

Client EX2SCORP

Member One S-Corp

998-89-8888

2/13/10

03:41PM

EX2SCORP

Full-year TX resident.

All trading took place in the S-corporation and a K-1 was issued for this activity. Since there was no trading on the individual tax return, no trading footnotes are required.

Taxpayer had gains in 2009 which are reported on Form 4797, Part II (from his S-Corp). The taxpayer received a W-2 and K-1 from the S-Corporation.

Taxpayer wanted to maximize the 401K contribution for 2009, so a salary of \$130,000 was required for this. Also by using a W-2 in the S-Corp, the taxpayer is able to pay in withholdings to avoid estimated tax penalties on the trading gains.

For a taxpayer, under the age of 50, that is a successful trader and wants to max out his/her 401(k) plan for 2009 for his/her 100% S or C corporation or an LLC taxed as a corporation, then a W-2 salary of \$130,000 needs to be paid to him/her from the entity. \$16,500 of salary deferrals (Taxable W-2 earnings (box 1 of W-2) would be reduced from \$130,000 to \$102,000, assuming the employee salary deferral is to a traditional 401(k)) + \$32,500 profit sharing contribution (25% X \$130,000) = \$49,000 Total 401k contribution.

Formula to determine compensation needed to max out 401(k) for 2009 is ([max overall contribution allowed for year to 401(k) less the salary deferral contribution] / 25%)

Example: $([49,000 - \$16,500]) / 25\% = \$130,000$ of compensation needed to max out 401(k) for 2009.

Label
(See instructions.)

Use the IRS label.
Otherwise, please print or type.

Presidential Election Campaign

For the year Jan 1 - Dec 31, 2009, or other tax year beginning , 2009, ending , 20		OMB No. 1545-0074
Your first name MI Last name	Your social security number	
Member One S-Corp		998-89-8888
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.		You must enter your social security number(s) above.
Any Street		
City, town or post office. If you have a foreign address, see instructions. State ZIP code		Checking a box below will not change your tax or refund.
Houston, TX 77001		
Check here if you, or your spouse if filing jointly, want \$3 to go to this fund? (see instructions)		<input type="checkbox"/> You <input type="checkbox"/> Spouse

Filing Status

Check only one box.

1 <input checked="" type="checkbox"/> Single	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 .
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 .	5 <input type="checkbox"/> Qualifying widow(er) with dependent child (see instructions)

Exemptions

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

6a <input checked="" type="checkbox"/> Yourself. If someone can claim you as a dependent, do not check box 6a	Boxes checked on 6a and 6b .. 1		
b <input type="checkbox"/> Spouse	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) <input checked="" type="checkbox"/> if qualifying child for child tax credit (see instrs)
			<input type="checkbox"/>
			<input type="checkbox"/>
			<input type="checkbox"/>
			<input type="checkbox"/>
d Total number of exemptions claimed.			1

Income

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a W-2, see instructions.

Enclose, but do not attach, any payment. Also, please use Form 1040-V.

7 Wages, salaries, tips, etc. Attach Form(s) W-2	7	113,500.
8a Taxable interest. Attach Schedule B if required	8a	573.
b Tax-exempt interest. Do not include on line 8a	8b	
9a Ordinary dividends. Attach Schedule B if required	9a	221.
b Qualified dividends (see instrs)	9b	221.
10 Taxable refunds, credits, or offsets of state and local income taxes (see instructions)	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	2,427.
14 Other gains or (losses). Attach Form 4797	14	
15a IRA distributions	15a	
b Taxable amount (see instrs)	15b	
16a Pensions and annuities	16a	
b Taxable amount (see instrs)	16b	
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	84,028.
18 Farm income or (loss). Attach Schedule F	18	
19 Unemployment compensation in excess of \$2,400 per recipient (see instructions)	19	
20a Social security benefits	20a	
b Taxable amount (see instrs)	20b	
21 Other income	21	
22 Add the amounts in the far right column for lines 7 through 21. This is your total income	22	200,749.

Adjusted Gross Income

23 Educator expenses (see instructions)	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 One-half of self-employment tax. Attach Schedule SE	27	
28 Self-employed SEP, SIMPLE, and qualified plans	28	
29 Self-employed health insurance deduction (see instructions)	29	
30 Penalty on early withdrawal of savings	30	
31a Alimony paid b Recipient's SSN	31a	
32 IRA deduction (see instructions)	32	
33 Student loan interest deduction (see instructions)	33	
34 Tuition and fees deduction. Attach Form 8917	34	
35 Domestic production activities deduction. Attach Form 8903	35	
36 Add lines 23 - 31a and 32 - 35	36	0.
37 Subtract line 36 from line 22. This is your adjusted gross income	37	200,749.

Tax and Credits**Standard Deduction for —**

• People who check any box on line 39a, 39b, or 40b or who can be claimed as a dependent, see instructions.

• All others:

Single or Married filing separately, \$5,700

Married filing jointly or Qualifying widow(er), \$11,400

Head of household, \$8,350

38 Amount from line 37 (adjusted gross income) 38 200,749.

39a Check if: ☐ You were born before January 2, 1945, ☐ Blind. **Total boxes checked** 39a ☐
☐ Spouse was born before January 2, 1945, ☐ Blind. 39b ☐

b If your spouse itemizes on a separate return, or you were a dual-status alien, see instrs and ck here 39b ☐

40a Itemized deductions (from Schedule A) or your standard deduction (see left margin) 40a 5,700.

b If you are increasing your standard deduction by certain real estate taxes, new motor vehicle taxes, or a net disaster loss, attach Schedule L and check here (see instructions) 40b ☐

41 Subtract line 40a from line 38 41 195,049.

42 Exemptions. If line 38 is \$125,100 or less and you did not provide housing to a Midwestern displaced individual, multiply \$3,650 by the number on line 6d. Otherwise, see instructions. 42 3,309.

43 Taxable income. Subtract line 42 from line 41. 43 191,740.

If line 42 is more than line 41, enter -0-

44 Tax (see instrs). Check if any tax is from: a ☐ Form(s) 8814 44 48,035.

b ☐ Form 4972. 45 0.

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

46 Add lines 44 and 45 46 48,035.

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 29. 49

50 Retirement savings contributions credit. Attach Form 8880. 50

51 Child tax credit (see instructions). 51

52 Credits from Form: a ☐ 8396 b ☐ 8839 c ☐ 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 48,035.

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

59 Additional taxes: a ☐ AEIC payments b ☐ Household employment taxes. Attach Schedule H. 59

60 Add lines 55-59. This is your total tax. 60 48,035.

Payments

If you have a qualifying child, attach Schedule EIC.

61 Federal income tax withheld from Forms W-2 and 1099. 61 38,000.

62 2009 estimated tax payments and amount applied from 2008 return. 62

63 Making work pay and government retiree credit. Attach Schedule M. 63

64a Earned income credit (EIC) No 64a

b Nontaxable combat pay election. 64b

65 Additional child tax credit. Attach Form 8812. 65

66 Refundable education credit from Form 8863, line 16. 66

67 First-time homebuyer credit. Attach Form 5405. 67

68 Amount paid with request for extension to file (see instructions). 68

69 Excess social security and tier 1 RRTA tax withheld (see instructions). 69

70 Credits from Form: a ☐ 2439 b ☐ 4136 c ☐ 8801 d ☐ 8885. 70

71 Add lns 61-63, 64a, & 65-70. These are your total pmts 71 38,000.

Refund

Direct deposit? See instructions and fill in 73b, 73c, and 73d or Form 8888.

72 If line 71 is more than line 60, subtract line 60 from line 71. This is the amount you overpaid 72

73a Amount of line 72 you want refunded to you. If Form 8888 is attached, check here. 73a

b Routing number. c Type: ☐ Checking ☐ Savings

d Account number.

74 Amount of line 72 you want applied to your 2010 estimated tax. 74

Amount You Owe

75 Amount you owe. Subtract line 71 from line 60. For details on how to pay, see instructions. 75 10,035.

76 Estimated tax penalty (see instructions). 76

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? ☒ Yes. Complete the following. ☐ No

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

Sign Here

Joint return? See instructions.

Keep a copy for your records.

Your signature Date Your occupation Trader/Business Ow Daytime phone number

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

Paid Preparer's Use Only

Preparer's signature z Examples Date Check if self-employed

Firm's name (or yours if self-employed) Green & Company CPAs, LLC EIN 20-0751653

address, and ZIP code 54 Danbury Rd., #351 Phone no. 877-662-2014

Ridgefield, CT 06877

SCHEDULE B
(Form 1040A or 1040)

Department of the Treasury
Internal Revenue Service (99)

Interest and Ordinary Dividends

► **Attach to Form 1040A or 1040.**

► **See Instructions.**

OMB No. 1545-0074

2009

Attachment
Sequence No. **08**

Name(s) shown on return

Member One S-Corp

Your social security number

998-89-8888

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.

Bank Interest

Example S-Corp, LLC (MTM GAIN)

Amount

415.

158.

1

- 2** Add the amounts on line 1

573.

- 3** Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815

3

- 4** Subtract line 3 from line 2. Enter the result here and on Form 1040A, or Form 1040, line 8a.

4

573.

Note. If line 4 is over \$1,500, you must complete Part III.

Amount

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

Dividend Income

Example S-Corp, LLC (MTM GAIN)

147.

74.

5

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

6

221.

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

- 7a** At any time during 2009, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See instructions for exceptions and filing requirements for Form TD F 90-22.1

- b** If 'Yes,' enter the name of the foreign country.

- 8** During 2009, 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

X

SCHEDULE D
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Name(s) shown on return

Capital Gains and Losses

► **Attach to Form 1040 or Form 1040NR.** ► **See Instructions for Schedule D (Form 1040).**
► **Use Schedule D-1 to list additional transactions for lines 1 and 8.**

OMB No. 1545-0074

2009

Attachment
Sequence No. **12**

Your social security number

Member One S-Corp

998-89-8888

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

(a) Description of property (Example: 100 shares XYZ Co)	(b) Date acquired (Mo, day, yr)	(c) Date sold (Mo, day, yr)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)
1 Investment accounts - various (see attach Various	Various	Various	610,133.	610,878.	-745.
2 Enter your short-term totals, if any, from Schedule D-1, line 2 . . .	2				
3 Total short-term sales price amounts. Add lines 1 and 2 in column (d)	3	610,133.			
4 Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824	4				1,269.
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 10 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 (f)	7				524.

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

(a) Description of property (Example: 100 shares XYZ Co)	(b) Date acquired (Mo, day, yr)	(c) Date sold (Mo, day, yr)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)
8					
9 Enter your long-term totals, if any, from Schedule D-1, line 9	9				
10 Total long-term sales price amounts. Add lines 8 and 9 in column (d)	10				
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				1,903.
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 15 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 (f). Then go to Part III on page 2	15				1,903.

BAA For Paperwork Reduction Act Notice, see Form 1040 or Form 1040NR instructions.

Schedule **D** (Form 1040) 2009

Part III Summary

16 Combine lines 7 and 15 and enter the result.....	16	2,427.
If line 16 is:		
<ul style="list-style-type: none"> • A gain, enter the amount from line 16 on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 17 below. • A loss, skip lines 17 through 20 below. Then go to line 21. Also be sure to complete line 22. • 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 Form 1040 through line 43, or Form 1040NR through line 40. Then complete the Qualified Dividends and Capital Gain Tax Worksheet in the Instructions for Form 1040 (or in the Instructions for Form 1040NR). Do not complete lines 21 and 22 below.		
<input type="checkbox"/> No. Complete Form 1040 through line 43, or Form 1040NR through line 40. Then 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 Form 1040 through line 43, or Form 1040NR through line 40. Then complete the Qualified Dividends and Capital Gain Tax Worksheet in the Instructions for Form 1040 (or in the Instructions for Form 1040NR).		
<input type="checkbox"/> No. Complete the rest of Form 1040 or Form 1040NR.		

Name(s) shown on return. Do not enter name and social security number if shown on Page 1.

Your social security number

Member One S-Corp

998-89-8888

Caution: The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.**Part II Income or Loss From Partnerships and S Corporations****Note.** If you report a loss from an at-risk activity for which **any** amount is **not** at risk, you **must** check the box in column (e) on line 28 and attach **Form 6198**. See instructions.

- 27 Are you reporting any loss not allowed in a prior year due to the at-risk or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? ☐ Yes ☒ No
- If you answered 'Yes,' see instructions before completing this section.

28	(a) Name	(b) Enter P for partnership; S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if any amount is not at risk
A	Example S-Corp, LLC (MTM GAIN)	S	<input type="checkbox"/>	98-9999998	<input type="checkbox"/>
B			<input type="checkbox"/>		<input type="checkbox"/>
C			<input type="checkbox"/>		<input type="checkbox"/>
D			<input type="checkbox"/>		<input type="checkbox"/>

Passive Income and Loss		Nonpassive Income and Loss		
(f) Passive loss allowed (attach Form 8582 if required)	(g) Passive income from Schedule K-1	(h) Nonpassive loss from Schedule K-1	(i) Section 179 expense deduction from Form 4562	(j) Nonpassive income from Schedule K-1
A				84,028.
B				
C				
D				
29a Totals				84,028.
b Totals				
30 Add columns (g) and (j) of line 29a			30	84,028.
31 Add columns (f), (h), and (i) of line 29b			31	
32 Total partnership and S corporation income or (loss). Combine lines 30 and 31. Enter the result here and include in the total on line 41 below.			32	84,028.

Part III Income or Loss From Estates and Trusts

33	(a) Name	(b) Employer ID no.
A		
B		
Passive Income and Loss		Nonpassive Income and Loss
(c) Passive deduction or loss allowed (attach Form 8582 if required)	(d) Passive income from Schedule K-1	(e) Deduction or loss from Schedule K-1
A		
B		
34a Totals		
b Totals		
35 Add columns (d) and (f) of line 34a		35
36 Add columns (c) and (e) of line 34b		36
37 Total estate and trust income or (loss). Combine lines 35 and 36. Enter the result here and include in the total on line 41 below.		37

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs) – Residual Holder

38	(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c (see instructions)	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b
39	Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below.				39

Part V Summary

40	Net farm rental income or (loss) from Form 4835. Also, complete line 42 below	40	
41	Total income or (loss). Combine lines 26, 32, 37, 39, and 40. Enter the result here and on Form 1040, line 17, or Form 1040NR, line 18	41	84,028.
42	Reconciliation of farming and fishing income. Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120S), box 17, code U; and Schedule K-1 (Form 1041), line 14, code F (see instructions).	42	
43	Reconciliation for real estate professionals. If you were a real estate professional (see instructions), enter the net income or (loss) you reported anywhere on Form 1040 or Form 1040NR from all rental real estate activities in which you materially participated under the passive activity loss rules.	43	

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

2009Attachment
Sequence No. **32**

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

Your social security number

Member One S-Corp

998-89-8888

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 (minus any amount on Form 8914, line 6), and go to line 2. Otherwise, enter the amount from Form 1040, line 38 (minus any amount on Form 8914, line 6), and go to line 7. (If less than zero, enter as a negative amount.)	1	200,749.
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), lines 5, 6, and 8	3	
4	Enter the home mortgage interest adjustment, if any, from line 6 of the worksheet in the instructions	4	
5	Miscellaneous deductions from Schedule A (Form 1040), line 27	5	
6	If Form 1040, line 38, is over \$166,800 (over \$83,400 if married filing separately), enter the amount from line 11 of the Itemized Deductions Worksheet in the Instructions for Schedule A (Form 1040).	6	
7	If filing Schedule L (Form 1040A or 1040), enter as a negative amount the sum of lines 6 and 20 from that schedule	7	
8	Tax refund from Form 1040, line 10 or line 21	8	
9	Investment interest expense (difference between regular tax and AMT)	9	
10	Depletion (difference between regular tax and AMT)	10	
11	Net operating loss deduction from Form 1040, line 21. Enter as a positive amount	11	
12	Alternative tax net operating loss deduction	12	
13	Interest from specified private activity bonds exempt from the regular tax	13	
14	Qualified small business stock (7% of gain excluded under section 1202)	14	
15	Exercise of incentive stock options (excess of AMT income over regular tax income)	15	
16	Estates and trusts (amount from Schedule K-1 (Form 1041), box 12, code A)	16	
17	Electing large partnerships (amount from Schedule K-1 (Form 1065-B), box 6)	17	
18	Disposition of property (difference between AMT and regular tax gain or loss)	18	
19	Depreciation on assets placed in service after 1986 (difference between regular tax and AMT)	19	
20	Passive activities (difference between AMT and regular tax income or loss)	20	
21	Loss limitations (difference between AMT and regular tax income or loss)	21	
22	Circulation costs (difference between regular tax and AMT)	22	
23	Long-term contracts (difference between AMT and regular tax income)	23	
24	Mining costs (difference between regular tax and AMT)	24	
25	Research and experimental costs (difference between regular tax and AMT)	25	
26	Income from certain installment sales before January 1, 1987	26	
27	Intangible drilling costs preference	27	
28	Other adjustments, including income-based related adjustments	28	
29	Alternative minimum taxable income. Combine lines 1 through 28. (If married filing separately and line 29 is more than \$216,900, see instructions.)	29	200,749.

Part II Alternative Minimum Tax

30	Exemption. (If you were under age 24 at the end of 2009, see instructions.)			
	IF your filing status is . . .	AND line 29 is not over . . .	THEN enter on line 30 . . .	
	Single or head of household	\$112,500	\$46,700	}
	Married filing jointly or qualifying widow(er)	150,000	70,950	
	Married filing separately	75,000	35,475	
	If line 29 is over the amount shown above for your filing status, see instructions.			
31	Subtract line 30 from line 29. If more than zero, go to line 32. If zero or less, enter -0- here and on lines 34 and 36 and skip the rest of Part II.		31	24,638.
32	<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 55 here.• All others: If line 31 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 31 by 26% (.26). Otherwise, multiply line 31 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result.		32	176,111.
33	Alternative minimum tax foreign tax credit (see instructions)		33	45,556.
34	Tentative minimum tax. Subtract line 33 from line 32.		34	45,556.
35	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)		35	48,035.
36	AMT. Subtract line 35 from line 34. If zero or less, enter -0-. Enter here and on Form 1040, line 45.		36	0.

BAA For Paperwork Reduction Act Notice, see separate instructions.

FDIA5312L 08/14/09

Form **6251** (2009)

Part III Tax Computation Using Maximum Capital Gains Rates

37	Enter the amount from Form 6251, line 31. If you are filing Form 2555 or 2555-EZ, enter the amount from line 3 of the worksheet in the instructions.	37	176,111.
38	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 the instructions for the amount to enter.	38	2,124.
39	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 the instructions for the amount to enter.	39	0.
40	If you did not complete a Schedule D Tax Worksheet for the regular tax or the AMT, enter the amount from line 38. Otherwise, add lines 38 and 39, 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 the instructions for the amount to enter.	40	2,124.
41	Enter the smaller of line 37 or line 40.	41	2,124.
42	Subtract line 41 from line 37.	42	173,987.
43	If line 42 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 42 by 26% (.26). Otherwise, multiply line 42 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result.	43	45,237.
44	Enter: <ul style="list-style-type: none"> • \$67,900 if married filing jointly or qualifying widow(er), • \$33,950 if single or married filing separately, or • \$45,500 if head of household. 	44	33,950.
45	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-.	45	189,616.
46	Subtract line 45 from line 44. If zero or less, enter -0-.	46	0.
47	Enter the smaller of line 37 or line 38.	47	2,124.
48	Enter the smaller of line 46 or line 47.	48	
49	Subtract line 48 from line 47.	49	2,124.
50	Multiply line 49 by 15% (.15). If line 39 is zero or blank, skip lines 51 and 52 and go to line 53. Otherwise, go to line 51.	50	319.
51	Subtract line 47 from line 41.	51	
52	Multiply line 51 by 25% (.25).	52	
53	Add lines 43, 50, and 52.	53	45,556.
54	If line 37 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 37 by 26% (.26). Otherwise, multiply line 37 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result.	54	45,811.
55	Enter the smaller of line 53 or line 54 here and on line 32. If you are filing Form 2555 or 2555-EZ, do not enter this amount on line 32. Instead, enter it on line 4 of the worksheet in the instructions.	55	45,556.

Form 6251 (2009)

Form **6781**Department of the Treasury
Internal Revenue Service**Gains and Losses From Section 1256
Contracts and Straddles**

► Attach to your tax return.

OMB No. 1545-0644

2009Attachment
Sequence No. **82**

Name(s) shown on tax return

Member One S-Corp

Identifying number

998-89-8888

Check all applicable boxes (see instructions).

A
B

Mixed straddle election

Straddle-by-straddle identification election

C
D

Mixed straddle account election

Net section 1256 contracts loss election

Part I Section 1256 Contracts Marked to Market

1	(a) Identification of account	(b) (Loss)	(c) Gain
	From K-1		3,172.
2	Add the amounts on line 1 in columns (b) and (c)	2	3,172.
3	Net gain or (loss). Combine line 2, columns (b) and (c)	3	3,172.
4	Form 1099-B adjustments. See instructions and attach schedule.	4	
5	Combine lines 3 and 4	5	3,172.
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.	6	
7	Combine lines 5 and 6	7	3,172.
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)	8	1,269.
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)	9	1,903.

Part II Gains and Losses From Straddles. Attach a separate schedule 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							
11a Enter the short-term portion of losses from line 10, column (h), here and include on the appropriate line of Schedule D (see instructions).							11a
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).							11b

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					
13a Enter the short-term portion of gains from line 12, column (f), here and include on the appropriate line of Schedule D (see instructions).					13a
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).					13b

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 as adjusted	(e) Unrecognized gain. If column (c) is more than (d), enter difference. Otherwise, enter -0-
14				

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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>
EX2 - SCorp	113,500.	38,000.	6,622.	1,885.		
Grand Total	<u>113,500.</u>	<u>38,000.</u>	<u>6,622.</u>	<u>1,885.</u>	<u>0.</u>	<u>0.</u>

**Form 1040, Line 9b
Qualified Dividends**

Dividend Income	147.
Example S-Corp, LLC (MTM GAIN)	74.
Total	<u>221.</u>

Deduction for Exemptions Worksheet (Form 1040, Line 42)

1. \$3,650 per exemption on Form 1040, line 6d 3,650.
2. Enter amount from Form 1040, line 38 200,749.
3. Threshold for your filing status 166,800.
4. Subtract line 3 from line 2 33,949.
5. Is line 4 more than \$122,500 (\$61,250 if MFS)?
 - Yes. Multiply \$2,433 by the total number of exemptions claimed. Enter the result here and on Form 1040, line 42. Do not complete the rest of this worksheet.
 - No. Divide line 4 by \$2,500 (\$1,250 if MFS) 14.
6. Multiply line 5 by 2% (.02) 0.28
7. Multiply line 1 by line 6 1,022.
8. Divide line 7 by 3 341.
9. Deduction for Exemptions 3,309.
(Subtract line 8 from line 1)

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

1. Enter the amount from Form 1040, line 43 191,740.
2. Enter the amount from Form 1040, line 9b 221.
3. Are you filing Schedule D?
☒ 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 1,903.
4. Add lines 2 and 3 2,124.
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. 2,124.
7. Subtract line 6 from line 1. If zero or
less, enter zero. 189,616.
8. Enter the smaller of:
- The amount on line 1, or
- \$33,950 if single or married filing separately,
\$67,900 if married filing jointly or qualifying
widow(er), \$45,500 if head of household. 33,950.
9. Is the amount on line 7 equal to or more
than the amount on line 8?
☒ YES. Skip lines 9 and 10;
Go to line 11 and check the
"No" box
☐ NO. Enter the amount from line 7
10. Subtract line 9 from line 8
11. Are the amounts on lines 6 and 10 the same?
☐ YES. Skip lines 11 through 14;
go to line 15
☒ NO. Enter the smaller of line 1 or
line 6 2,124.
12. Enter the amount from line 10. (If line 10 is
blank, enter zero.) 0.
13. Subtract line 12 from line 11. 2,124.
14. Multiply line 13 by 15% (.15) 319.
15. Figure the tax on the amount on line 7.
(Use the Tax Table or Tax Computation Worksheet) 47,716.
16. Add lines 14 and 15 48,035.
17. Figure the tax on the amount on line 1.
(Use the Tax Table or Tax Computation Worksheet) 48,417.
18. Tax on all taxable income (including
capital gain distributions). Enter the
smaller of line 16 or line 17 here and on
Form 1040, line 44 48,035.

Federal Income Tax Withheld

EX2 - SCorp

Total 38,000.
38,000.
Itemized Deductions Worksheet (Schedule A, Line 29)

1. Add amounts on Schedule A, lines 4, 9, 15,
19, 20, 27, and 28 1,997.
2. Add amounts on Schedule A, lines 4, 14, & 20, plus

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Itemized Deductions Worksheet (Schedule A, Line 29) (continued)

any gambling losses and casualty or theft losses included on line 28		0.
3. Subtract line 2 from line 1		1,997.
4. Multiply line 3 above by 80% (.80)	1,598.	
5. Enter amount from Form 1040, line 38	200,749.	
6. Enter \$166,800 (\$83,400 if MFS)	166,800.	
7. Subtract line 6 from line 5	33,949.	
8. Multiply line 7 above by 3% (.03)	1,018.	
9. Enter the smaller of line 4 or line 8	1,018.	
10. Divide line 9 by 1.5	679.	
11. Subtract line 10 from line 9		339.
12. Total Itemized Deductions		
(Subtract line 11 from line 1)		1,658.

Exemption Worksheet (Form 6251, Line 30)

1. Enter \$46,700 (\$70,950 if married filing jointly or qualifying widow(er), \$35,475 if married filing separately.)		46,700.
2. Enter your alternative minimum taxable income (AMTI) from Form 6251, line 29.	200,749.	
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.	88,249.	
5. Multiply line 4 by 25% (.25).		22,062.
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 30 and go to Form 6251, line 31.		24,638.
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 30.		0.

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Federal Income Tax Summary

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INCOME

Wages, salaries, tips, etc.....	113,500
Interest income.....	573
Dividend income.....	221
Capital gain or loss.....	2,427
Rent, royalty, partnership, S-Corp, trust.....	84,028
Total income.....	200,749

ADJUSTMENTS TO INCOME

Total adjustments.....	0
Adjusted gross income.....	200,749

ITEMIZED DEDUCTIONS

Taxes.....	1,997
Overall itemized deductions limitation.....	-339
Total itemized deductions.....	1,658

TAX COMPUTATION

Standard deduction.....	5,700
Larger of itemized or standard deduction.....	5,700
Income prior to exemption deduction.....	195,049
Exemption deduction.....	3,309
Taxable income.....	191,740
Tax before credits.....	48,035

CREDITS

Total credits.....	0
Tax after credits.....	48,035

OTHER TAXES

Total tax.....	48,035
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PAYMENTS

Federal income tax withheld.....	38,000
Total payments.....	38,000

REFUND OR AMOUNT DUE

Amount you owe.....	10,035
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TAX RATES

Marginal tax rate.....	33.0%
Effective tax rate.....	25.1%

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Forms needed for this return

Federal: 1040, 1040-ES, 1040-V, Sch B, Sch D, Sch E p2, 6251, 6781

Tax Rates

	<u>Marginal</u>	<u>Effective</u>
Federal	33.0%	25.1%

Carryovers to 2010

None

Estimates**Federal Estimates**

	<u>Estimate</u>	<u>Overpayment</u>	<u>Balance</u>
4/15/10	3,710.	0.	3,710.
6/15/10	3,710.	0.	3,710.
9/15/10	3,710.	0.	3,710.
1/18/11	3,710.	0.	3,710.
Total	<u>\$ 14,840.</u>	<u>\$ 0.</u>	<u>\$ 14,840.</u>

Retirement Contributions

- ☐ The taxpayer saved an estimated \$5,445 in tax by contributing \$16,500 in elective deferrals to employer-provided retirement plan(s).
- ☐ Consider making a non-deductible traditional IRA contribution. In tax year 2010 and beyond, the \$100,000 traditional to Roth IRA conversion income limit no longer applies. You can maximize that opportunity by making nondeductible traditional IRA contributions and converting the amount(s) to Roth IRAs in subsequent years. However, earnings on the traditional IRA will be subject to tax in the year of conversion.
- ☐ The taxpayer could make a nondeductible traditional IRA contribution of \$5,000 for tax year 2009 and \$5,000 for tax year 2010 (assuming no other changes). The 2009 contribution must be made on or before April 15th, 2010.

Future Tax Savings

- ☐ If the taxpayer has access to an employer-provided cafeteria plan for health care reimbursement, the taxpayer should consider participating. Contributions to such plans reduce taxable wages. However, due to the use-it-or-lose-it nature of such plans, conservative contributions should be made.

Tax Tips

- ☐ Taxable income excluding capital gains and qualified dividends is \$189,616, placing the taxpayer in a 33% marginal tax bracket on ordinary income. Based on 2009 tax rates, ordinary income would have to increase by over \$183,334 in order for any ordinary income to begin being taxed in the 35% bracket. This may be used as a guide in determining the advantages or disadvantages of receiving discretionary ordinary income in 2010.
- ☐ The taxpayer's taxable interest exceeds tax-exempt interest. The taxpayer may benefit by converting taxable securities to tax-exempt securities. Although tax-exempt securities normally produce a lower yield, the tax savings for taxpayer's in a higher bracket may offset the higher income yielded from taxable securities.
- ☐ Although the taxpayer is not subject to AMT, tentative minimum tax is currently 95% of regular tax. Consider reviewing next year's income and deduction items to see first if the taxpayer will be subject to AMT, and if AMT applies, review preference and adjustment items to see if any can be postponed or eliminated.

Compliance Tips

- ☐ Passthrough Entity Example S-Corp, LLC (MTM GAIN) : Material participation must be determined on an annual basis. Ensure that adequate proof of participation exists. Proof of participation includes any reasonable method, such as showing the services performed and the approximate number of hours spent by using an appointment book, calendar, or narrative summary.

Demo