 10 (if Box C above is checked).			875,105.	859,739.		0.	15,366.

Note. If you checked Box A above but the basis reported to the IRS was incorrect, enter in column (e) the basis as reported to the IRS, and enter an adjustment in column (g) to correct the basis. See *Column (g)* in the separate instructions for how to figure the amount of the adjustment.

Alternative Minimum Tax — Individuals

► Information about Form 6251 and its separate instructions is at www.irs.gov/form6251.
► Attach to Form 1040 or Form 1040NR.

2012Attachment
Sequence No. **32**

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

Joe Trader no MTM Comm Gain Ex8

Your social security number

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	189,253.
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	16,576.
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, see instructions.)	28	205,829.

Part II Alternative Minimum Tax (AMT)

29	Exemption. See instructions	29	27,268.
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	178,561.
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	32,145.
32	Alternative minimum tax foreign tax credit (see instructions)	32	
33	Tentative minimum tax. Subtract line 32 from line 31.	33	32,145.
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	29,410.
35	AMT. Subtract line 34 from line 33. If zero or less, enter -0-. Enter here and on Form 1040, line 45	35	2,735.

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

Part III Tax Computation Using Maximum Capital Gains Rates

Complete Part III only if you are required to do so by line 31 or by the Foreign Earned Income Tax Worksheet in the instructions.

36	Enter the amount from Form 6251, line 30. If you are filing Form 2555 or 2555-EZ, enter the amount from line 3 of the worksheet in the instructions for line 31	36	178,561.
37	Enter the amount from line 6 of the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44, or the amount from line 13 of the Schedule D Tax Worksheet in the instructions for Schedule D (Form 1040), whichever applies (as refigured for the AMT, if necessary) (see instructions). If you are filing Form 2555 or 2555-EZ, see instructions for the amount to enter	37	129,826.
38	Enter the amount from Schedule D (Form 1040), line 19 (as refigured for the AMT, if necessary) (see instructions). If you are filing Form 2555 or 2555-EZ, see instructions for the amount to enter	38	0.
39	If you did not complete a Schedule D Tax Worksheet for the regular tax or the AMT, enter the amount from line 37. Otherwise, add lines 37 and 38, and enter the smaller of that result or the amount from line 10 of the Schedule D Tax Worksheet (as refigured for the AMT, if necessary). If you are filing Form 2555 or 2555-EZ, see instructions for the amount to enter	39	129,826.
40	Enter the smaller of line 36 or line 39	40	129,826.
41	Subtract line 40 from line 36	41	48,735.
42	If line 41 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 41 by 26% (.26). Otherwise, multiply line 41 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result	42	12,671.
43	Enter: <ul style="list-style-type: none"> • \$70,700 if married filing jointly or qualifying widow(er), • \$35,350 if single or married filing separately, or • \$47,350 if head of household. 	43	35,350.
44	Enter the amount from line 7 of the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44, or the amount from line 14 of the Schedule D Tax Worksheet in the instructions for Schedule D (Form 1040), whichever applies (as figured for the regular tax). If you did not complete either worksheet for the regular tax, enter -0-	44	55,627.
45	Subtract line 44 from line 43. If zero or less, enter -0-	45	0.
46	Enter the smaller of line 36 or line 37	46	129,826.
47	Enter the smaller of line 45 or line 46	47	
48	Subtract line 47 from line 46	48	129,826.
49	Multiply line 48 by 15% (.15)	49	19,474.
If line 38 is zero or blank, skip lines 50 and 51 and go to line 52. Otherwise, go to line 50.			
50	Subtract line 46 from line 40	50	
51	Multiply line 50 by 25% (.25)	51	
52	Add lines 42, 49, and 51	52	32,145.
53	If line 36 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 36 by 26% (.26). Otherwise, multiply line 36 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result	53	46,497.
54	Enter the smaller of line 52 or line 53 here and on line 31. If you are filing Form 2555 or 2555-EZ, do not enter this amount on line 31. Instead, enter it on line 4 of the worksheet in the instructions for line 31.	54	32,145.

Form 6251 (2012)

Form **6781****Gains and Losses From Section 1256
Contracts and Straddles**

OMB No. 1545-0644

2012Department of the Treasury
Internal Revenue Service► Information about Form 6781 and its instructions is at www.irs.gov/form6781
► Attach to your tax return.Attachment
Sequence No. **82**

Name(s) shown on tax return

Identifying number

Joe Trader no MTM Comm Gain Ex8

999-99-9999

Check all applicable boxes (see instructions).

A☐

Mixed straddle election

C☐

Mixed straddle account election

B☐

Straddle-by-straddle identification election

D☐

Net section 1256 contracts loss election

Part I Section 1256 Contracts Marked to Market

1	(a) Identification of account	(b) (Loss)	(c) Gain
	Interactive Brokers futures trading a/c		235,418.
	Transfer part trading gain to Sch C-Note	46,147.	
2	Add the amounts on line 1 in columns (b) and (c).....	46,147.	235,418.
3	Net gain or (loss). Combine line 2, columns (b) and (c).....		189,271.
4	Form 1099-B adjustments. See instructions and attach statement.....		
5	Combine lines 3 and 4.....		189,271.
Note: If line 5 shows a net gain, skip line 6 and enter the gain on line 7. Partnerships and S corporations, see instructions.			
6	If you have a net section 1256 contracts loss and checked box D above, enter the amount of loss to be carried back. Enter the loss as a positive number.....		
7	Combine lines 5 and 6.....		189,271.
8	Short-term capital gain or (loss). Multiply line 7 by 40% (.40). Enter here and include on the appropriate line of Schedule D (see instructions).....		75,708.
9	Long-term capital gain or (loss). Multiply line 7 by 60% (.60). Enter here and include on the appropriate line of Schedule D (see instructions).....		113,563.

Part II Gains and Losses From Straddles. Attach a separate statement listing each straddle and its components.**Section A – Losses From Straddles**

(a) Description of property	(b) Date entered into or acquired	(c) Date closed out or sold	(d) Gross sales price	(e) Cost or other basis plus expense of sale	(f) Loss. If column (e) is more than (d), enter difference. Otherwise, enter -0-	(g) Unrecognized gain on offsetting positions	(h) Recognized loss. If column (f) is more than (g), enter difference. Otherwise, enter -0-
10							
11 a Enter the short-term portion of losses from line 10, column (h), here and include on the appropriate line of Schedule D (see instructions).....							11 a
b Enter the long-term portion of losses from line 10, column (h), here and include on the appropriate line of Schedule D (see instructions).....							11 b

Section B – Gains From Straddles

(a) Description of property	(b) Date entered into or acquired	(c) Date closed out or sold	(d) Gross sales price	(e) Cost or other basis plus expense of sale	(f) Gain. If column (d) is more than (e), enter difference. Otherwise, enter -0-
12					
13 a Enter the short-term portion of gains from line 12, column (f), here and include on the appropriate line of Schedule D (see instructions).....					13 a
b Enter the long-term portion of gains from line 12, column (f), here and include on the appropriate line of Schedule D (see instructions).....					13 b

Part III Unrecognized Gains From Positions Held on Last Day of Tax Year. Memo Entry Only (see instructions)

(a) Description of property	(b) Date acquired	(c) Fair market value on last business day of tax year	(d) Cost or other basis is adjusted	(e) Unrecognized gain. If column (c) is more than (d), enter difference. Otherwise, enter -0-
14				

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**

2012Attachment
Sequence No. **176**

Name(s) of proprietor(s)

Joe Trader no MTM Comm Gain Ex8

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	270
2	Total area of home	2	1,505
3	Divide line 1 by line 2. Enter the result as a percentage	3	17.94 %
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 (366 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	17.94 %

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	7,236.
See instrs for columns (a) and (b) before completing lines 9-21.			
	(a) Direct expenses	(b) Indirect expenses	
9	Casualty losses (see instructions)	9	
10	Deductible mortgage interest (see instructions)	10	
11	Real estate taxes (see instructions)	11	
12	Add lines 9, 10, and 11	12	
13	Multiply line 12, column (b) by line 7	13	
14	Add line 12, column (a) and line 13	14	
15	Subtract line 14 from line 8. If zero or less, enter -0-	15	7,236.
16	Excess mortgage interest (see instructions)	16	
17	Insurance	17	545.
18	Rent	18	30,000.
19	Repairs and maintenance	19	805.
20	Utilities	20	3,688.
21	Other expenses (see instrs) Statement 4	21	5,294.
22	Add lines 16 through 21	22	40,332.
23	Multiply line 22, column (b) by line 7	23	7,236.
24	Carryover of operating expenses from 2011 Form 8829, line 42	24	
25	Add line 22 column (a), line 23, and line 24	25	7,236.
26	Allowable operating expenses. Enter the smaller of line 15 or line 25	26	7,236.
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 2011 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	7,236.
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	7,236.

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 2013

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

Form **4562**Department of the Treasury
Internal Revenue Service (99)**Depreciation and Amortization**
(Including Information on Listed Property)

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

OMB No. 1545-0172

2012Attachment
Sequence No. **179**

Name(s) shown on return

Joe Trader no MTM Comm Gain Ex8

Identifying number

999-99-9999

Business or activity to which this form relates

Schedule C - Joe Trader no MTM Comm Gain Ex8

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.

1	Maximum amount (see instructions)	1	500,000.
2	Total cost of section 179 property placed in service (see instructions)	2	7,865.
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	0.
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	500,000.
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
See Statement 5			7,865.
7	Listed property. Enter the amount from line 29	7	0.
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	7,865.
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	7,865.
10	Carryover of disallowed deduction from line 13 of your 2011 Form 4562	10	0.
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs) ..	11	7,865.
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	7,865.
13	Carryover of disallowed deduction to 2013. Add lines 9 and 10, less line 12. ▶	13	0.

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.)

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

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

17	MACRS deductions for assets placed in service in tax years beginning before 2012	17	
18	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 2012 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
19 a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	

Section C - Assets Placed in Service During 2012 Tax Year Using the Alternative Depreciation System

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

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. 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	22	7,865.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

BAA For Paperwork Reduction Act Notice, see separate instructions.

FDIZ0812L 08/19/12

Form **4562** (2012)

Client EX8F-CA

Joe Trader no MTM Comm Gain Ex8

999-99-9999

2/11/13

09:10AM

Statement 1
Form 1040, Line 9b
Qualified Dividends

Schwab - invest a/c.....	\$	897.
Total	\$	<u>897.</u>

Statement 2 - Trader in Commodities - See Note
Schedule C, Line 6
Other Income

Tsfr part trading gains Form 6781-Note.....	\$	46,147.
Total	\$	<u>46,147.</u>

Statement 3 - Trader in Commodities - See Note
Schedule C, Part V
Other Expenses

Delivery and Freight.....	\$	115.
Postage.....		185.
Seminars taken after trading started.....		3,455.
Trading chat rooms.....		1,205.
Trading communications.....		644.
Trading internet service.....		605.
Trading miscellaneous expense.....		805.
Trading online information services.....		1,699.
Trading publications and books.....		1,144.
Trading tax and accounting.....		755.
Total	\$	<u>10,612.</u>

Statement 4
Form 8829, Line 21
Other Expenses

	Direct	Indirect
Miscellaneous.....	\$ 0.	\$ 889.
Cleaning.....	0.	4,405.
Total	\$ <u>0.</u>	\$ <u>5,294.</u>

Statement 5
Form 4562, Part I
Election To Expense Certain Tangible Property (Section 179)

Description of Property	Cost	Elected Cost
5-Year Computers for trading.....	3,466.	\$ 3,466.
7-Year Furniture/fixtures.....	2,946.	2,946.
Software for trading.....	1,453.	1,453.
Total		\$ <u>7,865.</u>

Client EX8F-CA

Joe Trader no MTM Comm Gain Ex8

999-99-9999

2/11/13

09:10AM

Note to Schedules C and Form 6781 in connection with taxpayer's business activity:
"trader in commodities"

TAXPAYER QUALIFIES AS A "TRADER IN COMMODITIES"

SUMMARY

Taxpayer qualifies as a "trader in commodities" for 2012. Taxpayer's trading business expenses are reported on Schedule C and his commodities trading gains and losses are reported on Form 6781.

=====

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

Taxpayer operated a trading business, in accordance with the definition below, during all of 2012. 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 2012).

..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).

How To Report.

Client EX8F-CA

Joe Trader no MTM Comm Gain Ex8

999-99-9999

2/11/13

09:10AM

Transactions from trading activities result in capital gains and losses and must be reported on Schedule D (Form 1040). Losses from these transactions are subject to the limit on capital losses explained earlier in this chapter.

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 commodities)

Taxpayer's trading gains are exempt from self-employment taxation.

Taxpayer is exempt from self-employment taxation because taxpayer is a trader in commodities and not a "commodity dealer", as defined in IRC Section 1402 Definitions - Net earnings from self-employment.

SPECIAL NOTES

If Taxpayer has net trading gains, sufficient trading gains are transferred from Form 6781 to Schedule C to cover Taxpayer's related trading business expenses. This is done since Schedule C business expenses relate to taxpayer's trading gains. There is no change to the tax liability as a result of this transfer.

Client EX8F-CA

Joe Trader no MTM Comm Gain Ex8

999-99-9999

2/11/13

09:10AM

Qualified Dividends and Capital Gain Tax Worksheet (Form 1040, Line 44)

1. Enter the amount from Form 1040, line 43		185,453.
2. Enter the amount from Form 1040, line 9b	897.	
3. Are you filing Schedule D?		
[X] Yes. Enter the smaller of line 15 or 16 of Schedule D, but do not enter less than zero		
[] No. Enter the amount from Form 1040, line 13	128,929.	
4. Add lines 2 and 3	129,826.	
5. If you are claiming investment interest expense on Form 4952, enter the amount from line 4g of that form. Otherwise enter zero.	0.	
6. Subtract line 5 from line 4. If zero or less, enter zero.		129,826.
7. Subtract line 6 from line 1. If zero or less, enter zero.		55,627.
8. Enter:		
\$35,350 if single or married filing separately,		
\$70,700 if married filing jointly or qualifying widow(er), \$47,350 if head of household.		35,350.
9. Enter the smaller of line 1 or line 8		35,350.
10. Enter the smaller of line 7 or line 9		35,350.
11. Subtract line 10 from line 9. This amount is taxed at 0%		0.
12. Enter the smaller of line 1 or line 6		129,826.
13. Enter the amount from line 11		0.
14. Subtract line 13 from line 12		129,826.
15. Multiply line 14 by 15% (.15)		19,474.
16. Figure the tax on the amount on line 7. (Use the Tax Table or Tax Computation Worksheet)		9,936.
17. Add lines 15 and 16		29,410.
18. Figure the tax on the amount on line 1. (Use the Tax Table or Tax Computation Worksheet)		45,727.
19. Tax on all taxable income (including capital gain distributions). Enter the smaller of line 17 or line 18 here and on Form 1040, line 44		<u>29,410.</u>

State and Local Taxes (Schedule A, Line 5)

State and Local Income Taxes

	State	Local
Income tax withheld	0.	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.
1/12 payment on 2011 estimate	0.	0.
Paid with 2011 extension	0.	0.
Paid with 2011 return	16,576.	0.
Paid for prior years and/or to other states	0.	0.
Total income taxes	<u>16,576.</u>	<u>0.</u>
Total state and local income taxes		<u>16,576.</u>

Client EX8F-CA

Joe Trader no MTM Comm Gain Ex8

999-99-9999

2/11/13

09:10AM

State and Local Taxes (Schedule A, Line 5) (continued)

State and Local Sales Taxes Using the Optional Sales Tax Tables

Available Income:

Adjusted gross income per Form 1040	207,296.
Tax-exempt interest	0.
Nontaxable combat pay	0.
Nontaxable social security benefits	0.
Nontaxable pensions	0.
Nontaxable IRAs	0.
Prior year refundable credits (refundable portion only)	0.
Additional nontaxable amounts	0.
Total Available Income (not less than zero)	<u>207,296.</u>

Number of Exemptions 1.

1. State general sales taxes per Tables 1,790.
2. Local general sales taxes per Tables for certain residents of AK, AZ, AR, CO, GA, IL, LA, MO, NC, NY, SC, TN, UT, VA, and WV (based on a rate of 1%) 0.
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 7.2500
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) 1,790.
8. Sales taxes paid on vehicles, boats, etc. 0.
9. Sales tax deduction when using Tables (add lines 7 and 8) 1,790.

State and Local Sales Tax Deduction
(Greater of Taxes Paid or Table Amount)

1. General sales taxes paid 0.
2. Use taxes paid 0.
3. Total actual taxes paid (add lines 1 and 2) 0.
4. Sales taxes using Tables 1,790.
5. Greater of sales taxes paid or Table amount 1,790.

State & Local Taxes to Sch. A, Ln 5 (greater of income or sales tax) 16,576.

**Taxable Business Income for Limitation of
Section 179 Expense Deduction (Form 4562, Line 11)**

Wages, salaries, tips, etc.	0.
Business income or loss	7,865.
Farm income or loss	0.
Rental real estate income or loss	0.
Nonpassive partnerships, S corps, estates, trusts	0.
Income or loss for real estate professionals	0.
Gains or losses on sales of business property	0.
Total Taxable Business Income	<u>7,865.</u>

Client EX8F-CA

Joe Trader no MTM Comm Gain Ex8

999-99-9999

2/11/13

09:10AM

Investment Interest Expense (Form 4952, Line 1)

Schedule A	482.
Schedule A (from pass-through entities)	0.
Schedule C	0.
Schedule E, page 1	0.
Schedule E, page 2	0.
Total Investment Interest Expense	<u>482.</u>

Gross Investment Income (Form 4952, Line 4a)

Interest Income	1,762.
Dividend Income	897.
Child's Investment Income - Form 8814	0.
Gross Investment Income - Schedule C	0.
Gross Investment Income - Schedule E	0.
Publicly Traded Partnership Income	0.
Other Net Investment Income - K-1	0.
Gross Investment Income Adjustment	0.
Total Gross Investment Income	<u>2,659.</u>

Exemption Worksheet (Form 6251, Line 29)

1. Enter \$50,600 (\$78,750 if married filing jointly or qualifying widow(er), \$39,375 if married filing separately.)		50,600.
2. Enter your alternative minimum taxable income (AMTI) from Form 6251, line 28.	205,829.	
3. Enter \$112,500 (\$150,000 if married filing jointly or qualifying widow(er), \$75,000 if married filing separately.)	112,500.	
4. Subtract line 3 from line 2.	93,329.	
5. Multiply line 4 by 25% (.25).		23,332.
6. Subtract line 5 from line 1. If this form is for a child under age 18, or a full-time student under age 24, go to line 7. Otherwise enter this amount on Form 6251, line 29 and go to Form 6251, line 30.		27,268.
7. Child's minimum exemption amount.		0.
8. Enter the child's earned income, if any.		0.
9. Add lines 7 and 8.		0.
10. Enter the smaller of line 6 or line 9 here and on Form 6251, line 29.		<u>0.</u>

12/31/12

2012 Federal Depreciation Schedule

Page 1

Client EX8F-CA

Joe Trader no MTM Comm Gain Ex8

999-99-9999

2/11/13

09:10AM

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179 Bonus	Special Depr. Allow.	Prior 179/ Bonus/ Sp. Depr.	Prior Dec. Bal. Depr.	Salvage /Basis Reductn	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.
Schedule C - Joe Trader no MTM Comm Gain Ex8																
Furniture and Fixtures																
2	Furniture/fixtures	Various		2,946		2,946					0		200DB HY	7		0
	Total Furniture and Fixtures			2,946		2,946	0	0	0	0	0	0				0
Machinery and Equipment																
1	Computers for trading	Various		3,466		3,466					0		200DB HY	5		0
3	Software for trading	Various		1,453		1,453					0		S/L	3		0
	Total Machinery and Equipment			4,919		4,919	0	0	0	0	0	0				0
	Total Depreciation			7,865		7,865	0	0	0	0	0	0				0
	Grand Total Depreciation			7,865		7,865	0	0	0	0	0	0				0

12/31/12

2012 Federal Alternative Minimum Tax Depreciation Schedule

Page 1

Client EX8F-CA

Joe Trader no MTM Comm Gain Ex8

999-99-9999

2/11/13

09:10AM

No.	Description	Date Acquired	Date Sold	AMT Basis	AMT Prior Depr	AMT Method	AMT Life	AMT Rate	AMT Depr	Reg. Depr	Ownr. Pct	Post-86 Depr Adj	Real Prop Pref	Leas Pers Prop Pref	59 (e)(2) Amort
Schedule C - Joe Trader no MTM Comm Gain Ex8															
Furniture and Fixtures															
2	Furniture/fixtures	Various		0		200DB HY	7		0	0					0
	Total Furniture and Fixtures			0	0				0	0		0	0	0	0
Machinery and Equipment															
1	Computers for trading	Various		0		200DB HY	5		0	0					0
3	Software for trading	Various		0					0	0					0
	Total Machinery and Equipment			0	0				0	0		0	0	0	0
	Total Depreciation			0	0				0	0		0	0	0	0
	Grand Total Depreciation			0	0				0	0		0	0	0	0

Demo

2012

California Filing Instructions

Client EX8F-CA

Joe Trader no MTM Comm Gain Ex8

999-99-9999

2/11/13

09:10AM

FORM TO FILE:

Form 540 - 2012 California Resident Income Tax Return

SIGNATURE:

Sign and date Form 540, page 1.

PAYMENT:

There is a balance due of \$16,517. Make your check payable to the "Franchise Tax Board." Write your social security number and "2012 Form 540-V" on the check. Do not staple the check to Form 540 or Form 540-V. Instead, place it loose in the envelope and also enclose Form 540 and Form 540-V.

WHEN TO FILE:

On or before April 15, 2013.

WHERE TO FILE:

Franchise Tax Board
P.O. Box 942867
Sacramento, CA 94267-0009

Demo

Voucher at bottom of page.

Mail 540-V payments with computer-generated Form 540 to:

Franchise Tax Board
P.O. Box 942867
Sacramento, CA 94267-0009

IF AMOUNT OF PAYMENT IS ZERO, DO NOT MAIL THIS VOUCHER.

WHERE TO FILE: Using black or blue ink, make check or money order payable to the 'Franchise Tax Board.' Write the taxpayer's social security number (SSN) or individual taxpayer identification number (ITIN) and '2012 Form 540-V' on the check or money order. Detach the voucher below. Enclose, but **do not** staple, your payment and Form 540-V with your computer-generated Form 540 return and mail to:

FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0009

Make all checks or money orders payable in U.S. dollars and drawn against a U.S. financial institution.

WHEN TO FILE: Calendar Year – File and Pay by April 15, 2013.

When the due date falls on a weekend or holiday, the deadline to file and pay without penalty is extended to the next business day.

ONLINE SERVICES: Use Web Pay and enjoy the ease of our free online payment service. Go to ftb.ca.gov for more information. **Do not mail this voucher if you use Web Pay.**

-----DETACH HERE-----IF NO PAYMENT IS DUE, DO NOT MAIL THIS VOUCHER-----DETACH HERE-----

CAUTION: You may be required to pay electronically, see instructions.

TAXABLE YEAR **2012** **Payment Voucher for**
540 Returns

CALIFORNIA FORM
540-V

999-99-9999 NOMT
JOE T NOMTMCOMMGAINEX

12

ANY ST
LOS ANGELES CA 90025

Amount of payment 16517.

**California Resident
Income Tax Return 2012**

FORM

540 C1 Side 1

APE

ATTACH FEDERAL RETURN

999-99-9999 NOMT
JOE T NOMTMCOMMGAINEX

12 PBA 523900

P
AC
A
R
RP

ANY ST
LOS ANGELES CA 90025 01-01-1960

01	1	45	0	404	0	APE	0
06	0	46	0	405	0	FS	0
09	00	47	0	406	0	3800	0
10	00	48	16517	407	0	3803	0
11	104	61	0	408	0	SCHG1	0
12	0	62	0	410	0	5870A	0
13	207296	63	0	412	0	5805 5805F	0
14	0	64	16517	413	0	DESIGNEE	1
16	0	71	0	414	0	TPID	
17	207296	72	0	419	0	FN 454365561	
18	3841	73	0	420	0	CCF	0
19	203455	74	0	421	0	3805P	0
31	16525	75	0	422	0	NQDC	0
32	8	91	0	423	0	3540	0
33	16517	92	0	110	0	3805Z	0
34	0	93	0	111	16517	3807	0
35	16517	94	16517	112	0	3808	0
40	0	95	0	113	0	3809	0
41	0	400	0	115	0	3549A	0
42	0	401	0	116	0	IRC1341	0
43	0	402	0	117	0		
44	0	403	0				

Under penalties of perjury, I declare that I have examined this tax return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Your signature

Spouse's/RDP's signature (if a joint tax return, both must sign)

**Sign
Here**

Daytime phone number (optional)

Date

Your email address (optional). Enter only one.

Paid preparer's signature (declaration of preparer is based on all information of which preparer has any knowledge)

● PTIN

It is unlawful to forge a spouse's/RDP's signature.

Z EXAMPLES

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

Firm's address

● FEIN

GREEN NFH, LLC**PO BOX 1198****ROBERTSDALE, AL 36567****45-4365561**

Joint tax return? (See instructions.)

Do you want to allow another person to discuss this tax return with us (see instructions)?

● ☒ Yes ☐ No**Z EXAMPLES****(888) 558-5257**

Print Third Party Designee's Name

Telephone Number

Your Name: **JOE TRADER NO MTM COMM GAIN EX8**Your SSN or ITIN: **999-99-9999**

Filing Status	1	<input checked="" type="checkbox"/> Single													
	2	<input type="checkbox"/> Married/RDP filing jointly (see instructions).													
	3	<input type="checkbox"/> Married/RDP filing separately. Enter spouse's/RDP's SSN or ITIN above and full name here.													
	4	<input type="checkbox"/> Head of household (with qualifying person) (see instructions)													
	5	<input type="checkbox"/> Qualifying widow(er) with dependent child. Enter year spouse/RDP died													
		If your California filing status is different from your federal filing status, check the box here. <input type="checkbox"/>													
	6	If someone can claim you (or your spouse/RDP) as a dependent, check the box here (see instructions).	<input type="checkbox"/> 6												
Exemptions	7	Personal: If you checked the box 1, 3, or 4 above, enter 1 in the box. If you checked box 2 or 5, enter 2 in the box. If you checked the box on line 6, see the instructions.	7 <input type="checkbox"/> x \$104 = \$ 104.												
	8	Blind: If you (or your spouse/RDP) are visually impaired, enter 1; if both are visually impaired, enter 2.	8 <input type="checkbox"/> x \$104 = \$												
	9	Senior: If you (or your spouse/RDP) are 65 or older, enter 1; if both are 65 or older, enter 2.	9 <input type="checkbox"/> x \$104 = \$												
	10	Dependents: Do not include yourself or your spouse/RDP.													
		<table border="1"><thead><tr><th>First name</th><th>Last name</th><th>Dependent's relationship to you</th></tr></thead><tbody><tr><td> </td><td> </td><td> </td></tr><tr><td> </td><td> </td><td> </td></tr><tr><td> </td><td> </td><td> </td></tr></tbody></table>	First name	Last name	Dependent's relationship to you										
First name	Last name	Dependent's relationship to you													
		Total dependent exemptions.	10 <input type="checkbox"/> x \$321 = \$												
	11	Exemption amount: Add line 7 through line 10. Transfer this amount to line 32.	11 \$ 104.												
Taxable Income	12	State wages from your Form(s) W-2, box 16.	12												
	13	Enter federal adjusted gross income from Form 1040, line 37; Form 1040A, line 21; Form 1040EZ, line 4.	13 207,296.												
	14	California adjustments — subtractions. Enter the amount from Schedule CA (540), line 37, column B.	14												
	15	Subtract line 14 from line 13. If less than zero, enter the result in parentheses (see instructions).	15 207,296.												
	16	California adjustments — additions. Enter the amount from Schedule CA (540), line 37, column C.	16												
	17	California adjusted gross income. Combine line 15 and line 16.	17 207,296.												
	18	Enter the larger of your CA standard deduction OR your CA itemized deductions.	18 3,841.												
	19	Subtract line 18 from line 17. This is your taxable income. If less than zero, enter -0-.	19 203,455.												
Tax	31	Tax. Check box if from: <input type="checkbox"/> Tax Table <input checked="" type="checkbox"/> Tax Rate Schedule <input type="checkbox"/> FTB 3800 <input type="checkbox"/> FTB 3803.	31 16,525.												
	32	Exemption credits. Enter the amount from line 11. If your federal AGI is more than \$169,730 (see instrs)	32 8.												
	33	Subtract line 32 from line 31. If less than zero, enter -0-.	33 16,517.												
	34	Tax (see instructions). Check box if from: <input type="checkbox"/> Schedule G-1 <input type="checkbox"/> Form FTB 5870A.	34												
	35	Add line 33 and line 34.	35 16,517.												
Special Credits	40	Nonrefundable Child and Dependent Care Expenses Credit, (see instructions). Attach form FTB 3506.	40												
	41	New jobs credit, amount generated (see instructions).	41												
	42	New jobs credit, amount claimed (see instructions).	42												
	43	Credit <input type="checkbox"/> Code <input type="checkbox"/> amount.	43												
	44	Credit <input type="checkbox"/> Code <input type="checkbox"/> amount.	44												
	45	To claim more than two credits (see instructions).	45												
	46	Nonrefundable renter's credit (see instructions).	46												
	47	Add line 40 and line 42 through line 46. These are your total credits.	47												
	48	Subtract line 47 from line 35. If less than zero, enter -0-.	48 16,517.												
Other Taxes	61	Alternative minimum tax. Attach Schedule P (540).	61												
	62	Mental Health Services Tax (see instructions).	62												
	63	Other taxes and credit recapture (see instructions).	63												
	64	Add line 48, line 61, line 62, and line 63. This is your total tax.	64 16,517.												
Payments	71	California income tax withheld (see instructions).	71												
	72	2012 CA estimated tax and other payments (see instructions).	72												
	73	Real estate and other withholding (see instructions).	73												
	74	Excess SDI (or VPD) withheld (see instructions).	74 0.												
	75	Add line 71, line 72, line 73, and line 74. These are your total payments (see instructions).	75												

Your Name: **JOE TRADER NO MTM COMM GAIN EX8**Your SSN or ITIN: **999-99-9999**

Overpaid Tax/ Tax Due	91	Overpaid tax. If line 75 is more than line 64, subtract line 64 from line 75.	91	
	92	Amount of line 91 you want applied to your 2013 estimated tax.	92	
	93	Overpaid tax available this year. Subtract line 92 from line 91.	93	
	94	Tax due. If line 75 is less than line 64, subtract line 75 from line 64.	94	16,517.

Use Tax	95	Use Tax. This is not a total line (see instructions).	95	
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			Code	Amount
Contributions		California Seniors Special Fund (see instructions).	400	
		Alzheimer's Disease/Related Disorders Fund.	401	
		California Fund for Senior Citizens.	402	
		Rare and Endangered Species Preservation Program.	403	
		State Children's Trust Fund for the Prevention of Child Abuse.	404	
		California Breast Cancer Research Fund.	405	
		California Firefighters' Memorial Fund.	406	
		Emergency Food For Families Fund.	407	
		California Peace Officer Memorial Foundation Fund.	408	
		California Sea Otter Fund.	410	
		Municipal Shelter Spay-Neuter Fund.	412	
		California Cancer Research Fund.	413	
		ALS/Lou Gehrig's Disease Research Fund.	414	
		Child Victims of Human Trafficking Fund.	419	
		California YMCA Youth and Government Fund.	420	
		California Youth Leadership Fund.	421	
		School Supplies for Homeless Children Fund.	422	
		State Parks Protection Fund/Parks Pass Purchase.	423	
	110	Add code 400 through code 423. This is your total contribution.	110	

Amount You Owe	111	AMOUNT YOU OWE. Add line 94, line 95, and line 110 (see instructions). Mail to: FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0009. Pay online – Go to ftb.ca.gov for more information.	111	16,517.
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Interest and Penalties	112	Interest, late return penalties, and late payment penalties.	112	
	113	Underpayment of estimated tax. Check box: <input type="checkbox"/> FTB 5805 attached <input type="checkbox"/> FTB 5805F attached.	113	
	114	Total amount due (see instructions). Enclose, but do not staple, any payment.	114	16,517.

Refund and Direct Deposit	115	REFUND OR NO AMOUNT DUE. Subtract line 95 and line 110 from line 93 (see instructions). Mail to: FRANCHISE TAX BOARD, PO BOX 942840, SACRAMENTO CA 94240-0009.	115	0.
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Fill in the information to authorize direct deposit of your refund into one or two accounts. **Do not** attach a voided check or a deposit slip (see instructions).**Have you verified the routing and account numbers?** Use whole dollars only.

All or the following amount of my refund (line 115) is authorized for direct deposit into the account shown below:

<input type="checkbox"/> Checking	<input type="checkbox"/> Savings		
● Routing number	● Type	● Account number	● 116 Direct deposit amount

The remaining amount of my refund (line 115) is authorized for direct deposit into the account shown below:

<input type="checkbox"/> Checking	<input type="checkbox"/> Savings		
● Routing number	● Type	● Account number	● 117 Direct deposit amount

2012

Alternative Minimum Tax and
Credit Limitations – Residents

P (540)

Attach this schedule to Form 540.

Names as shown on Form 540

Your SSN or ITIN

JOE TRADER NO MTM COMM GAIN EX8

999-99-9999

Part I Alternative Minimum Taxable Income (AMTI) Important: See instructions for information regarding California/federal differences.

1	If you itemized deductions, go to line 2. If you did not itemize deductions, enter your standard deduction from Form 540, line 18, and go to line 6.	1	3,841.
2	Medical and dental expense. Enter the smaller of Schedule A (Form 1040), line 4, or 2-1/2% (.025) of Form 1040, line 37.	2	
3	Personal property taxes and real property taxes. See instructions.	3	
4	Certain interest on a home mortgage not used to buy, build, or improve your home. See instructions.	4	
5	Miscellaneous itemized deductions. See instructions.	5	
6	Refund of personal property taxes and real property taxes. See instructions.	6	
Do not include your state income tax refund on this line.			
7	Investment interest expense adjustment. See instructions.	7	
8	Post-1986 depreciation. See instructions.	8	
9	Adjusted gain or loss. See instructions.	9	
10	Incentive stock options and California qualified stock options (CQSOs). See instructions.	10	
11	Passive activities adjustment. See instructions.	11	
12	Beneficiaries of estates and trusts. Enter the amount from Schedule K-1 (541), line 12a.	12	
13	Other adjustment and preferences. Enter the amount, if any, for each item, a through l, and enter the total on line 13. See instructions.		
a	Circulation expenditures.	g	Mining costs.
b	Depletion.	h	Patron's adjustment.
c	Installment sales.	i	Research and experimental.
d	Intangible drilling costs.	j	Pollution control facilities.
e	Long-term contracts.	k	Tax shelter farm activities.
f	Loss limitations.	l	Related adjustments.
		13	
14	Total Adjustments and Preferences. Combine line 1 through line 13.	14	3,841.
15	Enter taxable income from Form 540, line 19. See instructions.	15	203,455.
16	Net operating loss (NOL) deductions from Schedule CA (540), line 21d and line 21e, column B. Enter as a positive amount.	16	
17	AMTI exclusion. See instructions.	17	0.
18	If your federal adjusted gross income (AGI) is less than the amount for your filing status (listed below), skip this line and go to line 19. If you itemized deductions and your federal AGI is more than the amount for your filing status, see instructions.	18	
	Single or married/RDP filing separately	\$169,730	
	Married/RDP filing jointly or qualifying widow(er)	\$339,464	
	Head of household	\$254,599	
19	Combine line 14 through line 18.	19	207,296.
20	Alternative minimum tax NOL deduction. See instructions.	20	
21	Alternative Minimum Taxable Income. Subtract line 20 from line 19 (if married/RDP filing separately and line 21 is more than \$322,495 see instructions).	21	207,296.

Part II Alternative Minimum Tax (AMT)

22	Exemption Amount. (If this schedule is for a certain child under age 24, see instructions.)		
	If your filing status is:	And line 21 is not over:	Enter on line 22:
	Single or head of household	\$ 234,072	\$ 62,420
	Married/RDP filing jointly or qualifying widow(er)	312,095	83,225
	Married/RDP filing separately	156,047	41,612
	If Part I, line 21 is more than the amount shown above for your filing status, see instructions.		
23	Subtract line 22 from line 21. If zero or less, enter -0-.	23	144,876.
24	Tentative Minimum Tax. Multiply line 23 by 7.0% (.07).	24	10,141.
25	Regular tax before credits from Form 540, line 31.	25	16,525.
26	Alternative Minimum Tax. Subtract line 25 from line 24. If zero or less, enter -0- here and on Form 540, line 61. If more than zero, enter here and on Form 540, line 61. If you make estimated tax payments for taxable year 2013, enter amount from line 26 on the 2013 Form 540-ES, Estimated Tax Worksheet, line 16. (Exception: If you have carryover credit for solar energy or commercial solar energy, first enter the result on Side 2, Part III, Section C, line 24 or 25.)	26	0.

Part III Credits that Reduce Tax Note: Be sure to attach your credit forms to Form 540.

1	Enter the amount from Form 540, line 35.....	1	16,517.
2	Enter the tentative minimum tax from Side 1, Part II, line 24.....	2	10,141.

	(a) Credit amount	(b) Credit used this year	(c) Tax balance that may be offset by credits	(d) Credit carryover
Section A – Credits that reduce excess tax.				
3	Subtract line 2 from line 1. If zero or less enter -0- and see instructions. This is your excess tax which may be offset by credits.....		6,376.	
A1 Credits that reduce excess tax and have no carryover provisions.				
4	Code: 162 Prison inmate labor credit (FTB 3507).....			
5	Code: 169 Enterprise zone employee credit (FTB 3553).....			
6	Code: _____ New Home Credit or First Time Buyer Credit ...			
7	Code: 232 Child and dependent care expenses credit (FTB 3506).....			
A2 Credits that reduce excess tax and have carryover provisions. See instructions.				
8	Code: <input type="checkbox"/> Credit Name: _____			<input type="checkbox"/>
9	Code: <input type="checkbox"/> Credit Name: _____			<input type="checkbox"/>
10	Code: <input type="checkbox"/> Credit Name: _____			<input type="checkbox"/>
11	Code: <input type="checkbox"/> Credit Name: _____			<input type="checkbox"/>
12	Code: 188 Credit for prior year alternative minimum tax.....	<input type="checkbox"/>		<input type="checkbox"/>
Section B – Credits that may reduce tax below tentative minimum tax.				
13	If Part III, line 3 is zero, enter the amount from line 1. If line 3 is more than zero, enter the total of line 2 and the last entry in column (c).....		16,517.	
B1 Credits that reduce net tax and have no carryover provisions.				
14	Code: 170 Credit for joint custody head of household..			
15	Code: 173 Credit for dependent parent.....			
16	Code: 163 Credit for senior head of household.....			
17	Nonrefundable renter's credit.....			
B2 Credits that reduce net tax and have carryover provisions. See instructions.				
18	Code: <input type="checkbox"/> Credit Name: _____			<input type="checkbox"/>
19	Code: <input type="checkbox"/> Credit Name: _____			<input type="checkbox"/>
20	Code: <input type="checkbox"/> Credit Name: _____			<input type="checkbox"/>
21	Code: <input type="checkbox"/> Credit Name: _____			<input type="checkbox"/>
B3 Other state tax credit.				
22	Code: 187 Other state tax credit.....			
Section C – Credits that may reduce alternative minimum tax.				
23	Enter your alternative minimum tax from Side 1, Part II, line 26.....			
24	Code: 180 Solar energy credit carryover from Section B2, column (d).....			<input type="checkbox"/>
25	Code: 181 Commercial solar energy credit carryover from Section B2, column (d).....			<input type="checkbox"/>
26	Adjusted AMT. Enter the balance from line 25, column (c) here and on Form 540, line 61.....			

2012**Investment Interest Expense Deduction****3526**

Attach to Form 540, Long Form 540NR, or Form 541.

Name(s) as shown on return

SSN, ITIN, or FEIN

JOE TRADER NO MTM COMM GAIN EX8**999-99-9999**

1	Investment interest expense paid or accrued in 2012. See instructions	1	<u>482.</u>
2	Disallowed investment interest expense from 2011 form FTB 3526, line 7. If zero or less, enter -0-.....	2	<u>0.</u>
3	Total investment interest expense. Add line 1 and line 2	3	<u>482.</u>
4a	Gross income from property held for investment (excluding any net gain from the disposition of property held for investment). See instructions.....	4a	<u>2,659.</u>
4b	Net gain from the disposition of property held for investment. See instructions....	4b	<u>204,637.</u>
4c	Net capital gain from the disposition of property held for investment. See instructions	4c	<u>204,637.</u>
4d	Subtract line 4c from line 4b. If zero or less, enter -0-.....	4d	<u>0.</u>
4e	Enter all or part of the amount on line 4c that you elect to include in investment income. Do not include more than the amount on line 4b. See instructions.....	4e	<u>204,637.</u>
4f	Investment income. Add line 4a, line 4d, and line 4e.....	4f	<u>207,296.</u>
5	Investment expenses. See instructions.....	5	<u></u>
6	Net investment income. Subtract line 5 from line 4f.....	6	<u>207,296.</u>
7	Disallowed investment interest expense to be carried forward to 2013. Subtract line 6 from line 3. If zero or less, enter -0-.....	7	<u>0.</u>
8	Investment interest expense deduction. Enter the smaller of line 3 or line 6. Form 541 filers, stop here and see instructions. All other filers, go to line 9.....	8	<u>482.</u>
9	Enter the amount from federal Form 4952, line 8	9	<u>482.</u>
10	California investment interest expense deduction adjustment. Enter the difference between line 8 and line 9. See instructions	10	<u></u>

Demo

Client EX8F-CA

Joe Trader no MTM Comm Gain Ex8

999-99-9999

2/11/13

09:10AM

Exemption Credits Worksheet (Form 540, Line 32)

A. Enter the amount from Form 540, line 13		207,296.
B. If your filing status is:		
Single or MFS	169,730	
MFJ or qualifying widow(er)	339,464	
Head of household	254,599	
Enter that amount here		169,730.
C. Subtract line B from line A		37,566.
D. Divide line C by \$2,500 (\$1,250 if married filing separate)		16.
E. Multiply line D by \$6		96.
F. Add the numbers from the boxes on Form 540, line 7, 8, and 9		1.
G. Multiply line E by line F		96.
H. Enter the total amount from Form 540, line 7, 8, and 9		104.
I. Subtract line G from line H		8.
J. Enter the number from the box on Form 540 line 10 (not the amount)		0.
K. Multiply line E by line J		0.
L. Enter the amount from Form 540, line 10		0.
M. Subtract line K from line L		0.
N. Add line I and line M. Enter result here and on Form 540, line 32		8.

Itemized Deductions Worksheet (Schedule CA(540), Line 43)

1. Amount from Schedule CA(540), line 42		1,467.
2. Add amounts (Adj. for CA) on Fed. Sch. A		482.
3. Subtract line 2 from line 1		985.
4. Multiply line 3 above by 80% (.80)	788.	
5. Enter amount from Form 540, line 13	207,296.	
6. Enter \$339,464 (\$254,599 if HOH, \$169,730 if MFS or single)	169,730.	
7. Subtract line 6 from line 5	37,566.	
8. Multiply line 7 above by 6% (.06)	2,254.	
9. Enter the smaller of line 4 or line 8		788.
10. Total Itemized Deductions (Subtract line 9 from line 1)		679.

12/31/12

2012 California Depreciation Schedule

Page 1

Client EX8F-CA

Joe Trader no MTM Comm Gain Ex8

999-99-9999

2/11/13

09:10AM

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179 Bonus	Special Depr. Allow.	Prior 179/ Bonus/ Sp. Depr.	Prior Dec. Bal. Depr.	Salvage /Basis Reductn	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.
Schedule C - Joe Trader no MTM Comm Gain Ex8																
Furniture and Fixtures																
2	Furniture/fixtures	Various		2,946		2,946					0		200DB HY	7		0
	Total Furniture and Fixtures			2,946		2,946	0	0	0	0	0	0				0
Machinery and Equipment																
1	Computers for trading	Various		3,466		3,466					0		200DB HY	5		0
3	Software for trading	Various		1,453		1,453					0		S/L	3		0
	Total Machinery and Equipment			4,919		4,919	0	0	0	0	0	0				0
	Total Depreciation			7,865		7,865	0	0	0	0	0	0				0
	Grand Total Depreciation			7,865		7,865	0	0	0	0	0	0				0

12/31/12

2012 California Alternative Minimum Tax Depreciation Schedule

Page 1

Client EX8F-CA

Joe Trader no MTM Comm Gain Ex8

999-99-9999

2/11/13

09:10AM

No.	Description	Date Acquired	Date Sold	AMT Basis	AMT Prior Depr	AMT Method	AMT Life	AMT Rate	AMT Depr	Reg. Depr	Ownr. Pct	Post-86 Depr Adj	Real Prop Pref	Leas Pers Prop Pref	59 (e)(2) Amort
Schedule C - Joe Trader no MTM Comm Gain Ex8															
Furniture and Fixtures															
2	Furniture/fixtures	Various		0		150DB HY	7		0	0					0
Total Furniture and Fixtures				0	0				0	0		0	0	0	0
Machinery and Equipment															
1	Computers for trading	Various		0		150DB HY	5		0	0					0
3	Software for trading	Various		0					0	0					0
Total Machinery and Equipment				0	0				0	0		0	0	0	0
Total Depreciation				0	0				0	0		0	0	0	0
Grand Total Depreciation				0	0				0	0		0	0	0	0

Demo