

EX11F-CA:

During 2011, Joe had total trading proceeds over \$ 20 million and total round-trip trades of over 1,000 per review of the GTT TradeLog reports. Trading was Joe's only occupation in 2011 and his source of livelihood. Joe qualifies as a "trader in commodities" (i.e., he has trader tax status), so he reports all his trading business expenses on Schedule C (Business Profit and Loss).

Since Joe did NOT elect mark-to-market accounting (MTM) on his commodities trading, he reports his commodities losses directly on Form 6781; here they are then carried to Schedule D as a capital loss. Without MTM, Joe is really hurt. He is stuck with a capital loss limitation of \$3,000 and a very large capital loss carryover to 2012. (Note that if Joe had Commodities gains in the last 3 years, he could elect to carry back the 2011 Section 1256 loss to these gains.)

Net Operating Losses: Joe does benefit from having a Net Operating Loss (NOL) from his Schedule C business expenses with trader tax status. His NOL is comprised of his Schedule C trading business expenses. Joe has an option to carry-back the 2011 NOL two years, starting with tax year 2008 to get a quick NOL refund by filing Form 1045. If Joe decides not to carry-back the 2011 NOL, he can elect with the filing of his 2011 tax return to forgo the carry-back and simply carry-forward the 2011 NOL to tax year 2012.

Demo

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

Your first name MI Last name Your social security number

Joe Trader no MTM Com Loss Ex11 999-99-9999

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

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

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

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

Los Angeles, CA 90025 Presidential Election Campaign

Foreign country name Foreign province/county Foreign postal code

Check here if you, or your spouse if filing jointly, want \$3 to go to this fund? Checking a box below will not change your tax or refund. ☒ You ☐ Spouse

**Filing Status** 1 ☒ Single 4 ☐ Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. 2 ☐ Married filing jointly (even if only one had income) 3 ☐ Married filing separately. Enter spouse's SSN above & full name here. 5 ☐ Qualifying widow(er) with dependent child

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

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

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

d Total number of exemptions claimed. 1

**Income** 7 Wages, salaries, tips, etc. Attach Form(s) W-2. 7 8a Taxable interest. Attach Schedule B if required. 8a 1,762. b Tax-exempt interest. Do not include on line 8a. 8b 9a Ordinary dividends. Attach Schedule B if required. 9a 897. b Qualified dividends. 9b 897. 10 Taxable refunds, credits, or offsets of state and local income taxes. 10 11 Alimony received. 11 12 Business income or (loss). Attach Schedule C or C-EZ. 12 -37,972. 13 Capital gain or (loss). Att Sch D if reqd. If not reqd, ck here. 13 -3,000. 14 Other gains or (losses). Attach Form 4797. 14 15a IRA distributions. 15a b Taxable amount. 15b 16a Pensions and annuities. 16a b Taxable amount. 16b 17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E. 17 18 Farm income or (loss). Attach Schedule F. 18 19 Unemployment compensation. 19 20a Social security benefits. 20a b Taxable amount. 20b 21 Other income. 21 22 Combine the amounts in the far right column for lines 7 through 21. This is your total income. 22 -38,313.

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.

**Adjusted Gross Income** 23 Educator expenses. 23 24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ. 24 25 Health savings account deduction. Attach Form 8889. 25 26 Moving expenses. Attach Form 3903. 26 27 Deductible part of self-employment tax. Attach Schedule SE. 27 28 Self-employed SEP, SIMPLE, and qualified plans. 28 29 Self-employed health insurance deduction. 29 30 Penalty on early withdrawal of savings. 30 31a Alimony paid b Recipient's SSN. 31a 32 IRA deduction. 32 33 Student loan interest deduction. 33 34 Tuition and fees. Attach Form 8917. 34 35 Domestic production activities deduction. Attach Form 8903. 35 36 Add lines 23 through 35. 36 0. 37 Subtract line 36 from line 22. This is your adjusted gross income. 37 -38,313.

**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, \$5,800  
Married filing jointly or Qualifying widow(er), \$11,600  
Head of household, \$8,500

**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's Use Only**

<b>38</b>	Amount from line 37 (adjusted gross income).....	<b>38</b>	-38,313.
<b>39a</b>	Check if: <input type="checkbox"/> You were born before January 2, 1947, <input type="checkbox"/> Blind. <b>Total boxes checked</b> <input type="checkbox"/> <b>39a</b>		
	<input type="checkbox"/> Spouse was born before January 2, 1947, <input type="checkbox"/> Blind. <b>39b</b> <input type="checkbox"/>		
<b>40</b>	Itemized deductions (from Schedule A) or your standard deduction (see instructions).....	<b>40</b>	6,181.
<b>41</b>	Subtract line 40 from line 38.....	<b>41</b>	-44,494.
<b>42</b>	<b>Exemptions.</b> Multiply \$3,700 by the number on line 6d.....	<b>42</b>	3,700.
<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>	0.
<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>	0.
<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>	0.
<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 23.....	<b>49</b>	
<b>50</b>	Retirement savings contributions credit. Attach Form 8880.....	<b>50</b>	
<b>51</b>	Child tax credit (see instructions).....	<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>	0.
<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>59b</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>	0.
<b>62</b>	Federal income tax withheld from Forms W-2 and 1099.....	<b>62</b>	
<b>63</b>	2011 estimated tax payments and amount applied from 2010 return.....	<b>63</b>	
<b>64a</b>	<b>Earned income credit (EIC)</b> ..... <input type="checkbox"/> No <b>64a</b>		
<b>64b</b>	Nontaxable combat pay election..... <input type="checkbox"/> <b>64b</b>		
<b>65</b>	Additional child tax credit. Attach Form 8812.....	<b>65</b>	
<b>66</b>	American opportunity credit from Form 8863, line 14.....	<b>66</b>	
<b>67</b>	First-time homebuyer credit from Form 5405, line 10.....	<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"/> 8839 <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 pmnts</b> .....	<b>72</b>	0.
<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>	
<b>74a</b>	Amount of line 73 you want <b>refunded to you</b> . If Form 8888 is attached, check here.. <input type="checkbox"/> <b>74a</b>		
<b>74b</b>	Routing number..... <b>c</b> Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
<b>74d</b>	Account number.....		
<b>75</b>	Amount of line 73 you want <b>applied to your 2012 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>	0.
<b>77</b>	Estimated tax penalty (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 WebGuideExamples** Phone no. **877-662-2014** Personal identification number (PIN) **z**

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 <b>Trader</b>	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 inst)

Print/Type preparer's name <b>z WebGuideExamples</b>	Preparer's signature <b>z WebGuideExamples</b>	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name <b>Green &amp; Company CPAs, LLC</b>	Firm's EIN <b>20-0751653</b>			
Firm's address <b>54 Danbury Rd., #351 Ridgefield, CT 06877</b>	Phone no. <b>877-662-2014</b>			

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

OMB No. 1545-0074

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

Name(s) shown on Form 1040

Your social security number

Joe Trader no MTM Com Loss Ex11

999-99-9999

<b>Medical and Dental Expenses</b>	<b>Caution.</b> Do not include expenses reimbursed or paid by others.			
1	Medical and dental expenses (see instructions)	1	5,345.	
2	Enter amount from Form 1040, line 38	2	-38,313.	
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		5,345.
<b>Taxes You Paid</b>	<b>5</b> State and local (check only one box):			
	a <input type="checkbox"/> Income taxes, or	5	289.	
	b <input checked="" type="checkbox"/> General sales taxes			
6	Real estate taxes (see instructions)	6		
7	Personal property tax	7		
8	Other taxes. List type and amount ▶	8		
9	Add lines 5 through 8	9		289.
<b>Interest You Paid</b>	<b>10</b> Home mtg interest and points reported to you on Form 1098	10		
	<b>11</b> 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		
<b>Note.</b> Your mortgage interest deduction may be limited (see instrs).				
	<b>12</b> Points not reported to you on Form 1098. See instrs for spl rules	12		
	<b>13</b> Mortgage insurance premiums (see instructions)	13		
	<b>14</b> Investment interest. Attach Form 4952 if required. (See instrs.)	14	482.	
	<b>15</b> Add lines 10 through 14	15		482.
<b>Gifts to Charity</b>	<b>16</b> Gifts by cash or check. If you made any gift of \$250 or more, see instrs	16	985.	
If you made a gift and got a benefit for it, see instructions.	<b>17</b> 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		
	<b>18</b> Carryover from prior year	18	1,970.	
	<b>19</b> Add lines 16 through 18	19	-2,955.	0.
<b>Casualty and Theft Losses</b>	<b>20</b> Casualty or theft loss(es). Attach Form 4684. (See instructions.)	20		0.
<b>Job Expenses and Certain Miscellaneous Deductions</b>	<b>21</b> Unreimbursed employee expenses — job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.) ▶	21		
	<b>22</b> Tax preparation fees	22		
	<b>23</b> Other expenses — investment, safe deposit box, etc. List type and amount ▶	23	65.	
	Schwab - investment a/c			
	<b>24</b> Add lines 21 through 23	24	65.	
	<b>25</b> Enter amount from Form 1040, line 38	25	-38,313.	
	<b>26</b> Multiply line 25 by 2% (.02)	26		
	<b>27</b> Subtract line 26 from line 24. If line 26 is more than line 24, enter -0-	27		65.
<b>Other Miscellaneous Deductions</b>	<b>28</b> Other — from list in instructions. List type and amount ▶	28		0.
<b>Total Itemized Deductions</b>	<b>29</b> Add the amounts in the far right column for lines 4 through 28. Also, enter this amount on Form 1040, line 40	29		6,181.
	<b>30</b> 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.**

► **See Instructions.**

OMB No. 1545-0074

**2011**

Attachment  
Sequence No. **08**

Name(s) shown on return

Joe Trader no MTM Com Loss Ex11

Your social security number

999-99-9999

**Part I**  
**Interest**

(See  
instructions for  
Form 1040A,  
or Form 1040,  
line 8a.)

**Note.** If you  
received a Form  
1099-INT, Form  
1099-OID, or  
substitute statement  
from a brokerage  
firm, list the firm's  
name as the payer  
and enter the total  
interest shown on  
that form.

- 1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see the instructions and list this interest first. Also, show that buyer's social security number and address ►

Interactive Brokers - trading a/c

**Amount**

1,762.

1

- 2 Add the amounts on line 1
- 3 Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815
- 4 Subtract line 3 from line 2. Enter the result here and on Form 1040A, or Form 1040, line 8a. ►

1,762.

1,762.

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

**Part II**  
**Ordinary Dividends**

(See  
instructions for  
Form 1040A, or  
Form 1040,  
line 9a.)

**Note.** If you  
received a Form  
1099-DIV or  
substitute statement  
from a brokerage  
firm, list the firm's  
name as the payer  
and enter the  
ordinary dividends  
shown on that form.

- 5 List name of payer ►

Schwab - invest a/c

**Amount**

897.

5

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

897.

**Note.** If line 6 is over \$1,500, you must complete Part III.

**Part III**  
**Foreign**  
**Accounts**  
**and**  
**Trusts**

(See  
instructions.)

You must complete this part if you (a) had over \$1,500 of taxable interest or ordinary dividends; (b) had a foreign account; or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

**Yes** **No**

- 7a At any time during 2011, 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

X

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.

X

- 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 2011, 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 C**  
**(Form 1040)**

Department of the Treasury  
Internal Revenue Service (99)

**Profit or Loss From Business**  
**(Sole Proprietorship)**

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

OMB No. 1545-0074

**2011**

Attachment  
Sequence No. **09**

Name of proprietor

Joe Trader no MTM Com Loss Ex11

Social security number (SSN)

999-99-9999

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

Trader in Commodities - See Note

**B** Enter code from instructions

► 523900

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

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

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

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

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

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

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

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

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

**Part I** **Income**

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

**Part II** **Expenses. Enter expenses for business use of your home only on line 30.**

<b>8</b> Advertising.....	<b>8</b>		<b>18</b> Office expense (see instructions).....	<b>18</b>	
<b>9</b> Car and truck expenses (see instructions).....	<b>9</b>		<b>19</b> Pension and profit-sharing plans.....	<b>19</b>	
<b>10</b> Commissions and fees.....	<b>10</b>		<b>20</b> Rent or lease (see instructions):		
<b>11</b> Contract labor (see instructions).....	<b>11</b>		<b>a</b> Vehicles, machinery, and equipment.....	<b>20 a</b>	
<b>12</b> Depletion.....	<b>12</b>		<b>b</b> Other business property.....	<b>20 b</b>	
<b>13</b> Depreciation and section 179 expense deduction (not included in Part III) (see instructions).....	<b>13</b>	6,896.	<b>21</b> Repairs and maintenance.....	<b>21</b>	
<b>14</b> Employee benefit programs (other than on line 19).....	<b>14</b>		<b>22</b> Supplies (not included in Part III).....	<b>22</b>	983.
<b>15</b> Insurance (other than health).....	<b>15</b>		<b>23</b> Taxes and licenses.....	<b>23</b>	
<b>16</b> Interest:			<b>24</b> Travel, meals, and entertainment:		
<b>a</b> Mortgage (paid to banks, etc).....	<b>16 a</b>		<b>a</b> Travel.....	<b>24 a</b>	1,855.
<b>b</b> Other.....	<b>16 b</b>	16,299.	<b>b</b> Deductible meals and entertainment (see instructions).....	<b>24 b</b>	1,327.
<b>17</b> Legal & professional services.....	<b>17</b>		<b>25</b> Utilities.....	<b>25</b>	
			<b>26</b> Wages (less employment credits).....	<b>26</b>	
			<b>27 a</b> Other expenses (from line 48).....	<b>27 a</b>	10,612.
			<b>b</b> Reserved for future use.....	<b>27 b</b>	
<b>28</b> <b>Total expenses</b> before expenses for business use of home. Add lines 8 through 27a.....	<b>28</b>			<b>28</b>	37,972.
<b>29</b> Tentative profit or (loss). Subtract line 28 from line 7.....	<b>29</b>			<b>29</b>	-37,972.
<b>30</b> Expenses for business use of your home. Attach <b>Form 8829</b> . Do <b>not</b> report such expenses elsewhere.....	<b>30</b>			<b>30</b>	
<b>31</b> <b>Net profit or (loss).</b> Subtract line 30 from line 29. • If a profit, enter on both <b>Form 1040, line 12</b> (or <b>Form 1040NR, line 13</b> ) and on <b>Schedule SE, line 2</b> . If you entered an amount on line 1c, see instructions. Estates and trusts, enter on <b>Form 1041, line 3</b> . • If a loss, you <b>must</b> go to line 32.				<b>31</b>	-37,972.
<b>32</b> If you have a loss, check the box that describes your investment in this activity (see instructions). • If you checked 32a, enter the loss on both <b>Form 1040, line 12</b> , (or <b>Form 1040NR, line 13</b> ) and on <b>Schedule SE, line 2</b> . If you entered an amount on line 1c, see the instructions for line 31. Estates and trusts, enter on <b>Form 1041, line 3</b> . • If you checked 32b, you <b>must</b> attach <b>Form 6198</b> . Your loss may be limited.				<b>32 a</b>	<input checked="" type="checkbox"/> All investment is at risk.
				<b>32 b</b>	<input type="checkbox"/> Some investment is not at risk.

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

FDIZ0112L 10/25/11

Schedule **C** (Form 1040) 2011

**Part III Cost of Goods Sold** (see instructions)

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

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

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

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

a Business \_\_\_\_\_ b Commuting (see instructions) \_\_\_\_\_ c Other \_\_\_\_\_

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

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

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

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

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

See Statement 1

<b>48</b> <b>Total other expenses.</b> Enter here and on line 27a.	<b>48</b>	10,612.
--	-----------	---------

**SCHEDULE D**  
**(Form 1040)**Department of the Treasury  
Internal Revenue Service (99)**Capital Gains and Losses**▶ **Attach to Form 1040 or Form 1040NR.** ▶ **See Instructions for Schedule D (Form 1040).**  
▶ **Use Form 8949 to list your transactions for lines 1, 2, 3, 8, 9, and 10.**

OMB No. 1545-0074

**2011**Attachment  
Sequence No. **12**

Name(s) shown on return

Joe Trader no MTM Com Loss Ex11

Your social security number

999-99-9999

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

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

**(e)** Sales price from Form(s) 8949, line 2, column (e)**(f)** Cost or other basis from Form(s) 8949, line 2, column (f)**(g)** Adjustments to gain or loss from Form(s) 8949, line 2, column (g)**(h)** Gain or (loss) Combine columns (e), (f), and (g)

<b>1</b> Short-term totals from all Forms 8949 with <b>box A</b> checked in <b>Part I</b> .....				
<b>2</b> Short-term totals from all Forms 8949 with <b>box B</b> checked in <b>Part I</b> .....				
<b>3</b> Short-term totals from all Forms 8949 with <b>box C</b> checked in <b>Part I</b> .....				
<b>4</b> Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824.....	<b>4</b>	-31,674.		
<b>5</b> Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1 .....	<b>5</b>			
<b>6</b> Short-term capital loss carryover. Enter the amount, if any, from line 8 of your <b>Capital Loss Carryover Worksheet</b> in the instructions. ....	<b>6</b>	-16,308.		
<b>7 Net short-term capital gain or (loss).</b> Combine lines 1 through 6 in column (h). If you have any long-term capital gains or losses, go to Part II below. Otherwise, go to Part III on page 2 .....	<b>7</b>	-47,982.		

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

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

**(e)** Sales price from Form(s) 8949, line 4, column (e)**(f)** Cost or other basis from Form(s) 8949, line 4, column (f)**(g)** Adjustments to gain or loss from Form(s) 8949, line 4, column (g)**(h)** Gain or (loss) Combine columns (e), (f), and (g)

8	Long-term totals from all Forms 8949 with <b>box A</b> checked in <b>Part II</b> .....				
9	Long-term totals from all Forms 8949 with <b>box B</b> checked in <b>Part II</b> .....	875,105.	859,739.		15,366.
10	Long-term totals from all Forms 8949 with <b>box C</b> checked in <b>Part II</b> .....				
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	-47,512.
12	Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1 .....			12	
13	Capital gain distributions. See instrs. ....			13	
14	Long-term capital loss carryover. Enter the amount, if any, from line 13 of your <b>Capital Loss Carryover Worksheet</b> in the instructions. ....			14	-47,512.
15	<b>Net long-term capital gain or (loss).</b> Combine lines 8 through 14 in column (h). Then go to Part III on page 2. ....			15	-79,658.

**BAA For Paperwork Reduction Act Notice, see your tax return instructions.**Schedule **D** (Form 1040) 2011



**Part III Summary**

16 Combine lines 7 and 15 and enter the result.....	<b>16</b>	-127,640.
<ul style="list-style-type: none"> <li>• If line 16 is a <b>gain</b>, enter the amount from line 16 on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 17 below.</li> <li>• If line 16 is a <b>loss</b>, skip lines 17 through 20 below. Then go to line 21. Also be sure to complete line 22.</li> <li>• If line 16 is <b>zero</b>, skip lines 17 through 21 below and enter -0- on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 22.</li> </ul>		
17 Are lines 15 and 16 <b>both</b> gains?		
<input type="checkbox"/> <b>Yes.</b> Go to line 18.		
<input type="checkbox"/> <b>No.</b> Skip lines 18 through 21, and go to line 22.		
18 Enter the amount, if any, from line 7 of the <b>28% Rate Gain Worksheet</b> in the instructions.....	<b>18</b>	
19 Enter the amount, if any, from line 18 of the <b>Unrecaptured Section 1250 Gain Worksheet</b> in the instructions.....	<b>19</b>	
20 Are lines 18 and 19 <b>both</b> zero or blank?		
<input type="checkbox"/> <b>Yes.</b> Complete Form 1040 through line 43, or Form 1040NR through line 41. Then complete the <b>Qualified Dividends and Capital Gain Tax Worksheet</b> in the instructions for Form 1040, line 44 (or in the instructions for Form 1040NR, line 42). <b>Do not</b> complete lines 21 and 22 below.		
<input type="checkbox"/> <b>No.</b> Complete Form 1040 through line 43, or Form 1040NR through line 41. Then complete the <b>Schedule D Tax Worksheet</b> in the instructions. <b>Do not</b> 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 <b>smaller</b> of:		
<ul style="list-style-type: none"> <li>• The loss on line 16 or</li> <li>• (\$3,000), or if married filing separately, (\$1,500)</li> </ul>	<b>21</b>	-3,000.
<b>Note.</b> 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 checked="" type="checkbox"/> <b>Yes.</b> Complete Form 1040 through line 43, or Form 1040NR through line 41. Then complete the <b>Qualified Dividends and Capital Gain Tax Worksheet</b> in the instructions for Form 1040, line 44 (or in the instructions for Form 1040NR, line 42).		
<input type="checkbox"/> <b>No.</b> Complete the rest of Form 1040 or Form 1040NR.		

Your social security number
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999-99-9999

**Note.** You **must** check **one** of the boxes below. Complete a *separate* Form 8949, page 2, for **each** box that is checked.

☐ **(A)** Long-term transactions reported on Form 1099-B with basis reported to the IRS      ☒ **(B)** Long-term transactions reported on Form 1099-B but basis not reported to the IRS      ☐ **(C)** Long-term transactions for which you cannot check box A or B

Demo

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

**2011**Attachment  
Sequence No. **32**

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

Your social security number

Joe Trader no MTM Com Loss Ex11

999-99-9999

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

1	If filing Schedule A (Form 1040), enter the amount from Form 1040, line 41 and go to line 2. Otherwise, enter the amount from Form 1040, line 38, and go to line 7. (If less than zero, enter as a negative amount.)	1	-44,494.
2	Medical and dental. Enter the <b>smaller</b> of Schedule A (Form 1040), line 4 or 2.5% (.025) of Form 1040, line 38. If zero or less, enter -0-	2	
3	Taxes from Schedule A (Form 1040), line 9	3	289.
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	65.
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 and line 28 is more than \$223,900, see instructions.)	28	-44,140.

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

29	Exemption. (If you were under age 24 at the end of 2011, see instructions.)														
	<table border="0"> <thead> <tr> <th>IF your filing status is . . .</th> <th>AND line 28 is not over . . .</th> <th>THEN enter on line 29 . . .</th> </tr> </thead> <tbody> <tr> <td>Single or head of household . . . . .</td> <td>\$112,500 . . . . .</td> <td>\$48,450</td> </tr> <tr> <td>Married filing jointly or qualifying widow(er) . . . . .</td> <td>150,000 . . . . .</td> <td>74,450</td> </tr> <tr> <td>Married filing separately . . . . .</td> <td>75,000 . . . . .</td> <td>37,225</td> </tr> </tbody> </table>	IF your filing status is . . .	AND line 28 is not over . . .	THEN enter on line 29 . . .	Single or head of household . . . . .	\$112,500 . . . . .	\$48,450	Married filing jointly or qualifying widow(er) . . . . .	150,000 . . . . .	74,450	Married filing separately . . . . .	75,000 . . . . .	37,225	29	48,450.
IF your filing status is . . .	AND line 28 is not over . . .	THEN enter on line 29 . . .													
Single or head of household . . . . .	\$112,500 . . . . .	\$48,450													
Married filing jointly or qualifying widow(er) . . . . .	150,000 . . . . .	74,450													
Married filing separately . . . . .	75,000 . . . . .	37,225													
	If line 28 is <b>over</b> the amount shown above for your filing status, see instructions.														
30	Subtract line 29 from line 28. If more than zero, go to line 31. If zero or less, enter -0- here and on lines 31, 33 and 35, and go to line 34.	30	0.												
31	<ul style="list-style-type: none"> <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	0.												
32	Alternative minimum tax foreign tax credit (see instructions)	32													
33	Tentative minimum tax. Subtract line 32 from line 31.	33	0.												
34	Tax from Form 1040, line 44 (minus any tax from Form 4972 and any foreign tax credit from Form 1040, line 47). If you used Schedule J to figure your tax, the amount from line 44 of Form 1040 must be refigured without using Schedule J (see instructions).	34	0.												
35	<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 12/22/11

Form **6251** (2011)

Form **4952****Investment Interest Expense Deduction**

OMB No. 1545-0191

Department of the Treasury  
Internal Revenue Service (99)► **Attach to your tax return.****2011**Attachment  
Sequence No. **51**

Name(s) shown on return

Joe Trader no MTM Com Loss Ex11

Identifying number

999-99-9999

**Part I Total Investment Interest Expense**

1 Investment interest expense paid or accrued in 2011 (see instructions) .....	1	482.
2 Disallowed investment interest expense from 2010 Form 4952, line 7 .....	2	
3 <b>Total investment interest expense.</b> Add lines 1 and 2 .....	3	482.

**Part II Net Investment Income**

4a Gross income from property held for investment (excluding any net gain from the disposition of property held for investment) .....	4a	2,659.	
b Qualified dividends included on line 4a .....	4b	897.	
c Subtract line 4b from line 4a .....	4c		1,762.
d Net gain from the disposition of property held for investment .....	4d		
e Enter the <b>smaller</b> of line 4d or your net capital gain from the disposition of property held for investment (see instructions) .....	4e		
f Subtract line 4e from line 4d .....	4f		
g Enter the amount from lines 4b and 4e that you elect to include in investment income (see instructions) .....	4g		
h Investment income. Add lines 4c, 4f, and 4g .....	4h		1,762.
5 Investment expenses (see instructions) .....	5		65.
6 <b>Net investment income.</b> Subtract line 5 from line 4h. If zero or less, enter -0- .....	6		1,697.

**Part III Investment Interest Expense Deduction**

7 Disallowed investment interest expense to be carried forward to 2012. Subtract line 6 from line 3. If zero or less, enter -0- .....	7	0.
8 <b>Investment interest expense deduction.</b> Enter the <b>smaller</b> of line 3 or 6. See instructions .....	8	482.

**BAA For Paperwork Reduction Act Notice, see separate instructions.**Form **4952** (2011)

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

**2011**Attachment  
Sequence No. **82**

Name(s) shown on tax return

Joe Trader no MTM Com Loss Ex11

Identifying number

999-99-9999

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
	Interactive Brokers futures trading a/c	79,186.	
2	Add the amounts on line 1 in columns (b) and (c).....	2	79,186.
3	Net gain or (loss). Combine line 2, columns (b) and (c).....	3	-79,186.
4	Form 1099-B adjustments. See instructions and attach schedule.....	4	
5	Combine lines 3 and 4.....	5	-79,186.
<b>Note:</b> 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	-79,186.
8	<b>Short-term capital gain or (loss).</b> Multiply line 7 by 40% (.40). Enter here and include on the appropriate line of Schedule D (see instructions).....	8	-31,674.
9	<b>Long-term capital gain or (loss).</b> Multiply line 7 by 60% (.60). Enter here and include on the appropriate line of Schedule D (see instructions).....	9	-47,512.

**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				

BAA For Paperwork Reduction Act Notice, see separate instructions.

FDIZ1601L 06/21/11

Form **6781** (2011)

Form **8829**Department of the Treasury  
Internal Revenue Service (99)**Expenses for Business Use of Your Home**

- **File only with Schedule C (Form 1040). Use a separate Form 8829 for each home you used for business during the year.**  
 ► **See separate instructions.**

OMB No. 1545-0074

**2011**Attachment  
Sequence No. **176**

Name(s) of proprietor(s)

Joe Trader no MTM Com Loss Ex11

Your social security number

999-99-9999

**Part I Part of Your Home Used for Business**

1	Area used regularly and exclusively for business, regularly for daycare, or for storage of inventory or product samples (see instructions).....	1	270
2	Total area of home .....	2	1,505
3	Divide line 1 by line 2. Enter the result as a percentage .....	3	17.94 %
<b>For daycare facilities not used exclusively for business go to line 4. All others go to line 7.</b>			
4	Multiply days used for daycare during year by hours used per day.....	4	hr
5	Total hours available for use during the year (365 days x 24 hours) (see instructions).....	5	hr
6	Divide line 4 by line 5. Enter the result as a decimal amount.....	6	
7	Business percentage. For daycare facilities not used exclusively for business, multiply line 6 by line 3 (enter the result as a percentage). All others, enter the amount from line 3.....	7	17.94 %

**Part II Figure Your Allowable Deduction**

8	Enter the amount from Schedule C, line 29, <b>plus</b> any gain derived from the business use of your home and shown on Schedule D or Form 4797, minus any loss from the trade or business not derived from the business use of your home and shown on Schedule D or Form 4797. See instructions .....	8	-37,972.
<b>See instrs for columns (a) and (b) before completing lines 9-21.</b>			
	<b>(a) Direct expenses</b>	<b>(b) Indirect expenses</b>	
9	Casualty losses (see instructions).....	9	
10	Deductible mortgage interest (see instructions).....	10	
11	Real estate taxes (see instructions).....	11	
12	Add lines 9, 10, and 11.....	12	
13	Multiply line 12, column (b) by line 7.....	13	
14	Add line 12, column (a) and line 13.....	14	
15	Subtract line 14 from line 8. If zero or less, enter -0-.....	15	0.
16	Excess mortgage interest (see instructions).....	16	
17	Insurance.....	17	545.
18	Rent.....	18	30,000.
19	Repairs and maintenance.....	19	805.
20	Utilities.....	20	3,688.
21	Other expenses (see instrs).....	21	5,294.
22	Add lines 16 through 21.....	22	40,332.
23	Multiply line 22, column (b) by line 7.....	23	7,236.
24	Carryover of operating expenses from 2010 Form 8829, line 42 .....	24	
25	Add line 22 column (a), line 23, and line 24 .....	25	7,236.
26	Allowable operating expenses. Enter the <b>smaller</b> of line 15 or line 25.....	26	
27	Limit on excess casualty losses and depreciation. Subtract line 26 from line 15.....	27	
28	Excess casualty losses (see instructions).....	28	
29	Depreciation of your home from line 41 below.....	29	
30	Carryover of excess casualty losses and depreciation from 2010 Form 8829, line 43.....	30	
31	Add lines 28 through 30.....	31	
32	Allowable excess casualty losses and depreciation. Enter the <b>smaller</b> of line 27 or line 31.....	32	
33	Add lines 14, 26, and 32.....	33	
34	Casualty loss portion, if any, from lines 14 and 32. Carry amount to <b>Form 4684</b> (see instructions).....	34	
35	<b>Allowable expenses for business use of your home.</b> Subtract line 34 from line 33. Enter here and on Schedule C, line 30. If your home was used for more than one business, see instructions.....	35	0.

**Part III Depreciation of Your Home**

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

**Part IV Carryover of Unallowed Expenses to 2012**

42	Operating expenses. Subtract line 26 from line 25. If less than zero, enter -0-.....	42	7,236.
43	Excess casualty losses and depreciation. Subtract line 32 from line 31. If less than zero, enter -0-.....	43	0.

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

FDIA6902L 09/12/11

Form **8829** (2011)

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

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

OMB No. 1545-0172

**2011**Attachment  
Sequence No. **179**

Name(s) shown on return

Joe Trader no MTM Com Loss Ex11

Identifying number

999-99-9999

Business or activity to which this form relates

Schedule C - Joe Trader no MTM Com Loss Ex11

**Part I Election To Expense Certain Property Under Section 179**

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions).	1	500,000.
2	Total cost of section 179 property placed in service (see instructions).	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions).	3	2,000,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions.	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29.	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7.	8	
9	Tentative deduction. Enter the <b>smaller</b> of line 5 or line 8.	9	
10	Carryover of disallowed deduction from line 13 of your 2010 Form 4562.	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs).	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11.	12	
13	Carryover of disallowed deduction to 2012. Add lines 9 and 10, less line 12.	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)** (See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions).	14	6,412.
15	Property subject to section 168(f)(1) election.	15	
16	Other depreciation (including ACRS).	16	484.

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

17	MACRS deductions for assets placed in service in tax years beginning before 2011.	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here.		

**Section B - Assets Placed in Service During 2011 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property.						
b 5-year property.			5	HY	200DB	
c 7-year property.			7	HY	200DB	
d 10-year property.						
e 15-year property.						
f 20-year property.						
g 25-year property.			25 yrs		S/L	
h Residential rental property.			27.5 yrs	MM	S/L	
i Nonresidential real property.			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	
				MM	S/L	

**Section C - Assets Placed in Service During 2011 Tax Year Using the Alternative Depreciation System**

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

**Part IV Summary** (See instructions.)

21	Listed property. Enter amount from line 28.	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions.	22	6,896.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs.	23	

BAA For Paperwork Reduction Act Notice, see separate instructions.

FDI0812L 05/20/11

Form **4562** (2011)

2011

## Federal Statements

Page 1

Client EX11F-CA

Joe Trader no MTM Com Loss Ex11

999-99-9999

2/19/12

10:00AM

**Statement 1 - Trader in Commodities - See Note**  
**Schedule C, Part V**  
**Other Expenses**

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

**Statement 2**  
**Form 8829, Line 21**  
**Other Expenses**

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

Demo



Client EX11F-CA

Joe Trader no MTM Com Loss Ex11

999-99-9999

2/19/12

10:00AM

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

TAXPAYER QUALIFIES AS A "TRADER IN COMMODITIES"

SUMMARY

-----  
Taxpayer qualifies as a "trader in commodities" for 2011. Taxpayer's trading business expenses are reported on Schedule C and his commodities trading gains and losses are reported on Form 6781.

=====

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

-----

Taxpayer operated a trading business, in accordance with the definition below, during all of 2011. Considerable time spent every trading day, consistent and frequent number of trades, and trading proceeds all support taxpayer's rising to the level of conducting this activity as a business.

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

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

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

..Your activity must be substantial.

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

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

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

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

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

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

Note.

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

How To Report.

-----

2/19/12

10:00AM

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

#### Expenses.

-----

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

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

-----

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

=====

Demo

2/19/12

10:00AM

**Election to Waive Net Operating Loss Carryback**

Pursuant to IRC Section 172(b)(3), the Taxpayer hereby elects to relinquish the entire carryback period with respect to the net operating loss incurred for the tax year ended 12/31/11.

Demo

Client EX11F-CA

Joe Trader no MTM Com Loss Ex11

999-99-9999

2/19/12

10:00AM

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

Schwab - invest a/c

	897.
Total	<u>897.</u>

**Schedule A, Line 1  
Medical and Dental Expenses**

Doctors, Dentists, and Nurses	205.
Insurance Premiums	4,818.
Prescription Medicines and Drugs	<u>322.</u>
	<u>5,345.</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	-38,313.
Tax-exempt interest	0.
Nontaxable combat pay	0.
Nontaxable social security benefits	0.
Nontaxable pensions	0.
Nontaxable IRAs	0.
Economic recovery payments	0.
Prior year refundable credits (refundable portion only)	0.
Additional nontaxable amounts	<u>0.</u>
Total Available Income (not less than zero)	<u>0.</u>

Number of Exemptions	1.
----------------------	----

1. State general sales taxes per Tables 289.
2. Local general sales taxes per Tables for residents of AK, AZ, AR, CO, GA, IL, LA, MO, NC, NY, SC, TN, UT, and VA plus residents of Los Angeles County (based on 1% rate) 41.
3. Local general sales tax rate
4. If line 2 is zero, enter your state general sales tax rate. Otherwise, skip line 4 and 5, and go to line 6
5. Divide line 3 by line 4
6. Local general sales taxes. If line 2 is zero, multiply line 1 by line 5. Otherwise, multiply line 2 by line 3. 0.
7. State and local general sales taxes (add lines 1 and 6) 289.
8. Sales taxes paid on vehicles, boats, etc. 0.
9. Sales tax deduction when using Tables (add lines 7 and 8) 289.

Client EX11F-CA

Joe Trader no MTM Com Loss Ex11

999-99-9999

2/19/12

10:00AM

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

1. General sales taxes paid	0.
2. Use taxes paid	0.
3. Total actual taxes paid (add lines 1 and 2)	0.
4. Sales taxes using Tables	289.
5. Greater of sales taxes paid or Table amount	<u>289.</u>

**Schedule A, Line 14  
Investment Interest**

<u>482.</u>
<u>482.</u>

**Schedule A, Line 16  
Contributions by Cash or Check**

<u>985.</u>
<u>985.</u>

Demo

Client EX11F-CA

Joe Trader no MTM Com Loss Ex11

999-99-9999

2/19/12

10:00AM

**Capital Loss Carryover Worksheet  
(IRS Publication 550)**

- |  |          |
|--|----------|
| 1. Enter the amount from Form 1040, line 41 or Form 1040NR, line 39. | -44,494. |
| 2. Enter the loss from Schedule D, line 21.                          | 3,000.   |
| 3. Combine lines 1 and 2 (but not less than zero).                   | 0.       |
| 4. Enter the smaller of line 2 or line 3.                            | 0.       |

Note: If line 7 of Schedule D is a loss,  
go to line 5; otherwise, enter zero  
on line 5 and go to line 9.

- |   |         |
|---|---------|
| 5. Enter the loss from Schedule D, line 7.                                    | 47,982. |
| 6. Enter gain from Schedule D, line 15.                                       | 0.      |
| 7. Add lines 4 and 6.   | 0.      |
| 8. Short-term capital loss carryover to 2012.<br>Subtract line 7 from line 5. | 47,982. |

Note: If line 15 of Schedule D is a loss,  
go to line 9; otherwise, skip  
lines 9 through 13.

- |  |         |
|--|---------|
| 9. Enter the loss from Schedule D, line 15.                                    | 79,658. |
| 10. Enter gain from Schedule D, line 7.  | 0.      |
| 11. Subtract line 5 from line 4.   | 0.      |
| 12. Add lines 10 and 11.   | 0.      |
| 13. Long-term capital loss carryover to 2012.<br>Subtract line 12 from line 9. | 79,658. |

**Investment Interest Expense (Form 4952, Line 1)**

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

**Gross Investment Income (Form 4952, Line 4a)**

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

2/19/12

10:00AM

**Investment Expenses (Form 4952, Line 5)**

Real Estate Taxes - Sch. A	0.
Tentative Investment Expense - Sch. A, Line 23	65.
Investment Expenses - Sch. A, Line 28	0.
Investment Expenses - Schedule C	0.
Investment Expenses - Schedule E, page 1	0.
Investment Expenses Adjustment	0.
Total Investment Expenses	<u>65.</u>

Demo

2011

## Worksheet For Limit on Charitable Contributions

Client EX11F-CA

Joe Trader no MTM Com Loss Ex11

999-99-9999

2/19/12

10:00AM

## 2011 Contributions

1.	If you are a qualified farmer or rancher, enter any QCCs eligible for the 100% limit .....	1	
2.	Enter any QCCs not entered on line 1. Do not include this amount on line 3, 4, 5, 6, or 8 .....	2	
3.	Enter your contributions to 50% limit organizations. (Include contributions of capital gain property if you reduced the property's fair market value. Do not include contributions of capital gain property deducted at fair market value.) <b>Do not</b> include any contributions you entered on line 1 or 2 .....	3	985.
4.	Enter your contributions to 50% limit organizations of capital gain property deducted at fair market value. ...	4	
5.	Enter your contributions (other than of capital gain property) to qualified organizations that are not 50% limit organizations. ....	5	
6.	Enter your contributions "for the use of" any qualified organization. (But do not enter here any amount that must be entered on line 8.) ...	6	
7.	Add lines 5 and 6. ....	7	
8.	Enter your contributions of capital gain property to or for the use of any qualified organization. (But do not enter here any amount entered on line 3 or 4.) .....	8	
9.	Enter your adjusted gross income. ....	9	-38,313.
10.	Multiply line 9 by 0.5. This is your 50% limit .....	10	

## Contributions to 50% limit organizations

		Deduct this year	Carryover
11.	Enter the smaller of line 3 or line 10. ....	11	
12.	Subtract line 11 from line 3. ....	12	985.
13.	Subtract line 11 from line 10. ....	13	

## Contributions not to 50% limit organizations

14.	Add lines 3 and 4. ....	14	985.
15.	Multiply line 9 by 0.3. This is your 30% limit .....	15	
16.	Subtract line 14 from line 10. ....	16	
17.	Enter the smallest of line 7, 15, or 16 .....	17	
18.	Subtract line 17 from line 7. ....	18	
19.	Subtract line 17 from line 15. ....	19	

## Contributions of capital gain property to 50% limit organizations

20.	Enter the smallest of line 4, 13, or 15 .....	20	
21.	Subtract line 20 from line 4. ....	21	
22.	Subtract line 17 from line 16. ....	22	
23.	Subtract line 20 from line 15. ....	23	

## Other contributions of capital gain property

24.	Multiply line 9 by 0.2. This is your 20% limit .....	24	
25.	Enter the smallest of line 8, 19, 22, 23 or 24. ....	25	
26.	Subtract line 25 from line 8. ....	26	
27.	Add lines 11, 17, 20, and 25. ....	27	
28.	Subtract line 27 from line 10. ....	28	
29.	Enter the smaller of line 2 or line 28 .....	29	
30.	Subtract line 29 from line 2. ....	30	
31.	Subtract line 27 from line 9. ....	31	

32.	Enter the smaller of line 1 or line 31. ....	32	
33.	Add lines 27, 29, and 32. Enter the total here and on Schedule A (Form 1040), line 16 or line 17, whichever is appropriate .....	33	
34.	Subtract line 32 from line 1 .....	34	
35.	Add lines 12, 18, 21, 26, 30, and 34. Carry this amount forward to Schedule A (Form 1040) next year. ....	35	985.



2011

## Worksheet For Limit on Charitable Contributions

Client EX11F-CA

Joe Trader no MTM Com Loss Ex11

999-99-9999

2/19/12

10:00AM

## Contribution Carryovers

1. If you are a qualified farmer or rancher, enter any QCCs eligible for the 100% limit .....	1	
2. Enter any QCCs not entered on line 1. Do not include this amount on line 3, 4, 5, 6, or 8 .....	2	
3. Enter your contributions to 50% limit organizations. (Include contributions of capital gain property if you reduced the property's fair market value. Do not include contributions of capital gain property deducted at fair market value.) <b>Do not</b> include any contributions you entered on line 1 or 2 .....	3	1,970.
4. Enter your contributions to 50% limit organizations of capital gain property deducted at fair market value. ...	4	
5. Enter your contributions (other than of capital gain property) to qualified organizations that are not 50% limit organizations. ....	5	
6. Enter your contributions "for the use of" any qualified organization. (But do not enter here any amount that must be entered on line 8.) ...	6	
7. Add lines 5 and 6. ....	7	
8. Enter your contributions of capital gain property to or for the use of any qualified organization. (But do not enter here any amount entered on line 3 or 4.) .....	8	
9. Enter your adjusted gross income. ....	9	-38,313.
10. Multiply line 9 by 0.5. This is your 50% limit .....	10	

## Contributions to 50% limit organizations

		Deduct this year	Carryover
11. Enter the smaller of line 3 or line 10. ....	11		
12. Subtract line 11 from line 3. ....	12		1,970.
13. Subtract line 11 from line 10. ....	13		

## Contributions not to 50% limit organizations

14. Add lines 3 and 4. ....	14	1,970.	
15. Multiply line 9 by 0.3. This is your 30% limit .....	15		
16. Subtract line 14 from line 10. ....	16		
17. Enter the smallest of line 7, 15, or 16 .....	17		
18. Subtract line 17 from line 7. ....	18		
19. Subtract line 17 from line 15. ....	19		

## Contributions of capital gain property to 50% limit organizations

20. Enter the smallest of line 4, 13, or 15 .....	20		
21. Subtract line 20 from line 4. ....	21		
22. Subtract line 17 from line 16. ....	22		
23. Subtract line 20 from line 15. ....	23		

## Other contributions of capital gain property

24. Multiply line 9 by 0.2. This is your 20% limit .....	24		
25. Enter the smallest of line 8, 19, 22, 23 or 24. ....	25		
26. Subtract line 25 from line 8. ....	26		
27. Add lines 11, 17, 20, and 25. ....	27		
28. Subtract line 27 from line 10. ....	28	N/A.	
29. Enter the smaller of line 2 or line 28 .....	29	N/A.	
30. Subtract line 29 from line 2. ....	30		N/A.
31. Subtract line 27 from line 9. ....	31	N/A.	
32. Enter the smaller of line 1 or line 31. ....	32	N/A.	
33. Add lines 27, 29, and 32. Enter the total here and on Schedule A (Form 1040), line 16 or line 17, whichever is appropriate .....	33		
34. Subtract line 32 from line 1 .....	34		N/A.
35. Add lines 12, 18, 21, 26, 30, and 34. Carry this amount forward to Schedule A (Form 1040) next year. ....	35		1,970.

2011

## Contribution Summary

Client EX11F-CA

Joe Trader no MTM Com Loss Ex11

999-99-9999

Order of Utilization		Amount Available	Amount Used	Carryover Before Conversion to NOL	Amount Converted to NOL	Carryover to Next Year
2011 Contributions	50% limitation	985.		985.		985.
	30% limitation					
	30% capital gain					
	20% capital gain					
50% Carryovers	2006					Expired
	2007					
	2008					
	2009	985.		985.		985.
	2010	985.		985.		985.
30% Carryovers	2006					Expired
	2007					
	2008					
	2009					
	2010					
30% Capital Gain Carryovers	2006					Expired
	2007					
	2008					
	2009					
	2010					
20% Capital Gain Carryovers	2006					Expired
	2007					
	2008					
	2009					
	2010					
Conservation contributions (50%)						
Conservation contributions (100%)						
Totals		2,955.		2,955.		2,955.

12/31/11

## 2011 Federal Summary Depreciation Schedule

Page 1

Client EX11F-CA

Joe Trader no MTM Com Loss Ex11

999-99-9999

2/19/12

10:00AM

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179/ SDA	Prior 179/ SDA/ Depr.	Method	Life	Current Depr.
Schedule C - Joe Trader no MTM Com Loss Ex11										
Furniture and Fixtures										
2	Furniture/fixtures	Various		2,946		2,946		200DB HY	7	0
	Total Furniture and Fixtures			2,946		2,946	0			0
Machinery and Equipment										
1	Computers for trading	Various		3,466		3,466		200DB HY	5	0
3	Software for trading	Various		1,453				S/L	3	484
	Total Machinery and Equipment			4,919		3,466	0			484
	Total Depreciation			7,865		6,412	0			484
	Grand Total Depreciation			7,865		6,412	0			484

Demo

**California Resident  
Income Tax Return 2011**

FORM

**540** C1 Side 1

APE

ATTACH FEDERAL RETURN

P  
AC  
A  
R  
RP999-99-9999 NOMT  
JOE T NOMTMCOMLOSSEX

11 PBA 523900

ANY ST

LOS ANGELES

CA 90025

01-01-1960

01	1	72	0	408	0	APE	0
06	0	73	0	410	0	FS	0
09	0	74	0	412	0	3800	0
10	0	91	0	413	0	3803	0
12	0	92	0	414	0	SCHG1	0
14	0	93	0	415	0	5870A	0
16	5298	94	0	416	0	5805 5805F	0
17	-33015	95	0	417	0	DESIGNEE	1
18	5892	400	0	418	0	TPID	
31	0	401	0	419	0	FN 200751653	
34	0	402	0	110	0		
40	0	403	0	111	0		
41	0	404	0	112	0		
42	0	405	0	113	0		
43	0	406	0	115	0		
44	0	407	0	116	0		
45	0			117	0		
46	0						
61	0						
62	0						
63	0						
64	0						
71	0						

Demo

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

Your signature \_\_\_\_\_

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

Daytime phone number (optional) \_\_\_\_\_

Date \_\_\_\_\_

Your email address (optional). Enter only one. \_\_\_\_\_

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

● Paid Preparer's PTIN

Z WEBGUIDEEXAMPLES

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

Firm's address

● FEIN

GREEN &amp; COMPANY CPAS, LLC

54 DANBURY RD., #351

RIDGEFIELD, CT 06877

20-0751653

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

Joint tax return? (See instructions.)

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

● ☒ Yes ☐ No

Z WEBGUIDEEXAMPLES

877-662-2014

Print Third Party Designee's Name

Telephone Number

059

3101116

7

Your Name: JOE TRADER NO MTM COM LOSS EX11

Your SSN or ITIN: 999-99-9999

**Filing Status**

- 1 ☒ Single  
 2 ☐ Married/RDP filing jointly. (see instructions)  
 3 ☐ Married/RDP filing separately. Enter spouse's/RDP's SSN or ITIN above and full name here...  
 4 ☐ Head of household (with qualifying person). (see instructions)  
 5 ☐ Qualifying widow(er) with dependent child. Enter year spouse/RDP died...  
 If your California filing status is different from your federal filing status, check the box here...  
 6 If someone can claim you (or your spouse/RDP) as a dependent, check the box here (see instructions)...

**Exemptions**

- 7 **Personal:** If you checked 1, 3, or 4 above, enter 1 in the box. If you checked 2 or 5, enter 2 in the box. If you checked the box on line 6, see the instructions. 7  x \$102 = \$ 102.  
 8 **Blind:** If you (or your spouse/RDP) are visually impaired, enter 1; if both are visually impaired, enter 2... 8  x \$102 = \$  
 9 **Senior:** If you (or your spouse/RDP) are 65 or older, enter 1; if both are 65 or older, enter 2... 9  x \$102 = \$  
 10 **Dependents:** Enter name and relationship. Do not include yourself or your spouse/RDP.  
 Total dependent exemptions... 10  x \$315 = \$  
 11 **Exemption amount:** Add line 7 through line 10. Transfer this amount to line 32. 11 \$ 102.

**Taxable Income**

- 12 State wages from your Form(s) W-2, box 16. 12  
 13 Enter federal adjusted gross income from Form 1040, line 37; Form 1040A, line 21; Form 1040EZ, line 4. 13 -38,313.  
 14 California adjustments — subtractions. Enter the amount from Schedule CA (540), line 37, column B. 14  
 15 Subtract line 14 from line 13. If less than zero, enter the result in parentheses (see instructions). 15 ( 38,313.)  
 16 California adjustments — additions. Enter the amount from Schedule CA (540), line 37, column C. 16 5,298.  
 17 California adjusted gross income. Combine line 15 and line 16. 17 -33,015.  
 18 Enter the larger of your CA standard deduction OR your CA itemized deductions. 18 5,892.  
 19 Subtract line 18 from line 17. This is your taxable income. If less than zero, enter -0-. 19 0.

**Tax**

- 31 Tax. Check box if from: ☐ Tax Table ☐ Tax Rate Schedule ☐ FTB 3800 ☐ FTB 3803. 31 0.  
 32 Exemption credits. Enter the amount from line 11. If your federal AGI is more than \$166,565 (see instrs). 32 102.  
 33 Subtract line 32 from line 31. If less than zero, enter -0-. 33 0.  
 34 Tax. (see instructions) Check box if from: ☐ Schedule G-1 ☐ Form FTB 5870A. 34  
 35 Add line 33 and line 34. 35

**Special Credits**

- 40 Nonrefundable Child and Dependent Care Expenses Credit, (see instructions). Attach form FTB 3506. 40  
 41 New jobs credit, amount generated (see instructions). 41  
 42 New jobs credit, amount claimed (see instructions). 42  
 43 Credit Code amount. 43  
 44 Credit Code amount. 44  
 45 To claim more than two credits (see instructions). 45  
 46 Nonrefundable renter's credit (see instructions). 46  
 47 Add line 40 and line 42 through line 46. These are your total credits. 47  
 48 Subtract line 47 from line 35. If less than zero, enter -0-. 48 0.

**Other Taxes**

- 61 Alternative minimum tax. Attach Schedule P (540). 61  
 62 Mental Health Services Tax (see instructions). 62  
 63 Other taxes and credit recapture (see instructions). 63  
 64 Add line 48, line 61, line 62, and line 63. This is your total tax. 64

**Payments**

- 71 California income tax withheld (see instructions). 71  
 72 2011 CA estimated tax and other payments (see instructions). 72  
 73 Real estate and other withholding (see instructions). 73  
 74 Excess SDI (or VPD) withheld (see instructions). 74 0.  
 75 Add line 71, line 72, line 73, and line 74. These are your total payments (see instructions). 75

**Overpaid Tax/  
Tax Due**

- 91 Overpaid tax. If line 75 is more than line 64, subtract line 64 from line 75. 91  
 92 Amount of line 91 you want applied to your 2012 estimated tax. 92  
 93 Overpaid tax available this year. Subtract line 92 from line 91. 93  
 94 Tax due. If line 75 is less than line 64, subtract line 75 from line 64. 94

**Use Tax**

- 95 Use Tax. This is not a total line (see instructions). 95

Your Name: JOE TRADER NO MTM COM LOSS EX11Your SSN or ITIN: 999-99-9999

		Code	Amount	
<b>Contributions</b>	California Seniors Special Fund (see instructions).....	● 400	_____	
	Alzheimer's Disease/Related Disorders Fund.....	● 401	_____	
	California Fund for Senior Citizens.....	● 402	_____	
	Rare and Endangered Species Preservation Program.....	● 403	_____	
	State Children's Trust Fund for the Prevention of Child Abuse.....	● 404	_____	
	California Breast Cancer Research Fund.....	● 405	_____	
	California Firefighters' Memorial Fund.....	● 406	_____	
	Emergency Food For Families Fund.....	● 407	_____	
	California Peace Officer Memorial Foundation Fund.....	● 408	_____	
	California Sea Otter Fund.....	● 410	_____	
	Municipal Shelter Spay-Neuter Fund.....	● 412	_____	
	California Cancer Research Fund.....	● 413	_____	
	ALS/Lou Gehrig's Disease Research Fund.....	● 414	_____	
	Arts Council Fund.....	● 415	_____	
	California Police Activities League (CALPAL) Fund.....	● 416	_____	
	California Veterans Homes Fund.....	● 417	_____	
	Safely Surrendered Baby Fund.....	● 418	_____	
	Child Victims of Human Trafficking Fund.....	● 419	_____	
	110	Add code 400 through code 419. This is your total contribution.....	● 110	_____

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

<b>Refund and Direct Deposit</b>	115	<b>REFUND OR NO AMOUNT DUE.</b> Subtract line 95 and line 110 from line 93 (see instructions). Mail to: <b>FRANCHISE TAX BOARD, PO BOX 942840, SACRAMENTO CA 94240-0009</b> .....	● 115	_____ 0.															
	Fill in the information to authorize direct deposit of your refund into one or two accounts. <b>Do not</b> attach a voided check or a deposit slip (see instructions). <b>Have you verified the routing and account numbers?</b> Use whole dollars only. All or the following amount of my refund (line 115) is authorized for direct deposit into the account shown below:																		
	<table><tbody><tr><td>_____</td><td><input type="checkbox"/> Checking <input type="checkbox"/> Savings</td><td>_____</td><td>_____</td></tr><tr><td>● Routing number</td><td>● Type</td><td>● Account number</td><td>● 116 Direct deposit amount</td></tr></tbody></table> <p>The remaining amount of my refund (line 115) is authorized for direct deposit into the account shown below:</p> <table><tbody><tr><td>_____</td><td><input type="checkbox"/> Checking <input type="checkbox"/> Savings</td><td>_____</td><td>_____</td></tr><tr><td>● Routing number</td><td>● Type</td><td>● Account number</td><td>● 117 Direct deposit amount</td></tr></tbody></table>				_____	<input type="checkbox"/> Checking <input type="checkbox"/> Savings	_____	_____	● Routing number	● Type	● Account number	● 116 Direct deposit amount	_____	<input type="checkbox"/> Checking <input type="checkbox"/> Savings	_____	_____	● Routing number	● Type	● Account number
_____	<input type="checkbox"/> Checking <input type="checkbox"/> Savings	_____	_____																
● Routing number	● Type	● Account number	● 116 Direct deposit amount																
_____	<input type="checkbox"/> Checking <input type="checkbox"/> Savings	_____	_____																
● Routing number	● Type	● Account number	● 117 Direct deposit amount																

**2011 California Adjustments – Residents****CA (540)****Important:** Attach this schedule behind Form 540, Side 3 as a supporting California schedule.

Name(s) as shown on tax return

SSN or ITIN

JOE TRADER NO MTM COM LOSS EX11

999-99-9999

**Part I Income Adjustment Schedule**  
**Section A – Income**

	<b>A</b> Federal Amounts (taxable amounts from your federal tax return)	<b>B</b> Subtractions See instructions	<b>C</b> Additions See instructions
<b>7</b> Wages, salaries, tips, etc. See instructions before making an entry in column B or C.	<b>7</b>		
<b>8</b> Taxable interest <b>(b)</b>	<b>8a</b> 1,762.		
<b>9</b> Ordinary dividends. See instructions <b>(b)</b> 897.	<b>9a</b> 897.		
<b>10</b> Taxable refunds, credits, offsets of state and local income taxes	<b>10</b>		
<b>11</b> Alimony received	<b>11</b>		
<b>12</b> Business income or (loss) . . . DEPRECIATION (3.885A)	<b>12</b> -37,972.		5,298.
<b>13</b> Capital gain or (loss). See instructions	<b>13</b> -3,000.		
<b>14</b> Other gains or (losses).	<b>14</b>		
<b>15</b> IRA distributions. See instructions <b>(a)</b>	<b>15b</b>		
<b>16</b> Pensions and annuities. See instructions <b>(a)</b>	<b>16b</b>		
<b>17</b> Rental real estate, royalties, partnerships, S corporations, trusts, etc.	<b>17</b>		
<b>18</b> Farm income or (loss)	<b>18</b>		
<b>19</b> Unemployment compensation	<b>19</b>		
<b>20</b> Social security benefits <b>(a)</b>	<b>20b</b>		
<b>21</b> Other income.		<b>a</b>	<b>a</b>
<b>a</b> California lottery winnings	<b>e</b> NOL from FTB 3805D, 3805Z,	<b>b</b>	<b>b</b>
<b>b</b> Disaster loss carryover from FTB 3805V	3806, 3807, or 3809	<b>c</b>	<b>c</b>
<b>c</b> Federal NOL (Form 1040, line 21)	<b>f</b> Other (describe):	<b>d</b>	<b>d</b>
<b>d</b> NOL carryover from FTB 3805V		<b>e</b>	<b>e</b>
		<b>f</b>	<b>f</b>
<b>22 Total.</b> Combine line 7 through line 21 in column A. Add line 7 through line 21f in column B and column C. Go to Section B.	<b>22</b> -38,313.		5,298.

**Section B – Adjustments to Income**

<b>23</b> Educator expenses	<b>23</b>		
<b>24</b> Certain business expenses of reservists, performing artists, and fee-basis government officials.	<b>24</b>		
<b>25</b> Health savings account deduction.	<b>25</b>		
<b>26</b> Moving expenses.	<b>26</b>		
<b>27</b> Deductible part of self-employment tax.	<b>27</b>		
<b>28</b> Self-employed SEP, SIMPLE, and qualified plans.	<b>28</b>		
<b>29</b> Self-employed health insurance deduction.	<b>29</b>		
<b>30</b> Penalty on early withdrawal of savings.	<b>30</b>		
<b>31 a</b> Alimony paid.			
<b>b</b> Recipient's: SSN.			
Last name	<b>31 a</b>		
<b>32</b> IRA deduction.	<b>32</b>		
<b>33</b> Student loan interest deduction.	<b>33</b>		
<b>34</b> Tuition and fees.	<b>34</b>		
<b>35</b> Domestic production activities deduction	<b>35</b>		
<b>36</b> Add line 23 through line 31a and line 32 through line 35 in columns A, B, and C. See instrs.	<b>36</b>		
<b>37 Total.</b> Subtract line 36 from line 22 in columns A, B, and C. See instructions.	<b>37</b> -38,313.		5,298.

CAIA4012L 12/08/11

**Part II Adjustments to Federal Itemized Deductions**

<b>38</b>	Federal itemized deductions. Enter the amount from federal Schedule A (Form 1040), line 29 .....	<b>38</b>	<u>6,181.</u>
<b>39</b>	Enter total of federal Schedule A (Form 1040), line 5 (State Disability Insurance, and state and local income tax, or General Sales Tax), and line 8 (foreign income taxes <b>only</b> ). See instructions .....	<b>39</b>	<u>289.</u>
<b>40</b>	Subtract line 39 from line 38 .....	<b>40</b>	<u>5,892.</u>
<b>41</b>	Other adjustments including California lottery losses. See instructions. Specify ... ..	<b>41</b>	
<b>42</b>	Combine line 40 and line 41 .....	<b>42</b>	<u>5,892.</u>
<b>43</b>	<b>Is your federal AGI (Form 540, line 13) more than the amount shown below for your filing status?</b>		
	Single or married/RDP filing separately .....		<b>\$166,565</b>
	Head of household .....		<b>\$249,852</b>
	Married/RDP filing jointly or qualifying widow(er) .....		<b>\$333,134</b>
<b>No.</b>	Transfer the amount on line 42 to line 43.		
<b>Yes.</b>	Complete the Itemized Deductions Worksheet in the instructions for Schedule CA (540), line 43. ....	<b>43</b>	<div style="border: 1px solid black; padding: 2px; display: inline-block;">5,892.</div>
<b>44</b>	<b>Enter the larger of the amount on line 43 or your standard deduction listed below</b>		
	Single or married/RDP filing separately .....		<b>\$3,769</b>
	Married/RDP filing jointly, head of household, or qualifying widow(er) .....		<b>\$7,538</b>
	Transfer the amount on line 44 to Form 540, line 18 .....	<b>44</b>	<div style="border: 1px solid black; padding: 2px; display: inline-block;">5,892.</div>

Demo



TAXABLE YEAR

## SCHEDULE

# 2011

## California Capital Gain or Loss Adjustment

**Do not complete this schedule if all of your California gains (losses) are the same as your federal gains (losses).**

## D (540)

Name(s) as shown on return

SSN or ITIN
-------------

JOE TRADER NO MTM COM LOSS EX11

999-99-9999

[illegible]

2011

Alternative Minimum Tax and  
Credit Limitations – Residents

P (540)

Attach this schedule to Form 540.

Name(s) as shown on Form 540

Your SSN or ITIN

JOE TRADER NO MTM COM LOSS EX11

999-99-9999

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

1	If you itemized deductions, go to line 2. If you did not itemize deductions, enter your standard deduction from Form 540, line 18, and go to line 6.	1	0.																								
2	Medical and dental expense. Enter the smaller of Schedule A (Form 1040), line 4, or 2-1/2% (.025) of Form 1040, line 37.	2																									
3	Personal property taxes and real property taxes. See instructions.	3																									
4	Certain interest on a home mortgage <b>not</b> used to buy, build, or improve your home. See instructions.	4																									
5	Miscellaneous itemized deductions. See instructions.	5	65.																								
6	Refund of personal property taxes and real property taxes. See instructions.	6																									
<b>Do not</b> include your state income tax refund on this line.																											
7	Investment interest expense adjustment. See instructions.	7																									
8	Post-1986 depreciation. See instructions.	8																									
9	Adjusted gain or loss. See instructions.	9																									
10	Incentive stock options and California qualified stock options (CQSOs). See instructions.	10																									
11	Passive activities adjustment. See instructions.	11																									
12	Beneficiaries of estates and trusts. Enter the amount from Schedule K-1 (541), line 12a.	12																									
13	Other adjustment and preferences. Enter the amount, if any, for each item, a through l, and enter the total on line 13. See instructions.	13																									
<table border="0"> <tr> <td>a</td> <td>Circulation expenditures.</td> <td>g</td> <td>Mining costs.</td> </tr> <tr> <td>b</td> <td>Depletion.</td> <td>h</td> <td>Patron's adjustment.</td> </tr> <tr> <td>c</td> <td>Installment sales.</td> <td>i</td> <td>Qualified small business stock.</td> </tr> <tr> <td>d</td> <td>Intangible drilling costs.</td> <td>j</td> <td>Research and experimental.</td> </tr> <tr> <td>e</td> <td>Long-term contracts.</td> <td>k</td> <td>Tax shelter farm activities.</td> </tr> <tr> <td>f</td> <td>Loss limitations.</td> <td>l</td> <td>Related adjustments.</td> </tr> </table>				a	Circulation expenditures.	g	Mining costs.	b	Depletion.	h	Patron's adjustment.	c	Installment sales.	i	Qualified small business stock.	d	Intangible drilling costs.	j	Research and experimental.	e	Long-term contracts.	k	Tax shelter farm activities.	f	Loss limitations.	l	Related adjustments.
a	Circulation expenditures.	g	Mining costs.																								
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d	Intangible drilling costs.	j	Research and experimental.																								
e	Long-term contracts.	k	Tax shelter farm activities.																								
f	Loss limitations.	l	Related adjustments.																								
14	Total Adjustments and Preferences. Combine line 1 through line 13.	14	65.																								
15	Enter taxable income from Form 540, line 19. See instructions.	15	-38,907.																								
16	Net operating loss (NOL) deductions from Schedule CA (540), line 21d and 21e, column B. Enter as a positive amount.	16																									
17	AMTI exclusion. See instructions.	17	0.																								
18	If your federal adjusted gross income (AGI) is less than the amount for your filing status (listed below), skip this line and go to line 19. If you itemized deductions and your federal AGI is more than the amount for your filing status, see instructions.	18																									
<table border="0"> <tr> <td>Single or married/RDP filing separately.</td> <td>\$166,565</td> </tr> <tr> <td>Married/RDP filing jointly or qualifying widow(er)</td> <td>\$333,134</td> </tr> <tr> <td>Head of household.</td> <td>\$249,852</td> </tr> </table>				Single or married/RDP filing separately.	\$166,565	Married/RDP filing jointly or qualifying widow(er)	\$333,134	Head of household.	\$249,852																		
Single or married/RDP filing separately.	\$166,565																										
Married/RDP filing jointly or qualifying widow(er)	\$333,134																										
Head of household.	\$249,852																										
19	Combine line 14 through line 18.	19	-38,842.																								
20	Alternative minimum tax NOL deduction. See instructions.	20																									
21	<b>Alternative Minimum Taxable Income.</b> Subtract line 20 from line 19 (if married/RDP filing separately and line 21 is more than \$316,481 see instructions).	21	-38,842.																								

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

22	<b>Exemption Amount.</b> (If this schedule is for a certain child under age 24, see instructions.)		
	<b>If your filing status is:</b>	<b>And line 21 is not over:</b>	<b>Enter on line 22:</b>
	Single or head of household	\$ 229,708	\$ 61,256
	Married/RDP filing jointly or qualifying widow(er)	306,276	81,673
	Married/RDP filing separately	153,137	40,836
	If Part I, line 21 is more than the amount shown above for your filing status, see instructions.		
23	Subtract line 22 from line 21. If zero or less, enter -0-	23	0.
24	Tentative Minimum Tax. Multiply line 23 by 7.0% (.07).	24	
25	Regular tax before credits from Form 540, line 31.	25	0.
26	<b>Alternative Minimum Tax.</b> Subtract line 25 from line 24. If zero or less, enter -0- here and on Form 540, line 61. If more than zero, enter here and on Form 540, line 61. If you make estimated tax payments for taxable year 2012, enter amount from line 26 on the 2012 Form 540-ES, Estimated Tax Worksheet, line 16. (Exception: If you have carryover credit for solar energy or commercial solar energy, first enter the result on Side 2, Part III, Section C, line 23 or 24.)	26	0.

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

- 1 Enter the amount from Form 540, line 35. .... 1 0.
- 2 Enter the tentative minimum tax from Side 1, Part II, line 24. .... 2

	(a) Credit amount	(b) Credit used this year	(c) Tax balance that may be offset by credits	(d) Credit carryover
<b>Section A – Credits that reduce excess tax.</b>				
<b>3</b> Subtract line 2 from line 1. If zero or less enter -0- and see instructions. This is your excess tax which may be offset by credits. .... <b>3</b>			0.	
<b>A1 Credits that reduce excess tax and have no carryover provisions.</b>				
<b>4</b> Code: 162 Prison inmate labor credit (FTB 3507). .... <b>4</b>				
<b>5</b> Code: 169 Enterprise zone employee credit (FTB 3553). .... <b>5</b>				
<b>6</b> Code: _____ New Home Credit or First Time Buyer Credit .... <b>6</b>				
<b>7</b> Code: 232 Child and dependent care expenses credit (FTB 3506). .... <b>7</b>				
<b>A2 Credits that reduce excess tax and have carryover provisions. See instructions.</b>				
<b>8</b> Code: _____ Credit Name: _____ <b>8</b>				
<b>9</b> Code: _____ Credit Name: _____ <b>9</b>				
<b>10</b> Code: _____ Credit Name: _____ <b>10</b>				
<b>11</b> Code: _____ Credit Name: _____ <b>11</b>				
<b>12</b> Code: 188 Credit for prior year alternative minimum tax. .... <b>12</b>				
<b>Section B – Credits that may reduce tax below tentative minimum tax.</b>				
<b>13</b> If Part III, line 3 is zero, enter the amount from line 1. If line 3 is more than zero, enter the total of line 2 and the last entry in column (c). .... <b>13</b>				
<b>B1 Credits that reduce net tax and have no carryover provisions.</b>				
<b>14</b> Code: 170 Credit for joint custody head of household. .... <b>14</b>				
<b>15</b> Code: 173 Credit for dependent parent. .... <b>15</b>				
<b>16</b> Code: 163 Credit for senior head of household. .... <b>16</b>				
<b>17</b> Nonrefundable renter's credit. .... <b>17</b>	60.			
<b>B2 Credits that reduce net tax and have carryover provisions. See instructions.</b>				
<b>18</b> Code: _____ Credit Name: _____ <b>18</b>				
<b>19</b> Code: _____ Credit Name: _____ <b>19</b>				
<b>20</b> Code: _____ Credit Name: _____ <b>20</b>				
<b>21</b> Code: _____ Credit Name: _____ <b>21</b>				
<b>B3 Other state tax credit.</b>				
<b>22</b> Code: 187 Other state tax credit. .... <b>22</b>				
<b>Section C – Credits that may reduce alternative minimum tax.</b>				
<b>23</b> Enter your alternative minimum tax from Side 1, Part II, line 26. .... <b>23</b>				
<b>24</b> Code: 180 Solar energy credit carryover from Section B2, column (d). .... <b>24</b>				
<b>25</b> Code: 181 Commercial solar energy credit carryover from Section B2, column (d). .... <b>25</b>				
<b>26</b> Adjusted AMT. Enter the balance from line 25, column (c) here and on Form 540, line 61. .... <b>26</b>				

**2011 Investment Interest Expense Deduction****3526**

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

Name(s) as shown on return

SSN, ITIN, or FEIN

JOE TRADER NO MTM COM LOSS EX11

999-99-9999

<b>1</b> Investment interest expense paid or accrued in 2011. See instructions. ....	<b>1</b>	482.
<b>2</b> Disallowed investment interest expense from 2010 form FTB 3526, line 7. If zero or less, enter -0- ....	<b>2</b>	0.
<b>3</b> Total investment interest expense. Add line 1 and line 2. ....	<b>3</b>	482.
<b>4a</b> Gross income from property held for investment (excluding any net gain from the disposition of property held for investment). See instructions. ....	<b>4a</b>	2,659.
<b>4b</b> Net gain from the disposition of property held for investment. See instructions ..	<b>4b</b>	
<b>4c</b> Net capital gain from the disposition of property held for investment. See instructions. ....	<b>4c</b>	
<b>4d</b> Subtract line 4c from line 4b. If zero or less, enter -0- ....	<b>4d</b>	0.
<b>4e</b> Enter all or part of the amount on line 4c that you elect to include in investment income. <b>Do not</b> include more than the amount on line 4b. See instructions. ....	<b>4e</b>	
<b>4f</b> Investment income. Add line 4a, line 4d, and line 4e. ....	<b>4f</b>	2,659.
<b>5</b> Investment expenses. See instructions. ....	<b>5</b>	65.
<b>6</b> Net investment income. Subtract line 5 from line 4f. ....	<b>6</b>	2,594.
<b>7</b> Disallowed investment interest expense to be carried forward to 2012. Subtract line 6 from line 3. If zero or less, enter -0- ....	<b>7</b>	0.
<b>8</b> Investment interest expense deduction. Enter the smaller of line 3 or line 6. Form 541 filers, stop here and see instructions. All other filers, go to line 9. ....	<b>8</b>	482.
<b>9</b> Enter the amount from federal Form 4952, line 8. ....	<b>9</b>	482.
<b>10</b> California investment interest expense deduction adjustment. Enter the difference between line 8 and line 9. See instructions. ....	<b>10</b>	

Demo

2011

# Net Operating Loss (NOL) Computation and NOL and Disaster Loss Limitations – Individuals, Estates, and Trusts

3805V

Attach to your California tax return.

Names as shown on return

SSN or ITIN

999-99-9999

FEIN

JOE TRADER NO MTM COM LOSS EX11

## Part I Computation of Current Year NOL for Individuals, Estates, and Trusts. If you do not have a current year NOL, go to Part II.

### Section A – California Residents Only (Nonresidents go to Section B.)

- |    |   |    |             |
|----|---|----|-------------|
| 1  | Adjusted gross income from 2011 Form 540, line 17. If negative, use brackets. Estates and Trusts, begin on line 3.  | 1  | ( 33,015. ) |
| 2  | Itemized deductions or standard deduction from 2011 Form 540, line 18.  | 2  | ( 5,892. )  |
| 3a | Combine line 1 and line 2. (Estates and Trusts, enter taxable income, see instructions.) If negative, use brackets. If positive, enter -0- here and on line 27. <b>Do not</b> complete the rest of Section A. You do not have a current year NOL. Complete Part II and Part III if you have a carryover from prior years. | 3a | ( 38,907. ) |
| 3b | 2011 designated disaster loss included in line 3a. Enter as a positive number.  | 3b | 0.          |
| 3c | Combine line 3a and line 3b. If negative, use brackets and continue to line 4. If zero or more, <b>do not</b> complete the rest of Part I. Enter the amount from line 3b, if any, in Part III, line 3, column (d) and complete Part II and Part III as instructed.  | 3c | ( 38,907. ) |

Enter amounts on line 4 through line 26 as if they were all **positive** numbers. See instructions.

- |    |   |    |             |
|----|---|----|-------------|
| 4  | Nonbusiness capital losses.   | 4  | 63,820.     |
| 5  | Nonbusiness capital gains. See instructions.  | 5  | 15,366.     |
| 6  | If line 4 is more than line 5, enter the difference; otherwise, enter -0-.  | 6  | 48,454.     |
| 7  | If line 4 is less than line 5, enter the difference; otherwise, enter -0-.  | 7  | 0.          |
| 8  | Nonbusiness deductions.   | 8  | 5,892.      |
| 9  | Nonbusiness income other than capital gains.  | 9  | 2,659.      |
| 10 | Add line 7 and line 9.  | 10 | 2,659.      |
| 11 | If line 8 is more than line 10, enter the difference; otherwise, enter -0-.   | 11 | 3,233.      |
| 12 | If line 8 is less than line 10, enter the difference; otherwise, enter -0-.   | 12 | 0.          |
| 13 | Business capital losses.  | 13 | 79,186.     |
| 14 | Business capital gains.   | 14 |             |
| 15 | Add line 12 and line 14.  | 15 |             |
| 16 | If line 13 is more than line 15, enter the difference; otherwise, enter -0-.  | 16 | 79,186.     |
| 17 | Add line 6 and line 16.   | 17 | 127,640.    |
| 18 | Enter the loss, if any, from line 8 of Schedule D (540). Estates and Trusts, enter the loss, if any, from line 9, column (c), of Schedule D (541). If you do not have a loss on that line (and do not have an R&TC Section 18152.5 exclusion), skip line 18 through line 23 and enter on line 24 the amount from line 17. | 18 | 127,640.    |
| 19 | R&TC Section 18152.5 exclusion. Enter as a positive number.   | 19 |             |
| 20 | Subtract line 19 from line 18. If zero or less, enter -0-.  | 20 | 127,640.    |
| 21 | Enter the loss, if any, from line 9 of Schedule D (540). Estates and Trusts, enter the loss, if any, from line 10 of Schedule D (541). Enter as a positive number.  | 21 | 3,000.      |
| 22 | If line 20 is more than line 21, enter the difference; otherwise, enter -0-.  | 22 | 124,640.    |
| 23 | If line 21 is more than line 20, enter the difference; otherwise enter -0-.   | 23 | 0.          |
| 24 | Subtract line 22 from line 17. If zero or less, enter -0-.  | 24 | 3,000.      |
| 25 | NOL and disaster loss carryovers from prior years. See instructions.  | 25 |             |
| 26 | Add lines 11, 19, 23, 24, and 25.   | 26 | 6,233.      |
| 27 | <b>2011 NOL carryover.</b> Combine line 3c and line 26. If more than zero, enter -0-. You do not have a current year NOL to carryover.  | 27 | ( 32,674. ) |

**Section B – Nonresidents and Part-Year Residents Only – Computation of Current Year California NOL**

	A Enter total amounts as if you were a <b>CA resident for entire year.</b>	B Enter amounts earned or received from CA sources if you were a <b>nonresident for the entire year.</b>	C Enter amounts earned or received during the portion of the year you were a <b>CA resident.</b>	D Enter amounts earned or received from CA sources during the portion of the year you were a <b>nonresident.</b>	E <b>Total</b> Combine columns C and D.
<b>1</b> Adjusted gross income. See instructions. If negative, use brackets . . . . . <b>1</b>					
<b>2</b> Itemized deductions or standard deduction. See instructions . . . . . <b>2</b>					
<b>3a</b> Combine line 1 and line 2. If negative, use brackets. If positive, enter -0- here and on line 27. Complete Part II and Part III if you have a carryover from prior years. . . <b>3a</b>					
<b>b</b> 2011 designated disaster loss included in line 3a. Enter as a positive number . . . . . <b>3b</b>					
<b>c</b> Combine line 3a and line 3b. If negative, use brackets and continue to line 4 . . . . . <b>3c</b>					
Enter amounts on line 4 through line 26 as if they were all <b>positive</b> numbers.					
<b>4</b> Nonbusiness capital losses . . . . . <b>4</b>					
<b>5</b> Nonbusiness capital gains. . . . . <b>5</b>					
<b>6</b> If line 4 is more than line 5, enter the difference; otherwise, enter -0- <b>6</b>					
<b>7</b> If line 4 is less than line 5, enter the difference; otherwise, enter -0- <b>7</b>					
<b>8</b> Nonbusiness deductions . . . . . <b>8</b>					
<b>9</b> Nonbusiness income other than capital gains . . . . . <b>9</b>					
<b>10</b> Add line 7 and line 9 . . . . . <b>10</b>					
<b>11</b> If line 8 is more than line 10, enter the difference; otherwise, enter -0- <b>11</b>					
<b>12</b> If line 8 is less than line 10, enter the difference; otherwise, enter -0- <b>12</b>					
<b>13</b> Business capital losses. . . . . <b>13</b>					
<b>14</b> Business capital gains . . . . . <b>14</b>					
<b>15</b> Add line 12 and line 14. . . . . <b>15</b>					
<b>16</b> If line 13 is more than line 15, enter the difference; otherwise, enter -0- . . . . . <b>16</b>					
<b>17</b> Add line 6 and line 16. . . . . <b>17</b>					
<b>18</b> Enter the loss, if any, from line 4 of Schedule D (540NR) worksheet for nonresidents and part-year residents. If you do not have a loss on that line (and do not have an R&TC Section 18152.5 exclusion), skip line 18 through line 23 and enter on line 24 the amount from line 17. . . . . <b>18</b>					
<b>19</b> R&TC Section 18152.5 exclusion. Enter as a positive number . . . . . <b>19</b>					
<b>20</b> Subtract line 19 from line 18. If zero or less, enter -0- . . . . . <b>20</b>					
<b>21</b> Enter the loss, if any, from line 5 of Schedule D (540NR) worksheet for nonresidents and part-year residents. Enter as a positive number . . . . . <b>21</b>					
<b>22</b> If line 20 is more than line 21, enter the difference; otherwise, enter -0- . . . . . <b>22</b>					
<b>23</b> If line 21 is more than line 20, enter the difference; otherwise, enter -0- . . . . . <b>23</b>					
<b>24</b> Subtract line 22 from line 17. If zero or less, enter -0- . . . . . <b>24</b>					
<b>25</b> NOL and disaster loss carryovers from prior years. . . . . <b>25</b>					
<b>26</b> Add lines 11, 19, 23, 24, and 25. . <b>26</b>					
<b>27</b> <b>2011 NOL carryover.</b> Combine line 3c and line 26. If more than zero, enter -0- . . . . . <b>27</b>					

**Part II Determine 2011 Modified Taxable Income (MTI).** Be sure to read the instructions for Part II.

1	Taxable income. See instructions.....	1	( 38,907. )
Enter amounts on line 2 through line 4 as if they were all <b>positive</b> numbers.			
2	Capital loss deduction included in line 1.....	2	3,000.
3	Disaster loss carryover included in line 1.....	3	
4	NOL carryover included in line 1.....	4	
5	MTI. Combine line 1 through line 4. If line 5 is zero or less, enter -0-.....	5	0.

**Part III NOL Carryover and Disaster Loss Carryover Limitations.** See Instructions.

		(g) Available balance	
1	MTI from Part II, line 5. <b>If the taxpayers modified adjusted gross income is \$300,000 or more, see instructions.</b> .....	1	

**Prior Year NOLs**

(a) Year of loss	(b) Code	(c) Type of NOL* See below	(d) Initial Loss	(e) Carryover from 2010	(f) Amount used in 2011		(h) Carryover to 2012 subtract column (f) from column (e)
2							

**Current Year NOLs**

3	2011		DIS				
4	2011		GEN	32,674.			32,674.
	2011						
	2011						
	2011						

\*Type of NOL: General (GEN), New Business (NB), Eligible Small Business (ESB), or Disaster (DIS).

5	NOL carryover. Add the carryover amounts in column (h) that are not the result of a disaster loss.....	5	32,674.
6	Disaster loss carryover. Enter the total loss carryover amounts in column (h) that are the result of disaster losses.....	6	

2011

# Net Operating Loss (NOL) Computation and NOL and Disaster Loss Limitations – Individuals, Estates, and Trusts

3805V

Attach to your California tax return.

Names as shown on return

SSN or ITIN

999-99-9999

FEIN

JOE TRADER NO MTM COM LOSS EX11

## Part I Computation of Current Year NOL for Individuals, Estates, and Trusts. If you do not have a current year NOL, go to Part II.

### Section A – California Residents Only (Nonresidents go to Section B.)

1	Adjusted gross income from 2011 Form 540, line 17. If negative, use brackets. Estates and Trusts, begin on line 3.	1	
2	Itemized deductions or standard deduction from 2011 Form 540, line 18	2	
3a	Combine line 1 and line 2. (Estates and Trusts, enter taxable income, see instructions.) If negative, use brackets. If positive, enter -0- here and on line 27. <b>Do not</b> complete the rest of Section A. You do not have a current year NOL. Complete Part II and Part III if you have a carryover from prior years.	AMTI BEFORE NOL	3a ( 38,842. )
b	2011 designated disaster loss included in line 3a. Enter as a positive number.	3b	0.
c	Combine line 3a and line 3b. If negative, use brackets and continue to line 4. If zero or more, <b>do not</b> complete the rest of Part I. Enter the amount from line 3b, if any, in Part III, line 3, column (d) and complete Part II and Part III as instructed.	3c	( 38,842. )

Enter amounts on line 4 through line 26 as if they were all **positive** numbers. See instructions.

4	Nonbusiness capital losses.	4	63,820.
5	Nonbusiness capital gains. See instructions	5	15,366.
6	If line 4 is more than line 5, enter the difference; otherwise, enter -0-.	6	48,454.
7	If line 4 is less than line 5, enter the difference; otherwise, enter -0-.	7	0.
8	Nonbusiness deductions.	8	5,827.
9	Nonbusiness income other than capital gains.	9	2,659.
10	Add line 7 and line 9.	10	2,659.
11	If line 8 is more than line 10, enter the difference; otherwise, enter -0-.	11	3,168.
12	If line 8 is less than line 10, enter the difference; otherwise, enter -0-.	12	0.
13	Business capital losses	13	79,186.
14	Business capital gains	14	
15	Add line 12 and line 14	15	
16	If line 13 is more than line 15, enter the difference; otherwise, enter -0-.	16	79,186.
17	Add line 6 and line 16	17	127,640.
18	Enter the loss, if any, from line 8 of Schedule D (540). Estates and Trusts, enter the loss, if any, from line 9, column (c), of Schedule D (541). If you do not have a loss on that line (and do not have an R&TC Section 18152.5 exclusion), skip line 18 through line 23 and enter on line 24 the amount from line 17.	18	127,640.
19	R&TC Section 18152.5 exclusion. Enter as a positive number.	19	
20	Subtract line 19 from line 18. If zero or less, enter -0-.	20	127,640.
21	Enter the loss, if any, from line 9 of Schedule D (540). Estates and Trusts, enter the loss, if any, from line 10 of Schedule D (541). Enter as a positive number.	21	3,000.
22	If line 20 is more than line 21, enter the difference; otherwise, enter -0-.	22	124,640.
23	If line 21 is more than line 20, enter the difference; otherwise enter -0-.	23	0.
24	Subtract line 22 from line 17. If zero or less, enter -0-.	24	3,000.
25	NOL and disaster loss carryovers from prior years. See instructions.	25	
26	Add lines 11, 19, 23, 24, and 25.	26	6,168.
27	<b>2011 NOL carryover.</b> Combine line 3c and line 26. If more than zero, enter -0-. You do not have a current year NOL to carryover.	27	( 32,674. )



**Section B – Nonresidents and Part-Year Residents Only – Computation of Current Year California NOL**

AMT COPY

	A Enter total amounts as if you were a <b>CA resident for entire year.</b>	B Enter amounts earned or received from CA sources if you were a <b>nonresident for the entire year.</b>	C Enter amounts earned or received during the portion of the year you were a <b>CA resident.</b>	D Enter amounts earned or received from CA sources during the portion of the year you were a <b>nonresident.</b>	E <b>Total</b> Combine columns C and D.
<b>1</b> Adjusted gross income. See instructions. If negative, use brackets . . . . . <b>1</b>					
<b>2</b> Itemized deductions or standard deduction. See instructions . . . . . <b>2</b>					
<b>3a</b> Combine line 1 and line 2. If negative, use brackets. If positive, enter -0- here and on line 27. Complete Part II and Part III if you have a carryover from prior years. . . <b>3a</b>					
<b>b</b> 2011 designated disaster loss included in line 3a. Enter as a positive number . . . . . <b>3b</b>					
<b>c</b> Combine line 3a and line 3b. If negative, use brackets and continue to line 4 . . . . . <b>3c</b>					
Enter amounts on line 4 through line 26 as if they were all <b>positive</b> numbers.					
<b>4</b> Nonbusiness capital losses . . . . . <b>4</b>					
<b>5</b> Nonbusiness capital gains. . . . . <b>5</b>					
<b>6</b> If line 4 is more than line 5, enter the difference; otherwise, enter -0- <b>6</b>					
<b>7</b> If line 4 is less than line 5, enter the difference; otherwise, enter -0- <b>7</b>					
<b>8</b> Nonbusiness deductions . . . . . <b>8</b>					
<b>9</b> Nonbusiness income other than capital gains . . . . . <b>9</b>					
<b>10</b> Add line 7 and line 9 . . . . . <b>10</b>					
<b>11</b> If line 8 is more than line 10, enter the difference; otherwise, enter -0- <b>11</b>					
<b>12</b> If line 8 is less than line 10, enter the difference; otherwise, enter -0- <b>12</b>					
<b>13</b> Business capital losses. . . . . <b>13</b>					
<b>14</b> Business capital gains . . . . . <b>14</b>					
<b>15</b> Add line 12 and line 14. . . . . <b>15</b>					
<b>16</b> If line 13 is more than line 15, enter the difference; otherwise, enter -0- . . . . . <b>16</b>					
<b>17</b> Add line 6 and line 16. . . . . <b>17</b>					
<b>18</b> Enter the loss, if any, from line 4 of Schedule D (540NR) worksheet for nonresidents and part-year residents. If you do not have a loss on that line (and do not have an R&TC Section 18152.5 exclusion), skip line 18 through line 23 and enter on line 24 the amount from line 17. . . . . <b>18</b>					
<b>19</b> R&TC Section 18152.5 exclusion. Enter as a positive number . . . . . <b>19</b>					
<b>20</b> Subtract line 19 from line 18. If zero or less, enter -0- . . . . . <b>20</b>					
<b>21</b> Enter the loss, if any, from line 5 of Schedule D (540NR) worksheet for nonresidents and part-year residents. Enter as a positive number . . . . . <b>21</b>					
<b>22</b> If line 20 is more than line 21, enter the difference; otherwise, enter -0- . . . . . <b>22</b>					
<b>23</b> If line 21 is more than line 20, enter the difference; otherwise, enter -0- . . . . . <b>23</b>					
<b>24</b> Subtract line 22 from line 17. If zero or less, enter -0- . . . . . <b>24</b>					
<b>25</b> NOL and disaster loss carryovers from prior years. . . . . <b>25</b>					
<b>26</b> Add lines 11, 19, 23, 24, and 25. . <b>26</b>					
<b>27</b> <b>2011 NOL carryover.</b> Combine line 3c and line 26. If more than zero, enter -0- . . . . . <b>27</b>					

<b>Part II Determine 2011 Modified Taxable Income (MTI).</b> Be sure to read the instructions for Part II.		ALT.	MIN.	TAX
<b>1</b>	Taxable income. See instructions. . . . . AMTI, BEFORE ATNOLD. (SCH. P, LINE 19) . . . . .		<b>1</b>	( 38,842. )
Enter amounts on line 2 through line 4 as if they were all <b>positive</b> numbers.				
<b>2</b>	Capital loss deduction included in line 1 . . . . .		<b>2</b>	3,000.
<b>3</b>	Disaster loss carryover included in line 1 . . . . .		<b>3</b>	
<b>4</b>	NOL carryover included in line 1 . . . . .		<b>4</b>	
<b>5</b>	MTI. Combine line 1 through line 4. If line 5 is zero or less, enter -0- . . . . . MODIFIED AMTI		<b>5</b>	0.
				ATNOLD LIMITATION PERCENTAGE 90

**Part III NOL Carryover and Disaster Loss Carryover Limitations.** See Instructions.

		(g) Available balance	
<b>1</b>	MTI from Part II, line 5. If the taxpayers modified adjusted gross income is \$300,000 or more, see instructions. . . . .		<b>1</b>

**Prior Year NOLs**

(a) Year of loss	(b) Code	(c) Type of NOL* See below	(d) Initial Loss	(e) Carryover from 2010	(f) Amount used in 2011		(h) Carryover to 2012 subtract column (f) from column (e)
<b>2</b>							

**Current Year NOLs**

<b>3</b>	2011		DIS				
<b>4</b>	2011		GEN	32,674.			32,674.
	2011						
	2011						
	2011						

\*Type of NOL: General (GEN), New Business (NB), Eligible Small Business (ESB), or Disaster (DIS).

<b>5</b>	NOL carryover. Add the carryover amounts in column (h) that are not the result of a disaster loss . . . . .	<b>5</b>	32,674.
<b>6</b>	Disaster loss carryover. Enter the total loss carryover amounts in column (h) that are the result of disaster losses . . . . .	<b>6</b>	

# 2011

## Depreciation and Amortization Adjustments

**Do not complete this form if your California depreciation amounts are the same as federal amounts.**

**3885A**

Name(s) as shown on return

SSN or ITIN
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JOE	TRADER	NO	MTM	COM	LOSS	EX11
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999-99-9999

**Part I** Identify the Activity as Passive or Nonpassive. (See instructions.)

Business or activity to which form FTB 3885A relates

- 1 ☐ This form is being completed for a passive activity.  
☒ This form is being completed for a nonpassive activity.

SCHEDULE C

## Part II Election to Expense Certain Tangible Property (IRC Section 179).

- 2** Enter the amount from line 12 of the Tangible Property Expense Worksheet in the instructions. . . . . **2**

## Part III Depreciation

[illegible]

- |           |   |            |               |
|-----------|---|------------|---------------|
| <b>4</b>  | Add the amounts on line 3, column (f).  | <b>4</b>   | <u>1,598.</u> |
| <b>5</b>  | California depreciation for assets placed in service prior to 2011                                | <b>5</b>   | <u></u>       |
| <b>6</b>  | Total California depreciation from this activity. Add the amounts on line 2, line 4, and line 5.  | <b>6</b>   | <u>1,598.</u> |
| <b>7</b>  | Total federal depreciation from this activity. Enter depreciation from federal Form 4562, line 22 | <b>7</b>   | <u>6,896.</u> |
| <b>8a</b> | If line 6 is <b>more</b> than line 7, enter the difference here and see instructions.             | <b>8 a</b> | <u></u>       |
| <b>b</b>  | If line 6 is <b>less</b> than line 7, enter the difference here and see instructions.             | <b>8 b</b> | <u>5,298.</u> |

## Part IV Amortization

[illegible]

- |            |  |            |  |
|------------|--|------------|--|
| <b>10</b>  | Total California amortization from this activity. Add the amounts on line 9, column (f).           | <b>10</b>  |  |
| <b>11</b>  | California amortization of costs that began before 2011.   | <b>11</b>  |  |
| <b>12</b>  | Total California amortization from this activity. Add the amounts on line 10 and line 11.          | <b>12</b>  |  |
| <b>13</b>  | Total federal amortization from this activity. Enter amortization from federal Form 4562, line 44. | <b>13</b>  |  |
| <b>14a</b> | If line 12 is <b>more</b> than line 13, enter the difference here and see instructions.            | <b>14a</b> |  |
| <b>b</b>   | If line 12 is <b>less</b> than line 13, enter the difference here and see instructions.            | <b>14b</b> |  |

2011

## Federal Income Tax Summary

Page 1

Client EX11F-CA

Joe Trader no MTM Com Loss Ex11

999-99-9999

2/19/12

10:00 AM

	2011	2010	Diff
<b>INCOME</b>			
Interest income.....	1,762	1,762	0
Dividend income.....	897	897	0
Business income.....	-37,972	-35,293	-2,679
Capital gain or loss.....	-3,000	-3,000	0
Total income.....	-38,313	-35,634	-2,679
<b>ADJUSTMENTS TO INCOME</b>			
Total adjustments.....	0	0	0
Adjusted gross income.....	-38,313	-35,634	-2,679
<b>ITEMIZED DEDUCTIONS</b>			
Medical & dental.....	5,345	5,345	0
Taxes.....	289	326	-37
Interest.....	482	482	0
Miscellaneous (subject to 2% of AGI).....	65	65	0
Total itemized deductions.....	6,181	6,218	-37
<b>TAX COMPUTATION</b>			
Standard deduction.....	5,800	5,700	100
Larger of itemized or standard deduction.....	6,181	6,218	-37
Income prior to exemption deduction.....	-44,494	-41,852	-2,642
Exemption deduction.....	3,700	3,650	50
Taxable income.....	-48,194	-45,502	-2,692
Tax before credits.....	0	0	0
<b>CREDITS</b>			
Total credits.....	0	0	0
Tax after credits.....	0	0	0
<b>OTHER TAXES</b>			
Total tax.....	0	0	0
<b>PAYMENTS</b>			
Total payments.....	0	0	0
<b>REFUND OR AMOUNT DUE</b>			
Amount you owe.....	0	0	0
<b>TAX RATES</b>			
Marginal tax rate.....	0.0%	0.0%	0.0%

2011

## California Income Tax Summary

Page 1

Client EX11F-CA

Joe Trader no MTM Com Loss Ex11

999-99-9999

2/19/12

10:00 AM

	2011	2010	Diff
<b>FEDERAL ADJUSTED GROSS INCOME</b>			
Federal adjusted gross income.....	-38,313	-35,634	-2,679
<b>CALIFORNIA SUBTRACTIONS</b>			
Net operating loss carryover.....	0	65,288	-65,288
Total subtractions from federal AGI.....	0	65,288	-65,288
<b>CALIFORNIA ADDITIONS</b>			
Business income or (loss).....	5,298	2,649	2,649
Total additions to federal AGI.....	5,298	2,649	2,649
<b>ADJUSTED GROSS INCOME</b>			
Adjusted gross income.....	-33,015	-98,273	65,258
<b>ITEMIZED DEDUCTIONS</b>			
Federal itemized deductions.....	6,181	6,218	-37
Less state, local and foreign taxes.....	289	326	-37
California itemized deductions.....	5,892	5,892	0
California standard deduction.....	3,769	3,670	99
<b>TAX COMPUTATION</b>			
Total taxable income.....	0	0	0
Tax.....	0	0	0
Exemption credits.....	102	99	3
Net tax.....	0	0	0
<b>PAYMENTS</b>			
California income tax withheld.....	0	0	0
Total payments.....	0	0	0
<b>REFUND OR AMOUNT DUE</b>			
Amount overpaid.....	0	0	0
Amount you owe.....	0	0	0
<b>TAX RATES</b>			
Marginal tax rate.....	0.0%	0.0%	0.0%

Client EX11F-CA

Joe Trader no MTM Com Loss Ex11

999-99-9999

2/19/12

10:00AM

**Forms needed for this return**

Federal: 1040, Sch A, Sch B, Sch C, Sch D, 4562, 4952, 6251, 6781, 8829, 8949  
 California: 540, Sch CA, Sch D (540), Sch P, 3526, 3805V, 3885A

**Tax Rates**

	<u>Marginal</u>	<u>Effective</u>
Federal	0.%	0.%
California	0.%	0.%

**Carryovers to 2012**Federal Carryovers

Current Year Net Operating Loss	37,972.
Current Year AMT Net Operating Loss	37,972.
Short-Term Capital Loss	47,982.
Long-Term Capital Loss	79,658.
Contributions (50%)	2,955.
Bus Use of Home Operating Expenses	7,236.
AMT Bus Use of Home Operating Exp	7,236.

California Carryovers

Current Year Net Operating Loss	32,674.
Current Year AMT Net Operating Loss	32,674.
Contributions (50%)	2,955.
Bus Use of Home Operating Expenses	7,236.
AMT Bus Use of Home Operating Exp	7,236.
State Capital Loss	127,640.
AMT State Capital Loss	127,640.

### Future Tax Savings

- ☐ If the medical insurance premiums currently being paid by the taxpayer are for a high deductible health plan, consideration should be given to opening a Health Savings Account (HSA) under IRC Section 223. Qualified HSA contributions provide for an above-the-line deduction. In 2012, the policy must have an annual deductible of at least \$1,200 (\$2,400 for family coverage) and maximum out-of-pocket expenses not exceeding \$6,050 (\$12,100 for family coverage). If the taxpayer participates for the entire year, contributions up to the amount of the annual deductible, but not exceeding \$3,100 (\$6,250 for family coverage) could be deducted on the tax return. In 2012, catch-up contributions of \$1,000 can be made by taxpayers between age 55 and 65. Distributions and earnings from HSA's are not taxed provided they are used to pay qualified medical expenses.

### Tax Tips

- ☐ Taxable income is \$-48,194, placing the taxpayer in a 0% marginal tax bracket. Based on 2011 tax rates, income would have to increase by over \$48,194 in order for any income to begin being taxed in the 10% bracket. This may be used as a guide in determining the advantages or disadvantages of receiving discretionary income in 2012.
- ☐ The taxpayer has a long-term capital loss carryover. Since long-term capital gains are taxed at a lower rate than short-term capital gains, it is more advantageous to use short-term gains to offset the carryover. If the taxpayer plans on recognizing gains in 2012 and has a choice between recognizing short-term gains or long-term gains, an overall greater tax savings will be realized by recognizing short-term gains up to the amount of the loss carryover.
- ☐ Schedule C for Joe Trader no MTM Com Loss Ex11 (1) : The address of the taxpayer's business is the same as the home address, but no expenses for business use of a home were deducted. If the home is used regularly and exclusively for the business, the taxpayer may qualify for the business use of home deduction.
- ☐ The costs associated with maintaining a home office can be deducted only if strict IRS guidelines are met. Ensure that the home office is used exclusively for business, that the taxpayer uses the office to conduct administrative or management activities of a trade or business, and that there is no other fixed location of the trade or business where the taxpayer conducts substantial administrative or management activities for the business. Refer to IRS Publication 587 for additional rules related to the home office deduction.
- ☐ For home sales operations, ensure that storage space is included in the calculation of business square footage. Additional storage space can be underutilized spaces such as attics and basements. The storage space must be used on a regular basis and be an identifiable separate space suitable for storage.

**Compliance Tips**

- ☐ You cannot deduct a cash contribution, regardless of the amount, unless you keep as a record of the contribution a bank record (such as a canceled check, a bank copy of a canceled check, or a bank statement containing the name of the charity, the date, and the amount) or a written communication from the charity. The written communication must include the name of the charity, date of the contribution, and amount of the contribution.
- ☐ Under audit, charitable contributions of \$250 or more require a written receipt, letter, postcard, or email from the organization to substantiate the donation. A cancelled check is not sufficient evidence for a cash donation of \$250 or more. The receipt should show the date of the donation, the dollar amount of the money gift or description of the property donated, and the estimated value of goods or services received in return for the donation. In figuring whether a gift is \$250 or more, separate and regular donations of less than \$250 to the same organization do not need to be combined.
- ☐ Schedule C for Joe Trader no MTM Com Loss Ex11 (1) : Ensure that all required information returns such as Form 1099, 1098, 5498, and W-2G have been filed. Penalties for not filing required information returns can be fairly high.
- ☐ Schedule C for Joe Trader no MTM Com Loss Ex11 (1) : Travel, meals, and entertainment expenses draw close attention from the IRS under examination. Entertainment expenses must be ordinary and necessary, and common practice for the type of industry. In addition to the general record keeping requirements, the following information may be required: dates and duration of business discussions that took place, nature of the business conducted, the business benefit derived or expected to be derived, identification of the person(s) entertained, and whether the site of the meeting was vacation oriented. Ensure that adequate records exist to support the travel, meals, and entertainment expense.

**Schedule A Comparison Flags**

- ☐ Schedule A medical and dental expenses before the 7.5% AGI limitation are 43% lower than the typical amount deducted by taxpayers claiming the deduction, with similar AGI.
- ☐ Schedule A medical and dental expenses after the 7.5% AGI limitation are 42% lower than the typical amount deducted by taxpayers claiming the deduction, with similar AGI.
- ☐ Schedule A state and local taxes are 76% lower than the typical amount deducted by taxpayers claiming the deduction, with similar AGI.
- ☐ Schedule A total taxes paid are 93% lower than the typical amount deducted by taxpayers claiming the deduction, with similar AGI.
- ☐ Schedule A investment interest expense is 72% lower than the typical amount deducted by taxpayers claiming the deduction, with similar AGI.



**Schedule A Comparison Flags (continued)**

- ☐ Schedule A total interest paid deduction is 95% lower than the typical amount deducted by taxpayers claiming the deduction, with similar AGI.
- ☐ Schedule A cash or check contributions are 36% lower than the typical amount deducted by taxpayers claiming the deduction, with similar AGI.
- ☐ Schedule A contribution carryover is 37% lower than the typical amount deducted by taxpayers claiming the deduction, with similar AGI.
- ☐ Schedule A other 2% miscellaneous deductions are 99% lower than the typical amount deducted by taxpayers claiming the deduction, with similar AGI.
- ☐ Schedule A total miscellaneous deductions before the 2% AGI limitation are 97% lower than the typical amount deducted by taxpayers claiming the deduction, with similar AGI.
- ☐ Schedule A total miscellaneous deductions after the 2% AGI limitation are 98% lower than the typical amount deducted by taxpayers claiming the deduction, with similar AGI.
- ☐ Schedule A total itemized deductions are 66% lower than the typical amount deducted by taxpayers claiming the deduction, with similar AGI.

Demo

2011

## Schedule A Analysis

Client EX11F-CA

Joe Trader no MTM Com Loss Ex11

999-99-9999

2/19/12 AGI Range Used for This Analysis  <b>Under \$5,000</b>	This Return		Typical Return*		10:00AM  This Return's Deviation From Typical
	Amounts	% of AGI	Amounts	% of AGI	
<b>AGI</b>					
Adjusted gross income	-38,313.	N/A	2,501.	N/A	
<b>MEDICAL AND DENTAL EXPENSES</b>					
Medical and dental expenses before limitation	5,345.	-13.95%	9,457.	378.12%	-43.48% **
Medical and dental expenses after limitation	5,345.	-13.95%	9,269.	370.61%	-42.33% **
<b>TAXES PAID DEDUCTION</b>					
State and local taxes	289.	-0.75%	1,218.	48.72%	-76.27% **
Real estate taxes			3,547.	141.81%	
Personal property taxes			296.	11.83%	
Other taxes			404.	16.17%	
Total taxes paid deduction	289.	-0.75%	3,866.	154.59%	-92.52% **
<b>INTEREST PAID DEDUCTION</b>					
Home mortgage interest on Form 1098			9,875.	394.84%	
Home mortgage interest not on Form 1098			3,368.	134.67%	
Deductible points			182.	7.28%	
Qualified mortgage insurance premiums			1,880.	75.16%	
Investment interest deduction	482.	-1.26%	1,698.	67.89%	-71.61% **
Total interest paid deduction	482.	-1.26%	9,816.	392.5%	-95.09% **
<b>CHARITABLE CONTRIBUTIONS</b>					
Cash or check contributions	985.	-2.57%	1,532.	61.27%	-35.7% **
Other than cash contributions			679.	27.15%	
Carryover from prior years	1,970.	-5.14%	3,117.	124.63%	-36.8% **
Allowable charitable contributions			726.	29.02%	
<b>CASUALTY AND THEFT LOSSES</b>					
Casualty or theft loss deduction			1,471.	58.83%	
<b>MISCELLANEOUS DEDUCTIONS SUBJECT TO 2% LIMITATION</b>					
Unreimbursed employee business expenses			2,709.	108.32%	
Other deductions	65.	-0.17%	4,756.	190.17%	-98.63% **
Total miscellaneous deductions before limitation	65.	-0.17%	2,459.	98.31%	-97.36% **
Total miscellaneous deductions after limitation	65.	-0.17%	2,605.	104.14%	-97.5% **
<b>OTHER MISCELLANEOUS DEDUCTIONS</b>					
Gambling loss deduction			1,694.	67.74%	
Other deductions			2,663.	106.47%	
Total other miscellaneous deductions			24,167.	966.29%	
<b>TOTAL ITEMIZED DEDUCTIONS</b>					
Total itemized deductions after limitation	6,181.	-16.13%	18,261.	730.15%	-66.15% **

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

\*\* Above or below the user specified range.

2011

## Schedule C Analysis

Client EX11F-CA

Joe Trader no MTM Com Loss Ex11

999-99-9999

2/19/12	Actual Amounts For This Business		National Average Expense Ratios Applied to This Business*		10:00AM
Joe Trader no MTM Com Loss Ex11 (1) PBA Code: 523900 Other Financial Investment Activities (advice, etc.)	Amounts	% of Sales	Amounts	% of Sales	This Business' Deviation from Averages
<b>INCOME</b>					
Gross receipts less returns and allowances		N/A		N/A	
Cost of goods sold:					
Beginning inventory				0.3%	
Purchases				22.25%	
Cost of labor					
Materials and supplies				2.54%	
Other costs				19.21%	
Ending inventory				0.55%	
Cost of goods sold					
Gross profit					
Other income				-0.42%	
Total income	0.		0.		
<b>EXPENSES</b>					
Advertising				1.2%	
Car and truck expenses				2.88%	
Commissions				4.85%	
Contract labor				1.23%	
Depletion					
Depreciation	6,896.			1.21%	
Employee benefit programs				0.18%	
Insurance				0.39%	
Mortgage interest				0.04%	
Other interest	16,299.			0.85%	
Legal and professional services				1.1%	
Office expense				1.74%	
Pension and profit-sharing plans				0.04%	
Rent or lease of machinery and equipment				0.08%	
Rent on other business property				2.15%	
Repairs and maintenance				1.1%	
Supplies	983.			1.04%	
Taxes and licenses				0.37%	
Travel	1,855.			1.81%	
Meals and entertainment	1,327.			1.42%	
Utilities				1.71%	
Wages				3.82%	
Other expenses	10,612.			20.38%	
Expenses for business use of home				0.98%	
Total expenses	37,972.		0.		
<b>NET PROFIT</b>	-37,972.		0.		

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