

2/19/12

09:58AM

EX6F-NY

Taxpayer quit his W-2 job in May of 2011 and began trading forex full time in June. He traded full-time from June through December of 2011.

Taxpayer had \$12,000 in forex losses in 2011 which are reported on Form 4797, Part II as ordinary loss per IRC Section 988. Since the taxpayer is considered a full time trader during the period of the forex loss, these losses can be used to generate a net operating loss in the current year.

Demo

**2011****Schedule C Analysis****Client EX6F-NY****Business Trader in Forex****999-99-9999**

2/19/12	Actual Amounts For This Business		National Average Expense Ratios Applied to This Business*		09:59AM
Business Trader in Forex (1) PBA Code: 523900 Other Financial Investment Activities (advice, etc.)	Amounts	% of Sales	Amounts	% of Sales	This Business' Deviation from Averages

**INCOME**

Gross receipts less returns and allowances		N/A		N/A	
Cost of goods sold:					
Beginning inventory				0.3%	
Purchases				22.25%	
Cost of labor					
Materials and supplies				2.54%	
Other costs				19.21%	
Ending inventory				0.55%	
Cost of goods sold					
Gross profit					
Other income				-0.42%	
Total income	0.		0.		

**EXPENSES**

Advertising				1.2%	
Car and truck expenses				2.88%	
Commissions				4.85%	
Contract labor				1.23%	
Depletion					
Depreciation				1.21%	
Employee benefit programs				0.18%	
Insurance				0.39%	
Mortgage interest				0.04%	
Other interest				0.85%	
Legal and professional services				1.1%	
Office expense				1.74%	
Pension and profit-sharing plans				0.04%	
Rent or lease of machinery and equipment				0.08%	
Rent on other business property				2.15%	
Repairs and maintenance				1.1%	
Supplies				1.04%	
Taxes and licenses				0.37%	
Travel				1.81%	
Meals and entertainment				1.42%	
Utilities				1.71%	
Wages				3.82%	
Other expenses	2,567.			20.38%	
Expenses for business use of home	2,149.			0.98%	
Total expenses	4,716.		0.		
<b>NET PROFIT</b>	-4,716.		0.		

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

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

Your first name MI Last name Your social security number

**Business Trader in Forex** 999-99-9999

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

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

**Any Street** Make sure the SSN(s) above and on line 6c are correct.

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

**New York, NY 10021** Presidential Election Campaign

Foreign country name Foreign province/county Foreign postal code

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

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

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

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

d Total number of exemptions claimed. . . . . 1

**Income** 7 Wages, salaries, tips, etc. Attach Form(s) W-2. . . . . 7 35,000. 8a Taxable interest. Attach Schedule B if required. . . . . 8a 8b Tax-exempt interest. Do not include on line 8a. . . . . 9a Ordinary dividends. Attach Schedule B if required. . . . . 9a 9b Qualified dividends. . . . . 10 Taxable refunds, credits, or offsets of state and local income taxes. . . . . 10 3,527. 11 Alimony received. . . . . 11 12 Business income or (loss). Attach Schedule C or C-EZ. . . . . 12 -4,716. 13 Capital gain or (loss). Att Sch D if reqd. If not reqd, ck here. . . . . 13 -12,000. 14 Other gains or (losses). Attach Form 4797. . . . . 14 15a IRA distributions. . . . . 15a b Taxable amount. . . . . 15b 16a Pensions and annuities. . . . . 16a b Taxable amount. . . . . 16b 17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E. . . . . 17 18 Farm income or (loss). Attach Schedule F. . . . . 18 19 Unemployment compensation. . . . . 19 20a Social security benefits. . . . . 20a b Taxable amount. . . . . 20b 21 Other income. . . . . 21 22 Combine the amounts in the far right column for lines 7 through 21. This is your total income. . . . . 22 21,811.

**Adjusted Gross Income** 23 Educator expenses. . . . . 23 24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ. . . . . 24 25 Health savings account deduction. Attach Form 8889. . . . . 25 26 Moving expenses. Attach Form 3903. . . . . 26 27 Deductible part of self-employment tax. Attach Schedule SE. . . . . 27 28 Self-employed SEP, SIMPLE, and qualified plans. . . . . 28 29 Self-employed health insurance deduction. . . . . 29 30 Penalty on early withdrawal of savings. . . . . 30 31a Alimony paid b Recipient's SSN. . . . . 31a 32 IRA deduction. . . . . 32 33 Student loan interest deduction. . . . . 33 34 Tuition and fees. Attach Form 8917. . . . . 34 35 Domestic production activities deduction. Attach Form 8903. . . . . 35 36 Add lines 23 through 35. . . . . 36 0. 37 Subtract line 36 from line 22. This is your adjusted gross income. . . . . 37 21,811.

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

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

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

**Other Taxes****Payments**

If you have a qualifying child, attach Schedule EIC.

**Refund**

Direct deposit? See instructions.

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

Joint return? See instructions.

Keep a copy for your records.

**Paid Preparer's Use Only**

<b>38</b>	Amount from line 37 (adjusted gross income).....	<b>38</b>	21,811.
<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>b</b>	If your spouse itemizes on a separate return or you were a dual-status alien, check here <b>39b</b> <input type="checkbox"/>		
<b>40</b>	Itemized deductions (from Schedule A) or your standard deduction (see instructions).....	<b>40</b>	15,352.
<b>41</b>	Subtract line 40 from line 38.....	<b>41</b>	6,459.
<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>	2,759.
<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>	276.
<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>	276.
<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>	276.
<b>56</b>	Self-employment tax. Attach Schedule SE.....	<b>56</b>	
<b>57</b>	Unreported social security and Medicare tax from Form: <b>a</b> <input type="checkbox"/> 4137 <b>b</b> <input type="checkbox"/> 8919.....	<b>57</b>	
<b>58</b>	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required.....	<b>58</b>	
<b>59a</b>	Household employment taxes from Schedule H.....	<b>59a</b>	
<b>b</b>	First-time homebuyer credit repayment. Attach Form 5405 if required.....	<b>59b</b>	
<b>60</b>	Other taxes. Enter code(s) from instructions.....	<b>60</b>	
<b>61</b>	Add lines 55-60. This is your <b>total tax</b> .....	<b>61</b>	276.
<b>62</b>	Federal income tax withheld from Forms W-2 and 1099.....	<b>62</b>	7,500.
<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>b</b>	Nontaxable combat pay election..... <b>64b</b> <input type="checkbox"/>		
<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>	7,500.
<b>73</b>	If line 72 is more than line 61, subtract line 61 from line 72. This is the amount you <b>overpaid</b> .....	<b>73</b>	7,224.
<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>	7,224.
<b>b</b>	Routing number..... XXXXXXXXXXXX <b>c</b> Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
<b>d</b>	Account number..... XXXXXXXXXXXXXXXXXXXXXXXXXX		
<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>	
<b>77</b>	Estimated tax penalty (see instructions).....	<b>77</b>	

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

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

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

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

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

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

OMB No. 1545-0074

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

Name(s) shown on Form 1040

Your social security number

Business Trader in Forex

999-99-9999

<b>Medical and Dental Expenses</b>	<b>Caution.</b> Do not include expenses reimbursed or paid by others.			
1	Medical and dental expenses (see instructions) .....	1		
2	Enter amount from Form 1040, line 38. .... <b>2</b>			
3	Multiply line 2 by 7.5% (.075) .....	3		
4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0- .....	4		0.
<b>Taxes You Paid</b>	<b>5</b> State and local (check only one box):	5	3,500.	
	a <input checked="" type="checkbox"/> Income taxes, or			
	b <input type="checkbox"/> General sales taxes			
6	Real estate taxes (see instructions) .....	6	2,540.	
7	Personal property tax .....	7		
8	Other taxes. List type and amount ▶ .....	8		
9	Add lines 5 through 8 .....	9		6,040.
<b>Interest You Paid</b>	<b>10</b> Home mtg interest and points reported to you on Form 1098 .....	10	9,312.	
	<b>11</b> Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying number, and address ▶ .....	11		
<b>Note.</b> Your mortgage interest deduction may be limited (see instrs).	.....			
	.....			
	.....			
	.....	11		
<b>12</b>	Points not reported to you on Form 1098. See instrs for spl rules .....	12		
<b>13</b>	Mortgage insurance premiums (see instructions) .....	13		
<b>14</b>	Investment interest. Attach Form 4952 if required. (See instrs.) .....	14		
<b>15</b>	Add lines 10 through 14 .....	15		9,312.
<b>Gifts to Charity</b>	<b>16</b> Gifts by cash or check. If you made any gift of \$250 or more, see instrs .....	16		
If you made a gift and got a benefit for it, see instructions.	<b>17</b> Other than by cash or check. If any gift of \$250 or more, see instructions. You <b>must</b> attach Form 8283 if over \$500 .....	17		
	<b>18</b> Carryover from prior year .....	18		
<b>19</b>	Add lines 16 through 18 .....	19		0.
<b>Casualty and Theft Losses</b>	<b>20</b> Casualty or theft loss(es). Attach Form 4684. (See instructions.) .....	20		0.
<b>Job Expenses and Certain Miscellaneous Deductions</b>	<b>21</b> Unreimbursed employee expenses — job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.) ▶ .....	21		
	.....	21		
<b>22</b>	Tax preparation fees .....	22		
<b>23</b>	Other expenses — investment, safe deposit box, etc. List type and amount ▶ .....	23		
	.....	23		
<b>24</b>	Add lines 21 through 23 .....	24		
<b>25</b>	Enter amount from Form 1040, line 38. .... <b>25</b>			
<b>26</b>	Multiply line 25 by 2% (.02) .....	26		
<b>27</b>	Subtract line 26 from line 24. If line 26 is more than line 24, enter -0- .....	27		0.
<b>Other Miscellaneous Deductions</b>	<b>28</b> Other — from list in instructions. List type and amount ▶ .....			
	.....			
	.....			
	.....	28		0.
<b>Total Itemized Deductions</b>	<b>29</b> Add the amounts in the far right column for lines 4 through 28. Also, enter this amount on Form 1040, line 40 .....	29		15,352.
	<b>30</b> If you elect to itemize deductions even though they are less than your standard deduction, check here. .... ▶ <input type="checkbox"/>			

**SCHEDULE C**  
**(Form 1040)**

Department of the Treasury  
Internal Revenue Service (99)

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

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

OMB No. 1545-0074

**2011**

Attachment  
Sequence No. **09**

Name of proprietor

**Business Trader in Forex**

Social security number (SSN)

999-99-9999

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

**Trader in currencies (June to December of 2011) - see notes**

**B** Enter code from instructions

► 523900

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

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

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

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

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

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

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

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

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

**Part I Income**

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

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

<b>8</b> Advertising	<b>8</b>		<b>18</b> Office expense (see instructions)	<b>18</b>	
<b>9</b> Car and truck expenses (see instructions)	<b>9</b>		<b>19</b> Pension and profit-sharing plans	<b>19</b>	
<b>10</b> Commissions and fees	<b>10</b>		<b>20</b> Rent or lease (see instructions):		
<b>11</b> Contract labor (see instructions)	<b>11</b>		<b>a</b> Vehicles, machinery, and equipment	<b>20 a</b>	
<b>12</b> Depletion	<b>12</b>		<b>b</b> Other business property	<b>20 b</b>	
<b>13</b> Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	<b>13</b>		<b>21</b> Repairs and maintenance	<b>21</b>	
<b>14</b> Employee benefit programs (other than on line 19)	<b>14</b>		<b>22</b> Supplies (not included in Part III)	<b>22</b>	
<b>15</b> Insurance (other than health)	<b>15</b>		<b>23</b> Taxes and licenses	<b>23</b>	
<b>16</b> Interest:			<b>24</b> Travel, meals, and entertainment:		
<b>a</b> Mortgage (paid to banks, etc)	<b>16 a</b>		<b>a</b> Travel	<b>24 a</b>	
<b>b</b> Other	<b>16 b</b>		<b>b</b> Deductible meals and entertainment (see instructions)	<b>24 b</b>	
<b>17</b> Legal & professional services	<b>17</b>		<b>25</b> Utilities	<b>25</b>	
			<b>26</b> Wages (less employment credits)	<b>26</b>	
			<b>27 a</b> Other expenses (from line 48)	<b>27 a</b>	2,567.
			<b>b</b> Reserved for future use	<b>27 b</b>	
<b>28</b> <b>Total expenses</b> before expenses for business use of home. Add lines 8 through 27a.	<b>28</b>		<b>28</b>		2,567.
<b>29</b> Tentative profit or (loss). Subtract line 28 from line 7.	<b>29</b>		<b>29</b>		-2,567.
<b>30</b> Expenses for business use of your home. Attach <b>Form 8829</b> . Do <b>not</b> report such expenses elsewhere.	<b>30</b>		<b>30</b>		2,149.
<b>31</b> <b>Net profit or (loss).</b> Subtract line 30 from line 29.			<b>31</b>		-4,716.

• If a profit, enter on both **Form 1040, line 12** (or **Form 1040NR, line 13**) and on **Schedule SE, line 2**. If you entered an amount on line 1c, 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**, (or **Form 1040NR, line 13**) and on **Schedule SE, line 2**. If you entered an amount on line 1c, see the instructions for line 31. 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 your tax return instructions.**

FDIZ0112L 10/25/11

Schedule C (Form 1040) 2011

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

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

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

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

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

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

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

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

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

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

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

Trader tax and accounting .....	890.
Trading books .....	182.
Trading data feeds .....	1,495.
.....	
.....	
.....	
.....	
<b>48</b> <b>Total other expenses.</b> Enter here and on line 27a .....	<b>48</b> 2,567.

Form **4797**Department of the Treasury  
Internal Revenue Service (99)**Sales of Business Property**  
(Also Involuntary Conversions and Recapture Amounts  
Under Sections 179 and 280F(b)(2))

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

OMB No. 1545-0184

**2011**Attachment  
Sequence No. **27**

Name(s) shown on return

Identifying number

Business Trader in Forex

999-99-9999

**1** Enter the gross proceeds from sales or exchanges reported to you for 2011 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions).....**1****Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft – Most Property Held More Than 1 Year** (see instructions)

<b>2</b>	<b>(a)</b> Description of property	<b>(b)</b> Date acquired (month, day, year)	<b>(c)</b> Date sold (month, day, year)	<b>(d)</b> Gross sales price	<b>(e)</b> Depreciation allowed or allowable since acquisition	<b>(f)</b> Cost or other basis, plus improvements and expense of sale	<b>(g)</b> Gain or (loss) Subtract (f) from the sum of (d) and (e)

**3** Gain, if any, from Form 4684, line 39.....**3****4** Section 1231 gain from installment sales from Form 6252, line 26 or 37.....**4****5** Section 1231 gain or (loss) from like-kind exchanges from Form 8824.....**5****6** Gain, if any, from line 32, from other than casualty or theft.....**6****7** Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows:.....**7****Partnerships (except electing large partnerships) and S corporations.** Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.**Individuals, partners, S corporation shareholders, and all others.** If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.**8** Nonrecaptured net section 1231 losses from prior years (see instructions).....**8****9** Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions).....**9****Part II Ordinary Gains and Losses** (see instructions)**10** Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

Forex trading a/c - IRC Sec 988 (Trader Transaction)					
Various	Various				-12,000.

**11** Loss, if any, from line 7.....**11****12** Gain, if any, from line 7 or amount from line 8, if applicable.....**12****13** Gain, if any, from line 31.....**13****14** Net gain or (loss) from Form 4684, lines 31 and 38a.....**14****15** Ordinary gain from installment sales from Form 6252, line 25 or 36.....**15****16** Ordinary gain or (loss) from like-kind exchanges from Form 8824.....**16****17** Combine lines 10 through 16.....**17** -12,000.**18** For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:**a** If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from 'Form 4797, line 18a.' See instructions.....**18a****b** Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14.....**18b**

-12,000.

**BAA For Paperwork Reduction Act Notice, see separate instructions.**Form **4797** (2011)



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

Business Trader in Forex

999-99-9999

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

1	If filing Schedule A (Form 1040), enter the amount from Form 1040, line 41 and go to line 2. Otherwise, enter the amount from Form 1040, line 38, and go to line 7. (If less than zero, enter as a negative amount.)	1	6,459.
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	6,040.
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	-3,527.
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	8,972.

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

29	Exemption. (If you were under age 24 at the end of 2011, see instructions.)														
	<table border="0"> <thead> <tr> <th>IF your filing status is . . .</th> <th>AND line 28 is not over . . .</th> <th>THEN enter on line 29 . . .</th> </tr> </thead> <tbody> <tr> <td>Single or head of household . . . . .</td> <td>\$112,500 . . . . .</td> <td>\$48,450</td> </tr> <tr> <td>Married filing jointly or qualifying widow(er) . . . . .</td> <td>150,000 . . . . .</td> <td>74,450</td> </tr> <tr> <td>Married filing separately . . . . .</td> <td>75,000 . . . . .</td> <td>37,225</td> </tr> </tbody> </table>	IF your filing status is . . .	AND line 28 is not over . . .	THEN enter on line 29 . . .	Single or head of household . . . . .	\$112,500 . . . . .	\$48,450	Married filing jointly or qualifying widow(er) . . . . .	150,000 . . . . .	74,450	Married filing separately . . . . .	75,000 . . . . .	37,225	29	48,450.
IF your filing status is . . .	AND line 28 is not over . . .	THEN enter on line 29 . . .													
Single or head of household . . . . .	\$112,500 . . . . .	\$48,450													
Married filing jointly or qualifying widow(er) . . . . .	150,000 . . . . .	74,450													
Married filing separately . . . . .	75,000 . . . . .	37,225													
	If line 28 is <b>over</b> the amount shown above for your filing status, see instructions.														
30	Subtract line 29 from line 28. If more than zero, go to line 31. If zero or less, enter -0- here and on lines 31, 33 and 35, and go to line 34.	30	0.												
31	<ul style="list-style-type: none"> <li>• If you are filing Form 2555 or 2555-EZ, see instructions for the amount to enter.</li> <li>• If you reported capital gain distributions directly on Form 1040, line 13; you reported qualified dividends on Form 1040, line 9b; or you had a gain on both lines 15 and 16 of Schedule D (Form 1040) (as refigured for the AMT, if necessary), complete Part III on page 2 and enter the amount from line 54 here.</li> <li>• <b>All others:</b> If line 30 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 30 by 26% (.26). Otherwise, multiply line 30 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result.</li> </ul>	31	0.												
32	Alternative minimum tax foreign tax credit (see instructions)	32													
33	Tentative minimum tax. Subtract line 32 from line 31.	33	0.												
34	Tax from Form 1040, line 44 (minus any tax from Form 4972 and any foreign tax credit from Form 1040, line 47). If you used Schedule J to figure your tax, the amount from line 44 of Form 1040 must be refigured without using Schedule J (see instructions).	34	276.												
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)

**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.**

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

Name(s) of proprietor(s)

Business Trader in Forex

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	185
2	Total area of home.....	2	1,205
3	Divide line 1 by line 2. Enter the result as a percentage.....	3	15.35 %
<b>For daycare facilities not used exclusively for business go to line 4. All others go to line 7.</b>			
4	Multiply days used for daycare during year by hours used per day.....	4	hr
5	Total hours available for use during the year (365 days x 24 hours) (see instructions).....	5	hr
6	Divide line 4 by line 5. Enter the result as a decimal amount.....	6	
7	Business percentage. For daycare facilities not used exclusively for business, multiply line 6 by line 3 (enter the result as a percentage). All others, enter the amount from line 3.....	7	15.35 %

**Part II Figure Your Allowable Deduction**

8	Enter the amount from Schedule C, line 29, <b>plus</b> any gain derived from the business use of your home and shown on Schedule D or Form 4797, minus any loss from the trade or business not derived from the business use of your home and shown on Schedule D or Form 4797. See instructions.....	8	-2,567.
<b>See instrs for columns (a) and (b) before completing lines 9-21.</b>			
9	Casualty losses (see instructions).....	9	
10	Deductible mortgage interest (see instructions).....	10	11,000.
11	Real estate taxes (see instructions).....	11	3,000.
12	Add lines 9, 10, and 11.....	12	14,000.
13	Multiply line 12, column (b) by line 7.....	13	2,149.
14	Add line 12, column (a) and line 13.....	14	2,149.
15	Subtract line 14 from line 8. If zero or less, enter -0-.....	15	0.
16	Excess mortgage interest (see instructions).....	16	
17	Insurance.....	17	4,500.
18	Rent.....	18	
19	Repairs and maintenance.....	19	800.
20	Utilities.....	20	6,500.
21	Other expenses (see instrs).....	21	200.
22	Add lines 16 through 21.....	22	12,000.
23	Multiply line 22, column (b) by line 7.....	23	1,842.
24	Carryover of operating expenses from 2010 Form 8829, line 42.....	24	
25	Add line 22 column (a), line 23, and line 24.....	25	1,842.
26	Allowable operating expenses. Enter the <b>smaller</b> of line 15 or line 25.....	26	
27	Limit on excess casualty losses and depreciation. Subtract line 26 from line 15.....	27	
28	Excess casualty losses (see instructions).....	28	
29	Depreciation of your home from line 41 below.....	29	854.
30	Carryover of excess casualty losses and depreciation from 2010 Form 8829, line 43.....	30	
31	Add lines 28 through 30.....	31	854.
32	Allowable excess casualty losses and depreciation. Enter the <b>smaller</b> of line 27 or line 31.....	32	
33	Add lines 14, 26, and 32.....	33	2,149.
34	Casualty loss portion, if any, from lines 14 and 32. Carry amount to <b>Form 4684</b> (see instructions).....	34	
35	<b>Allowable expenses for business use of your home.</b> Subtract line 34 from line 33. Enter here and on Schedule C, line 30. If your home was used for more than one business, see instructions.....	35	2,149.

**Part III Depreciation of Your Home**

36	Enter the <b>smaller</b> of your home's adjusted basis or its fair market value (see instructions).....	36	500,000.
37	Value of land included on line 36.....	37	100,000.
38	Basis of building. Subtract line 37 from line 36.....	38	400,000.
39	Business basis of building. Multiply line 38 by line 7.....	39	61,400.
40	Depreciation percentage (see instructions).....	40	1.391 %
41	Depreciation allowable (see instructions). Multiply line 39 by line 40. Enter here and on line 29 above.....	41	854.

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

42	Operating expenses. Subtract line 26 from line 25. If less than zero, enter -0-.....	42	1,842.
43	Excess casualty losses and depreciation. Subtract line 32 from line 31. If less than zero, enter -0-.....	43	854.

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

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

OMB No. 1545-0172

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

Name(s) shown on return

**Business Trader in Forex**

Identifying number

999-99-9999

Business or activity to which this form relates

**Schedule C (Business Use of Home) - Business Trader in Forex****Part I Election To Expense Certain Property Under Section 179**

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

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

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

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

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

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

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

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

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property.						
b 5-year property.						
c 7-year property.						
d 10-year property.						
e 15-year property.						
f 20-year property.						
g 25-year property.			25 yrs		S/L	
h Residential rental property.			27.5 yrs	MM	S/L	
i Nonresidential real property.	6/01/11	61,400.	39 yrs	MM	S/L	854.

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

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

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

21	Listed property. Enter amount from line 28.	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions.	22	854.
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.

FD020812L 05/20/11

Form **4562** (2011)

2011

Federal Statements

Page 1

Client EX6F-NY

Business Trader in Forex

999-99-9999

2/19/12

09:58AM

Statement 1  
Form 8829, Line 21  
Other Expenses

	<u>Direct</u>	<u>Indirect</u>
Miscellaneous.....	\$ 0.	\$ 200.
Total	<u>\$ 0.</u>	<u>\$ 200.</u>

Demo

Client EX6F-NY

Business Trader in Forex

999-99-9999

2/19/12

09:58AM

Note to Schedule C and Form 4797, Part II in connection with taxpayer's trading business activity: "trader in currencies"

TAXPAYER QUALIFIES AS A "TRADER IN CURRENCIES"

Taxpayer qualifies as a "trader in currencies" from June through December of 2011. Taxpayer's trading business expenses are reported as business expenses on Schedule C and the currency trading gains and losses are reported on Form 4797, Part II.

Taxpayer received W-2 income from a sales position held from January through the end of May 2011. Taxpayer left his W-2 employment to trade full-time from June through December of 2011.

Taxpayer clearly meets the requirements for a trading business set forth below.

=====

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

-----

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

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

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

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

..Your activity must be substantial.

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

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

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

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

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

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

Note.

-----

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

#### How To Report.

Interbank or forex currency transactions are IRC section 988 contracts reported on Form 1040 as other income or loss. As a trader rather than a manufacturer, Taxpayer is entitled to elect out of IRC 988 for IRC 1256 treatment. Taxpayer did not make the election out of IRC Section 988, therefore his respective forex loss for 2011 is reported on Form 4797, Part II.

#### 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 currencies.)

#### Self-employment tax.

Gains and losses from selling securities as part of a trading business are not subject to self-employment tax.

#### SUMMARY OF ABOVE

Taxpayer qualifies as a "trader in currencies" from June through December of 2011. Taxpayer's trading business expenses are reported on Schedule C and his currency trading gains and losses are reported on Form 4797, Part II.

Taxpayer is not subject to self-employment taxes on this trading activity. Taxpayer's securities investment positions (if any) are subject to normal rules for investing activities (Schedule D capital gain or loss, wash sales, and Schedule A for investment expenses).

Client EX6F-NY

Business Trader in Forex

999-99-9999

2/19/12

09:58AM

**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>
X Company - left job May 30, 2011	35,000.	7,500.	1,470.	508.	3,500.	
Grand Total	<u>35,000.</u>	<u>7,500.</u>	<u>1,470.</u>	<u>508.</u>	<u>3,500.</u>	<u>0.</u>

**State and Local Refunds Taxable in 2011**  
**(Refunds on Prior Year Return Taxable in Current Year)**

1. State and local income tax refunds (prior year)	3,527.
2. Refunds attributable to post 12/31/2010 payments per IRS Pub. 525	0.
3. Net state and local income tax refunds	3,527.
4. State and local taxes paid from prior year Sch. A, line 5	3,974.
5. Prior year allowable sales tax deduction	258.
6. Excess of income taxes deducted over sales taxes	3,716.
7. Enter the smaller of line 3 or line 6	3,527.
8. Itemized deductions from prior year Sch. A, line 29	15,826.
9. Prior year recomputed itemized deductions (if phaseout)	0.
10. Prior year base standard deduction	5,700.
11. Prior year add'l standard deduction for age/blindness	0.
12. Prior year disaster loss / new motor vehicle deduction	0.
13. Prior year total standard deduction (add lines 10, 11, and 12)	5,700.
14. Enter the larger of line 9 or line 13	5,700.
15. Subtract line 14 from line 8 (not less than 0)	10,126.
16. Enter the smaller of line 7 or line 15	3,527.
17. Negative taxable income (prior year)	0.
18. Refund with no benefit due to AMT, nonref. cred., 0% cap gain rate	0.
19. State and local refunds taxable this year (add lines 16, 17, and 18, but not less than 0)	<u>3,527.</u>

**State and Local Refunds Taxable in 2012**  
**(IRS Pub. 525)**

1. State and local income tax refunds (current year)	3,096.
2. Refunds attributable to post 12/31/2011 payments per IRS Pub. 525	0.
3. Net state and local income tax refunds	3,096.
4. State and local income taxes paid from Schedule A, line 5	3,500.
5. Allowable general sales tax deduction	255.
6. Excess of income taxes deducted over sales taxes deducted	3,245.
7. Enter the smaller of line 3 or line 6	3,096.
8. Itemized deductions from Schedule A, line 29	15,352.
9. Recomputed itemized deductions, if phaseout (n/a for 2011)	0.
10. Standard deduction	5,800.
11. Enter the larger of line 9 or line 10	5,800.
12. Subtract line 11 from line 8 (not less than 0)	9,552.
13. Enter the smaller of line 7 or line 12	3,096.
14. Negative taxable income (current year)	0.
15. State and local refunds taxable next year (add lines 13 and 14, but not less than 0)	<u>3,096.</u>

Client EX6F-NY

Business Trader in Forex

999-99-9999

2/19/12

09:58AM

**Federal Income Tax Withheld**

X Company - left job May 30, 2011

Total	<u>7,500.</u>
	<u>7,500.</u>

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

## State and Local Income Taxes

	<u>State</u>	<u>Local</u>
Income tax withheld	3,500.	0.
Disability/unemployment insurance	0.	0.
Estimated tax payments	0.	0.
Credit for prior year overpayment	0.	0.
Credit for income tax withheld (K-1)	0.	0.
1/11 payment on 2010 estimate	0.	0.
Paid with 2010 extension	0.	0.
Paid with 2010 return	0.	0.
Paid for prior years and/or to other states	0.	0.
Total income taxes	<u>3,500.</u>	<u>0.</u>

Total state and local income taxes	<u>3,500.</u>
------------------------------------	---------------

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

## Available Income:

Adjusted gross income per Form 1040	21,811.
Tax-exempt interest	0.
Nontaxable combat pay	0.
Nontaxable social security benefits	0.
Nontaxable pensions	0.
Nontaxable IRAs	0.
Economic recovery payments	0.
Prior year refundable credits (refundable portion only)	0.
Additional nontaxable amounts	0.
Total Available Income (not less than zero)	<u>21,811.</u>

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

1. State general sales taxes per Tables 255.
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) 64.
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) 255.
8. Sales taxes paid on vehicles, boats, etc. 0.
9. Sales tax deduction when using Tables (add lines 7 and 8) 255.



Client EX6F-NY

Business Trader in Forex

999-99-9999

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**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	19.
3. Total actual taxes paid (add lines 1 and 2)	19.
4. Sales taxes using Tables	255.
5. Greater of sales taxes paid or Table amount	<u>255.</u>

State & Local Taxes to Sch. A, Ln 5 (greater of income or sales tax) 3,500.

**Schedule A, Line 6  
Real Estate Taxes**

Home Office Nonbusiness Allocation 2,540.  
2,540.

**Schedule A, Line 10  
Home Mortgage Interest Reported on Form 1098**

Home Office Nonbusiness Allocation 9,312.  
9,312.

**Form 8829 - Personal Portion of Mortgage Interest, Mortgage Insurance Premiums  
and Real Estate Taxes to Carry to Schedule A**

Mortgage Interest.....	\$	9,312.
Real Estate Taxes.....		<u>2,540.</u>
	\$	<u>11,852.</u>

12/31/11

## 2011 Federal Summary Depreciation Schedule

Page 1

Client EX6F-NY

Business Trader in Forex

999-99-9999

2/19/12

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No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179/ SDA	Prior 179/ SDA/ Depr.	Method	Life	Current Depr.
Business Use of Home - Business Trader in Forex										
Buildings										
1	Home	6/01/11		400,000	15.35			S/L MM	39	854
	Total Buildings			400,000		0	0			854
Land										
3	Land	6/01/11		100,000	15.35					0
	Total Land			100,000		0	0			0
	Total Depreciation			500,000		0	0			854
	Grand Total Depreciation			500,000		0	0			854

Demo

**Resident Income Tax Return**

2011

**IT-201**

New York State • New York City • Yonkers

For the full year January 1, 2011, through December 31, 2011, or fiscal year beginning

For help completing your return, see the instructions for Form IT-201.

and ending

**You must enter your date(s) of birth and social security number(s) below.**

<b>Your</b> first name and middle initial	<b>Your</b> last name (for a <b>joint return</b> enter spouse's name on line below)	<b>Your</b> date of birth	▼ <b>Your</b> social security no.
BUSINESS	T FOREX	03-01-1975	999-99-9999
<b>Spouse's</b> first name and middle initial	<b>Spouse's</b> last name	<b>Spouse's</b> date of birth	▼ <b>Spouse's</b> social security no.

Mailing address (*see instructions*) (number and street or rural route)

Apartment number

New York State county of residence

ANY STREET

• NY

City, village, or post office

State ZIP code

Country (if not United States)

School district name

NEW YORK

NY 10021

• MANHATTAN

Permanent home address (*see instructions*) (number and street or rural route)

Apartment number

School district code number

369

City, village, or post office

State ZIP code

NY

Decedent information: •

Taxpayer's date of death

Spouse's date of death

- (A) Filing status — mark an X in one box:**
- 1 ☒ Single
- 2 ☐ Married filing joint return  
(enter spouse's social security number above)
- 3 ☐ Married filing separate return  
(enter spouse's social security number above)
- 4 ☐ Head of household (with qualifying person)
- 5 ☐ Qualifying widow(er) with dependent child

Staple check or money order here.

**(D)** E-file this return. Most taxpayers **must** now e-file (*see instructions*).**(E)** (1) Did you or your spouse **maintain living quarters in NYC** during 2011 (*see instructions*)? Yes ☒ No(2) Enter the number of days spent in NYC in 2011  
(any part of a day spent in NYC is considered a day) 365**(F) NYC residents and NYC part-year residents only** (*see instructions*):(1) Number of months **you** lived in NYC in 2011 • 12(2) Number of months **your spouse** lived in NYC in 2011 •**(B)** Did you **itemize** your deductions on your 2011 federal income tax return? Yes ☒ No**(G)** Enter your **2-character special condition code** if applicable (*see instructions*) •**(C)** Can you be **claimed** as a dependent on another taxpayer's federal return? Yes ☐ No ☒If applicable, also enter your **second 2-character special condition code** •**Federal income and adjustments**Only full-year NY State residents may file this form. For lines 1 through 18 below, enter your income items and total adjustments as they appear on your federal return (*see instructions*). Also see instructions for showing a loss.

Dollars

1 Wages, salaries, tips, etc	1.	35,000.
2 Taxable interest income	2.	
3 Ordinary dividends	3.	
4 Taxable refunds, credits, or offsets of state and local income taxes ( <i>also enter on line 25</i> )	4.	3,527.
5 Alimony received	5.	
6 Business income or loss ( <i>attach a copy of federal Schedule C or C-EZ, Form 1040</i> )	6.	-4,716.
7 Capital gain or loss ( <i>if required, attach a copy of federal Schedule D, Form 1040</i> )	7.	
8 Other gains or losses ( <i>attach a copy of federal Form 4797</i> )	8.	-12,000.
9 Taxable amount of IRA distributions. If received as a beneficiary, mark an <b>X</b> in the box	9.	
10 Taxable amount of pensions and annuities. If received as a beneficiary, mark an <b>X</b> in the box	10.	
11 Rental real estate, royalties, partnerships, S corporations, trusts, etc ( <i>attach copy of federal Schedule E, Form 1040</i> )	11.	
12 Farm income or loss ( <i>attach a copy of federal Schedule F, Form 1040</i> )	12.	
13 Unemployment compensation	13.	
14 Taxable amount of social security benefits ( <i>also enter on line 27</i> )	14.	
15 Other income ( <i>see instrs</i> ) Identify:	15.	
16 Add lines 1 through 15	16.	21,811.
17 Total federal adjustments to income ( <i>see instructions</i> ) Identify:	17.	
18 <b>Federal adjusted gross income</b> (subtract line 17 from line 16)	18.	21,811.

NYIA1312L 09/27/11

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You must file all four pages of this original scannable return with the Tax Department.

999-99-9999

BUSINESS TRADER IN FOREX

Dollars

19 Federal adjusted gross income (from line 18 on page 1) 19. 21,811.

**New York additions** (see instructions)

20 Interest income on state and local bonds and obligations (but not those of NY State or its local governments) 20.  
 21 Public employee 414(h) retirement contributions from your wage and tax statements (see instrs) 21.  
 22 New York's 529 college savings program distributions (see instructions) 22.  
 23 Other (see instructions) Identify: 23.  
 24 Add lines 19 through 23 24. 21,811.

**New York subtractions** (see instructions)

25 Taxable refunds, credits, or offsets of state and local income taxes (from line 4) 25. 3,527.  
 26 Pensions of NYS and local governments and the federal government (see instrs) 26.  
 27 Taxable amount of social security benefits (from line 14) 27.  
 28 Interest income on U.S. government bonds 28.  
 29 Pension and annuity income exclusion (see instructions) 29.  
 30 New York's 529 college savings program deduction / earnings 30.  
 31 Other (see instrs). Identify: 31.  
 32 Add lines 25 through 31 32. 3,527.  
 33 New York adjusted gross income (subtract line 32 from line 24) 33. 18,284.

**Standard deduction or itemized deduction** (see instructions)

34 Enter your **standard deduction** (from table below) or your **itemized deduction** (from worksheet below). Mark an **X** in the appropriate box: • **Standard** or • **X** **Itemized** 34. 11,852.  
 35 Subtract line 34 from line 33 (if line 34 is more than line 33, leave blank) 35. 6,432.  
 36 Dependent exemptions (not the same as total federal exemptions; see instructions) 36.  
 37 Taxable income (subtract line 36 from line 35) 37. 6,432.

◀ or ▶

**New York State  
standard deduction table**

Filing status (from page 1)	Standard deduction (enter on line 34 above)
1 Single and you marked item C Yes	\$ 3,000
1 Single and you marked item C No	7,500
2 Married filing joint return	15,000
3 Married filing separate return	7,500
4 Head of household (with qualifying person)	10,500
5 Qualifying widow(er) with dependent child	15,000

**New York State itemized deduction worksheet**

a Medical and dental expenses (federal Schedule A, line 4)	a.
b Taxes you paid (federal Schedule A, line 9)	b. 6,040.
c Interest you paid (federal Schedule A, line 15)	c. 9,312.
d Gifts to charity (federal Schedule A, line 19)	d.
e Casualty and theft losses (federal Schedule A, line 20)	e.
f Job expenses/misc deductions (fed Sch A, line 27)	f.
g Other misc deductions (federal Sch A, line 28)	g.
h Enter amount from federal Schedule A, line 29	h. 15,352.
i State, local, and foreign income taxes (or general sales tax, if applicable) and other subtraction adjustments (see instrs) SEE ST 1	i. 3,500.
j Subtract line i from line h	j. 11,852.
k Addition adjustments (see instrs)	k.
l Add lines j and k	l. 11,852.
m Itemized deduction adjustment (see instructions)	m.
n Subtract line m from line l	n. 11,852.
o College tuition itemized deduction (see Form IT-272)	o.
p New York State itemized deduction (add lines n and o; enter on line 34 above)	p. 11,852.



BUSINESS TRADER IN FOREX

999-99-9999

**Tax computation, credits, and other taxes** (see instructions)

Dollars

<b>38</b>	<b>Taxable income</b> (from line 37 on page 2)	<b>38.</b>	6,432.
<b>39</b>	New York State tax on line 38 amount (see Tax Computation in the instructions)	<b>39.</b>	257.
<b>40</b>	New York State household credit (from table 1, 2, or 3 in the instructions)	<b>40.</b>	40.
<b>41</b>	Resident credit (attach Form IT-112-R or IT-112-C, or both; see instructions)	<b>41.</b>	
<b>42</b>	Other New York State nonrefundable credits (from Form IT-201-ATT, line 7; attach form)	<b>42.</b>	
<b>43</b>	Add lines 40, 41, and 42	<b>43.</b>	40.
<b>44</b>	Subtract line 43 from line 39 (if line 43 is more than line 39, leave blank)	<b>44.</b>	217.
<b>45</b>	Net other New York State taxes (from Form IT-201-ATT, line 30; attach form)	<b>45.</b>	
<b>46</b>	<b>Total New York State taxes</b> (add lines 44 and 45)	<b>46.</b>	217.

**New York City and Yonkers taxes, credits, and tax surcharges**

<b>47</b>	New York City resident tax on line 38 amount (see instrs)	<b>47.</b>	187.	<b>See instructions to compute NYC and Yonkers taxes, credits, and tax surcharges.</b>
<b>48</b>	New York City household credit (from table 4, 5, or 6 in instructions)	<b>48.</b>		
<b>49</b>	Subtract line 48 from line 47 (if line 48 is more than line 47, leave blank)	<b>49.</b>	187.	
<b>50</b>	Part-year New York City resident tax (attach Form IT-360.1)	<b>50.</b>		
<b>51</b>	Other New York City taxes (from Form IT-201-ATT, line 34; attach form)	<b>51.</b>		
<b>52</b>	Add lines 49, 50, and 51	<b>52.</b>	187.	
<b>53</b>	New York City nonrefundable credits (from Form IT-201-ATT, line 10; attach form)	<b>53.</b>		
<b>54</b>	Subtract line 53 from line 52 (if line 53 is more than line 52, leave blank)	<b>54.</b>	187.	
<b>55</b>	Yonkers resident income tax surcharge (see instructions)	<b>55.</b>		
<b>56</b>	Yonkers nonresident earnings tax (attach Form Y-203)	<b>56.</b>		
<b>57</b>	Part-year Yonkers resident income tax surcharge (attach Form IT-360.1)	<b>57.</b>		
<b>58</b>	<b>Total New York City and Yonkers taxes/surcharges</b> (add lines 54 through 57)	<b>58.</b>	187.	
<b>59</b>	<b>Sales or use tax</b> (See the instructions. <b>Do not leave line 59 blank.</b> )	<b>59.</b>	20.	

**Voluntary contributions** (whole dollar amounts only; see instructions)

<b>60a</b>	Return a Gift to Wildlife	<b>60a.</b>	
<b>60b</b>	Missing/Exploited Children Fund	<b>60b.</b>	
<b>60c</b>	Breast Cancer Research Fund	<b>60c.</b>	
<b>60d</b>	Alzheimer's Fund	<b>60d.</b>	
<b>60e</b>	Olympic Fund (\$2 or \$4; see instructions)	<b>60e.</b>	
<b>60f</b>	Prostate Cancer Research Fund	<b>60f.</b>	
<b>60g</b>	9/11 Memorial	<b>60g.</b>	
<b>60h</b>	Volunteer Firefighting & EMS Recruitment Fund	<b>60h.</b>	
<b>60</b>	<b>Total voluntary contributions</b> (add lines 60a through 60h)	<b>60.</b>	
<b>61</b>	<b>Total New York State, New York City, and Yonkers taxes, sales or use tax, and voluntary contributions</b> (add lines 46, 58, 59, and 60)	<b>61.</b>	424.



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BUSINESS TRADER IN FOREX

**62 Total New York State, New York City, and Yonkers taxes, sales or use tax, and voluntary contributions** (from line 61 on page 3)

62.

424.

**Payments and refundable credits** (see instructions)**63** Empire State child credit (attach Form IT-213)**63.****64** NYS/NYC child and dependent care credit (attach Form IT-216)**64.****65** NYS earned income credit (EIC) (attach Form IT-215 or IT-209)**65.****66** NYS noncustodial parent EIC (attach Form IT-209)**66.****67** Real property tax credit (attach Form IT-214)**67.****68** College tuition credit (attach Form IT-272)**68.****69** NYC school tax credit (**also complete (F) on page 1; see instrs**)**69.**

63.

**70** NYC earned income credit (attach Form IT-215 or IT-209)**70.****71** Other refundable credits (from Form IT-201-ATT, line 18; attach form)**71.****72** Total **New York State** tax withheld**72.**

3,500.

**73** Total **New York City** tax withheld**73.****74** Total **Yonkers** tax withheld**74.****75** Total estimated tax payments / Amount paid with Form IT-370**75.****76** Total payments (add lines 63 through 75)

76.

3,563.

**Your refund / amount overpaid** (see instructions)**77** Amount overpaid (if line 76 is **more than** line 62, subtract line 62 from line 76)

77.

3,139.

**78** Amount of line 77 to be refundedMark one refund choice: **direct deposit** (fill in line 82) - or -**debit card**- or - **X****paper check**

78.

3,139.

**79** Amount of line 77 that you want applied to your **2012** estimated tax (see instructions)**79.**

See the instructions for information about your three refund choices.

**Amount you owe** (see instructions)**80** Amount you **owe** (if line 76 is **less than** line 62, subtract line 76 from line 62).

To pay by electronic funds withdrawal, mark this box

and mark line 82

**80.****81** Estimated tax penalty (Include this amount in line 80 or reduce the overpayment on line 77; see instructions.)**81.****Account information****82** Account information for direct deposit or electronic funds withdrawal. See instructions.If the funds for your payment (or refund) would come from (or go to) an account outside the U.S., mark an **X** in this box (see instructions)

•

**82a** Routing number •

Electronic funds withdrawal effective date

**82b** Account number •**82c** Account Type •

Checking •

Savings

Third-party designee? (see instrs.)

Print designee's name

Z WEBGUIDEEXAMPLES

Designee's phone number

877-662-2014

Personal identification number (PIN)

Yes **X** No

E-mail:

**▼ Paid preparer must complete** (see instructions) ▼

Preparer's signature

Date:

► Preparer's NYTPRIN

► Z WEBGUIDEEXAMPLES

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

GREEN &amp; COMPANY CPAS, LLC

Address

54 DANBURY RD., #351

RIDGEFIELD, CT 06877

E-mail:

▼ Preparer's PTIN or SSN

• Employer ID number

20-0751653

Mark an X if self-employed

**▼ Taxpayer(s) must sign here** ▼

Your signature

Your occupation • **TRADER**

Spouse's signature and occupation (if joint return)

▼ Daytime phone number

Date

E-mail:

See instructions for where to mail your return.



# Summary of W-2 Statements

New York State • New York City • Yonkers

2011

IT-2

**Do not detach or separate** the W-2 Records below. File Form IT-2 as an entire page. See instructions.

Taxpayer's first name and middle initial

Taxpayer's last name

BUSINESS

T FOREX

▼ Your social security number

999-99-9999

Spouse's first name and middle initial

Spouse's last name

▼ Spouse's social security number

## W-2 Record 1

**Box c** Employer's name and full address (including ZIP code)

X COMPANY - LEFT JOB MAY 30, 2011

**Box b** Employer identification number (EIN)**This W-2 record is for**

(mark an X in one box):

Taxpayer ☒ Spouse**Box 1** Wages, tips, other compensation  
35,000.**Box 8** Allocated tips**Box 10** Dependent care benefits**Box 11** Nonqualified plans**Box 12a** Amount

▼ Code

**Box 12b** Amount

▼ Code

**Box 12c** Amount

▼ Code

**Box 12d** Amount

▼ Code

**Box 13** Statutory employee**Box 14a** Amount

▼ Description

**Box 14b** Amount

▼ Description

**Box 14c** Amount

▼ Description

**Box 15** State

NY

**Box 16** State wages, tips, etc (for NYS)

35,000.

**Box 17** New York State income tax withheld

3,500.

**Box 18** Local wages, tips, etc (see instr)

Locality a

Locality b

**Box 19** Local income tax withheld

Locality a

Locality b

**Box 20** Locality name

Locality a

Locality b

Corrected (W-2c)

**Do not detach.****Box c** Employer's name and full address (including ZIP code)

## W-2 Record 2

**Box b** Employer identification number (EIN)**This W-2 record is for**

(mark an X in one box):

Taxpayer ☐ Spouse**Box 1** Wages, tips, other compensation**Box 8** Allocated tips**Box 10** Dependent care benefits**Box 11** Nonqualified plans**Box 12a** Amount

▼ Code

**Box 12b** Amount

▼ Code

**Box 12c** Amount

▼ Code

**Box 12d** Amount

▼ Code

**Box 13** Statutory employee**Box 14a** Amount

▼ Description

**Box 14b** Amount

▼ Description

**Box 14c** Amount

▼ Description

**Box 15** State**Box 16** State wages, tips, etc (for NYS)**Box 17** New York State income tax withheld**Box 18** Local wages, tips, etc (see instr)

Locality a

Locality b

**Box 19** Local income tax withheld

Locality a

Locality b

**Box 20** Locality name

Locality a

Locality b

Corrected (W-2c)

1021111032



2011

NEW YORK STATEMENTS

PAGE 1

CLIENT EX6F-NY

BUSINESS TRADER IN FOREX

999-99-9999

2/19/12

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STATEMENT 1  
FORM IT-201, ITEMIZED DEDUCTION WORKSHEET, LINE I  
STATE, LOCAL, FOREIGN TAX, OTHER SUBTRACTIONS

STATE, LOCAL, FOREIGN, AND GENERAL SALES TAXES.....	\$	3,500.
TOTAL	\$	<u>3,500.</u>

Demo



2011

## Federal Income Tax Summary

Page 1

Client EX6F-NY

Business Trader in Forex

999-99-9999

2/19/12

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	2011	2010	Diff
<b>INCOME</b>			
Wages, salaries, tips, etc.....	35,000	35,000	0
Refunds of state and local taxes.....	3,527	3,527	0
Business income.....	-4,716	-4,716	0
Form 4797 gains or losses.....	-12,000	-12,000	0
Total income.....	21,811	21,811	0
<b>ADJUSTMENTS TO INCOME</b>			
Total adjustments.....	0	0	0
Adjusted gross income.....	21,811	21,811	0
<b>ITEMIZED DEDUCTIONS</b>			
Taxes.....	6,040	6,514	-474
Interest.....	9,312	9,312	0
Total itemized deductions.....	15,352	15,826	-474
<b>TAX COMPUTATION</b>			
Standard deduction.....	5,800	5,700	100
Larger of itemized or standard deduction	15,352	15,826	-474
Income prior to exemption deduction.....	6,459	5,985	474
Exemption deduction.....	3,700	3,650	50
Taxable income.....	2,759	2,335	424
Tax before credits.....	276	234	42
<b>CREDITS</b>			
Total credits.....	0	0	0
Tax after credits.....	276	234	42
<b>OTHER TAXES</b>			
Total tax.....	276	234	42
<b>PAYMENTS</b>			
Federal income tax withheld.....	7,500	7,500	0
Total payments.....	7,500	7,500	0
<b>REFUND OR AMOUNT DUE</b>			
Amount overpaid.....	7,224	7,266	-42
Amount refunded to you.....	7,224	7,266	-42
Amount you owe.....	0	0	0
<b>TAX RATES</b>			
Marginal tax rate.....	10.0%	10.0%	0.0%
Effective tax rate.....	10.0%	10.0%	0.0%

2011

## New York Income Tax Summary

Page 1

Client EX6F-NY

Business Trader in Forex

999-99-9999

2/19/12

9:59 AM

	2011	2010	Diff
<b>NEW YORK TAX SUMMARY</b>			
Federal adjusted gross income.....	21,811	21,811	0
<b>NEW YORK SUBTRACTIONS</b>			
Refunds of state and local taxes.....	3,527	3,527	0
<b>ADJUSTED GROSS INCOME</b>			
New York adjusted gross income.....	18,284	18,284	0
<b>TAXABLE INCOME</b>			
Itemized/Standard deduction.....	11,852	11,852	0
New York taxable income.....	6,432	6,432	0
<b>TAX AND CREDITS</b>			
New York state tax.....	257	257	0
New York state household credit.....	40	40	0
Total New York state tax.....	217	217	0
New York City resident tax.....	187	187	0
Total New York City and Yonkers taxes....	187	187	0
Sales or Use tax.....	20	19	1
Total state and city taxes and contribut	424	423	1
<b>PAYMENTS</b>			
New York City school tax credit.....	63	63	0
Total New York state tax withheld.....	3,500	3,500	0
Total New York City tax withheld.....	0	431	-431
Total payments.....	3,563	3,994	-431
<b>REFUND OR AMOUNT DUE</b>			
Amount overpaid.....	3,139	3,571	-432
Amount refunded to you.....	3,139	3,571	-432
Amount you owe.....	0	0	0
<b>TAX RATES</b>			
Marginal tax rate.....	4.00%	4.00%	0.00%
Effective tax rate.....	6.6%	6.6%	0.0%
New York City marginal tax rate.....	2.91%	2.91%	0.00%
Yonkers marginal tax rate.....	0.00%	0.00%	0.00%

**2011****General Information****Page 1****Client EX6F-NY****Business Trader in Forex****999-99-9999**

2/19/12

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**Forms needed for this return**

Federal: 1040, Sch A, Sch C, 4562, 4797, 6251, 8829  
New York: IT-201, IT-2

**Tax Rates**

	<u>Marginal</u>	<u>Effective</u>
Federal	10.0%	10.0%
New York	4.0%	6.6%

**Carryovers to 2012**Federal Carryovers

Bus Use of Home Operating Expenses	1,842.
Bus Use of Home Depr/Casualty	854.
AMT Bus Use of Home Operating Exp	1,842.
AMT Bus Use of Home Depr/Casualty	854.
Taxable State and Local Refunds	3,096.

**Demo**

### Retirement Contributions

- ☐ In 2011 the taxpayer could have contributed \$5,000 to a traditional IRA, with estimated tax savings of \$276, or the taxpayer could have contributed \$5,000 to a Roth IRA, with estimated retirement contributions credit of \$200 (assuming no other changes). Contributions can be made up until April 17th, 2012.

### Future Tax Savings

- ☐ In 2012 the taxpayer can contribute \$5,000 to a traditional IRA, with estimated tax savings of \$276, or the taxpayer can contribute \$5,000 to a Roth IRA, with estimated retirement contributions credit of \$200 (assuming no other changes).

### Tax Tips

- ☐ Taxable income is \$2,759, placing the taxpayer in a 10% marginal tax bracket. Based on 2011 tax rates, income would have to increase by over \$5,741 in order for any income to begin being taxed in the 15% bracket. This may be used as a guide in determining the advantages or disadvantages of receiving discretionary income in 2012.
- ☐ 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.
- ☐ The taxpayer has a large overpayment. Ensure that the Form W-4 on file with the employer accurately reflects the personal allowances that the taxpayer is entitled to.

### Compliance Tips

- ☐ Schedule C for Business Trader in Forex (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 A Comparison Flags**

- ☐ Schedule A state and local taxes are 292% higher than the typical amount deducted by taxpayers claiming the deduction, with similar AGI.
- ☐ Schedule A real estate taxes are 8% lower than the typical amount deducted by taxpayers claiming the deduction, with similar AGI.
- ☐ Schedule A total taxes paid are 95% higher than the typical amount deducted by taxpayers claiming the deduction, with similar AGI.
- ☐ Schedule A home mortgage interest reported on Form 1098 is 14% higher than the typical amount deducted by taxpayers claiming the deduction, with similar AGI.
- ☐ Schedule A total interest paid deduction is 13% higher than the typical amount deducted by taxpayers claiming the deduction, with similar AGI.
- ☐ Schedule A total itemized deductions are 2% lower than the typical amount deducted by taxpayers claiming the deduction, with similar AGI.

Demo

2011

## Schedule A Analysis

Client EX6F-NY

Business Trader in Forex

999-99-9999

2/19/12 AGI Range Used for This Analysis  <b>\$20,000 - \$24,999</b>	This Return		Typical Return*		09:59AM  This Return's Deviation From Typical
	Amounts	% of AGI	Amounts	% of AGI	
<b>AGI</b>					
Adjusted gross income	21,811.	N/A	21,811.	N/A	
<b>MEDICAL AND DENTAL EXPENSES</b>					
Medical and dental expenses before limitation			9,819.	45.02%	
Medical and dental expenses after limitation			8,190.	37.55%	
<b>TAXES PAID DEDUCTION</b>					
State and local taxes	3,500.	16.05%	892.	4.09%	+292.38% **
Real estate taxes	2,540.	11.65%	2,768.	12.69%	-8.24% **
Personal property taxes			233.	1.07%	
Other taxes			510.	2.34%	
Total taxes paid deduction	6,040.	27.69%	3,102.	14.22%	+94.71% **
<b>INTEREST PAID DEDUCTION</b>					
Home mortgage interest on Form 1098	9,312.	42.69%	8,146.	37.35%	+14.31% **
Home mortgage interest not on Form 1098			4,404.	20.19%	
Deductible points			388.	1.78%	
Qualified mortgage insurance premiums			1,108.	5.08%	
Investment interest deduction			1,298.	5.95%	
Total interest paid deduction	9,312.	42.69%	8,271.	37.92%	+12.59% **
<b>CHARITABLE CONTRIBUTIONS</b>					
Cash or check contributions			1,828.	8.38%	
Other than cash contributions			643.	2.95%	
Carryover from prior years			6,903.	31.65%	
Allowable charitable contributions			2,002.	9.18%	
<b>CASUALTY AND THEFT LOSSES</b>					
Casualty or theft loss deduction			4,253.	19.5%	
<b>MISCELLANEOUS DEDUCTIONS SUBJECT TO 2% LIMITATION</b>					
Unreimbursed employee business expenses			4,888.	22.41%	
Other deductions			2,151.	9.86%	
Total miscellaneous deductions before limitation			2,859.	13.11%	
Total miscellaneous deductions after limitation			4,759.	21.82%	
<b>OTHER MISCELLANEOUS DEDUCTIONS</b>					
Gambling loss deduction			7,745.	35.51%	
Other deductions			3,549.	16.27%	
Total other miscellaneous deductions			6,133.	28.12%	
<b>TOTAL ITEMIZED DEDUCTIONS</b>					
Total itemized deductions after limitation	15,352.	70.39%	15,586.	71.46%	-1.5% **

\* Typical amounts are estimates derived from IRS Table 2.1 - Individual Income Tax Returns with Itemized Deductions (Tax Year 2009), posted on the IRS website. The typical column is reflective of taxpayers who claimed the deduction only. Typical amounts are expressed as a percentage of AGI, using the average AGI and average deduction claimed for taxpayers within the given range. As an example, the table may indicate that the average AGI for taxpayers within the \$75,000 to \$99,999 AGI range is \$86,883 and that the average deduction for cash contributions (for those claiming it) within the same AGI range is \$2,763. The Schedule A Analysis assumes that the typical cash contribution for a taxpayer within this range is 3.18% (\$2,763 divided by \$86,883) of the taxpayer's actual AGI.

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