

Client EX2SCORP

Member One S-Corp

998-89-8888

2/19/12

10:02AM

EX2SCORP

Full-year TX resident.

This example relates directly to EX2SCORP.

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

Taxpayer had gains in 2011 which are reported on Form 4797, Part II (From his S-Corp). The taxpayer received a W-2 and K-1 from the S-Corporation.

Taxpayer wanted to maximize the 401K contribution for 2011, so a salary of \$130,000 was required for this.

Also by using a W-2 in the S-Corp, the taxpayer is able to pay in withholdings to avoid estimated tax penalties on the trading gains.

For a taxpayer, under the age of 50, that is a successful trader and wants to max out his/her 401(k) plan for 2011 for his/her 100% S or C corporation or an LLC taxed as a corporation, then a W-2 salary of \$130,000 needs to be paid to him/her from the entity. \$16,500 of salary deferrals (Taxable W-2 earnings (box 1 of W-2) would be reduced from \$130,000 to \$102,000 assuming the employee salary deferral is to a traditional 401(k)) + \$32,500 profit sharing contribution (25% X \$130,000) = \$49,000 Total 401k contribution.

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

Example:  $([49,000 - \$16,500]) / 25\%$   
= \$130,000 of compensation needed to max out 401(k) for 2011.



**Tax and Credits****Standard Deduction for —**

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

• All others:  
Single or Married filing separately, \$5,800  
Married filing jointly or Qualifying widow(er), \$11,600  
Head of household, \$8,500

<b>38</b>	Amount from line 37 (adjusted gross income).....	<b>38</b>	200,749.
<b>39a</b>	Check if: <input type="checkbox"/> You were born before January 2, 1947, <input type="checkbox"/> Blind. <b>Total boxes checked</b> <input type="checkbox"/> <b>39a</b>		
	<input type="checkbox"/> Spouse was born before January 2, 1947, <input type="checkbox"/> Blind. <b>39b</b> <input type="checkbox"/>		
<b>40</b>	Itemized deductions (from Schedule A) or your standard deduction (see instructions).....	<b>40</b>	5,800.
<b>41</b>	Subtract line 40 from line 38.....	<b>41</b>	194,949.
<b>42</b>	<b>Exemptions.</b> Multiply \$3,700 by the number on line 6d.....	<b>42</b>	3,700.
<b>43</b>	<b>Taxable income.</b> Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-.....	<b>43</b>	191,249.
<b>44</b>	<b>Tax</b> (see instrs). Check if any from: <b>a</b> <input type="checkbox"/> Form(s) 8814 <b>c</b> <input type="checkbox"/> 962 election <b>b</b> <input type="checkbox"/> Form 4972.....	<b>44</b>	47,627.
<b>45</b>	<b>Alternative minimum tax</b> (see instructions). Attach Form 6251.....	<b>45</b>	0.
<b>46</b>	Add lines 44 and 45.....	<b>46</b>	47,627.
<b>47</b>	Foreign tax credit. Attach Form 1116 if required.....	<b>47</b>	
<b>48</b>	Credit for child and dependent care expenses. Attach Form 2441.....	<b>48</b>	
<b>49</b>	Education credits from Form 8863, line 23.....	<b>49</b>	
<b>50</b>	Retirement savings contributions credit. Attach Form 8880.....	<b>50</b>	
<b>51</b>	Child tax credit (see instructions).....	<b>51</b>	
<b>52</b>	Residential energy credits. Attach Form 5695.....	<b>52</b>	
<b>53</b>	Other crs from Form: <b>a</b> <input type="checkbox"/> 3800 <b>b</b> <input type="checkbox"/> 8801 <b>c</b> <input type="checkbox"/> .....	<b>53</b>	
<b>54</b>	Add lines 47 through 53. These are your <b>total credits</b> .....	<b>54</b>	
<b>55</b>	Subtract line 54 from line 46. If line 54 is more than line 46, enter -0-.....	<b>55</b>	47,627.
<b>56</b>	Self-employment tax. Attach Schedule SE.....	<b>56</b>	
<b>57</b>	Unreported social security and Medicare tax from Form: <b>a</b> <input type="checkbox"/> 4137 <b>b</b> <input type="checkbox"/> 8919.....	<b>57</b>	
<b>58</b>	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required.....	<b>58</b>	
<b>59a</b>	Household employment taxes from Schedule H.....	<b>59a</b>	
<b>59b</b>	First-time homebuyer credit repayment. Attach Form 5405 if required.....	<b>59b</b>	
<b>60</b>	Other taxes. Enter code(s) from instructions.....	<b>60</b>	
<b>61</b>	Add lines 55-60. This is your <b>total tax</b> .....	<b>61</b>	47,627.
<b>62</b>	Federal income tax withheld from Forms W-2 and 1099.....	<b>62</b>	38,000.
<b>63</b>	2011 estimated tax payments and amount applied from 2010 return.....	<b>63</b>	
<b>64a</b>	<b>Earned income credit (EIC)</b> ..... <b>No</b>	<b>64a</b>	
<b>64b</b>	Nontaxable combat pay election..... <b>64b</b>		
<b>65</b>	Additional child tax credit. Attach Form 8812.....	<b>65</b>	
<b>66</b>	American opportunity credit from Form 8863, line 14.....	<b>66</b>	
<b>67</b>	First-time homebuyer credit from Form 5405, line 10.....	<b>67</b>	
<b>68</b>	Amount paid with request for extension to file.....	<b>68</b>	
<b>69</b>	Excess social security and tier 1 RRTA tax withheld.....	<b>69</b>	
<b>70</b>	Credit for federal tax on fuels. Attach Form 4136.....	<b>70</b>	
<b>71</b>	Credits from Form: <b>a</b> <input type="checkbox"/> 2439 <b>b</b> <input type="checkbox"/> 8839 <b>c</b> <input type="checkbox"/> 8801 <b>d</b> <input type="checkbox"/> 8885.....	<b>71</b>	
<b>72</b>	Add lines 62, 63, 64a, & 65-71. These are your <b>total pmts.</b> .....	<b>72</b>	38,000.
<b>73</b>	If line 72 is more than line 61, subtract line 61 from line 72. This is the amount you <b>overpaid</b> .....	<b>73</b>	
<b>74a</b>	Amount of line 73 you want <b>refunded to you</b> . If Form 8888 is attached, check here.. <input type="checkbox"/> <b>74a</b>		
<b>74b</b>	Routing number..... <b>c</b> Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
<b>74d</b>	Account number.....		
<b>75</b>	Amount of line 73 you want <b>applied to your 2012 estimated tax</b> ..... <b>75</b>		
<b>76</b>	<b>Amount you owe.</b> Subtract line 72 from line 61. For details on how to pay see instructions.....	<b>76</b>	9,627.
<b>77</b>	Estimated tax penalty (see instructions).....	<b>77</b>	

**Payments**

If you have a qualifying child, attach Schedule EIC.

**Refund**

Direct deposit?  
See instructions.

**Amount You Owe****Third Party Designee**

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

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

**Sign Here**

Joint return?  
See instructions.

Keep a copy  
for your records.

Your signature	Date	Your occupation	Daytime phone number
Spouse's signature. If a joint return, <b>both</b> must sign.	Date	Spouse's occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst)

**Paid Preparer's Use Only**

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

**SCHEDULE B**  
**(Form 1040A or 1040)**Department of the Treasury  
Internal Revenue Service (99)**Interest and Ordinary Dividends**▶ **Attach to Form 1040A or 1040.**▶ **See Instructions.**

OMB No. 1545-0074

**2011**Attachment  
Sequence No. **08**

Name(s) shown on return

Your social security number

Member One S-Corp

998-89-8888

**Part I**  
**Interest**(See  
instructions for  
Form 1040A,  
or Form 1040,  
line 8a.)**Note.** If you  
received a Form  
1099-INT, Form  
1099-OID, or  
substitute statement  
from a brokerage  
firm, list the firm's  
name as the payer  
and enter the total  
interest shown on  
that form.

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

Bank InterestExample S-Corp, LLC (MTM GAIN)**Amount**

415.

158.

**1**

- 2**
- Add the amounts on line 1 .....
- 2**
- 573.
- 
- 3**
- Excludable interest on series EE and I U.S. savings bonds issued after 1989.
- 
- Attach Form 8815 .....
- 3**
- 
- 4**
- Subtract line 3 from line 2. Enter the result here and on Form 1040A, or Form 1040, line 8a. .... ▶
- 4**
- 573.

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

- 5**
- List name of payer ▶

Dividend IncomeExample S-Corp, LLC (MTM GAIN)**Amount**

147.

74.

**5**

- 6**
- Add the amounts on line 5. Enter the total here and on Form 1040A, or Form 1040, line 9a. .... ▶
- 6**
- 221.

**Note.** If line 6 is over \$1,500, you must complete Part III.**Part III**  
**Foreign**  
**Accounts**  
**and**  
**Trusts**(See  
instructions.)You must complete this part if you **(a)** had over \$1,500 of taxable interest or ordinary dividends; **(b)** had a foreign account; or **(c)** received a distribution from, or were a grantor of, or a transferor to, a foreign trust.**Yes** **No**

- 7a**
- At any time during 2011, did you have a financial interest in or signature authority over a financial account (such as a bank account, securities account, or brokerage account) located in a foreign country? See instructions. ....

☐ ☒

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

☐ ☒

- b**
- If you are required to file Form TD F 90-22.1, enter the name of the foreign country where the financial account is located ▶

- 8**
- During 2011, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust?

If 'Yes,' you may have to file Form 3520. See instructions. ....

☐ ☒

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

OMB No. 1545-0074

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

Name(s) shown on return

Member One S-Corp

Your social security number

998-89-8888

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

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

	(e) Sales price from Form(s) 8949, line 2, column (e)	(f) Cost or other basis from Form(s) 8949, line 2, column (f)	(g) Adjustments to gain or loss from Form(s) 8949, line 2, column (g)	(h) Gain or (loss) Combine columns (e), (f), and (g)
1 Short-term totals from all Forms 8949 with <b>box A</b> checked in <b>Part I</b> .....	610,133.	610,878.		-745.
2 Short-term totals from all Forms 8949 with <b>box B</b> checked in <b>Part I</b> .....				
3 Short-term totals from all Forms 8949 with <b>box C</b> checked in <b>Part I</b> .....				
4 Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824 .....			4	1,269.
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1 .....			5	
6 Short-term capital loss carryover. Enter the amount, if any, from line 8 of your <b>Capital Loss Carryover Worksheet</b> in the instructions .....			6	
7 <b>Net short-term capital gain or (loss).</b> Combine lines 1 through 6 in column (h). If you have any long-term capital gains or losses, go to Part II below. Otherwise, go to Part III on page 2 .....			7	524.

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

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

	(e) Sales price from Form(s) 8949, line 4, column (e)	(f) Cost or other basis from Form(s) 8949, line 4, column (f)	(g) Adjustments to gain or loss from Form(s) 8949, line 4, column (g)	(h) Gain or (loss) Combine columns (e), (f), and (g)
8 Long-term totals from all Forms 8949 with <b>box A</b> checked in <b>Part II</b> .....				
9 Long-term totals from all Forms 8949 with <b>box B</b> checked in <b>Part II</b> .....				
10 Long-term totals from all Forms 8949 with <b>box C</b> checked in <b>Part II</b> .....				
11 Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824 .....			11	1,903.
12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1 .....			12	
13 Capital gain distributions. See instrs .....			13	
14 Long-term capital loss carryover. Enter the amount, if any, from line 13 of your <b>Capital Loss Carryover Worksheet</b> in the instructions .....			14	
15 <b>Net long-term capital gain or (loss).</b> Combine lines 8 through 14 in column (h). Then go to Part III on page 2 .....			15	1,903.

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

Schedule D (Form 1040) 2011

**Part III Summary**

16 Combine lines 7 and 15 and enter the result.....	<b>16</b>	2,427.
<ul style="list-style-type: none"> <li>• If line 16 is a <b>gain</b>, enter the amount from line 16 on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 17 below.</li> <li>• If line 16 is a <b>loss</b>, skip lines 17 through 20 below. Then go to line 21. Also be sure to complete line 22.</li> <li>• If line 16 is <b>zero</b>, skip lines 17 through 21 below and enter -0- on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 22.</li> </ul>		
17 Are lines 15 and 16 <b>both</b> gains?		
<input checked="" type="checkbox"/> <b>Yes.</b> Go to line 18.		
<input type="checkbox"/> <b>No.</b> Skip lines 18 through 21, and go to line 22.		
18 Enter the amount, if any, from line 7 of the <b>28% Rate Gain Worksheet</b> in the instructions.....	<b>18</b>	0.
19 Enter the amount, if any, from line 18 of the <b>Unrecaptured Section 1250 Gain Worksheet</b> in the instructions.....	<b>19</b>	
20 Are lines 18 and 19 <b>both</b> zero or blank?		
<input checked="" type="checkbox"/> <b>Yes.</b> Complete Form 1040 through line 43, or Form 1040NR through line 41. Then complete the <b>Qualified Dividends and Capital Gain Tax Worksheet</b> in the instructions for Form 1040, line 44 (or in the instructions for Form 1040NR, line 42). <b>Do not</b> complete lines 21 and 22 below.		
<input type="checkbox"/> <b>No.</b> Complete Form 1040 through line 43, or Form 1040NR through line 41. Then complete the <b>Schedule D Tax Worksheet</b> in the instructions. <b>Do not</b> complete lines 21 and 22 below.		
21 If line 16 is a loss, enter here and on Form 1040, line 13, or Form 1040NR, line 14, the <b>smaller</b> of:		
<ul style="list-style-type: none"> <li>• The loss on line 16 or</li> <li>• (\$3,000), or if married filing separately, (\$1,500)</li> </ul>	<b>21</b>	
<b>Note.</b> When figuring which amount is smaller, treat both amounts as positive numbers.		
22 Do you have qualified dividends on Form 1040, line 9b, or Form 1040NR, line 10b?		
<input type="checkbox"/> <b>Yes.</b> Complete Form 1040 through line 43, or Form 1040NR through line 41. Then complete the <b>Qualified Dividends and Capital Gain Tax Worksheet</b> in the instructions for Form 1040, line 44 (or in the instructions for Form 1040NR, line 42).		
<input type="checkbox"/> <b>No.</b> Complete the rest of Form 1040 or Form 1040NR.		



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

Your social security number

Member One S-Corp

998-89-8888

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

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

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

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

**Part III Income or Loss From Estates and Trusts**

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

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

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

**Part V Summary**

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



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

OMB No. 1545-0074

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

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

Your social security number

Member One S-Corp

998-89-8888

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

1	If filing Schedule A (Form 1040), enter the amount from Form 1040, line 41 and go to line 2. Otherwise, enter the amount from Form 1040, line 38, and go to line 7. (If less than zero, enter as a negative amount.)	1	200,749.
2	Medical and dental. Enter the <b>smaller</b> of Schedule A (Form 1040), line 4 or 2.5% (.025) of Form 1040, line 38. If zero or less, enter -0-	2	
3	Taxes from Schedule A (Form 1040), line 9	3	
4	Enter the home mortgage interest adjustment, if any, from line 6 of the worksheet in the instructions for this line	4	
5	Miscellaneous deductions from Schedule A (Form 1040), line 27	5	
6	Skip this line. It is reserved for future use	6	
7	Tax refund from Form 1040, line 10 or line 21	7	
8	Investment interest expense (difference between regular tax and AMT)	8	
9	Depletion (difference between regular tax and AMT)	9	
10	Net operating loss deduction from Form 1040, line 21. Enter as a positive amount	10	
11	Alternative tax net operating loss deduction	11	
12	Interest from specified private activity bonds exempt from the regular tax	12	
13	Qualified small business stock (7% of gain excluded under section 1202)	13	
14	Exercise of incentive stock options (excess of AMT income over regular tax income)	14	
15	Estates and trusts (amount from Schedule K-1 (Form 1041), box 12, code A)	15	
16	Electing large partnerships (amount from Schedule K-1 (Form 1065-B), box 6)	16	
17	Disposition of property (difference between AMT and regular tax gain or loss)	17	
18	Depreciation on assets placed in service after 1986 (difference between regular tax and AMT)	18	
19	Passive activities (difference between AMT and regular tax income or loss)	19	
20	Loss limitations (difference between AMT and regular tax income or loss)	20	
21	Circulation costs (difference between regular tax and AMT)	21	
22	Long-term contracts (difference between AMT and regular tax income)	22	
23	Mining costs (difference between regular tax and AMT)	23	
24	Research and experimental costs (difference between regular tax and AMT)	24	
25	Income from certain installment sales before January 1, 1987	25	
26	Intangible drilling costs preference	26	
27	Other adjustments, including income-based related adjustments	27	
28	<b>Alternative minimum taxable income.</b> Combine lines 1 through 27. (If married filing separately and line 28 is more than \$223,900, see instructions.)	28	200,749.

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

29	Exemption. (If you were under age 24 at the end of 2011, see instructions.)																		
<table border="0"> <tr> <td><b>IF your filing status is . . .</b></td> <td><b>AND line 28 is not over . . .</b></td> <td><b>THEN enter on line 29 . . .</b></td> <td></td> </tr> <tr> <td>Single or head of household</td> <td>\$112,500</td> <td>\$48,450</td> <td></td> </tr> <tr> <td>Married filing jointly or qualifying widow(er)</td> <td>150,000</td> <td>74,450</td> <td></td> </tr> <tr> <td>Married filing separately</td> <td>75,000</td> <td>37,225</td> <td></td> </tr> </table>				<b>IF your filing status is . . .</b>	<b>AND line 28 is not over . . .</b>	<b>THEN enter on line 29 . . .</b>		Single or head of household	\$112,500	\$48,450		Married filing jointly or qualifying widow(er)	150,000	74,450		Married filing separately	75,000	37,225	
<b>IF your filing status is . . .</b>	<b>AND line 28 is not over . . .</b>	<b>THEN enter on line 29 . . .</b>																	
Single or head of household	\$112,500	\$48,450																	
Married filing jointly or qualifying widow(er)	150,000	74,450																	
Married filing separately	75,000	37,225																	
	If line 28 is <b>over</b> the amount shown above for your filing status, see instructions.																		
30	Subtract line 29 from line 28. If more than zero, go to line 31. If zero or less, enter -0- here and on lines 31, 33 and 35, and go to line 34.	30	174,361.																
31	<ul style="list-style-type: none"> <li>• If you are filing Form 2555 or 2555-EZ, see instructions for the amount to enter.</li> <li>• If you reported capital gain distributions directly on Form 1040, line 13; you reported qualified dividends on Form 1040, line 9b; or you had a gain on both lines 15 and 16 of Schedule D (Form 1040) (as refigured for the AMT, if necessary), complete Part III on page 2 and enter the amount from line 54 here.</li> <li>• <b>All others:</b> If line 30 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 30 by 26% (.26). Otherwise, multiply line 30 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result.</li> </ul>	31	45,101.																
32	Alternative minimum tax foreign tax credit (see instructions)	32																	
33	Tentative minimum tax. Subtract line 32 from line 31.	33	45,101.																
34	Tax from Form 1040, line 44 (minus any tax from Form 4972 and any foreign tax credit from Form 1040, line 47). If you used Schedule J to figure your tax, the amount from line 44 of Form 1040 must be refigured without using Schedule J (see instructions).	34	47,627.																
35	<b>AMT.</b> Subtract line 34 from line 33. If zero or less, enter -0-. Enter here and on Form 1040, line 45.	35	0.																

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

FDIA5312L 12/22/11

Form **6251** (2011)

**Part III Tax Computation Using Maximum Capital Gains Rates**

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

<b>36</b>	Enter the amount from Form 6251, line 30. If you are filing Form 2555 or 2555-EZ, enter the amount from line 3 of the worksheet in the instructions for this line .....	<b>36</b>	174,361.
<b>37</b>	Enter the amount from line 6 of the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44, or the amount from line 13 of the Schedule D Tax Worksheet in the instructions for Schedule D (Form 1040), whichever applies (as refigured for the AMT, if necessary) (see instructions). If you are filing Form 2555 or 2555-EZ, see instructions for the amount to enter. ....	<b>37</b>	2,124.
<b>38</b>	Enter the amount from Schedule D (Form 1040), line 19 (as refigured for the AMT, if necessary) (see instructions). If you are filing Form 2555 or 2555-EZ, see instructions for the amount to enter .....	<b>38</b>	0.
<b>39</b>	If you did not complete a Schedule D Tax Worksheet for the regular tax or the AMT, enter the amount from line 37. Otherwise, add lines 37 and 38, and enter the <b>smaller</b> of that result or the amount from line 10 of the Schedule D Tax Worksheet (as refigured for the AMT, if necessary). If you are filing Form 2555 or 2555-EZ, see instructions for the amount to enter. ....	<b>39</b>	2,124.
<b>40</b>	Enter the <b>smaller</b> of line 36 or line 39 .....	<b>40</b>	2,124.
<b>41</b>	Subtract line 40 from line 36 .....	<b>41</b>	172,237.
<b>42</b>	If line 41 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 41 by 26% (.26). Otherwise, multiply line 41 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result .....	<b>42</b>	44,782.
<b>43</b>	Enter: <ul style="list-style-type: none"> <li>• \$69,000 if married filing jointly or qualifying widow(er),</li> <li>• \$34,500 if single or married filing separately, or</li> <li>• \$46,250 if head of household.</li> </ul>	<b>43</b>	34,500.
<b>44</b>	Enter the amount from line 7 of the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44, or the amount from line 14 of the Schedule D Tax Worksheet in the instructions for Schedule D (Form 1040), whichever applies (as figured for the regular tax). If you did not complete either worksheet for the regular tax, enter -0- .....	<b>44</b>	189,125.
<b>45</b>	Subtract line 44 from line 43. If zero or less, enter -0- .....	<b>45</b>	0.
<b>46</b>	Enter the <b>smaller</b> of line 36 or line 37 .....	<b>46</b>	2,124.
<b>47</b>	Enter the <b>smaller</b> of line 45 or line 46 .....	<b>47</b>	
<b>48</b>	Subtract line 47 from line 46 .....	<b>48</b>	2,124.
<b>49</b>	Multiply line 48 by 15% (.15) .....	<b>49</b>	319.
<b>If line 38 is zero or blank, skip lines 50 and 51 and go to line 52. Otherwise, go to line 50.</b>			
<b>50</b>	Subtract line 46 from line 40 .....	<b>50</b>	
<b>51</b>	Multiply line 50 by 25% (.25) .....	<b>51</b>	
<b>52</b>	Add lines 42, 49, and 51 .....	<b>52</b>	45,101.
<b>53</b>	If line 36 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 36 by 26% (.26). Otherwise, multiply line 36 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result .....	<b>53</b>	45,334.
<b>54</b>	Enter the <b>smaller</b> of line 52 or line 53 here and on line 31. If you are filing Form 2555 or 2555-EZ, do not enter this amount on line 31. Instead, enter it on line 4 of the worksheet in the instructions for line 31. ....	<b>54</b>	45,101.

Form 6251 (2011)

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

► Attach to your tax return.

OMB No. 1545-0644

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

Name(s) shown on tax return

Member One S-Corp

Identifying number

998-89-8888

Check all applicable boxes (see instructions).

**A**  
**B**

Mixed straddle election

Straddle-by-straddle identification election

**C**  
**D**

Mixed straddle account election

Net section 1256 contracts loss election

**Part I Section 1256 Contracts Marked to Market**

1	(a) Identification of account	(b) (Loss)	(c) Gain
	From K-1		3,172.
2	Add the amounts on line 1 in columns (b) and (c) . . . . .	2	3,172.
3	Net gain or (loss). Combine line 2, columns (b) and (c) . . . . .	3	3,172.
4	Form 1099-B adjustments. See instructions and attach schedule. . . . .	4	
5	Combine lines 3 and 4 . . . . .	5	3,172.
<b>Note:</b> If line 5 shows a net gain, skip line 6 and enter the gain on line 7. Partnerships and S corporations, see instructions.			
6	If you have a net section 1256 contracts loss and checked box D above, enter the amount of loss to be carried back. Enter the loss as a positive number. . . . .	6	
7	Combine lines 5 and 6 . . . . .	7	3,172.
8	<b>Short-term capital gain or (loss).</b> Multiply line 7 by 40% (.40). Enter here and include on the appropriate line of Schedule D (see instructions) . . . . .	8	1,269.
9	<b>Long-term capital gain or (loss).</b> Multiply line 7 by 60% (.60). Enter here and include on the appropriate line of Schedule D (see instructions) . . . . .	9	1,903.

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

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

**Section B – Gains From Straddles**

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

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

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

BAA For Paperwork Reduction Act Notice, see separate instructions.

FDIZ1601L 06/21/11

Form **6781** (2011)

Client EX2SCORP

Member One S-Corp

998-89-8888

2/19/12

10:02AM

**Wage Schedule**

<u>Taxpayer - Employer</u>	<u>Wages</u>	<u>Federal W/H</u>	<u>FICA</u>	<u>Medi-care</u>	<u>State W/H</u>	<u>Local W/H</u>
EX2 - SCorp	113,500.	38,000.	4,486.	1,885.		
Grand Total	<u>113,500.</u>	<u>38,000.</u>	<u>4,486.</u>	<u>1,885.</u>	<u>0.</u>	<u>0.</u>

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

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

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

1. Enter the amount from Form 1040, line 43 191,249.
2. Enter the amount from Form 1040, line 9b 221.
3. Are you filing Schedule D?  
☒ Yes. Enter the smaller of line 15 or 16 of Schedule D, but do not enter less than zero  
☐ No. Enter the amount from Form 1040, line 13 1,903.
4. Add lines 2 and 3 2,124.
5. If you are claiming investment interest expense on Form 4952, enter the amount from line 4g of that form. Otherwise enter zero. 0.
6. Subtract line 5 from line 4. If zero or less, enter zero. 2,124.
7. Subtract line 6 from line 1. If zero or less, enter zero. 189,125.
8. Enter:  
\$34,500 if single or married filing separately,  
\$69,000 if married filing jointly or qualifying widow(er), \$46,250 if head of household. 34,500.
9. Enter the smaller of line 1 or line 8 34,500.
10. Enter the smaller of line 7 or line 9 34,500.
11. Subtract line 10 from line 9. This amount is taxed at 0% 0.
12. Enter the smaller of line 1 or line 6 2,124.
13. Enter the amount from line 11 0.
14. Subtract line 13 from line 12 2,124.
15. Multiply line 14 by 15% (.15) 319.
16. Figure the tax on the amount on line 7.  
(Use the Tax Table or Tax Computation Worksheet) 47,308.
17. Add lines 15 and 16 47,627.
18. Figure the tax on the amount on line 1.  
(Use the Tax Table or Tax Computation Worksheet) 48,009.
19. Tax on all taxable income (including capital gain distributions). Enter the smaller of line 17 or line 18 here and on Form 1040, line 44 47,627.

Client EX2SCORP

Member One S-Corp

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**Federal Income Tax Withheld**

EX2 - SCorp

	38,000.
Total	<u>38,000.</u>

**Exemption Worksheet (Form 6251, Line 29)**

- |                                                                                                                                                                                                              |          |           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-----------|
| 1. Enter \$48,450 (\$74,450 if married filing jointly or qualifying widow(er), \$37,225 if married filing separately.)                                                                                       |          | 48,450.   |
| 2. Enter your alternative minimum taxable income (AMTI) from Form 6251, line 28.                                                                                                                             | 200,749. |           |
| 3. Enter \$112,500 (\$150,000 if married filing jointly or qualifying widow(er), \$75,000 if married filing separately.)                                                                                     | 112,500. |           |
| 4. Subtract line 3 from line 2.                                                                                                                                                                              | 88,249.  |           |
| 5. Multiply line 4 by 25% (.25).                                                                                                                                                                             |          | 22,062.   |
| 6. Subtract line 5 from line 1. If this form is for a child under age 18, or a full-time student under age 24, go to line 7. Otherwise enter this amount on Form 6251, line 29 and go to Form 6251, line 30. |          | 26,388.   |
| 7. Child's minimum exemption amount.                                                                                                                                                                         |          | 0.        |
| 8. Enter the child's earned income, if any.                                                                                                                                                                  |          | 0.        |
| 9. Add lines 7 and 8.                                                                                                                                                                                        |          | 0.        |
| 10. Enter the smaller of line 6 or line 9 here and on Form 6251, line 29.                                                                                                                                    |          | <u>0.</u> |

Client EX2SCORP

Member One S-Corp

998-89-8888

2/19/12

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**Activity Name: Example S-Corp, LLC (MTM GAIN)**

Stock basis at beginning of year	0.
Additional amounts invested in current year	
Current year distributions	-35,006.
Other current year increases to basis	80,000.
Current year income from S Corporation	87,432.
Less income used to restore debt basis	
Stock basis used for basis limitation	132,426.
Loss allowed by basis limitation	0.
Stock basis at end of year	132,426.

Principal amount of debt S Corp owes to shareholder at beginning of year

Debt basis	0.
Income used to restore debt basis	
Loans made to S Corp during the year	
Loan repayments	
Debt basis used for basis limitation	0.
Loss allowed by basis limitation	0.
Debt basis at end of year	0.

Principal amount of debt S Corp owes to shareholder at end of year

	(A) Current Year loss or deduction	(B) Prior Year Unallowed Basis Loss	(C) Loss Allowable by Basis Limitation	(D) Basis Carryover
<b>Income or Loss</b>				
Totals	<u>0.</u>	<u>0.</u>	<u>0.</u>	<u>0.</u>
<b>Deductions</b>				
Totals	<u>0.</u>	<u>0.</u>	<u>0.</u>	<u>0.</u>

2011

## Schedule of Loss Limitations

Page 1

Client EX2SCORP

Member One S-Corp

998-89-8888

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Activity Name: Example S-Corp, LLC (MTM GAIN)

	(A) Current Year Amount	(B) Prior Year unallowed Basis loss	(C) Disallowed due to Basis Limitation	(D) Prior Year unallowed At-risk loss	(E) Disallowed due to at-risk Limitation	(F) Prior Year unallowed Passive loss	(G) Disallowed due to Passive loss Limitations	(H) Tax return Tax return
Ordinary Income (Loss)	<u>84,028.</u>	<u>0.</u>	<u>0.</u>	<u>0.</u>	<u>0.</u>			<u>84,028.</u>
<b>Net Income (Loss)</b>	<u>84,028.</u>	<u>0.</u>	<u>0.</u>	<u>0.</u>	<u>0.</u>			<u>84,028.</u>
<b>Total Schedule E page 2</b>	<u>84,028.</u>	<u>0.</u>	<u>0.</u>	<u>0.</u>	<u>0.</u>	<u>0.</u>	<u>0.</u>	<u>84,028.</u>
1256 Gain (Loss)	3,172.							3,172.

2011

## Federal Income Tax Summary

Page 1

Client EX2SCORP

Member One S-Corp

998-89-8888

2/19/12

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	2011	2010	Diff
<b>INCOME</b>			
Wages, salaries, tips, etc.....	113,500	113,500	0
Interest income.....	573	573	0
Dividend income.....	221	221	0
Capital gain or loss.....	2,427	2,427	0
Rent, royalty, partnership, S-Corp, trust	84,028	84,028	0
Total income.....	200,749	200,749	0
<b>ADJUSTMENTS TO INCOME</b>			
Total adjustments.....	0	0	0
Adjusted gross income.....	200,749	200,749	0
<b>ITEMIZED DEDUCTIONS</b>			
Taxes.....	1,655	1,564	91
Total itemized deductions.....	1,655	1,564	91
<b>TAX COMPUTATION</b>			
Standard deduction.....	5,800	5,700	100
Larger of itemized or standard deduction	5,800	5,700	100
Income prior to exemption deduction.....	194,949	195,049	-100
Exemption deduction.....	3,700	3,650	50
Taxable income.....	191,249	191,399	-150
Tax before credits.....	47,627	47,897	-270
<b>CREDITS</b>			
Total credits.....	0	0	0
Tax after credits.....	47,627	47,897	-270
<b>OTHER TAXES</b>			
Total tax.....	47,627	47,897	-270
<b>PAYMENTS</b>			
Federal income tax withheld.....	38,000	38,000	0
Total payments.....	38,000	38,000	0
<b>REFUND OR AMOUNT DUE</b>			
Underpayment penalty.....	0	122	-122
Amount you owe.....	9,627	10,019	-392
<b>TAX RATES</b>			
Marginal tax rate.....	33.0%	33.0%	0.0%
Effective tax rate.....	24.9%	25.0%	-0.1%



2011

## General Information

Page 1

Client EX2SCORP

Member One S-Corp

998-89-8888

2/19/12

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## Forms needed for this return

Federal: 1040, 1040-ES, 1040-V, Sch B, Sch D, Sch E p2, 6251, 6781, 8949

## Tax Rates

	<u>Marginal</u>	<u>Effective</u>
Federal	33.0%	24.9%

## Carryovers to 2012

None

## Estimates

## Federal Estimates

	<u>Estimate</u>	<u>Overpayment</u>	<u>Balance</u>
4/17/12	3,598.	0.	3,598.
6/15/12	3,598.	0.	3,598.
9/17/12	3,598.	0.	3,598.
1/15/13	3,598.	0.	3,598.
Total	<u>\$ 14,392.</u>	<u>\$ 0.</u>	<u>\$ 14,392.</u>

### Retirement Contributions

- ☐ The taxpayer saved an estimated \$5,445 in tax by contributing \$16,500 in elective deferrals to employer-provided retirement plan(s).
- ☐ Consider making a non-deductible traditional IRA contribution. In tax year 2010 and beyond, the \$100,000 traditional to Roth IRA conversion income limit no longer applies. You can maximize that opportunity by making nondeductible traditional IRA contributions and converting the amount(s) to Roth IRAs in subsequent years. However, earnings on the traditional IRA will be subject to tax in the year of conversion.
- ☐ The taxpayer could make a nondeductible traditional IRA contribution of \$5,000 for tax year 2011 and \$5,000 for tax year 2012 (assuming no other changes). The 2011 contribution must be made on or before April 17th, 2012.

### Future Tax Savings

- ☐ If the taxpayer has access to an employer-provided cafeteria plan for health care reimbursement, the taxpayer should consider participating. Contributions to such plans reduce taxable wages. However, due to the use-it-or-lose-it nature of such plans, conservative contributions should be made.
- ☐ The taxpayer contributed \$16,500 to an employer-provided retirement plan in 2011. Based on the taxpayer's age, the maximum allowable contributions for most plans will be \$17,000 in 2012. Increasing the contributions by \$500 will result in an additional estimated tax savings of \$165.

### Tax Tips

- ☐ Taxable income excluding capital gains and qualified dividends is \$189,125, placing the taxpayer in a 33% marginal tax bracket on ordinary income. Based on 2011 tax rates, ordinary income would have to increase by over \$190,025 in order for any ordinary income to begin being taxed in the 35% bracket. This may be used as a guide in determining the advantages or disadvantages of receiving discretionary ordinary income in 2012.
- ☐ The taxpayer's taxable interest exceeds tax-exempt interest. The taxpayer may benefit by converting taxable securities to tax-exempt securities. Although tax-exempt securities normally produce a lower yield, the tax savings for taxpayer's in a higher bracket may offset the higher income yielded from taxable securities.

**Tax Tips (continued)**

- ☐ Although the taxpayer is not subject to AMT, tentative minimum tax is currently 95% of regular tax. Consider reviewing next year's income and deduction items to see first if the taxpayer will be subject to AMT, and if AMT applies, review preference and adjustment items to see if any can be postponed or eliminated.

**Compliance Tips**

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

Demo