

Client EX2LLC

LLC Partner One and LLC Partner Two

957-99-9999

2/11/13

11:31AM

EX2LLC

(Individual example for EX2-LLC)

Taxpayer and spouse both have a W-2 job's and all trading activity is within their Trading LLC. The LLC issues a K-1 for all the trading activity which is reported on the individuals 1040, Schedule E. Also note that the taxpayer takes a home office deduction for the trading activity on the form 8829 (Home office is prorated - LLC formed 5/16/12, so only expenses incurred post 5/16/12 should be included on the 8829).

No trading footnotes (statements) are required with the 1040, as there is no trading involved at the 1040 level. The trading footnotes are filed with the Trading LLC's Form 1065.

Demo

**2012**

## **Federal Filing Instructions**

**Client EX2LLC**

**LLC Partner One and LLC Partner Two**

**957-99-9999**

2/11/13

11:31AM

**FORM TO FILE:**

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

**SIGNATURE:**

Both spouses must sign and date Form 1040, page 2.

**PAYMENT:**

No payment is required.

**REFUND:**

You will receive a refund of \$7,610.

**WHEN TO FILE:**

On or before April 15, 2013.

**WHERE TO FILE:**

Department of the Treasury  
Internal Revenue Service Center  
Austin, TX 73301-0002

**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 LLC Partner One			Last name LLC Partner One		
Your first name and initial LLC Partner Two			Last name LLC Partner Two		
Home address (number and street). If you have a P.O. box, see instructions. Any Street			Apartment no.		
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). Houston, TX 77001			Foreign country name Foreign province/state/county Foreign postal code		
Filing Status			Presidential Election Campaign		
1 <input 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 checked="" type="checkbox"/> Married filing jointly (even if only one had income)			5 <input type="checkbox"/> Qualifying widow(er) with dependent child		
3 <input type="checkbox"/> Married filing separately. Enter spouse's SSN above & full name here .					
Exemptions			Boxes checked on 6a and 6b . . . . . 2		
6a <input checked="" type="checkbox"/> Yourself. If someone can claim you as a dependent, do not check box 6a. . . . .			b <input checked="" type="checkbox"/> Spouse . . . . .		
c Dependents:			(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)		
(1) First name Last name					
If more than four dependents, see instructions and check here . . . . .			Dependents on 6c not entered above . . . . .		
d Total number of exemptions claimed. . . . .			Add numbers on lines above . . . . . 2		
Income			7 149,000.		
8a Taxable interest. Attach Schedule B if required. . . . .			8a 2,419.		
b Tax-exempt interest. Do not include on line 8a . . . . .			8b		
9a Ordinary dividends. Attach Schedule B if required. . . . .			9a 4,148.		
b Qualified dividends . . . . .			9b 360.		
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		
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 -14,436.		
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. . . . .			22 141,131.		
Adjusted Gross Income			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 . . . . .			37 141,131.		

**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

**Other Taxes****Payments**

If you have a qualifying child, attach Schedule EIC.

**Refund**

Direct deposit? See instructions.

**Amount You Owe****Third Party Designee****Sign Here**

Joint return? See instructions.

Keep a copy for your records.

**Paid Preparer Use Only**

<b>38</b>	Amount from line 37 (adjusted gross income) .....	<b>38</b>	141,131.
<b>39a</b>	Check <input type="checkbox"/> You were born before January 2, 1948, <input type="checkbox"/> Blind. <b>Total boxes checked.</b> <input type="checkbox"/> <b>39a</b>		
	if: <input type="checkbox"/> Spouse was born before January 2, 1948, <input type="checkbox"/> Blind. <b>39b</b>		
<b>b</b>	If your spouse itemizes on a separate return or you were a dual-status alien, check here .....		
<b>40</b>	Itemized deductions (from Schedule A) or your standard deduction (see left margin) .....	<b>40</b>	14,447.
<b>41</b>	Subtract line 40 from line 38 .....	<b>41</b>	126,684.
<b>42</b>	<b>Exemptions.</b> Multiply \$3,800 by the number on line 6d .....	<b>42</b>	7,600.
<b>43</b>	<b>Taxable income.</b> Subtract line 42 from line 41. If line 42 is more than line 41, enter -0- .....	<b>43</b>	119,084.
<b>44</b>	<b>Tax</b> (see instrs). Check if any from: <b>a</b> <input type="checkbox"/> Form(s) 8814 <b>c</b> <input type="checkbox"/> 962 election <b>b</b> <input type="checkbox"/> Form 4972 .....	<b>44</b>	21,795.
<b>45</b>	<b>Alternative minimum tax</b> (see instructions). Attach Form 6251 .....	<b>45</b>	0.
<b>46</b>	Add lines 44 and 45 .....	<b>46</b>	21,795.
<b>47</b>	Foreign tax credit. Attach Form 1116 if required .....	<b>47</b>	
<b>48</b>	Credit for child and dependent care expenses. Attach Form 2441 .....	<b>48</b>	
<b>49</b>	Education credits from Form 8863, line 19 .....	<b>49</b>	
<b>50</b>	Retirement savings contributions credit. Attach Form 8880 .....	<b>50</b>	
<b>51</b>	Child tax credit. Attach Schedule 8812, if required .....	<b>51</b>	
<b>52</b>	Residential energy credits. Attach Form 5695 .....	<b>52</b>	
<b>53</b>	Other crs from Form: <b>a</b> <input type="checkbox"/> 3800 <b>b</b> <input type="checkbox"/> 8801 <b>c</b> <input type="checkbox"/> .....	<b>53</b>	
<b>54</b>	Add lines 47 through 53. These are your <b>total credits</b> .....	<b>54</b>	
<b>55</b>	Subtract line 54 from line 46. If line 54 is more than line 46, enter -0- .....	<b>55</b>	21,795.
<b>56</b>	Self-employment tax. Attach Schedule SE .....	<b>56</b>	
<b>57</b>	Unreported social security and Medicare tax from Form: <b>a</b> <input type="checkbox"/> 4137 <b>b</b> <input type="checkbox"/> 8919 .....	<b>57</b>	
<b>58</b>	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required .....	<b>58</b>	
<b>59a</b>	Household employment taxes from Schedule H .....	<b>59a</b>	
<b>b</b>	First-time homebuyer credit repayment. Attach Form 5405 if required .....	<b>59b</b>	
<b>60</b>	Other taxes. Enter code(s) from instructions .....	<b>60</b>	
<b>61</b>	Add lines 55-60. This is your <b>total tax</b> .....	<b>61</b>	21,795.
<b>62</b>	Federal income tax withheld from Forms W-2 and 1099 .....	<b>62</b>	29,405.
<b>63</b>	2012 estimated tax payments and amount applied from 2011 return .....	<b>63</b>	
<b>64a</b>	<b>Earned income credit (EIC)</b> .....	<b>64a</b>	
<b>b</b>	Nontaxable combat pay election .....	<b>64b</b>	
<b>65</b>	Additional child tax credit. Attach Schedule 8812 .....	<b>65</b>	
<b>66</b>	American opportunity credit from Form 8863, line 8 .....	<b>66</b>	
<b>67</b>	Reserved .....	<b>67</b>	
<b>68</b>	Amount paid with request for extension to file .....	<b>68</b>	
<b>69</b>	Excess social security and tier 1 RRTA tax withheld .....	<b>69</b>	
<b>70</b>	Credit for federal tax on fuels. Attach Form 4136 .....	<b>70</b>	
<b>71</b>	Credits from Form: <b>a</b> <input type="checkbox"/> 2439 <b>b</b> <input type="checkbox"/> Reserved <b>c</b> <input type="checkbox"/> 8801 <b>d</b> <input type="checkbox"/> 8885 .....	<b>71</b>	
<b>72</b>	Add lines 62, 63, 64a, & 65-71. These are your <b>total pmts.</b> .....	<b>72</b>	29,405.
<b>73</b>	If line 72 is more than line 61, subtract line 61 from line 72. This is the amount you <b>overpaid</b> .....	<b>73</b>	7,610.
<b>74a</b>	Amount of line 73 you want <b>refunded to you</b> . If Form 8888 is attached, check here .....	<b>74a</b>	7,610.
<b>b</b>	Routing number .....	<b>c</b>	Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings
<b>d</b>	Account number .....		
<b>75</b>	Amount of line 73 you want <b>applied to your 2013 estimated tax</b> .....	<b>75</b>	
<b>76</b>	<b>Amount you owe.</b> Subtract line 72 from line 61. For details on how to pay see instructions .....	<b>76</b>	
<b>77</b>	<b>Estimated tax penalty</b> (see instructions) .....	<b>77</b>	

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

Designee's name **z Examples** Phone no. **(888) 558-5257** Personal identification number (PIN) **z Examples**

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, <b>both</b> must sign.	Date	Spouse's occupation	If the IRS sent you an Identity Protection PIN, enter it here (see instrs)
		Trader	
		Business Owner	

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
<b>z Examples</b>	<b>z Examples</b>			

Firm's name	Firm's EIN
<b>Green NFH, LLC</b>	<b>45-4365561</b>
Firm's address	Phone no.
<b>PO Box 1198</b>	<b>(888) 558-5257</b>
<b>Robertsdale, AL 36567</b>	

**Underpayment of Estimated Tax by  
Individuals, Estates, and Trusts**

► Information about Form 2210 and its separate instructions is at [www.irs.gov/form2210](http://www.irs.gov/form2210).  
► Attach to Form 1040, 1040A, 1040NR, 1040NR-EZ, or 1041.

Name(s) shown on tax return

LLC Partner One and LLC Partner Two

Identifying number

957-99-9999

**Do You Have To File Form 2210?**

Complete lines 1 through 7 below. Is line 7 less than \$1,000?	Yes	<b>Do not file Form 2210.</b> You do not owe a penalty.
No		
Complete lines 8 and 9 below. Is line 6 equal to or more than line 9?	Yes	You do not owe a penalty. <b>Do not file Form 2210</b> (but if box <b>E</b> in Part II applies, you must file page 1 of Form 2210).
No		
You may owe a penalty. Does any box in Part II below apply?	Yes	You <b>must</b> file Form 2210. Does box <b>B, C,</b> or <b>D</b> in Part II apply?
No		
	No	
	Yes	You must figure your penalty.
<b>Do not file Form 2210.</b> You are not required to figure your penalty because the IRS will figure it and send you a bill for any unpaid amount. If you want to figure it, you may use Part III or Part IV as a worksheet and enter your penalty amount on your tax return, but <b>do not file Form 2210.</b>		You are <b>not</b> required to figure your penalty because the IRS will figure it and send you a bill for any unpaid amount. If you want to figure it, you may use Part III or Part IV as a worksheet and enter your penalty amount on your tax return, but <b>file only page 1 of Form 2210.</b>

**Part I Required Annual Payment**

1	Enter your 2012 tax after credits from Form 1040, line 55 (see instructions if not filing Form 1040).....	1	21,795.
2	Other taxes, including self-employment tax (see instructions).....	2	
3	Refundable credits (see instructions).....	3	0.
4	Current year tax. Combine lines 1, 2, and 3. If less than \$1,000, <b>stop</b> ; you do not owe a penalty. <b>Do not file Form 2210.</b> .....	4	21,795.
5	Multiply line 4 by 90% (.90).....	5	19,616.
6	Withholding taxes. <b>Do not</b> include estimated tax payments (see instructions).....	6	29,405.
7	Subtract line 6 from line 4. If less than \$1,000, <b>stop</b> ; you do not owe a penalty. <b>Do not file Form 2210.</b> .....	7	-7,610.
8	Maximum required annual payment based on prior year's tax (see instructions).....	8	
9	<b>Required annual payment.</b> Enter the <b>smaller</b> of line 5 or line 8.....	9	

Next: Is line 9 more than line 6?

- ☒ **No.** You **do not** owe a penalty. **Do not file Form 2210** unless box **E** below applies.
- ☐ **Yes.** You may owe a penalty, but **do not file Form 2210** unless one or more boxes in Part II below applies.
- If box **B, C,** or **D** applies, you must figure your penalty and file Form 2210.
  - If box **A** or **E** applies (but not **B, C,** or **D**) file only page 1 of Form 2210. You are **not** required to figure your penalty; the IRS will figure it and send you a bill for any unpaid amount. If you want to figure your penalty, you may use Part III or IV as a worksheet and enter your penalty on your tax return, but **file only page 1 of Form 2210.**

**Part II Reasons for Filing.** Check applicable boxes. If none apply, **do not file Form 2210.**

- A** ☐ You request a **waiver** (see instructions) of your entire penalty. You must check this box and file page 1 of Form 2210, but you are not required to figure your penalty.
- B** ☐ You request a **waiver** (see instructions) of part of your penalty. You must figure your penalty and waiver amount and file Form 2210.
- C** ☐ Your income varied during the year and your penalty is reduced or eliminated when figured using the **annualized income installment method**. You must figure the penalty using Schedule AI and file Form 2210.
- D** ☐ Your penalty is lower when figured by treating the federal income tax withheld from your income as paid on the dates it was actually withheld, instead of in equal amounts on the payment due dates. You must figure your penalty and file Form 2210.
- E** ☐ You filed or are filing a joint return for either 2011 or 2012, but not for both years, and line 8 above is smaller than line 5 above. You must file page 1 of Form 2210, but you are **not** required to figure your penalty (unless box **B, C,** or **D** applies).

**Part IV Regular Method** (See the instructions if you are filing Form 1040NR or 1040NR-EZ.)

Section A – Figure Your Underpayment		Payment Due Dates			
		(a) 4/15/12	(b) 6/15/12	(c) 9/15/12	(d) 1/15/13
<b>18</b> <b>Required installments.</b> If box C in Part II applies, enter the amounts from Schedule AI, line 25. Otherwise, enter 25% (.25) of line 9, Form 2210, in each column.	<b>18</b>				
<b>19</b> Estimated tax paid and tax withheld (see the instructions). For column (a) only, also enter the amount from line 19 on line 23. If line 19 is equal to or more than line 18 for all payment periods, stop here; you do not owe a penalty. <b>Do not file Form 2210 unless you checked a box in Part II.</b> <b>Complete lines 20 through 26 of one column before going to line 20 of the next column.</b>	<b>19</b>				
<b>20</b> Enter the amount, if any, from line 26 in the previous column.	<b>20</b>				
<b>21</b> Add lines 19 and 20.	<b>21</b>				
<b>22</b> Add the amounts on lines 24 and 25 in the previous column.	<b>22</b>				
<b>23</b> Subtract line 22 from line 21. If zero or less, enter -0-. For column (a) only, enter the amount from line 19.	<b>23</b>	0.	0.	0.	0.
<b>24</b> If line 23 is zero, subtract line 21 from line 22. Otherwise, enter -0-.	<b>24</b>		0.	0.	
<b>25</b> <b>Underpayment.</b> If line 18 is equal to or more than line 23, subtract line 23 from line 18. Then go to line 20 of the next column. Otherwise, go to line 26.	<b>25</b>				
<b>26</b> Overpayment. If line 23 is more than line 18, subtract line 18 from line 23. Then go to line 20 of the next column.	<b>26</b>				

**Section B – Figure the Penalty** (Use the Worksheet for Form 2210, Part IV, Section B – Figure the Penalty in the instructions).

<b>27</b> <b>Penalty.</b> Enter the total penalty from line 14 of the Worksheet for Form 2210, Part IV, Section B – Figure the Penalty. Also include this amount on Form 1040, line 77; Form 1040A, line 46; Form 1040NR, line 74; Form 1040NR-EZ, line 26; or Form 1041, line 26.	<b>27</b>	
<b>Do not file Form 2210 unless you checked a box in Part II.</b>		

Form 2210 (2012)

**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](http://www.irs.gov/form1040).  
► **Attach to Form 1040.**

OMB No. 1545-0074

**2012**Attachment  
Sequence No. **07**

Name(s) shown on Form 1040

Your social security number

LLC Partner One and LLC Partner Two

957-99-9999

**Medical  
and  
Dental  
Expenses****Caution.** Do not include expenses reimbursed or paid by others.

- |   |   |   |  |    |
|---|---|---|--|----|
| 1 | Medical and dental expenses (see instructions) .....                        | 1 |  |    |
| 2 | Enter amount from Form 1040, line 38. ....                                  | 2 |  |    |
| 3 | Multiply line 2 by 7.5% (.075) .....  | 3 |  |    |
| 4 | Subtract line 3 from line 1. If line 3 is more than line 1, enter -0- ..... | 4 |  | 0. |

**Taxes You  
Paid**

5 State and local (check only one box):

a ☐ Income taxes, orb ☒ General sales taxes

- |   |  |        |        |
|---|--|--------|--------|
| 5 |  | 1,737. |        |
| 6 | Real estate taxes (see instructions) ..... | 5,371. |        |
| 7 | Personal property taxes .....              | 220.   |        |
| 8 | Other taxes. List type and amount ► .....  |        |        |
| 9 | Add lines 5 through 8 .....                | 9      | 7,328. |

**Interest  
You Paid**

- |    |   |    |        |        |
|----|---|----|--------|--------|
| 10 | Home mtg interest and points reported to you on Form 1098. ....   | 10 | 5,102. |        |
| 11 | Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying number, and address ► ..... | 11 |        |        |
| 12 | Points not reported to you on Form 1098. See instrs for spcl rules .....  | 12 | 95.    |        |
| 13 | Mortgage insurance premiums (see instructions) .....  | 13 |        |        |
| 14 | Investment interest. Attach Form 4952 if required.<br>(See instrs.) .....   | 14 |        |        |
| 15 | Add lines 10 through 14 .....   | 15 |        | 5,197. |

**Note.**  
Your mortgage  
interest  
deduction may  
be limited (see  
instructions).**Gifts to  
Charity**If you made a  
gift and got a  
benefit for it,  
see instructions.

- |    |   |    |      |      |
|----|---|----|------|------|
| 16 | Gifts by cash or check. If you made any gift of \$250 or more, see instrs. ....   | 16 | 690. |      |
| 17 | Other than by cash or check. If any gift of \$250 or more, see instructions. You <b>must</b> attach Form 8283 if over \$500 ..... | 17 | 120. |      |
| 18 | Carryover from prior year .....   | 18 |      |      |
| 19 | Add lines 16 through 18 .....   | 19 |      | 810. |

**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.) ► ..... |    |          |        |
|    | Form 2106 (Taxpayer) .....  | 21 | 3,435.   |        |
| 22 | Tax preparation fees .....  | 22 | 500.     |        |
| 23 | Other expenses — investment, safe deposit box, etc. List type and amount ► .....  | 23 |          |        |
| 24 | Add lines 21 through 23 .....   | 24 | 3,935.   |        |
| 25 | Enter amount from Form 1040, line 38. ....  | 25 | 141,131. |        |
| 26 | Multiply line 25 by 2% (.02) .....  | 26 | 2,823.   |        |
| 27 | Subtract line 26 from line 24. If line 26 is more than line 24, enter -0- .....   | 27 |          | 1,112. |

**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.<br>Also, enter this amount on Form 1040, line 40 ..... | 29 |  | 14,447. |
| 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](http://www.irs.gov/form1040)

OMB No. 1545-0074

**2012**Attachment  
Sequence No. **08**

Name(s) shown on return

Your social security number

LLC Partner One and LLC Partner Two

957-99-9999

**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 ▶Example LLC (MTM Loss)Example LLC (MTM Loss)Interest**Amount**

10.

9.

2,400.

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

2,419.

**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. ▶

2,419.

**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 ▶Dividend IncomeExample LLC (MTM Loss)Example LLC (MTM Loss)**Amount**

1,730.

1,209.

1,209.

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

4,148.

**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.....**X**



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

Your social security number

LLC Partner One and LLC Partner Two

957-99-9999

**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 <b>P</b> for partnership; <b>S</b> for S corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if any amount is not at risk
A	Example LLC (MTM Loss)	P		96-9999999	
B	UPE	P		96-9999999	
C	Example LLC (MTM Loss)	P		96-9999999	
D					

Passive Income and Loss		Nonpassive Income and Loss		
(f) Passive loss allowed (attach <b>Form 8582</b> if required)	(g) Passive income from <b>Schedule K-1</b>	(h) Nonpassive loss from <b>Schedule K-1</b>	(i) Section 179 expense deduction from <b>Form 4562</b>	(j) Nonpassive income from <b>Schedule K-1</b>
A		7,098.		
B		240.		
C		7,098.		
D				
29 a Totals.....				
b Totals.....		14,436.		
30 Add columns (g) and (j) of line 29a.....			30	
31 Add columns (f), (h), and (i) of line 29b.....			31	-14,436.
32 <b>Total partnership and S corporation income or (loss).</b> Combine lines 30 and 31. Enter the result here and include in the total on line 41 below.....			32	-14,436.

**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 <b>Form 8582</b> if required)	(d) Passive income from <b>Schedule K-1</b>	(e) Deduction or loss from <b>Schedule K-1</b>
A		
B		
34 a Totals.....		
b Totals.....		
35 Add columns (d) and (f) of line 34a.....		35
36 Add columns (c) and (e) of line 34b.....		36
37 <b>Total estate and trust income or (loss).</b> 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 <b>Form 4835</b> . Also, complete line 42 below.....	40	
41	<b>Total income or (loss).</b> Combine lines 26, 32, 37, 39, and 40. Enter the result here and on Form 1040, line 17, or Form 1040NR, line 18.....	41	-14,436.
42	<b>Reconciliation of farming and fishing income.</b> Enter your <b>gross</b> 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), box 14, code F (see instructions).....	42	
43	<b>Reconciliation for real estate professionals.</b> 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	

**Alternative Minimum Tax — Individuals**

► Information about Form 6251 and its separate instructions is at [www.irs.gov/form6251](http://www.irs.gov/form6251).  
 ► Attach to Form 1040 or Form 1040NR.

OMB No. 1545-0074

**2012**Attachment  
Sequence No. **32**

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

LLC Partner One and LLC Partner Two

Your social security number

957-99-9999

**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	126,684.
2	Medical and dental. Enter the <b>smaller</b> of Schedule A (Form 1040), line 4 <b>or</b> 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	7,328.
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	1,112.
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	<b>Alternative minimum taxable income.</b> Combine lines 1 through 27. (If married filing separately, see instructions.)	28	135,124.

**Part II Alternative Minimum Tax (AMT)**

29	Exemption. See instructions	29	78,750.
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	56,374.
31	<ul style="list-style-type: none"> <li>• If you are filing Form 2555 or 2555-EZ, see instructions for the amount to enter.</li> <li>• 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.</li> <li>• <b>All others:</b> 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.</li> </ul>	31	14,618.
32	Alternative minimum tax foreign tax credit (see instructions)	32	
33	Tentative minimum tax. Subtract line 32 from line 31.	33	14,618.
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	21,795.
35	<b>AMT.</b> Subtract line 34 from line 33. If zero or less, enter -0-. Enter here and on Form 1040, line 45	35	0.

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

FDIA5312L 12/12/12

Form **6251** (2012)

**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.

<b>36</b>	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 .....	<b>36</b>	56,374.
<b>37</b>	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 .....	<b>37</b>	360.
<b>38</b>	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 .....	<b>38</b>	0.
<b>39</b>	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 <b>smaller</b> 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 .....	<b>39</b>	360.
<b>40</b>	Enter the <b>smaller</b> of line 36 or line 39 .....	<b>40</b>	360.
<b>41</b>	Subtract line 40 from line 36 .....	<b>41</b>	56,014.
<b>42</b>	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 .....	<b>42</b>	14,564.
<b>43</b>	Enter: <ul style="list-style-type: none"> <li>• \$70,700 if married filing jointly or qualifying widow(er),</li> <li>• \$35,350 if single or married filing separately, or</li> <li>• \$47,350 if head of household.</li> </ul>	<b>43</b>	70,700.
<b>44</b>	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- .....	<b>44</b>	118,724.
<b>45</b>	Subtract line 44 from line 43. If zero or less, enter -0- .....	<b>45</b>	0.
<b>46</b>	Enter the <b>smaller</b> of line 36 or line 37 .....	<b>46</b>	360.
<b>47</b>	Enter the <b>smaller</b> of line 45 or line 46 .....	<b>47</b>	
<b>48</b>	Subtract line 47 from line 46 .....	<b>48</b>	360.
<b>49</b>	Multiply line 48 by 15% (.15) .....	<b>49</b>	54.
<b>If line 38 is zero or blank, skip lines 50 and 51 and go to line 52. Otherwise, go to line 50.</b>			
<b>50</b>	Subtract line 46 from line 40 .....	<b>50</b>	
<b>51</b>	Multiply line 50 by 25% (.25) .....	<b>51</b>	
<b>52</b>	Add lines 42, 49, and 51 .....	<b>52</b>	14,618.
<b>53</b>	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 .....	<b>53</b>	14,657.
<b>54</b>	Enter the <b>smaller</b> 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. ....	<b>54</b>	14,618.

Form 6251 (2012)

# Unreimbursed Employee Business Expenses

OMB No. 1545-0074

► Attach to Form 1040 or Form 1040NR.

► Information about Form 2106 and its separate instructions is available at [www.irs.gov/form2106](http://www.irs.gov/form2106).

**2012**

Attachment  
Sequence No. **129A**

Your name <b>LLC Partner One</b>	Occupation in which you incurred expenses <b>W2 1</b>	Social security number <b>957-99-9999</b>
-------------------------------------	--	--

**You Can Use This Form Only if All of the Following Apply.**

- You are an employee deducting ordinary and necessary expenses attributable to your job. An ordinary expense is one that is common and accepted in your field of trade, business, or profession. A necessary expense is one that is helpful and appropriate for your business. An expense does not have to be required to be considered necessary.
- You **do not** get reimbursed by your employer for any expenses (amounts your employer included in box 1 of your Form W-2 are not considered reimbursements for this purpose).
- If you are claiming vehicle expense, you are using the standard mileage rate for 2012.

**Caution:** You can use the standard mileage rate for 2012 **only if:** (a) you owned the vehicle and used the standard mileage rate for the first year you placed the vehicle in service, or (b) you leased the vehicle and used the standard mileage rate for the portion of the lease period after 1997

## Part I Figure Your Expenses

1 Complete Part II. Multiply line 8a by 55.5% (.555). Enter the result here	<b>1</b>	
2 Parking fees, tolls, and transportation, including train, bus, etc., that <b>did not</b> involve overnight travel or commuting to and from work	<b>2</b>	
3 Travel expense while away from home overnight, including lodging, airplane, car rental, etc. <b>Do not</b> include meals and entertainment	<b>3</b>	
4 Business expenses not included on lines 1 through 3. <b>Do not</b> include meals and entertainment	<b>4</b>	
5 Meals and entertainment expenses: \$ <u>4,294.</u> x 50% (.50) (Employees subject to Department of Transportation (DOT) hours of service limits: Multiply meal expenses incurred while away from home on business by 80% (.80) instead of 50%. For details, see instructions.)	<b>5</b>	<b>3,435.</b>
6 <b>Total expenses.</b> Add lines 1 through 5. Enter here and on <b>Schedule A (Form 1040), line 21</b> (or on <b>Schedule A (Form 1040NR), line 7</b> ) (Armed Forces reservists, fee-basis state or local government officials, qualified performing artists, and individuals with disabilities: See the instructions for special rules on where to enter this amount.)	<b>6</b>	<b>3,435.</b>

## Part II Information on Your Vehicle. Complete this part **only** if you are claiming vehicle expense on line 1.

7 When did you place your vehicle in service for business use? (month, day, year) ..... ► \_\_\_\_\_

8 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 instr) \_\_\_\_\_ c Other \_\_\_\_\_

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

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

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

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

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

Form **2106-EZ** (2012)

2012

Federal Statements

Page 1

Client EX2LLC

LLC Partner One and LLC Partner Two

957-99-9999

2/11/13

11:31AM

Statement 1  
Form 1040, Line 9b  
Qualified Dividends

Dividend Income.....	\$	360.
Total	\$	<u>360.</u>

Demo

Client EX2LLC

LLC Partner One and LLC Partner Two

957-99-9999

2/11/13

11:31AM

## Wage Schedule

Taxpayer - Employer		Wages	Federal W/H	FICA	Medi- care	State W/H	Local W/H
W2 1		111,000.	24,005.	4,624.	1,610.		
	Total	111,000.	24,005.	4,624.	1,610.	0.	0.
Spouse - Employer		Wages	Federal W/H	FICA	Medi- care	State W/H	Local W/H
W2 2		38,000.	5,400.	1,596.	551.		
	Total	38,000.	5,400.	1,596.	551.		0.
Grand Total		149,000.	29,405.	6,220.	2,161.	0.	0.

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

1. Enter the amount from Form 1040, line 43 119,084.
2. Enter the amount from Form 1040, line 9b 360.
3. Are you filing Schedule D?  
☐ Yes. Enter the smaller of line 15 or line 16 of Schedule D, but do not enter less than zero  
☒ No. Enter the amount from Form 1040, line 13 0.
4. Add lines 2 and 3 360.
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. 360.
7. Subtract line 6 from line 1. If zero or less, enter zero. 118,724.
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. 70,700.
9. Enter the smaller of line 1 or line 8 70,700.
10. Enter the smaller of line 7 or line 9 70,700.
11. Subtract line 10 from line 9. This amount is taxed at 0% 0.
12. Enter the smaller of line 1 or line 6 360.
13. Enter the amount from line 11 0.
14. Subtract line 13 from line 12 360.
15. Multiply line 14 by 15% (.15) 54.
16. Figure the tax on the amount on line 7.  
(Use the Tax Table or Tax Computation Worksheet) 21,741.
17. Add lines 15 and 16 21,795.
18. Figure the tax on the amount on line 1.  
(Use the Tax Table or Tax Computation Worksheet) 21,831.
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 21,795.

Client EX2LLC

LLC Partner One and LLC Partner Two

957-99-9999

2/11/13

11:31AM

**Federal Income Tax Withheld**

W2 1	24,005.
W2 2	5,400.
Total	<u>29,405.</u>

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

## State and Local Sales Taxes Using the Optional Sales Tax Tables

Available Income:	
Adjusted gross income per Form 1040	141,131.
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>141,131.</u>

Number of Exemptions	2.
----------------------	----

1. State general sales taxes per Tables 1,277.
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 2.2500
4. If line 2 is zero, enter your state general sales tax rate. Otherwise, skip line 4 and 5, and go to line 6 6.2500
5. Divide line 3 by line 4 0.360000
6. Local general sales taxes. If line 2 is zero, multiply line 1 by line 5. Otherwise, multiply line 2 by line 3. 460.
7. State and local general sales taxes (add lines 1 and 6) 1,737.
8. Sales taxes paid on vehicles, boats, etc. 0.
9. Sales tax deduction when using Tables (add lines 7 and 8) 1,737.

**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                    | 1,737.        |
| 5. Greater of sales taxes paid or Table amount | <u>1,737.</u> |

Client EX2LLC

LLC Partner One and LLC Partner Two

957-99-9999

2/11/13

11:31AM

**Activity Name: Example LLC (MTM Loss)**

Adjusted basis at beginning of year	0.
Additional amounts invested in current year	57,867.
Current year distributions of money	
Current year distribution of property	
Change in partner's share of liabilities	
UPE	240.
Current year income from partnership	1,218.
Adjusted basis used for basis limitation	59,325.
Loss allowed by basis limitation	7,338.
Adjusted basis at end of year	51,987.

	(A) Current Year loss or deduction	(B) Prior Year Unallowed Basis Loss	(C) Loss Allowable by Basis Limitation	(D) Basis Carryover
<b>Income or Loss</b>				
Ordinary Income (Loss)	7,098.		7,098.	
Regular Tax	7,098.	0.	7,098.	0.

**Deductions**

** Home Office Expense	240.		240.	
Regular Tax	240.	0.	240.	0.

\*\* Reported as Unreimbursed Expenses on form

**Alternative Minimum Tax**

Alt min tax beginning basis	0.
Alt min tax income	1,218.
Current year adjustments to basis	58,107.
Alt min tax basis used for limitation	59,325.
Loss allowed by Alt min tax basis	7,338.
Alt min tax final basis	51,987.

Alt Min Tax Ordinary Income (Loss)	7,098.	0.
------------------------------------	--------	----



Client EX2LLC

LLC Partner One and LLC Partner Two

957-99-9999

2/11/13

11:31AM

**Activity Name: Example LLC (MTM Loss)**

Adjusted basis at beginning of year	0.
Additional amounts invested in current year	57,867.
Current year distributions of money	
Current year distribution of property	
Change in partner's share of liabilities	
Current year income from partnership	1,219.
Adjusted basis used for basis limitation	59,086.
Loss allowed by basis limitation	7,098.
Adjusted basis at end of year	51,988.

	(A) Current Year loss or deduction	(B) Prior Year Unallowed Basis Loss	(C) Loss Allowable by Basis Limitation	(D) Basis Carryover
<b>Income or Loss</b>				
Ordinary Income (Loss)	7,098.		7,098.	
Regular Tax	7,098.	0.	7,098.	0.

**Deductions**

Regular Tax	0.	0.	0.	0.
-------------	----	----	----	----

**Alternative Minimum Tax**

Alt min tax beginning basis	0.
Alt min tax income	1,219.
Current year adjustments to basis	57,867.
Alt min tax basis used for limitation	59,086.
Loss allowed by Alt min tax basis	7,098.
Alt min tax final basis	51,988.

Alt Min Tax Ordinary Income (Loss)	7,098.	0.
------------------------------------	--------	----



2012

## Deduction for Business Use of Your Home

Page 1

Client EX2LLC

LLC Partner One and LLC Partner Two

957-99-9999

2/11/13  
Name of Activity

11:31AM

## Schedule K-1 (Partnerships) - Example LLC (MTM Loss)

**PART 1 - Part of Your Home Used for Business**

1) Area of home used for business.....	1)	144
2) Total area of home.....	2)	3,550
3) Percentage of home used for business (divide line 1 by line 2 and show result as percentage).....	3)	4.06%

**PART 2 - Figure Your Allowable Deduction**

4) Gross income from business.....	4)	-7,098.
	(a) Direct Expenses	(b) Indirect Expenses
5) Casualty losses.....	5)	
6) Deductible mortgage interest and qualified mortgage insurance premiums.....	6)	2,921.
7) Real estate taxes.....	7)	2,992.
8) Total of lines 5 through 7.....	8)	5,913.
9) Multiply line 8, column (b), by line 3.....	9)	240.
10) Add line 8, column (a), and line 9.....	10)	240.
11) Business expenses not from business use of home.....	11)	
12) Add lines 10 and 11.....	12)	240.
13) Deduction limit. Subtract line 12 from line 4.....	13)	0.
14) Excess mortgage interest and qualified mortgage insurance premiums.....	14)	
15) Insurance.....	15)	2,147.
16) Rent.....	16)	
17) Repairs and maintenance.....	17)	342.
18) Utilities.....	18)	1,612.
19) Other expenses.....	19)	
20) Add lines 14 through 19.....	20)	4,101.
21) Multiply line 20, column (b) by line 3.....	21)	167.
22) Carryover of operating expenses from prior year.....	22)	167.
23) Add line 20, column (a), line 21, and line 22.....	23)	334.
24) Allowable operating expenses. Enter the <b>smaller</b> of line 13 or line 23.....	24)	
25) Limit on excess casualty losses and depreciation. Subtract line 24 from line 13.....	25)	
26) Excess casualty losses.....	26)	
27) Depreciation of your home from line 39 below.....	27)	161.
28) Carryover of excess casualty losses and depreciation from prior year.....	28)	101.
29) Add lines 26 through 28.....	29)	262.
30) Allowable excess casualty losses and depreciation. Enter the <b>smaller</b> of line 25 or line 29.....	30)	
31) Add lines 10, 24, and 30.....	31)	240.
32) Casualty losses included on lines 10 and 30.....	32)	
33) Allowable expenses for business use of your home. (Subtract line 32 from line 31.).....	33)	240.

**PART 3 - Depreciation of Your Home**

34) Smaller of adjusted basis or fair market value of home.....	34)	165,000.
35) Basis of land.....	35)	10,000.
36) Basis of building (subtract line 35 from line 34).....	36)	155,000.
37) Business basis of building (multiply line 36 by line 3).....	37)	6,293.
38) Depreciation percentage (from applicable table or method).....	38)	2.564%
39) Depreciation allowable (multiply line 37 by line 38).....	39)	161.

**PART 4 - Carryover of Unallowed Expenses to Next Year**

40) Operating expenses. Subtract line 24 from line 23. If less than zero, enter -0-.....	40)	334.
41) Excess casualty losses and depreciation. Subtract line 30 from line 29. If less than zero, enter -0-.....	41)	262.

Example LLC (MTM Loss)  
96-9999999

Partnership Nonpassive	K-1 Input	Prior Year Unallowed At-Risk Loss	Disallowed Due to At-Risk	Prior Year Unallowed Passive Loss	Disallowed Passive Loss	Tax Return
<b>SCHEDULE E (page 2)</b>						
Ordinary income (loss).....	-7,098.					
Rental real estate income (loss).....						
Other rental income (loss).....						
Section 59(e)(2) expenses.....						
Passive interest expense.....						
Guaranteed payments (nonpassive)...						
Section 179 expense and carryover...						
Disallowed section 179 expense.....						
Net income (loss).....	-7,098.					-7,098.
First passive other.....						
Second passive other.....						
Cost depletion.....						
Percentage depletion.....						
Depletion carryover.....						
Disallowed due to 65% limitation.....						
Unreimbursed expenses (nonpassive)...	-240.					-240.
Nonpassive other.....						
Total Schedule E (page 2).....						-7,338.
<b>FORM 4797</b>						
Section 1231 gain (loss).....						
4797 ordinary income.....						
<b>SCHEDULE D</b>						
Short-term capital gain (loss).....						
Long-term capital gain (loss).....						
<b>FORM 4952</b>						
Investment interest expense.....						
Other net investment income.....						
<b>SCHEDULE A</b>						
Charitable contributions.....						
Deductions related to portfolio income						
<b>SCHEDULE B</b>						
Interest income (banks, S&L, C/U, etc.).....	9.					9.
Interest income (U.S. bonds, T-bills, etc.).....						
Ordinary dividends.....	1,209.					1,209.
Tax-exempt interest (total muni-bonds).....						
Tax-exempt interest (in-state bonds).....						
<b>FORM 6251</b>						
Depreciation adjustment after 12/31/86.....						
Adjusted gain or loss.....						
Depreciation (pre-1987).....						
Beneficiary's AMT adjustment.....						
Depletion.....						
Excess intangible drilling costs.....						
<b>MISCELLANEOUS</b>						
Net earnings from self employment (SE).....						
Gross farming income (Sch. E, page 2).....						
Royalties (Sch. E, page 1).....						
Taxes on undistributed capital gains (1040)....						
Credit for income tax withheld.....						
Estimated taxes credited from trust...						
Credits.....						

Example LLC (MTM Loss)  
96-9999999

Partnership Nonpassive	K-1 Input	Prior Year Unallowed At-Risk Loss	Disallowed Due to At-Risk	Prior Year Unallowed Passive Loss	Disallowed Passive Loss	Tax Return
<b>SCHEDULE E (page 2)</b>						
Ordinary income (loss).....	-7,098.					
Rental real estate income (loss).....						
Other rental income (loss).....						
Section 59(e)(2) expenses.....						
Passive interest expense.....						
Guaranteed payments (nonpassive)...						
Section 179 expense and carryover...						
Disallowed section 179 expense.....						
Net income (loss).....	-7,098.					-7,098.
First passive other.....						
Second passive other.....						
Cost depletion.....						
Percentage depletion.....						
Depletion carryover.....						
Disallowed due to 65% limitation.....						
Unreimbursed expenses (nonpassive).						
Nonpassive other.....						
Total Schedule E (page 2).....						-7,098.
<b>FORM 4797</b>						
Section 1231 gain (loss).....						
4797 ordinary income.....						
<b>SCHEDULE D</b>						
Short-term capital gain (loss).....						
Long-term capital gain (loss).....						
<b>FORM 4952</b>						
Investment interest expense.....						
Other net investment income.....						
<b>SCHEDULE A</b>						
Charitable contributions.....						
Deductions related to portfolio income						
<b>SCHEDULE B</b>						
Interest income (banks, S&L, C/U, etc.).....	10.					10.
Interest income (U.S. bonds, T-bills, etc.).....						
Ordinary dividends.....	1,209.					1,209.
Tax-exempt interest (total muni-bonds).....						
Tax-exempt interest (in-state bonds).....						
<b>FORM 6251</b>						
Depreciation adjustment after 12/31/86.....						
Adjusted gain or loss.....						
Depreciation (pre-1987).....						
Beneficiary's AMT adjustment.....						
Depletion.....						
Excess intangible drilling costs.....						
<b>MISCELLANEOUS</b>						
Net earnings from self employment (SE).....						
Gross farming income (Sch. E, page 2).....						
Royalties (Sch. E, page 1).....						
Taxes on undistributed capital gains (1040)....						
Credit for income tax withheld.....						
Estimated taxes credited from trust...						
Credits.....						

	K-1 Input	Prior Year Unallowed At-Risk Loss	Disallowed Due to At-Risk	Prior Year Unallowed Passive Loss	Disallowed Passive Loss	Tax Return
<b>SCHEDULE E (page 2)</b>						
Ordinary income (loss).....						
Rental real estate income (loss).....						
Other rental income (loss).....						
Section 59(e)(2) expenses.....						
Passive interest expense.....						
Guaranteed payments (nonpassive)...						
Section 179 expense and carryover...						
Disallowed section 179 expense.....						
Net income (loss).....						
First passive other.....						
Second passive other.....						
Cost depletion.....						
Percentage depletion.....						
Depletion carryover.....						
Disallowed due to 65% limitation.....						
Unreimbursed expenses (nonpassive).						
Nonpassive other.....						
Total Schedule E (page 2).....						-14,436.
<b>FORM 4797</b>						
Section 1231 gain (loss).....						
4797 ordinary income.....						
<b>SCHEDULE D</b>						
Short-term capital gain (loss).....						
Long-term capital gain (loss).....						
<b>FORM 4952</b>						
Investment interest expense.....						
Other net investment income.....						
<b>SCHEDULE A</b>						
Charitable contributions.....						
Deductions related to portfolio income						
<b>SCHEDULE B</b>						
Interest income (banks, S&L, C/U, etc.).....						19.
Interest income (U.S. bonds, T-bills, etc.).....						
Ordinary dividends.....						2,418.
Tax-exempt interest (total muni-bonds).....						
Tax-exempt interest (in-state bonds).....						
<b>FORM 6251</b>						
Depreciation adjustment after 12/31/86.....						
Adjusted gain or loss.....						
Depreciation (pre-1987).....						
Beneficiary's AMT adjustment.....						
Depletion.....						
Excess intangible drilling costs.....						
<b>MISCELLANEOUS</b>						
Net earnings from self employment (SE).....						
Gross farming income (Sch. E, page 2).....						
Royalties (Sch. E, page 1).....						
Taxes on undistributed capital gains (1040)....						
Credit for income tax withheld.....						
Estimated taxes credited from trust...						
Credits.....						

12/31/12

## 2012 Federal Depreciation Schedule

Page 1

Client EX2LLC

LLC Partner One and LLC Partner Two

957-99-9999

2/11/13

11:31AM

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 A (Points)																
Amortization																
3	Points	11/21/02		1,424							1,424	475	S/L	15		95
	Total Amortization			1,424		0	0	0	0	0	1,424	475				95
Business Use of Home - Example LLC (MTM Loss)																
Buildings																
1	House	5/16/11		155,000	4.06						6,293	202	S/L	MM	39 .02564	161
	Total Buildings			155,000		0	0	0	0	0	6,293	202				161
Land																
2	Land	5/16/11		10,000	4.06						406					0
	Total Land			10,000		0	0	0	0	0	406	0				0
	Total Depreciation			165,000		0	0	0	0	0	6,699	202				161
	Grand Total Amortization			1,424		0	0	0	0	0	1,424	475				95
	Grand Total Depreciation			165,000		0	0	0	0	0	6,699	202				161

12/31/12

## 2012 Federal Alternative Minimum Tax Depreciation Schedule

Page 1

Client EX2LLC

LLC Partner One and LLC Partner Two

957-99-9999

2/11/13

11:31AM

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
Business Use of Home - Example LLC (MTM Loss)															
Buildings															
1	House	5/16/11		6,293	202	S/L MM	39	.02564	161	161					0
	Total Buildings			6,293	202				161	161		0	0	0	0
Land															
2	Land	5/16/11		406					0	0					0
	Total Land			406	0				0	0		0	0	0	0
	Total Depreciation			6,699	202				161	161		0	0	0	0
	Grand Total Depreciation			6,699	202				161	161		0	0	0	0

Demo