

2/13/10

03:32PM

EX11F-CA

During 2009, Joe had total trading proceeds over \$20 million and total roundtrip trades of over 1,000 per review of the GTT TradeLog reports. Trading was Joe's only occupation in 2009 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 losses. 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 2010. (Note that if Joe had Commodities gains in the last 3 years, he could elect to carry back the 2009 Section 1256 loss to those 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 2009 NOL five years, starting with tax year 2004, to get a quick NOL refund by filing Form 1045. If Joe decides not to carry-back the 2009 NOL, he can elect with the filing of his 2009 tax return to forgo the carry-back and simply carry-forward the 2009 NOL to tax year 2010.

Demo

Label
(See instructions.)

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

Presidential Election Campaign

For the year Jan 1 - Dec 31, 2009, or other tax year beginning , 2009, ending , 20		OMB No. 1545-0074
Your first name MI Last name	Your social security number	
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.		You must enter your social security number(s) above. ▲
any street		
City, town or post office. If you have a foreign address, see instructions. State ZIP code		Checking a box below will not change your tax or refund.
Los Angeles, CA 90025		
Check here if you, or your spouse if filing jointly, want \$3 to go to this fund? (see instructions) <input checked="" type="checkbox"/> You <input type="checkbox"/> Spouse		

Filing Status

Check only one box.

1 <input checked="" type="checkbox"/> Single	4 <input type="checkbox"/> Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here .
2 <input type="checkbox"/> Married filing jointly (even if only one had income)	
3 <input type="checkbox"/> Married filing separately. Enter spouse's SSN above & full name here .	5 <input type="checkbox"/> Qualifying widow(er) with dependent child (see instructions)

Exemptions

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

6a <input checked="" type="checkbox"/> Yourself. If someone can claim you as a dependent, do not check box 6a	Boxes checked on 6a and 6b ..	1
b <input type="checkbox"/> Spouse.	No. of children on 6c who:	
c Dependents:		
(1) First name Last name	(2) Dependent's social security number	(3) Dependent's relationship to you
		(4) <input checked="" type="checkbox"/> if qualifying child for child tax credit (see instrs)
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
d Total number of exemptions claimed.		
1		

Income

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

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

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

7 Wages, salaries, tips, etc. Attach Form(s) W-2	7	
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 (see instrs)	9b	897.
10 Taxable refunds, credits, or offsets of state and local income taxes (see instructions)	10	
11 Alimony received	11	
12 Business income or (loss). Attach Schedule C or C-EZ	12	-35,293.
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 (see instrs)	15b	
16a Pensions and annuities	16a	
b Taxable amount (see instrs)	16b	
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	
18 Farm income or (loss). Attach Schedule F	18	
19 Unemployment compensation in excess of \$2,400 per recipient (see instructions)	19	
20a Social security benefits	20a	
b Taxable amount (see instrs)	20b	
21 Other income	21	
22 Add the amounts in the far right column for lines 7 through 21. This is your total income	22	-35,634.

Adjusted Gross Income

23 Educator expenses (see instructions)	23	
24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24	
25 Health savings account deduction. Attach Form 8889	25	
26 Moving expenses. Attach Form 3903	26	
27 One-half of self-employment tax. Attach Schedule SE	27	
28 Self-employed SEP, SIMPLE, and qualified plans	28	
29 Self-employed health insurance deduction (see instructions)	29	
30 Penalty on early withdrawal of savings	30	
31a Alimony paid b Recipient's SSN . . .	31a	
32 IRA deduction (see instructions)	32	
33 Student loan interest deduction (see instructions)	33	
34 Tuition and fees deduction. Attach Form 8917	34	
35 Domestic production activities deduction. Attach Form 8903	35	
36 Add lines 23 - 31a and 32 - 35	36	0.
37 Subtract line 36 from line 22. This is your adjusted gross income	37	-35,634.

Tax and Credits**Standard Deduction for —**

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

• All others:

Single or Married filing separately, \$5,700

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

Head of household, \$8,350

38 Amount from line 37 (adjusted gross income) 38 -35,634.

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

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

40a Itemized deductions (from Schedule A) or your standard deduction (see left margin) 40a 6,177.

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

41 Subtract line 40a from line 38 41 -41,811.

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

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

44 Tax (see instrs). Check if any tax is from: a ☐ Form(s) 8814 b ☐ Form 4972 44 0.

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

46 Add lines 44 and 45 46 0.

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

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

49 Education credits from Form 8863, line 29. 49

50 Retirement savings contributions credit. Attach Form 8880. 50

51 Child tax credit (see instructions). 51

52 Credits from Form: a ☐ 8396 b ☐ 8839 c ☐ 5695 52

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

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

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

Other Taxes

56 Self-employment tax. Attach Schedule SE. 56

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

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

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

60 Add lines 55-59. This is your total tax. 60 0.

Payments

If you have a qualifying child, attach Schedule EIC.

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

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

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

64a Earned income credit (EIC) No 64a

b Nontaxable combat pay election. 64b

65 Additional child tax credit. Attach Form 8812. 65

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

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

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

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

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

71 Add lns 61-63, 64a, & 65-70. These are your total pmts 71 0.

Refund

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

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

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

b Routing number. c Type: ☐ Checking ☐ Savings

d Account number.

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

Amount You Owe

75 Amount you owe. Subtract line 71 from line 60. For details on how to pay, see instructions. 75 0.

76 Estimated tax penalty (see instructions). 76

Third Party Designee

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

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

Sign Here

Joint return? See instructions.

Keep a copy for your records.

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 Trader Daytime phone number

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

Paid Preparer's Use Only

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

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

54 Danbury Rd., #351 Phone no. 877-662-2014

Ridgefield, CT 06877

SCHEDULE A
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Itemized Deductions

► **Attach to Form 1040.** ► **See Instructions for Schedule A (Form 1040).**

OMB No. 1545-0074

2009

Attachment
Sequence No. **07**

Name(s) shown on Form 1040

Your social security number

Joe Trader no MTM Com Loss Ex11

999-99-9999

Medical and Dental Expenses	Caution. Do not include expenses reimbursed or paid by others.			
	1	Medical and dental expenses (see instructions)	1	5,345.
	2	Enter amount from Form 1040, line 38.	2	-35,634.
	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.
Taxes You Paid	5 State and local (check only one box):			
	a	<input type="checkbox"/> Income taxes, or		
	b	<input checked="" type="checkbox"/> General sales taxes	5	285.
	6	Real estate taxes (see instructions)	6	
	7	New motor vehicle taxes from line 11 of the worksheet on page 2. Skip this line if you checked box 5b.	7	
	8	Other taxes. List type and amount ►	8	
	9	Add lines 5 through 8	9	285.
Interest You Paid	10	Home mtg interest and points reported to you on Form 1098.	10	
	11	Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying number, and address ►		
			
			
			
			
Note. Personal interest is not deductible.	12	Points not reported to you on Form 1098. See instrs for spcl rules	12	
	13	Qualified mortgage insurance premiums (see instructions)	13	
	14	Investment interest. Attach Form 4952 if required. (See instrs.)	14	482.
	15	Add lines 10 through 14	15	482.
Gifts to Charity If you made a gift and got a benefit for it, see instructions.	16	Gifts by cash or check. If you made any gift of \$250 or more, see instrs	16	985.
	17	Other than by cash or check. If any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500	17	
	18	Carryover from prior year	18	
	19	Add lines 16 through 18	19	0.
Casualty and Theft Losses	20	Casualty or theft loss(es). Attach Form 4684. (See instructions.)	20	0.
Job Expenses and Certain Miscellaneous Deductions	21	Unreimbursed employee expenses — job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.) ►	21	
	22	Tax preparation fees	22	
	23	Other expenses — investment, safe deposit box, etc. List type and amount ►	23	65.
	24	Add lines 21 through 23	24	65.
	25	Enter amount from Form 1040, line 38.	25	-35,634.
	26	Multiply line 25 by 2% (.02)	26	
	27	Subtract line 26 from line 24. If line 26 is more than line 24, enter -0-	27	65.
Other Miscellaneous Deductions	28	Other — from list in the instructions. List type and amount ►	28	0.
			
Total Itemized Deductions	29	Is Form 1040, line 38, over \$166,800 (over \$83,400 if married filing separately)? <input checked="" type="checkbox"/> No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 28. Also, enter this amount on Form 1040, line 40a. <input type="checkbox"/> Yes. Your deduction may be limited. See instructions for the amount to enter.	29	6,177.
	30	If you elect to itemize deductions even though they are less than your standard deduction, check here ► <input type="checkbox"/>		

SCHEDULE B
(Form 1040A or 1040)

Department of the Treasury
Internal Revenue Service (99)

Interest and Ordinary Dividends

► **Attach to Form 1040A or 1040.**

► **See Instructions.**

OMB No. 1545-0074

2009

Attachment
Sequence No. **08**

Name(s) shown on return

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

1,762.

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

3

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

4

1,762.

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

Amount

Part II
Ordinary Dividends

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

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

- 5** List name of payer

Schwab - invest a/c

897.

5

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

6

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

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

- 8** During 2009, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If 'Yes,' you may have to file Form 3520. See instructions

X

SCHEDULE C
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Profit or Loss From Business
(Sole Proprietorship)

► **Partnerships, joint ventures, etc., generally must file Form 1065 or 1065-B.**
► **Attach to Form 1040, 1040NR, or 1041.** ► **See Instructions for Schedule C (Form 1040).**

OMB No. 1545-0074

2009

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), if any

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 2009? If 'No,' see instructions for limit on losses... ☒ Yes ☐ No

H If you started or acquired this business during 2009, check here. ☒

Part I **Income**

1 Gross receipts or sales. **Caution.** See the instructions and check the box if:

- This income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked, or
- You are a member of a qualified joint venture reporting only rental real estate income not subject to self-employment tax. Also see instructions for limit on losses. ☐

2 Returns and allowances.

3 Subtract line 2 from line 1.

4 Cost of goods sold (from line 42 on page 2)

5 **Gross profit.** Subtract line 4 from line 3.

6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)

7 **Gross income.** Add lines 5 and 6.

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

8 Advertising.

9 Car and truck expenses (see instructions)

10 Commissions and fees.

11 Contract labor (see instructions)

12 Depletion.

13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)

14 Employee benefit programs (other than on line 19)

15 Insurance (other than health) ...

16 Interest:

a Mortgage (paid to banks, etc)

b Other.

17 Legal & professional services. ...

18 Office expense.

19 Pension and profit-sharing plans.

20 Rent or lease (see instructions):

a Vehicles, machinery, and equipment

b Other business property.

21 Repairs and maintenance.

22 Supplies (not included in Part III)

23 Taxes and licenses.

24 Travel, meals, and entertainment:

a Travel.

b Deductible meals and entertainment (see instructions)

25 Utilities.

26 Wages (less employment credits)

27 Other expenses (from line 48 on page 2)

28 **Total expenses** before expenses for business use of home. Add lines 8 through 27.

29 Tentative profit or (loss). Subtract line 28 from line 7.

30 Expenses for business use of your home. Attach **Form 8829**.

31 **Net profit or (loss).** Subtract line 30 from line 29.

- If a profit, enter on both **Form 1040, line 12**, and **Schedule SE, line 2** or on **Form 1040NR, line 13** (if you checked the box on line 1, see instructions). Estates and trusts, enter on **Form 1041, line 3**.

- If a loss, you **must** go to line 32.

32 If you have a loss, check the box that describes your investment in this activity (see instructions).

- If you checked 32a, enter the loss on both **Form 1040, line 12**, and **Schedule SE, line 2**, or on **Form 1040NR, line 13** (if you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on **Form 1041, line 3**.

- If you checked 32b, you **must** attach **Form 6198**. Your loss may be limited.

32 a ☒ All investment is at risk.

32 b ☐ Some investment is not at risk.

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

Schedule **C** (Form 1040) 2009

Part III Cost of Goods Sold (see instructions)

33 Method(s) used to value closing inventory: a <input type="checkbox"/> Cost b <input type="checkbox"/> Lower of cost or market c <input type="checkbox"/> Other (attach explanation)	
34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If 'Yes,' attach explanation	<input type="checkbox"/> Yes <input type="checkbox"/> No
35 Inventory at beginning of year. If different from last year's closing inventory, attach explanation	35
36 Purchases less cost of items withdrawn for personal use	36
37 Cost of labor. Do not include any amounts paid to yourself.	37
38 Materials and supplies	38
39 Other costs	39
40 Add lines 35 through 39.	40
41 Inventory at end of year.	41
42 Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on page 1, line 4.	42

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

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

44 Of the total number of miles you drove your vehicle during 2009, 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	
48 Total other expenses. Enter here and on page 1, line 27	48 10,612.

SCHEDULE D
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Name(s) shown on return

Capital Gains and Losses

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

OMB No. 1545-0074

2009

Attachment
Sequence No. **12**

Your social security number

Joe Trader no MTM Com Loss Ex11

999-99-9999

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

(a) Description of property (Example: 100 shares XYZ Co)	(b) Date acquired (Mo, day, yr)	(c) Date sold (Mo, day, yr)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)
1 Google stock - Schwab investment a/c	Various	Various	875,105.	859,739.	15,366.
2 Enter your short-term totals, if any, from Schedule D-1, line 2 . . .	2				
3 Total short-term sales price amounts. Add lines 1 and 2 in column (d)	3	875,105.			
4 Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824	4				-31,674.
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1	5				
6 Short-term capital loss carryover. Enter the amount, if any, from line 10 of your Capital Loss Carryover Worksheet in the instructions	6				-16,308.
7 Net short-term capital gain or (loss). Combine lines 1 through 6 in column (f)	7				-32,616.

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

(a) Description of property (Example: 100 shares XYZ Co)	(b) Date acquired (Mo, day, yr)	(c) Date sold (Mo, day, yr)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)
8					
9 Enter your long-term totals, if any, from Schedule D-1, line 9 . . .	9				
10 Total long-term sales price amounts. Add lines 8 and 9 in column (d)	10				
11 Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824	11				-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 15 of your Capital Loss Carryover Worksheet in the instructions	14				-47,512.
15 Net long-term capital gain or (loss). Combine lines 8 through 14 in column (f). Then go to Part III on page 2	15				-95,024.

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

Schedule **D** (Form 1040) 2009

Part III Summary

16 Combine lines 7 and 15 and enter the result.....	16	-127,640.
If line 16 is:		
<ul style="list-style-type: none"> • A gain, enter the amount from line 16 on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 17 below. • A loss, skip lines 17 through 20 below. Then go to line 21. Also be sure to complete line 22. • Zero, skip lines 17 through 21 below and enter -0- on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 22. 		
17 Are lines 15 and 16 both gains?		
<input type="checkbox"/> Yes. Go to line 18.		
<input type="checkbox"/> No. Skip lines 18 through 21, and go to line 22.		
18 Enter the amount, if any, from line 7 of the 28% Rate Gain Worksheet in the instructions.....	18	
19 Enter the amount, if any, from line 18 of the Unrecaptured Section 1250 Gain Worksheet in the instructions.....	19	
20 Are lines 18 and 19 both zero or blank?		
<input type="checkbox"/> Yes. Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the Qualified Dividends and Capital Gain Tax Worksheet in the Instructions for Form 1040 (or in the Instructions for Form 1040NR). Do not complete lines 21 and 22 below.		
<input type="checkbox"/> No. Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the Schedule D Tax Worksheet in the instructions. Do not complete lines 21 and 22 below.		
21 If line 16 is a loss, enter here and on Form 1040, line 13, or Form 1040NR, line 14, the smaller of:		
<ul style="list-style-type: none"> • The loss on line 16 or • (\$3,000), or if married filing separately, (\$1,500) 	21	-3,000.
Note. When figuring which amount is smaller, treat both amounts as positive numbers.		
22 Do you have qualified dividends on Form 1040, line 9b, or Form 1040NR, line 10b?		
<input type="checkbox"/> Yes. Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the Qualified Dividends and Capital Gain Tax Worksheet in the Instructions for Form 1040 (or in the Instructions for Form 1040NR).		
<input type="checkbox"/> No. Complete the rest of Form 1040 or Form 1040NR.		

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

OMB No. 1545-0074

2009Attachment
Sequence No. **32**

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

Your social security number

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 (minus any amount on Form 8914, line 6), and go to line 2. Otherwise, enter the amount from Form 1040, line 38 (minus any amount on Form 8914, line 6), and go to line 7. (If less than zero, enter as a negative amount.)	1	-41,811.
2	Medical and dental. Enter the smaller of Schedule A (Form 1040), line 4 or 2.5% (.025) of Form 1040, line 38. If zero or less, enter -0-	2	
3	Taxes from Schedule A (Form 1040), lines 5, 6, and 8	3	285.
4	Enter the home mortgage interest adjustment, if any, from line 6 of the worksheet in the instructions	4	
5	Miscellaneous deductions from Schedule A (Form 1040), line 27	5	65.
6	If Form 1040, line 38, is over \$166,800 (over \$83,400 if married filing separately), enter the amount from line 11 of the Itemized Deductions Worksheet in the Instructions for Schedule A (Form 1040).	6	
7	If filing Schedule L (Form 1040A or 1040), enter as a negative amount the sum of lines 6 and 20 from that schedule	7	
8	Tax refund from Form 1040, line 10 or line 21	8	
9	Investment interest expense (difference between regular tax and AMT)	9	
10	Depletion (difference between regular tax and AMT)	10	
11	Net operating loss deduction from Form 1040, line 21. Enter as a positive amount	11	
12	Alternative tax net operating loss deduction	12	
13	Interest from specified private activity bonds exempt from the regular tax	13	
14	Qualified small business stock (7% of gain excluded under section 1202)	14	
15	Exercise of incentive stock options (excess of AMT income over regular tax income)	15	
16	Estates and trusts (amount from Schedule K-1 (Form 1041), box 12, code A)	16	
17	Electing large partnerships (amount from Schedule K-1 (Form 1065-B), box 6)	17	
18	Disposition of property (difference between AMT and regular tax gain or loss)	18	
19	Depreciation on assets placed in service after 1986 (difference between regular tax and AMT)	19	
20	Passive activities (difference between AMT and regular tax income or loss)	20	
21	Loss limitations (difference between AMT and regular tax income or loss)	21	
22	Circulation costs (difference between regular tax and AMT)	22	
23	Long-term contracts (difference between AMT and regular tax income)	23	
24	Mining costs (difference between regular tax and AMT)	24	
25	Research and experimental costs (difference between regular tax and AMT)	25	
26	Income from certain installment sales before January 1, 1987	26	
27	Intangible drilling costs preference	27	
28	Other adjustments, including income-based related adjustments	28	
29	Alternative minimum taxable income. Combine lines 1 through 28. (If married filing separately and line 29 is more than \$216,900, see instructions.)	29	-41,461.

Part II Alternative Minimum Tax

30	Exemption. (If you were under age 24 at the end of 2009, see instructions.)														
	<table><tr><td>IF your filing status is . . .</td><td>AND line 29 is not over . . .</td><td>THEN enter on line 30 . . .</td></tr><tr><td>Single or head of household</td><td>\$112,500</td><td>\$46,700</td></tr><tr><td>Married filing jointly or qualifying widow(er)</td><td>150,000</td><td>70,950</td></tr><tr><td>Married filing separately</td><td>75,000</td><td>35,475</td></tr></table>	IF your filing status is . . .	AND line 29 is not over . . .	THEN enter on line 30 . . .	Single or head of household	\$112,500	\$46,700	Married filing jointly or qualifying widow(er)	150,000	70,950	Married filing separately	75,000	35,475	30	46,700.
IF your filing status is . . .	AND line 29 is not over . . .	THEN enter on line 30 . . .													
Single or head of household	\$112,500	\$46,700													
Married filing jointly or qualifying widow(er)	150,000	70,950													
Married filing separately	75,000	35,475													
31	If line 29 is over the amount shown above for your filing status, see instructions. Subtract line 30 from line 29. If more than zero, go to line 32. If zero or less, enter -0- here and on lines 34 and 36 and skip the rest of Part II.	31	0.												
32	• If you are filing Form 2555 or 2555-EZ, see instructions for the amount to enter. • If you reported capital gain distributions directly on Form 1040, line 13; you reported qualified dividends on Form 1040, line 9b; or you had a gain on both lines 15 and 16 of Schedule D (Form 1040) (as refigured for the AMT, if necessary), complete Part III on page 2 and enter the amount from line 55 here. • All others: If line 31 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 31 by 26% (.26). Otherwise, multiply line 31 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result.	32													
33	Alternative minimum tax foreign tax credit (see instructions)	33													
34	Tentative minimum tax. Subtract line 33 from line 32.	34	0.												
35	Tax from Form 1040, line 44 (minus any tax from Form 4972 and any foreign tax credit from Form 1040, line 47). If you used Schedule J to figure your tax, the amount from line 44 of Form 1040 must be refigured without using Schedule J (see instructions).	35													
36	AMT. Subtract line 35 from line 34. If zero or less, enter -0-. Enter here and on Form 1040, line 45.	36	0.												

BAA For Paperwork Reduction Act Notice, see separate instructions.

FDIA5312L 08/14/09

Form **6251** (2009)

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

OMB No. 1545-0191

Department of the Treasury
Internal Revenue Service (99)► **Attach to your tax return.****2009**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 2009 (see instructions)	1	482.
2 Disallowed investment interest expense from 2008 Form 4952, line 7	2	
3 Total investment interest expense. 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 smaller 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 Net investment income. 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 2010. Subtract line 6 from line 3. If zero or less, enter -0-	7	0.
8 Investment interest expense deduction. Enter the smaller of line 3 or 6. See instructions	8	482.

BAA For Paperwork Reduction Act Notice, see separate instructions.Form **4952** (2009)

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

2009Attachment
Sequence No. **66**

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 %
For daycare facilities not used exclusively for business go to line 4. All others go to line 7.			
4	Multiply days used for daycare during year by hours used per day.....	4	hr
5	Total hours available for use during the year (365 days x 24 hours) (see instructions).....	5	hr
6	Divide line 4 by line 5. Enter the result as a decimal amount.....	6	
7	Business percentage. For daycare facilities not used exclusively for business, multiply line 6 by line 3 (enter the result as a percentage). All others, enter the amount from line 3.....	7	17.94 %

Part II Figure Your Allowable Deduction

8	Enter the amount from Schedule C, line 29, plus any net gain or (loss) derived from the business use of your home and shown on Schedule D or Form 4797. If more than one place of business, see instructions.....	8	-35,293.
See instrs for columns (a) and (b) before completing lines 9-21.			
	(a) Direct expenses	(b) Indirect expenses	
9	Casualty losses (see instructions).....		
10	Deductible mortgage interest (see instructions).....		
11	Real estate taxes (see instructions).....		
12	Add lines 9, 10, and 11.....		
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).....		
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 2008 Form 8829, line 42.....	24	
25	Add line 22 column (a), line 23, and line 24.....	25	7,236.
26	Allowable operating expenses. Enter the smaller of line 15 or line 25.....	26	
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 2008 Form 8829, line 43.....	30	
31	Add lines 28 through 30.....	31	
32	Allowable excess casualty losses and depreciation. Enter the smaller of line 27 or line 31.....	32	
33	Add lines 14, 26, and 32.....	33	
34	Casualty loss portion, if any, from lines 14 and 32. Carry amount to Form 4684 , Section B.....	34	
35	Allowable expenses for business use of your home. Subtract line 34 from line 33. Enter here and on Schedule C, line 30. If your home was used for more than one business, see instructions.....	35	0.

Part III Depreciation of Your Home

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

Part IV Carryover of Unallowed Expenses to 2010

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 separate instructions.

FDIA6902L 06/25/09

Form **8829** (2009)

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

2009Attachment
Sequence No. **67**

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 the instructions for a higher limit for certain businesses	1	\$250,000.
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	\$800,000.
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 smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2008 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 2010. 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	3,206.
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 2009.	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here. ▶ <input type="checkbox"/>		

Section B - Assets Placed in Service During 2009 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.		1,733.	5	HY	200DB	347.
c 7-year property.		1,473.	7	HY	200DB	210.
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	
			27.5 yrs	MM	S/L	
i Nonresidential real property.			39 yrs	MM	S/L	
				MM	S/L	

Section C - Assets Placed in Service During 2009 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	4,247.
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 07/07/09

Form **4562** (2009)

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

► Attach to your tax return.

OMB No. 1545-0644

2009Attachment
Sequence No. **82**

Name(s) shown on tax return

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).....	79,186.	
3	Net gain or (loss). Combine line 2, columns (b) and (c).....		-79,186.
4	Form 1099-B adjustments. See instructions and attach schedule.		
5	Combine lines 3 and 4.....		-79,186.
Note: If line 5 shows a net gain, skip line 6 and enter the gain on line 7. Partnerships and S corporations, see instructions.			
6	If you have a net section 1256 contracts loss and checked box D above, enter the amount of loss to be carried back. Enter the loss as a positive number.		
7	Combine lines 5 and 6.....		-79,186.
8	Short-term capital gain or (loss). Multiply line 7 by 40% (.40). Enter here and include on the appropriate line of Schedule D (see instructions).....		-31,674.
9	Long-term capital gain or (loss). Multiply line 7 by 60% (.60). Enter here and include on the appropriate line of Schedule D (see instructions).....		-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 06/18/09

Form **6781** (2009)

2009

Federal Statements

Page 1

Client EX11F-CA

Joe Trader no MTM Com Loss Ex11

999-99-9999

2/13/10

03:32PM

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>

Client EX11F-CA

Joe Trader no MTM Com Loss Ex11

999-99-9999

2/13/10

03:32PM

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 2009. 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 2009. 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 2009).

..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.

2/13/10

03:32PM

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

2009

General Elections

Page 1

Client EX11F-CA

Joe Trader no MTM Com Loss Ex11

999-99-9999

2/13/10

03:32PM

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 12/31/09.

Demo

Client EX11F-CA

Joe Trader no MTM Com Loss Ex11

999-99-9999

2/13/10

03:32PM

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

Schwab - invest a/c

Total	897.
	<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	-35,634.
Tax-exempt interest	0.
Nontaxable combat pay	0.
Nontaxable social security benefits	0.
Nontaxable pensions	0.
Nontaxable IRAs	0.
Nontaxable unemployment compensation	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 285.
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) 37.
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) 285.
8. Sales taxes paid on vehicles, boats, etc. 0.
9. Sales tax deduction when using Tables (add lines 7 and 8) 285.

Client EX11F-CA

Joe Trader no MTM Com Loss Ex11

999-99-9999

2/13/10

03:32PM

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	285.
5. Greater of sales taxes paid or Table amount	<u>285.</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

2/13/10

03:32PM

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

- | | |
|--|----------|
| 1. Enter the amount from Form 1040, line 41 or Form 1040NR, line 38. | -41,811. |
| 2. Did you file Form 8914 (to claim an exemption amount for housing a Midwestern displaced individual for 2008)?
[X] No. Enter zero.
[] Yes. Enter amount from 2008 Form 8914, line 6 | 0. |
| 3. Subtract line 2 from line 1. | -41,811. |
| 4. Enter the loss from Schedule D, line 21. | 3,000. |
| 5. Combine lines 3 and 4 (but not less than zero). | 0. |
| 6. Enter the smaller of line 4 or line 5. | 0. |

Note: If line 7 of Schedule D is a loss, go to line 7; otherwise, enter zero on line 7 and go to line 11.

- | | |
|---|---------|
| 7. Enter the loss from Schedule D, line 7. | 32,616. |
| 8. Enter gain from Schedule D, line 15. | 0. |
| 9. Add lines 6 and 8. | 0. |
| 10. Short-term capital loss carryover to 2010. Subtract line 9 from line 7. | 32,616. |

Note: If line 15 of Schedule D is a loss, go to line 11; otherwise, skip lines 11 through 15.

- | | |
|--|---------|
| 11. Enter the loss from Schedule D, line 15. | 95,024. |
| 12. Enter gain from Schedule D, line 7. | 0. |
| 13. Subtract line 7 from line 6. | 0. |
| 14. Add lines 12 and 13. | 0. |
| 15. Long-term capital loss carryover to 2010. Subtract line 14 from line 11. | 95,024. |

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	482.

2009**Federal Worksheets****Page 4**

Client EX11F-CA

Joe Trader no MTM Com Loss Ex11

999-99-9999

2/13/10

03:32PM

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><u>2,659.</u></u>

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><u>65.</u></u>

Demo

Computation of 2009 Net Operating Loss

1. Enter the amount from Form 1040, line 41		-41,811.
2. Nonbusiness Capital Losses	63,820.	
3. Nonbusiness Capital Gains	15,366.	
4. Excess of line 2 over line 3	48,454.	
5. Excess of line 3 over line 2	0.	
6. Nonbusiness Deductions	6,177.	
7. Nonbusiness Income	2,659.	
8. Add lines 5 and 7	2,659.	
9. Excess of line 6 over line 8		3,518.
10. Excess of line 8 over line 6; But do not enter more than line 5	0.	
11. Business Capital Losses	79,186.	
12. Business Capital Gains	0.	
13. Add lines 10 and 12	0.	
14. Excess of line 11 over line 13	79,186.	
15. Add lines 4 and 14	127,640.	
16. Loss from Schedule D, line 16	127,640.	
17. Section 1202 Exclusion		0.
18. Subtract line 17 from line 16	127,640.	
19. Loss from Schedule D, line 21	3,000.	
20. Subtract line 19 from line 18	124,640.	
21. Subtract line 18 from line 19		0.
22. Subtract line 20 from line 15		3,000.
23. Domestic production activities deduction		0.
24. Prior years' Net Operating Losses		0.
25. 2009 Net Operating Gain (Loss) (Combine lines 1, 9, 17, and 21 through 24.		<u><u>-35,293.</u></u>

Computation of 2009 AMT Net Operating Loss

1. AMTI before ATNOLD (Form 6251, lines 1 through 26)		-41,461.
2. Nonbusiness Capital Losses	63,820.	
3. Nonbusiness Capital Gains	15,366.	
4. Excess of line 2 over line 3	48,454.	
5. Excess of line 3 over line 2	0.	
6. Nonbusiness Deductions	5,827.	
7. Nonbusiness Income	2,659.	
8. Add lines 5 and 7	2,659.	
9. Excess of line 6 over line 8		3,168.
10. Excess of line 8 over line 6	0.	
11. Business Capital Losses	79,186.	
12. Business Capital Gains	0.	
13. Add lines 10 and 12	0.	
14. Excess of line 11 over line 13	79,186.	
15. Add lines 4 and 14	127,640.	
16. Loss from Schedule D, line 17	127,640.	
17. Section 1202 Exclusion		0.
18. Subtract line 17 from line 16	127,640.	
19. Loss from Schedule D, line 18	3,000.	
20. Subtract line 19 from line 18	124,640.	
21. Subtract line 18 from line 19		0.
22. Subtract line 20 from line 15		3,000.
23. 2009 AMT Net Operating Gain (Loss) (Combine lines 1, 9, 17, 21, and 22)		<u><u>-35,293.</u></u>

Demo

12/31/09

2009 Federal Summary Depreciation Schedule

Page 1

Client EX11F-CA

Joe Trader no MTM Com Loss Ex11

999-99-9999

2/13/10

03:32PM

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		1,473		200DB HY	7	210
	Total Furniture and Fixtures			2,946		1,473	0			210
Machinery and Equipment										
1	Computers for trading	Various		3,466		1,733		200DB HY	5	347
3	Software for trading	Various		1,453				S/L	3	484
	Total Machinery and Equipment			4,919		1,733	0			831
	Total Depreciation			7,865		3,206	0			1,041
	Grand Total Depreciation			7,865		3,206	0			1,041

Demo

**California Resident
Income Tax Return 2009**

FORM

540 C1 Side 1

APE

ATTACH FEDERAL RETURN

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

09 PBA 523900

ANY ST
LOS ANGELES CA 90025

01	1	72	0	408	0	APE	0
06	0	73	0	409	0	FS	0
09	0	74	0	410	0	3800	0
10	0	75	0	411	0	3803	0
12	0	76	0	412	0	SCHG1	0
14	32644	77	0	413	0	5870A	0
16	2649	78	0	414	0	5805 5805F	0
17	-65629	91	0	110	0	DESIGNEE	1
18	5892	92	0	111	0	TPID	
31	0	93	0	112	0	FN 200751653	
34	0	94	0	113	0		
41	0	95	0	115	0		
42	0	400	0	116	0		
43	0	401	0	117	0		
44	0	402	0				
45	0	403	0				
46	0	404	0				
61	0	405	0				
62	0	406	0				
63	0	407	0				
64	0						
71	0						

Demo

**Sign
Here**It is unlawful to
forge a
spouse's/RDP's
signature.Joint return?
(See instructions.)**IMPORTANT:** See the instructions to find out if you should attach a copy of your complete federal return. Under penalties of perjury, I declare that I have examined this 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 return, both must sign) _____
------------------------	--

Daytime phone number (optional) _____	Date _____
---------------------------------------	------------

Paid preparer's signature (declaration of preparer is based on all information of which preparer has any knowledge)	● Paid Preparer's SSN/PTIN
---	----------------------------

Z EXAMPLES	● FEIN
------------	--------

Firm's name (or yours if self-employed)	Firm's address	20-0751653
---	----------------	------------

GREEN & COMPANY CPAS, LLC		
---------------------------	--	--

54 DANBURY RD., #351		
----------------------	--	--

RIDGEFIELD, CT 06877		
----------------------	--	--

Do you want to allow another person to discuss this return with us (see instructions)?	● <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
--	---

PREPARER	877-662-2014
----------	--------------

Print Third Party Designee's Name	Telephone Number
-----------------------------------	------------------

Filing Status	1	<input checked="" type="checkbox"/> Single	
	2	<input type="checkbox"/> Married/RDP filing jointly. (see instructions)	
	3	<input type="checkbox"/> Married/RDP filing separately. Enter spouse's/RDP's SSN or ITIN above and full name here...	
	4	<input type="checkbox"/> Head of household (with qualifying person). (see instructions)	
	5	<input type="checkbox"/> Qualifying widow(er) with dependent child. Enter year spouse/RDP died....	
If your California filing status is different from your federal filing status, check the box here.....			<input type="checkbox"/>
	6	If someone can claim you (or your spouse/RDP) as a dependent, check the box here (see instructions).....	<input type="checkbox"/> 6
Exemptions	7	Personal: If you checked 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 <input type="text" value="1"/> x \$98 = \$ 98.
	8	Blind: If you (or your spouse/RDP) are visually impaired, enter 1; if both are visually impaired, enter 2 ..	8 <input type="text"/> x \$98 = \$
	9	Senior: If you (or your spouse/RDP) are 65 or older, enter 1; if both are 65 or older, enter 2	9 <input type="text"/> x \$98 = \$
	10	Dependents: Enter name and relationship. Do not include yourself or your spouse/RDP.	
		Total dependent exemptions.....	10 <input type="text"/> x \$98 = \$
	11	Exemption amount: Add line 7 through line 10. Transfer this amount to line 32.....	11 \$ 98.
Taxable Income	12	State wages from your Form(s) W-2, box 16.	12 -35,634.
	13	Enter federal adjusted gross income from Form 1040, line 37; Form 1040A, line 21; Form 1040EZ, line 4	13 32,644.
	14	California adjustments — subtractions. Enter the amount from Schedule CA (540), line 37, column B	14 (68,278.)
	15	Subtract line 14 from line 13. If less than zero, enter the result in parentheses (see instructions).....	15 2,649.
	16	California adjustments — additions. Enter the amount from Schedule CA (540), line 37, column C	16 -65,629.
	17	California adjusted gross income. Combine line 15 and line 16	17 5,892.
	18	Enter the larger of your CA standard deduction OR your CA itemized deductions.	18 0.
	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: <input type="checkbox"/> Tax Table <input type="checkbox"/> Tax Rate Schedule <input type="checkbox"/> FTB 3800 <input type="checkbox"/> FTB 3803.....	31 0.
	32	Exemption credits. Enter the amount from line 11. If your federal AGI is more than \$160,739 (see instrs).....	32 98.
	33	Subtract line 32 from line 31. If less than zero, enter -0-.....	33 0.
	34	Tax. (see instructions) Check box if from: <input type="checkbox"/> Schedule G-1 <input type="checkbox"/> Form FTB 5870A	34 0.
	35	Add line 33 and line 34.....	35 0.
Special Credits	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 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	2009 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.
		Child and Dependent Care Expenses Credit (see instructions). Attach form FTB 3506.	
	75	Qualifying person's social security number.....	75
	76	Qualifying person's social security number.....	76
	77	Enter the amount from form FTB 3506, Part III, line 8.....	77
	78	Child and Dependent Care Expenses Credit from form FTB 3506, Part III, line 12	78
	79	Add line 71, line 72, line 73, line 74, and line 78. These are your total payments (see instructions).....	79
Overpaid Tax/ Tax Due	91	Overpaid tax. If line 79 is more than line 64, subtract line 64 from line 79.....	91
	92	Amount of line 91 you want applied to your 2010 estimated tax.....	92
	93	Overpaid tax available this year. Subtract line 92 from line 91.....	93
	94	Tax due. If line 79 is less than line 64, subtract line 79 from line 64.....	94
Use Tax	95	Use Tax. This is not a total line (see instructions).....	95 00

		Code	Amount
Contributions	California Seniors Special Fund.....	● 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 Military Family Relief Fund.....	● 409	_____
	California Sea Otter Fund.....	● 410	_____
	California Ovarian Cancer Research Fund.....	● 411	_____
	Municipal Shelter Spay-Neuter Fund.....	● 412	_____
	California Cancer Research Fund.....	● 413	_____
	ALS/Lou Gehrig's Disease Research Fund.....	● 414	_____
	110 Add code 400 through code 414. This is your total contribution.....	● 110	_____

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

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

2009 California Adjustments – Residents**CA (540)****Important:** Attach this schedule behind Form 540, Side 3 as a supporting California schedule.

Name(s) as shown on return

SSN or ITIN

JOE TRADER NO MTM COM LOSS EX11

999-99-9999

Part I Income Adjustment Schedule
Section A – Income

	A Federal Amounts (taxable amounts from your federal return)	B Subtractions See instructions	C Additions See instructions
7 Wages, salaries, tips, etc. See instructions before making an entry in column B or C.	7		
8 Taxable interest	8 1,762.		
9 Ordinary dividends. See instructions (b) 897.	9a 897.		
10 Taxable refunds, credits, offsets of state and local income taxes	10		
11 Alimony received	11		
12 Business income or (loss) . . . DEPRECIATION (3.885A)	12 -35,293.		2,649.
13 Capital gain or (loss). See instructions	13 -3,000.		
14 Other gains or (losses)	14		
15 IRA distributions. See instructions . (a)	15b		
16 Pensions and annuities. See instructions . . . (a)	16b		
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc.	17		
18 Farm income or (loss)	18		
19 Unemployment compensation in excess of \$2,400 per recipient	19		
20 Social security benefits (a)	20b		
21 Other income.		a	a
a California lottery winnings	e NOL from FTB 3805D, 3805Z,	b	b
b Disaster loss carryover from FTB 3805V	3806, 3807, or 3809	c	c
c Federal NOL (Form 1040, line 21)	f Other (describe):	d 32,644.	d
d NOL carryover from FTB 3805V		e	e
		f	f
22 Total. 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.	22 -35,634.	32,644.	2,649.

Section B – Adjustments to Income

23 Educator expenses	23		
24 Certain business expenses of reservists, performing artists, and fee-basis government officials	24		
25 Health savings account deduction	25		
26 Moving expenses	26		
27 One-half of self-employment tax	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			
Last name	31a		
32 IRA deduction	32		
33 Student loan interest deduction	33		
34 Tuition and fees deduction	34		
35 Domestic production activities deduction	35		
36 Add line 23 through line 31a and line 32 through line 35 in columns A, B, and C. See instrs.	36		
37 Total. Subtract line 36 from line 22 in columns A, B, and C. See instructions.	37 -35,634.	32,644.	2,649.

Part II Adjustments to Federal Itemized Deductions

38	Federal itemized deductions. Add the amounts on federal Schedule A (Form 1040), lines 4, 9, 15, 19, 20, 27, and 28.....	38	<u>6,177.</u>
39	Enter total of federal Schedule A (Form 1040), line 5 (State Disability Insurance, and state and local income tax, or General Sales Tax), line 7 (new motor vehicle tax), and line 8 (foreign income taxes only). See instructions.....	39	<u>285.</u>
40	Subtract line 39 from line 38.....	40	<u>5,892.</u>
41	Other adjustments including California lottery losses. See instructions. Specify ... _____	41	_____
42	Combine line 40 and line 41.....	42	<u>5,892.</u>
43	Is your federal AGI (Form 540, line 13) more than the amount shown below for your filing status?		
	Single or married/RDP filing separately.....		\$160,739
	Head of household.....		\$241,113
	Married/RDP filing jointly or qualifying widow(er).....		\$321,483
No.	Transfer the amount on line 42 to line 43.		
Yes.	Complete the Itemized Deductions Worksheet in the instructions for Schedule CA (540), line 43.....	43	<div style="border: 1px solid black; padding: 2px; display: inline-block;">5,892.</div>
44	Enter the larger of the amount on line 43 or your standard deduction listed below		
	Single or married/RDP filing separately.....		\$3,637
	Married/RDP filing jointly, head of household, or qualifying widow(er).....		\$7,274
	Transfer the amount on line 44 to Form 540, line 18.....	44	<div style="border: 1px solid black; padding: 2px; display: inline-block;">5,892.</div>

Demo

TAXABLE YEAR

SCHEDULE

2009

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]

2009

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 not 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	
Do not include your state income tax refund on this line.			
7	Investment interest expense adjustment. See instructions.	7	
8	Post-1986 depreciation. See instructions.	8	
9	Adjusted gain or loss. See instructions.	9	
10	Incentive stock options and California qualified stock options (CQSOs). See instructions.	10	
11	Passive activities adjustment. See instructions.	11	
12	Beneficiaries of estates and trusts. Enter the amount from Schedule K-1 (541), line 12a.	12	
13	Other adjustment and preferences. Enter the amount, if any, for each item, a through o, and enter the total on line 13. See instructions.		
a	Appreciated contribution carryover.	h	Loss limitations.
b	Circulation expenditures.	i	Mining costs.
c	Depletion.	j	Patron's adjustment.
d	Depreciation (pre-1987).	k	Pollution control facilities.
e	Installment sales.	l	Qualified small business stock.
f	Intangible drilling costs.	m	Research and experimental.
g	Long-term contracts.	n	Tax shelter farm activities.
		o	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	-71,521.
16	Net operating loss (NOL) deductions from Schedule CA (540), line 21d and 21e, column B. Enter as a positive amount.	16	32,644.
17	AMTI exclusion. See instructions.	17	0.
18	If your federal adjusted gross income (AGI) is less than the amount for your filing status (listed below), skip this line and go to line 19. If you itemized deductions and your federal AGI is more than the amount for your filing status, see instructions.	18	
	Single or married/RDP filing separately.		\$160,739
	Married/RDP filing jointly or qualifying widow(er).		\$321,483
	Head of household.		\$241,113
19	Combine line 14 through line 18.	19	-38,812.
20	Alternative minimum tax NOL deduction. See instructions.	20	
21	Alternative Minimum Taxable Income. Subtract line 20 from line 19 (if married/RDP filing separately and line 21 is more than \$305,409, see instructions).	21	-38,812.

Part II Alternative Minimum Tax (AMT)

22	Exemption Amount. (If this schedule is for a child under age 14, see instructions.)		
	If your filing status is:	And line 21 is not over:	Enter on line 22:
	Single or head of household	\$ 221,674	\$ 59,114
	Married/RDP filing jointly or qualifying widow(er)	295,564	78,817
	Married/RDP filing separately	147,781	39,407
	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 7.25% (.0725).	24	
25	Regular tax before credits from Form 540, line 31.	25	0.
26	Alternative Minimum Tax. Subtract line 25 from line 24. If zero or less, enter -0- here and on Form 540, line 61. If more than zero, enter here and on Form 540, line 61. If you make estimated tax payments for taxable year 2010, enter amount from line 26 on the 2010 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
Section A – Credits that reduce excess tax.					
3	Subtract line 2 from line 1. If zero or less enter -0- and see instructions. This is your excess tax which may be offset by credits.....	3		0.	
A1 Credits that reduce excess tax and have no carryover provisions.					
4	Code: 162 Prison inmate labor credit (FTB 3507).....	4			
5	Code: 169 Enterprise zone employee credit (FTB 3553).....	5			
6	Code: 219 New Home Credit (FTB 3528-A).....	6			
A2 Credits that reduce excess tax and have carryover provisions. See instructions.					
7	Code: _____ Credit Name: _____	7			
8	Code: _____ Credit Name: _____	8			
9	Code: _____ Credit Name: _____	9			
10	Code: _____ Credit Name: _____	10			
11	Code: 188 Credit for prior year alternative minimum tax.....	11			
Section B – Credits that may reduce tax below tentative minimum tax.					
12	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).....	12			
B1 Credits that reduce net tax and have no carryover provisions.					
13	Code: 170 Credit for joint custody head of household....	13			
14	Code: 173 Credit for dependent parent.....	14			
15	Code: 163 Credit for senior head of household.....	15			
16	Nonrefundable renter's credit.....	16	60.		
B2 Credits that reduce net tax and have carryover provisions. See instructions.					
17	Code: _____ Credit Name: _____	17			
18	Code: _____ Credit Name: _____	18			
19	Code: _____ Credit Name: _____	19			
20	Code: _____ Credit Name: _____	20			
B3 Other state tax credit.					
21	Code: 187 Other state tax credit.....	21			
Section C – Credits that may reduce alternative minimum tax.					
22	Enter your alternative minimum tax from Side 1, Part II, line 26.....	22			
23	Code: 180 Solar energy credit carryover from Section B2, column (d).....	23			
24	Code: 181 Commercial solar energy credit carryover from Section B2, column (d).....	24			
25	Adjusted AMT. Enter the balance from line 24, column (c) here and on Form 540, line 61.....	25			

* If the taxpayer is subject to the business tax credit limitation, the total of the business credits in Part III, Column (b) cannot exceed 50% of the amount reported on Part III, Line 1.

2009**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

1 Investment interest expense paid or accrued in 2009. See instructions.	1	482.
2 Disallowed investment interest expense from 2008 form FTB 3526, line 7. If zero or less, enter -0-	2	0.
3 Total investment interest expense. Add line 1 and line 2.	3	482.
4a Gross income from property held for investment (excluding any net gain from the disposition of property held for investment). See instructions.	4a	2,659.
4b Net gain from the disposition of property held for investment. See instructions ..	4b	
4c Net capital gain from the disposition of property held for investment. See instructions.	4c	
4d Subtract line 4c from line 4b. If zero or less, enter -0-	4d	0.
4e Enter all or part of the amount on line 4c that you elect to include in investment income. Do not include more than the amount on line 4b. See instructions.	4e	
4f Investment income. Add line 4a, line 4d, and line 4e.	4f	2,659.
5 Investment expenses. See instructions.	5	65.
6 Net investment income. Subtract line 5 from line 4f.	6	2,594.
7 Disallowed investment interest expense to be carried forward to 2010. Subtract line 6 from line 3. If zero or less, enter -0-	7	0.
8 Investment interest expense deduction. Enter the smaller of line 3 or line 6. Form 541 filers, stop here and see instructions. All other filers, go to line 9.	8	482.
9 Enter the amount from federal Form 4952, line 8.	9	482.
10 California investment interest expense deduction adjustment. Enter the difference between line 8 and line 9. See instructions.	10	

Demo

2009

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

3805V

Attach to your California tax return.

Name(s) 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 2009 Form 540, line 17. If negative, use brackets. Estates and Trusts, begin on line 3. | 1 | (65,629.) |
| 2 | Itemized deductions or standard deduction from 2009 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. Do not 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 | (71,521.) |
| 3b | 2009 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, do not 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 | (71,521.) |

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 | 32,644. |
| 26 | Add lines 11, 19, 23, 24, and 25. | 26 | 38,877. |
| 27 | 2009 NOL carryover. Combine line 3c and line 26. If more than zero, enter -0-. You do not have a current year NOL to carryover. | 27 | (32,644.) |

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

	A Enter total amounts as if you were a CA resident for entire year.	B Enter amounts earned or received from CA sources if you were a nonresident for the entire year.	C Enter amounts earned or received during the portion of the year you were a CA resident.	D Enter amounts earned or received from CA sources during the portion of the year you were a nonresident.	E Total Combine columns C and D.
1 Adjusted gross income. See instructions. If negative, use brackets 1					
2 Itemized deductions or standard deduction. See instructions 2					
3a 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. . 3a					
b 2009 designated disaster loss included in line 3a. Enter as a positive number 3b					
c Combine line 3a and line 3b. If negative, use brackets and continue to line 4 3c					
Enter amounts on line 4 through line 26 as if they were all positive numbers.					
4 Nonbusiness capital losses 4					
5 Nonbusiness capital gains. 5					
6 If line 4 is more than line 5, enter the difference; otherwise, enter -0- 6					
7 If line 4 is less than line 5, enter the difference; otherwise, enter -0- 7					
8 Nonbusiness deductions 8					
9 Nonbusiness income other than capital gains 9					
10 Add line 7 and line 9 10					
11 If line 8 is more than line 10, enter the difference; otherwise, enter -0- 11					
12 If line 8 is less than line 10, enter the difference; otherwise, enter -0- 12					
13 Business capital losses. 13					
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					
17 Add line 6 and line 16. 17					
18 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. 18					
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					
21 Enter the loss, if any, from line 5 of Schedule D (540NR) worksheet for nonresidents and part-year residents. Enter as a positive number 21					
22 If line 20 is more than line 21, enter the difference; otherwise, enter -0- 22					
23 If line 21 is more than line 20, enter the difference; otherwise, enter -0- 23					
24 Subtract line 22 from line 17. If zero or less, enter -0- 24					
25 NOL and disaster loss carryovers from prior years. 25					
26 Add lines 11, 19, 23, 24, and 25. . 26					
27 2009 NOL carryover. Combine line 3c and line 26. If more than zero, enter -0- 27					

Part II Determine 2009 Modified Taxable Income (MTI). Be sure to read the instructions for Part II.

1	Taxable income. See instructions.....	1	(71,521.)
Enter amounts on line 2 through line 4 as if they were all positive 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	32,644.
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. If your net business income is \$500,000 or more, see instructions.	1	

Prior Year NOLs

(a) Year of loss	(b) Code	(c) Type of NOL* See below	(d) Initial Loss	(e) Carryover from 2008	(f) Amount used in 2009		(h) Carryover to 2010 subtract column (f) from column (e)
2 2008		GEN	32,644.	32,644.	0.	0.	32,644.

Current Year NOLs

3 2009		DIS					
4 2009		GEN	32,644.				32,644.
2009							
2009							
2009							

*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	65,288.
6	Disaster loss carryover. Enter the total loss carryover amounts in column (h) that are the result of disaster losses	6	

2009**Net Operating Loss (NOL) Computation and NOL and
Disaster Loss Limitations – Individuals, Estates, and Trusts****3805V****Attach to your California tax return.**

Name(s) 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 2009 Form 540, line 17. If negative, use brackets. Estates and Trusts, begin on line 3.	1	
2	Itemized deductions or standard deduction from 2009 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. Do not 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 (38,812.)
b	2009 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, do not 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	(38,812.)

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. C/O'S INCLUDED ON LINE 3A	26	6,168.
27	2009 NOL carryover. Combine line 3c and line 26. If more than zero, enter -0-. You do not have a current year NOL to carryover.	27	(32,644.)

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 CA resident for entire year.	B Enter amounts earned or received from CA sources if you were a nonresident for the entire year.	C Enter amounts earned or received during the portion of the year you were a CA resident.	D Enter amounts earned or received from CA sources during the portion of the year you were a nonresident.	E Total Combine columns C and D.
1 Adjusted gross income. See instructions. If negative, use brackets 1					
2 Itemized deductions or standard deduction. See instructions 2					
3a 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. . . 3a					
b 2009 designated disaster loss included in line 3a. Enter as a positive number 3b					
c Combine line 3a and line 3b. If negative, use brackets and continue to line 4 3c					
Enter amounts on line 4 through line 26 as if they were all positive numbers.					
4 Nonbusiness capital losses 4					
5 Nonbusiness capital gains. 5					
6 If line 4 is more than line 5, enter the difference; otherwise, enter -0- 6					
7 If line 4 is less than line 5, enter the difference; otherwise, enter -0- 7					
8 Nonbusiness deductions 8					
9 Nonbusiness income other than capital gains 9					
10 Add line 7 and line 9 10					
11 If line 8 is more than line 10, enter the difference; otherwise, enter -0- 11					
12 If line 8 is less than line 10, enter the difference; otherwise, enter -0- 12					
13 Business capital losses. 13					
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					
17 Add line 6 and line 16. 17					
18 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. 18					
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					
21 Enter the loss, if any, from line 5 of Schedule D (540NR) worksheet for nonresidents and part-year residents. Enter as a positive number 21					
22 If line 20 is more than line 21, enter the difference; otherwise, enter -0- 22					
23 If line 21 is more than line 20, enter the difference; otherwise, enter -0- 23					
24 Subtract line 22 from line 17. If zero or less, enter -0- 24					
25 NOL and disaster loss carryovers from prior years. 25					
26 Add lines 11, 19, 23, 24, and 25. . 26					
27 2009 NOL carryover. Combine line 3c and line 26. If more than zero, enter -0- 27					

Part II Determine 2009 Modified Taxable Income (MTI). Be sure to read the instructions for Part II. **ALT. MIN. TAX**

1 Taxable income. See instructions. AMTI, BEFORE ATNOLD. (SCH. P, LINE 19)	1	(38,812.)
---	----------	-------------

Enter amounts on line 2 through line 4 as if they were all **positive** 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- MODIFIED AMTI	5	0.
ATNOLD LIMITATION PERCENTAGE		90

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

NOTE: LINE 1, AMTI BEFORE ATNOLD INCLUDES THE LINE 3 AND/OR LINE 4 NOL C/O AMOUNTS. NO ADDITIONAL ADD BACK IS REQUIRED.

1 MTI from Part II, line 5. If your net business income is \$500,000 or more, see instructions.	1	(g) Available balance	
---	----------	--------------------------	--

Prior Year NOLs

(a) Year of loss	(b) Code	(c) Type of NOL* See below	(d) Initial Loss	(e) Carryover from 2008	(f) Amount used in 2009		(h) Carryover to 2010 subtract column (f) from column (e)
2 2008		GEN	32,644.	32,644.	0.	0.	32,644.

Current Year NOLs

3 2009		DIS					
4 2009		GEN	32,644.				32,644.
2009							
2009							
2009							

*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	65,288.
6 Disaster loss carryover. Enter the total loss carryover amounts in column (h) that are the result of disaster losses	6	

2009

Depreciation and Amortization Adjustments

3885A

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

Name(s) as shown on return	Business or activity to which form FTB 3885A relates	Social security number
JOE TRADER NO MTM COM LOSS EX11	SCHEDULE C	999-99-9999

Part I Identify the activity as passive or nonpassive. (See instructions.)

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

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]

Demo

4	Add the amounts on line 3, column (f).	4	<u>1,598.</u>
5	California depreciation for assets placed in service prior to 2009	5	<u></u>
6	Total California depreciation from this activity. Add the amounts on line 2, line 4, and line 5.	6	<u>1,598.</u>
7	Total federal depreciation from this activity. Enter depreciation from federal Form 4562, line 22	7	<u>4,247.</u>
8a	If line 6 is more than line 7, enter the difference here and see instructions.	8 a	<u></u>
b	If line 6 is less than line 7, enter the difference here and see instructions.	8 b	<u>2,649.</u>

Part IV Amortization

[illegible]

10	Total California amortization from this activity. Add the amounts on line 9, column (f).	10	
11	California amortization of costs that began before 2009.	11	
12	Total California amortization from this activity. Add the amounts on line 10 and line 11.	12	
13	Total federal amortization from this activity. Enter amortization from federal Form 4562, line 44.	13	
14a	If line 12 is more than line 13, enter the difference here and see instructions.	14a	
b	If line 12 is less than line 13, enter the difference here and see instructions.	14b	

Capital Loss Carryover Worksheet

1. Loss from Schedule D, line 11.	3,000.
2. Amount from Form 540 or Form 540NR, line 17.	-65,629.
3. Amount from Form 540 or Form 540NR, line 18.	5,892.
4. Subtract line 3 from line 2.	-71,521.
5. Combine Line 1 and line 4.	0.
6. Loss from Schedule D, line 8.	127,640.
7. Enter the smaller of line 1 or line 5.	<u>0.</u>
8. Subtract line 7 from line 6.	<u><u>127,640.</u></u>
This is your capital loss carryover to 2010.	

Demo

2009

Federal Income Tax Summary

Page 1

Client EX11F-CA

Joe Trader no MTM Com Loss Ex11

999-99-9999

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	2009	2008	Diff
INCOME			
Interest income.....	1,762	1,762	0
Dividend income.....	897	897	0
Business income.....	-35,293	-35,293	0
Capital gain or loss.....	-3,000	-3,000	0
Total income.....	-35,634	-35,634	0
ADJUSTMENTS TO INCOME			
Total adjustments.....	0	0	0
Adjusted gross income.....	-35,634	-35,634	0
ITEMIZED DEDUCTIONS			
Medical & dental.....	5,345	5,345	0
Taxes.....	285	246	39
Interest.....	482	482	0
Miscellaneous (subject to 2% of AGI).....	65	65	0
Total itemized deductions.....	6,177	6,138	39
TAX COMPUTATION			
Standard deduction.....	5,700	5,450	250
Larger of itemized or standard deduction.....	6,177	6,138	39
Income prior to exemption deduction.....	-41,811	-41,772	-39
Exemption deduction.....	3,650	3,500	150
Taxable income.....	-45,461	-45,272	-189
Tax before credits.....	0	0	0
CREDITS			
Total credits.....	0	0	0
Tax after credits.....	0	0	0
OTHER TAXES			
Total tax.....	0	0	0
PAYMENTS			
Total payments.....	0	0	0
REFUND OR AMOUNT DUE			
Amount you owe.....	0	0	0
TAX RATES			
Marginal tax rate.....	0.0%	0.0%	0.0%

2009

California Income Tax Summary

Page 1

Client EX11F-CA

Joe Trader no MTM Com Loss Ex11

999-99-9999

2/13/10

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	2009	2008	Diff
FEDERAL ADJUSTED GROSS INCOME			
Federal adjusted gross income.....	-35,634	-35,634	0
CALIFORNIA SUBTRACTIONS			
Net operating loss carryover.....	32,644	0	32,644
Total subtractions from federal AGI.....	32,644	0	32,644
CALIFORNIA ADDITIONS			
Business income or (loss).....	2,649	2,649	0
Total additions to federal AGI.....	2,649	2,649	0
ADJUSTED GROSS INCOME			
Adjusted gross income.....	-65,629	-32,985	-32,644
ITEMIZED DEDUCTIONS			
Federal itemized deductions.....	6,177	6,138	39
Less state, local and foreign taxes.....	285	246	39
California itemized deductions.....	5,892	5,892	0
California standard deduction.....	3,637	3,692	-55
TAX COMPUTATION			
Total taxable income.....	0	0	0
Tax.....	0	0	0
Exemption credits.....	98	99	-1
Net tax.....	0	0	0
PAYMENTS			
California income tax withheld.....	0	0	0
Total payments.....	0	0	0
REFUND OR AMOUNT DUE			
Amount overpaid.....	0	0	0
Amount you owe.....	0	0	0
TAX RATES			
Marginal tax rate.....	0.0%	0.0%	0.0%

Client EX11F-CA

Joe Trader no MTM Com Loss Ex11

999-99-9999

2/13/10

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Forms needed for this return

Federal: 1040, Sch A, Sch B, Sch C, Sch D, 4562, 4952, 6251, 6781, 8829
 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 2010Federal Carryovers

Current Year Net Operating Loss	35,293.
Current Year AMT Net Operating Loss	35,293.
Short-Term Capital Loss	32,616.
Long-Term Capital Loss	95,024.
AMT Short-Term Capital Loss	32,616.
AMT Long-Term Capital Loss	95,024.
Contributions (50%)	985.
Bus Use of Home Operating Expenses	7,236.
AMT Bus Use of Home Operating Exp	7,236.

California Carryovers

Current Year Net Operating Loss	32,644.
Prior Net Operating Loss	32,644.
Current Year AMT Net Operating Loss	32,644.
Prior AMT Net Operating Loss	32,644.
Contributions (50%)	985.
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 2010, 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 \$5,950 (\$11,900 for family coverage). If the taxpayer participates for the entire year, contributions up to the amount of the annual deductible, but not exceeding \$3,050 (\$6,150 for family coverage) could be deducted on the tax return. In 2010, 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 \$-45,461, placing the taxpayer in a 0% marginal tax bracket. Based on 2009 tax rates, income would have to increase by over \$45,461 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 2010.
- ☐ 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 2010 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 31% 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 29% lower than the typical amount deducted by taxpayers claiming the deduction, with similar AGI.
- ☐ Schedule A state and local taxes are 65% lower than the typical amount deducted by taxpayers claiming the deduction, with similar AGI.
- ☐ Schedule A total taxes paid are 91% 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 96% lower than the typical amount deducted by taxpayers claiming the deduction, with similar AGI.
- ☐ Schedule A cash or check contributions are 27% lower than the typical amount deducted by taxpayers claiming the deduction, with similar AGI.
- ☐ Schedule A other 2% miscellaneous deductions are 95% 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 97% lower than the typical amount deducted by taxpayers claiming the deduction, with similar AGI.
- ☐ Schedule A total itemized deductions are 63% lower than the typical amount deducted by taxpayers claiming the deduction, with similar AGI.

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