

Client EX11F-CA

Joe Trader no MTM Com Loss Ex11

999-99-9999

2/11/13

09:10AM

EX11F-CA:

During 2012, Joe had total trading proceeds over \$20 million and total round-trip trades of over 1,000 per review of the GTT TradeLog reports. Trading was Joe's only occupation and source of livelihood in 2012. Joe qualifies as a "trader in commodities" (i.e., he has trader tax status), so he reports all trading business expenses on Schedule C (Business Profit and Loss).

Since Joe did NOT elect mark-to-market (MTM) accounting on his commodities trading, he reports his commodities losses directly on Form 6781; here they are then carried to Schedule D as capital losses. Without MTM, Joe is really hurt. He is stuck with a capital-loss limitation of \$3,000 and a very large capital-loss carryover to 2013. (Note that if Joe had commodities gains in the last three years, he could elect to carry back the 2012 Section 1256 loss to these gains.)

Net operating losses: Joe does benefit from having a net operating loss (NOL) from his Schedule C business expenses with trader tax status. His NOL is comprised of his Schedule C trading business expenses. Joe has an option to carry back the 2012 NOL two years, starting with tax year 2010 to get a quick NOL refund by filing Form 1045. With the filing of his 2012 tax return, Joe can elect to forgo the carryback and simply carry it forward to tax year 2013.

Demo

**2012**

## **Federal Filing Instructions**

**Client EX11F-CA**

**Joe Trader no MTM Com Loss Ex11**

**999-99-9999**

2/11/13

09:10AM

**FORM TO FILE:**

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

**SIGNATURE:**

Sign and date Form 1040, page 2.

**PAYMENT:**

No payment is required.

**WHEN TO FILE:**

On or before April 15, 2013.

**WHERE TO FILE:**

Department of the Treasury  
Internal Revenue Service Center  
Fresno, CA 93888-0002

**Demo**

BAA For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. FDIA0112L 01/11/13 FORM 1040 (2012)

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

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

Single or Married filing separately, \$5,950

Married filing jointly or Qualifying widow(er), \$11,900

Head of household, \$8,700

38 Amount from line 37 (adjusted gross income) 38 -35,664.

39a Check ☐ You were born before January 2, 1948, ☐ Blind. Total boxes checked. ☐ 39a ☐ Spouse was born before January 2, 1948, ☐ Blind. ☐ 39b ☐b If your spouse itemizes on a separate return or you were a dual-status alien, check here ☐ 39b ☐

40 Itemized deductions (from Schedule A) or your standard deduction (see left margin) 40 6,199.

41 Subtract line 40 from line 38 41 -41,863.

42 Exemptions. Multiply \$3,800 by the number on line 6d. 42 3,800.

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

44 Tax (see instrs). Check if any from: a ☐ Form(s) 8814 c ☐ 962 election b ☐ Form 4972 44 0.

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

46 Add lines 44 and 45 46 0.

47 Foreign tax credit. Attach Form 1116 if required 47

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

49 Education credits from Form 8863, line 19 49

50 Retirement savings contributions credit. Attach Form 8880 50

51 Child tax credit. Attach Schedule 8812, if required 51

52 Residential energy credits. Attach Form 5695 52

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

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

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

**Other Taxes**

56 Self-employment tax. Attach Schedule SE 56

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

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

59a Household employment taxes from Schedule H 59a

b First-time homebuyer credit repayment. Attach Form 5405 if required 59b

60 Other taxes. Enter code(s) from instructions 60

61 Add lines 55-60. This is your total tax. 61 0.

**Payments**

If you have a qualifying child, attach Schedule EIC.

62 Federal income tax withheld from Forms W-2 and 1099 62

63 2012 estimated tax payments and amount applied from 2011 return. 63

64a Earned income credit (EIC) No 64a

b Nontaxable combat pay election ☐ 64b

65 Additional child tax credit. Attach Schedule 8812 65

66 American opportunity credit from Form 8863, line 8 66

67 Reserved 67

68 Amount paid with request for extension to file 68

69 Excess social security and tier 1 RRTA tax withheld 69

70 Credit for federal tax on fuels. Attach Form 4136 70

71 Credits from Form: a ☐ 2439 b ☐ Reserved c ☐ 8801 d ☐ 8885 71

72 Add lines 62, 63, 64a, &amp; 65-71. These are your total pmts. 72 0.

**Refund**

73 If line 72 is more than line 61, subtract line 61 from line 72. This is the amount you overpaid 73

74a Amount of line 73 you want refunded to you. If Form 8888 is attached, check here ☐ 74ab Routing number ☐ c Type: ☐ Checking ☐ Savingsd Account number ☐

75 Amount of line 73 you want applied to your 2013 estimated tax 75

Direct deposit? See instructions.

**Amount You Owe**

76 Amount you owe. Subtract line 72 from line 61. For details on how to pay see instructions 76 0.

77 Estimated tax penalty (see instructions) 77

**Third Party Designee**Do you want to allow another person to discuss this return with the IRS (see instructions)? ☒ Yes. Complete below. ☐ NoDesignee's name ☐ z Examples Phone no. ☐ (888) 558-5257 Personal identification number (PIN) ☐**Sign Here**

Joint return? See instructions.

Keep a copy for your records.

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

Your signature ☐ Date ☐ Your occupation ☐ Daytime phone number ☐Spouse's signature. If a joint return, both must sign. ☐ Date ☐ Spouse's occupation ☐ If the IRS sent you an Identity Protection PIN, enter it here (see instrs) ☐Print/Type preparer's name ☐ z Examples Preparer's signature ☐ z Examples Date ☐ Check ☐ if self-employed PTIN ☐**Paid Preparer Use Only**Firm's name ☐ Green NFH, LLC Firm's EIN ☐ 45-4365561Firm's address ☐ PO Box 1198 Phone no. ☐ (888) 558-5257

Robertsdale, AL 36567

**SCHEDULE A**  
**(Form 1040)**Department of the Treasury  
Internal Revenue Service (99)**Itemized Deductions**► Information about Schedule A and its separate instructions is at [www.irs.gov/form1040](http://www.irs.gov/form1040).  
► **Attach to Form 1040.**

OMB No. 1545-0074

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

Name(s) shown on Form 1040

Your social security number

Joe Trader no MTM Com Loss Ex11

999-99-9999

<b>Medical and Dental Expenses</b>	<b>Caution.</b> Do not include expenses reimbursed or paid by others.			
1	Medical and dental expenses (see instructions) .....	1	5,345.	
2	Enter amount from Form 1040, line 38. ....	2	-35,664.	
3	Multiply line 2 by 7.5% (.075) .....	3		
4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0- .....	4		5,345.
<b>Taxes You Paid</b>	5 State and local (check only one box):			
	a <input type="checkbox"/> Income taxes, or	5	307.	
	b <input checked="" type="checkbox"/> General sales taxes			
6	Real estate taxes (see instructions) .....	6		
7	Personal property taxes .....	7		
8	Other taxes. List type and amount ► .....	8		
9	Add lines 5 through 8 .....	9		307.
<b>Interest You Paid</b>	10 Home mtg interest and points reported to you on Form 1098. ....	10		
	11 Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying number, and address ► .....	11		
<b>Note.</b> Your mortgage interest deduction may be limited (see instructions).	12 Points not reported to you on Form 1098. See instrs for spcl rules .....	12		
	13 Mortgage insurance premiums (see instructions) .....	13		
	14 Investment interest. Attach Form 4952 if required. (See instrs.) .....	14	482.	
	15 Add lines 10 through 14 .....	15		482.
<b>Gifts to Charity</b>	16 Gifts by cash or check. If you made any gift of \$250 or more, see instrs. ....	16	985.	
	17 Other than by cash or check. If any gift of \$250 or more, see instructions. You <b>must</b> attach Form 8283 if over \$500 .....	17		
If you made a gift and got a benefit for it, see instructions.	18 Carryover from prior year .....	18		
	19 Add lines 16 through 18. .... Disallowed contributions .....	19	-985.	0.
<b>Casualty and Theft Losses</b>	20 Casualty or theft loss(es). Attach Form 4684. (See instructions.) .....	20		0.
<b>Job Expenses and Certain Miscellaneous Deductions</b>	21 Unreimbursed employee expenses — job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.) ► .....	21		
	22 Tax preparation fees .....	22		
	23 Other expenses — investment, safe deposit box, etc. List type and amount ► .....	23	65.	
	Schwab - investment a/c .....	24	65.	
	24 Add lines 21 through 23 .....	25		
	25 Enter amount from Form 1040, line 38. ....	26	-35,664.	
	26 Multiply line 25 by 2% (.02) .....	27		65.
	27 Subtract line 26 from line 24. If line 26 is more than line 24, enter -0- .....			
<b>Other Miscellaneous Deductions</b>	28 Other — from list in instructions. List type and amount ► .....	28		0.
<b>Total Itemized Deductions</b>	29 Add the amounts in the far right column for lines 4 through 28. Also, enter this amount on Form 1040, line 40 .....	29		6,199.
	30 If you elect to itemize deductions even though they are less than your standard deduction, check here. .... <input type="checkbox"/>			

**SCHEDULE B**  
**(Form 1040A or 1040)**Department of the Treasury  
Internal Revenue Service (99)**Interest and Ordinary Dividends**

▶ Attach to Form 1040A or 1040.

▶ Information about Schedule B (Form 1040A or 1040) and its instructions is at [www.irs.gov/form1040](http://www.irs.gov/form1040)

OMB No. 1545-0074

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

Name(s) shown on return

Joe Trader no MTM Com Loss Ex11

Your social security number

999-99-9999

**Part I**  
**Interest**(See  
instructions for  
Form 1040A, or  
Form 1040, line  
8a.)**Note.** If you  
received a Form  
1099-INT, Form  
1099-OID, or  
substitute statement  
from a brokerage  
firm, list the firm's  
name as the payer  
and enter the total  
interest shown on  
that form.**1** List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see the instructions and list this interest first. Also, show that buyer's social security number and address ▶Interactive Brokers - trading a/c**Amount**

1,762.

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

1,762.

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

1,762.

**Note.** If line 4 is over \$1,500, you must complete Part III.**Part II****Ordinary**  
**Dividends**(See  
instructions for  
Form 1040A, or  
Form 1040,  
line 9a.)**Note.** If you received  
a Form 1099-DIV or  
substitute statement  
from a brokerage  
firm, list the firm's  
name as the payer  
and enter the  
ordinary dividends  
shown on that form.**5** List name of payer ▶Schwab - invest a/c**Amount**

897.

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

897.

**Note.** If line 6 is over \$1,500, you must complete Part III.**Part III**  
**Foreign**  
**Accounts**  
**and Trusts**(See  
instructions.)You must complete this part if you **(a)** had over \$1,500 of taxable interest or ordinary dividends; **(b)** had a foreign account; or **(c)** received a distribution from, or were a grantor of, or a transferor to, a foreign trust.**Yes****No****7 a** At any time during 2012, did you have a financial interest in or signature authority over a financial account (such as a bank account, securities account, or brokerage account) located in a foreign country? See instructions.....

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

**b** If you are required to file Form TD F 90-22.1, enter the name of the foreign country where the financial account is located ▶**8** During 2012, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If 'Yes,' you may have to file Form 3520. See instructions.....

**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

**2012**

Attachment  
Sequence No. **09**

Name of proprietor <b>Joe Trader no MTM Com Loss Ex11</b>		Social security number (SSN) <b>999-99-9999</b>
<b>A</b> Principal business or profession, including product or service (see instructions) <b>Trader in Commodities - See Note</b>		<b>B</b> Enter code from instructions <b>► 523900</b>
<b>C</b> Business name. If no separate business name, leave blank.		<b>D</b> Employer ID number (EIN), (see instrs)
<b>E</b> Business address (including suite or room no.) ► City, town or post office, state, and ZIP code		
<b>F</b> Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ►		
<b>G</b> Did you 'materially participate' in the operation of this business during 2012? If 'No,' see instructions for limit on losses. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
<b>H</b> If you started or acquired this business during 2012, check here <input checked="" type="checkbox"/>		
<b>I</b> Did you make any payments in 2012 that would require you to file Form(s) 1099? (see instructions) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<b>J</b> If 'Yes,' did you or will you file all required Forms 1099? <input type="checkbox"/> Yes <input type="checkbox"/> No		

**Part I Income**

1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked. <input type="checkbox"/>	1	
2 Returns and allowances (see instructions).....	2	
3 Subtract line 2 from line 1.....	3	
4 Cost of goods sold (from line 42).....	4	
5 <b>Gross profit.</b> Subtract line 4 from line 3.....	5	
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions).....	6	
7 <b>Gross income.</b> Add lines 5 and 6.....	7	

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

8 Advertising.....	8		18 Office expense (see instructions).....	18	
9 Car and truck expenses (see instructions).....	9		19 Pension and profit-sharing plans.....	19	
10 Commissions and fees.....	10		20 Rent or lease (see instructions):		
11 Contract labor (see instructions).....	11		a Vehicles, machinery, and equipment....	20 a	
12 Depletion.....	12		b Other business property.....	20 b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions).....	13	4,247.	21 Repairs and maintenance.....	21	
14 Employee benefit programs (other than on line 19).....	14		22 Supplies (not included in Part III).....	22	983.
15 Insurance (other than health)...	15		23 Taxes and licenses.....	23	
16 Interest:			24 Travel, meals, and entertainment:		
a Mortgage (paid to banks, etc).....	16 a		a Travel.....	24 a	1,855.
b Other.....	16 b	16,299.	b Deductible meals and entertainment (see instructions).....	24 b	1,327.
17 Legal & professional services...	17		25 Utilities.....	25	
			26 Wages (less employment credits).....	26	
			27 a Other expenses (from line 48).....	27 a	10,612.
			b Reserved for future use.....	27 b	
28 <b>Total expenses</b> before expenses for business use of home. Add lines 8 through 27a.....	28			28	35,323.
29 Tentative profit or (loss). Subtract line 28 from line 7.....	29			29	-35,323.
30 Expenses for business use of your home. Attach <b>Form 8829</b> . Do <b>not</b> report such expenses elsewhere.....	30			30	
31 <b>Net profit or (loss).</b> Subtract line 30 from line 29. • If a profit, enter on both <b>Form 1040, line 12</b> (or <b>Form 1040NR, line 13</b> ) and on <b>Schedule SE, line 2</b> . If you checked the box on line 1, see instructions). Estates and trusts, enter on <b>Form 1041, line 3</b> . • If a loss, you <b>must</b> go to line 32.				31	-35,323.
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 <b>Form 1040, line 12</b> , (or <b>Form 1040NR, line 13</b> ) and on <b>Schedule SE, line 2</b> . (If you checked the box on line 1, see the instructions for line 31). Estates and trusts, enter on <b>Form 1041, line 3</b> . • If you checked 32b, you <b>must</b> attach <b>Form 6198</b> . Your loss may be limited.				32 a	<input checked="" type="checkbox"/> All investment is at risk.
				32 b	<input type="checkbox"/> Some investment is not at risk.

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

Schedule C (Form 1040) 2012

**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 2012, enter the number of miles you used your vehicle for:

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

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

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

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

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

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

See Statement 2	
<b>48</b> <b>Total other expenses.</b> Enter here and on line 27a .....	<b>48</b> 10,612.



**SCHEDULE D**  
**(Form 1040)**Department of the Treasury  
Internal Revenue Service (99)**Capital Gains and Losses**▶ **Attach to Form 1040 or Form 1040NR.**▶ Information about Schedule D and its separate instructions is at [www.irs.gov/form1040](http://www.irs.gov/form1040).▶ **Use Form 8949 to list your transactions for lines 1, 2, 3, 8, 9, and 10.**

OMB No. 1545-0074

**2012**Attachment  
Sequence No. **12**

Name(s) shown on return

Joe Trader no MTM Com Loss Ex11

Your social security number

999-99-9999

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

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

	(d) Proceeds (sales price) from Form(s) 8949, Part I, line 2, column (d)	(e) Cost or other basis from Form(s) 8949, Part I, line 2, column (e)	(g) Adjustments to gain or loss from Form(s) 8949, Part I, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
1 Short-term totals from all Forms 8949 with <b>box A</b> checked in <b>Part I</b> .....				
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	-31,674.
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1 .....			5	
6 Short-term capital loss carryover. Enter the amount, if any, from line 8 of your <b>Capital Loss Carryover Worksheet</b> in the instructions .....			6	-47,982.
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 gain or losses, go to Part II below. Otherwise, go to Part III on page 2 .....			7	-79,656.

**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.

	(d) Proceeds (sales price) from Form(s) 8949, Part II, line 4, column (d)	(e) Cost or other basis from Form(s) 8949, Part II, line 4, column (e)	(g) Adjustments to gain or loss from Form(s) 8949, Part II, line 4, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
8 Long-term totals from all Forms 8949 with <b>box A</b> checked in <b>Part II</b> .....				
9 Long-term totals from all Forms 8949 with <b>box B</b> checked in <b>Part II</b> .....	875,105.	859,739.		15,366.
10 Long-term totals from all Forms 8949 with <b>box C</b> checked in <b>Part II</b> .....				
11 Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824 .....			11	-47,512.
12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1 .....			12	
13 Capital gain distributions. See instrs. ....			13	
14 Long-term capital loss carryover. Enter the amount, if any, from line 13 of your <b>Capital Loss Carryover Worksheet</b> in the instructions .....			14	-79,658.
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	-111,804.

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

Schedule D (Form 1040) 2012

**Part III Summary**

16 Combine lines 7 and 15 and enter the result. ....	<b>16</b>	-191,460.
<ul style="list-style-type: none"> <li>• If line 16 is a <b>gain</b>, enter the amount from line 16 on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 17 below.</li> <li>• If line 16 is a <b>loss</b>, skip lines 17 through 20 below. Then go to line 21. Also be sure to complete line 22.</li> <li>• If line 16 is <b>zero</b>, skip lines 17 through 21 below and enter -0- on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 22.</li> </ul>		
17 Are lines 15 and 16 <b>both</b> gains?		
<input type="checkbox"/> <b>Yes.</b> Go to line 18.		
<input type="checkbox"/> <b>No.</b> Skip lines 18 through 21, and go to line 22.		
18 Enter the amount, if any, from line 7 of the <b>28% Rate Gain Worksheet</b> in the instructions. ....	<b>18</b>	
19 Enter the amount, if any, from line 18 of the <b>Unrecaptured Section 1250 Gain Worksheet</b> in the instructions. ....	<b>19</b>	
20 Are lines 18 and 19 <b>both</b> zero or blank?		
<input type="checkbox"/> <b>Yes.</b> Complete 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 the <b>Schedule D Tax Worksheet</b> in the instructions. <b>Do not</b> complete lines 21 and 22 below.		
21 If line 16 is a loss, enter here and on Form 1040, line 13, or Form 1040NR, line 14, the <b>smaller</b> of:		
<ul style="list-style-type: none"> <li>• The loss on line 16 or</li> <li>• (\$3,000), or if married filing separately, (\$1,500)</li> </ul>	<b>21</b>	-3,000.
<b>Note.</b> When figuring which amount is smaller, treat both amounts as positive numbers.		
22 Do you have qualified dividends on Form 1040, line 9b, or Form 1040NR, line 10b?		
<input checked="" type="checkbox"/> <b>Yes.</b> Complete 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. (Name and SSN or taxpayer identification no. not required if shown on other side.)

SSN or taxpayer identification no.

Joe Trader no MTM Com Loss Ex11

999-99-9999

Most brokers issue their own substitute statement instead of using Form 1099-B. They also may provide basis information (usually your cost) to you on the statement even if it is not reported to the IRS. Before you check Box A, B, or C below, determine whether you received any statement(s) and, if so, the transactions for which basis was reported to the IRS. Brokers are required to report basis to the IRS for most stock you bought in 2011 or later.

**Part II Long-Term.** Transactions involving capital assets you held more than one year are long term. For short-term transactions, see page 1.

**You must check Box A, B, or C below. Check only one box.** If more than one box applies for your long-term transactions, complete a separate Form 8949, page 2, for each applicable box. If you have more long-term transactions than will fit on this page for one or more of the boxes, complete as many forms with the same box checked as you need.

- ☐ (A) Long-term transactions reported on Form(s) 1099-B showing basis **was** reported to the IRS
- ☒ (B) Long-term transactions reported on Form(s) 1099-B showing basis was **not** reported to the IRS
- ☐ (C) Long-term transactions not reported to you on Form 1099-B

3 (a) Description of property (Example: 100 shares XYZ Co)	(b) Date acquired (Mo, day, yr)	(c) Date sold or disposed (Mo, day, yr)	(d) Proceeds (sales price) (see instructions)	(e) Cost or other basis. See the <b>Note</b> below and see <i>Column (e)</i> in the separate instructions	Adjustment, if any, to gain or loss. If you enter an amount in column (g), enter a code in column (f). <b>See the separate instructions.</b>		(h) Gain or (loss). Subtract column (e) from column (d) and combine the result with column (g)
					(f) Code(s) from instructions	(g) Amount of adjustment	
Google	Various	Various	875,105.	859,739.			15,366.
<b>4 Totals.</b> Add the amounts in columns (d), (e), (g), and (h) (subtract negative amounts). Enter each total here and include on your Schedule D, <b>line 8</b> (if <b>Box A</b> above is checked), <b>line 9</b> (if <b>Box B</b> above is checked), or <b>line 10</b> (if <b>Box C</b> above is checked).			875,105.	859,739.		0.	15,366.

**Note.** If you checked Box A above but the basis reported to the IRS was incorrect, enter in column (e) the basis as reported to the IRS, and enter an adjustment in column (g) to correct the basis. See *Column (g)* in the separate instructions for how to figure the amount of the adjustment.

**Alternative Minimum Tax — Individuals**

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

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

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

Joe Trader no MTM Com Loss Ex11

Your social security number

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	-41,863.
2	Medical and dental. Enter the <b>smaller</b> of Schedule A (Form 1040), line 4 <b>or</b> 2.5% (.025) of Form 1040, line 38. If zero or less, enter -0-	2	
3	Taxes from Schedule A (Form 1040), line 9	3	307.
4	Enter the home mortgage interest adjustment, if any, from line 6 of the worksheet in the instructions for this line	4	
5	Miscellaneous deductions from Schedule A (Form 1040), line 27	5	65.
6	Skip this line. It is reserved for future use	6	
7	Tax refund from Form 1040, line 10 or line 21	7	
8	Investment interest expense (difference between regular tax and AMT)	8	
9	Depletion (difference between regular tax and AMT)	9	
10	Net operating loss deduction from Form 1040, line 21. Enter as a positive amount	10	
11	Alternative tax net operating loss deduction	11	
12	Interest from specified private activity bonds exempt from the regular tax	12	
13	Qualified small business stock (7% of gain excluded under section 1202)	13	
14	Exercise of incentive stock options (excess of AMT income over regular tax income)	14	
15	Estates and trusts (amount from Schedule K-1 (Form 1041), box 12, code A)	15	
16	Electing large partnerships (amount from Schedule K-1 (Form 1065-B), box 6)	16	
17	Disposition of property (difference between AMT and regular tax gain or loss)	17	
18	Depreciation on assets placed in service after 1986 (difference between regular tax and AMT)	18	
19	Passive activities (difference between AMT and regular tax income or loss)	19	
20	Loss limitations (difference between AMT and regular tax income or loss)	20	
21	Circulation costs (difference between regular tax and AMT)	21	
22	Long-term contracts (difference between AMT and regular tax income)	22	
23	Mining costs (difference between regular tax and AMT)	23	
24	Research and experimental costs (difference between regular tax and AMT)	24	
25	Income from certain installment sales before January 1, 1987	25	
26	Intangible drilling costs preference	26	
27	Other adjustments, including income-based related adjustments	27	
28	<b>Alternative minimum taxable income.</b> Combine lines 1 through 27. (If married filing separately, see instructions.)	28	-41,491.

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

29	Exemption. See instructions	29	50,600.
30	Subtract line 29 from line 28. If more than zero, go to line 31. If zero or less, enter -0- here and on lines 31, 33 and 35, and go to line 34.	30	0.
31	<ul style="list-style-type: none"> <li>• If you are filing Form 2555 or 2555-EZ, see instructions for the amount to enter.</li> <li>• If you reported capital gain distributions directly on Form 1040, line 13; you reported qualified dividends on Form 1040, line 9b; or you had a gain on both lines 15 and 16 of Schedule D (Form 1040) (as refigured for the AMT, if necessary), complete Part III on page 2 and enter the amount from line 54 here.</li> <li>• <b>All others:</b> If line 30 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 30 by 26% (.26). Otherwise, multiply line 30 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result.</li> </ul>	31	0.
32	Alternative minimum tax foreign tax credit (see instructions)	32	
33	Tentative minimum tax. Subtract line 32 from line 31.	33	0.
34	Tax from Form 1040, line 44 (minus any tax from Form 4972 and any foreign tax credit from Form 1040, line 47). If you used Schedule J to figure your tax, the amount from line 44 of Form 1040 must be refigured without using Schedule J (see instructions)	34	0.
35	<b>AMT.</b> Subtract line 34 from line 33. If zero or less, enter -0-. Enter here and on Form 1040, line 45	35	0.

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

## Investment Interest Expense Deduction

► Information about Form 4952 and its instructions is at [www.irs.gov/form4952](http://www.irs.gov/form4952)  
 ► Attach to your tax return.

OMB No. 1545-0191

**2012**

Attachment  
Sequence No. **51**

Name(s) shown on return

Joe Trader no MTM Com Loss Ex11

Identifying number

999-99-9999

### Part I Total Investment Interest Expense

1	Investment interest expense paid or accrued in 2012 (see instructions).....	1	482.
2	Disallowed investment interest expense from 2011 Form 4952, line 7.....	2	
3	<b>Total investment interest expense.</b> Add lines 1 and 2.....	3	482.

### Part II Net Investment Income

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

### Part III Investment Interest Expense Deduction

7	Disallowed investment interest expense to be carried forward to 2013. Subtract line 6 from line 3. If zero or less, enter -0-.....	7		0.
8	<b>Investment interest expense deduction.</b> Enter the <b>smaller</b> of line 3 or 6. See instructions.....	8		482.

BAA For Paperwork Reduction Act Notice, see separate instructions.

Form **4952** (2012)

Form **6781****Gains and Losses From Section 1256  
Contracts and Straddles**

OMB No. 1545-0644

**2012**Department of the Treasury  
Internal Revenue Service► Information about Form 6781 and its instructions is at [www.irs.gov/form6781](http://www.irs.gov/form6781)  
► Attach to your tax return.Attachment  
Sequence No. **82**

Name(s) shown on tax return

Identifying number

Joe Trader no MTM Com Loss Ex11

999-99-9999

Check all applicable boxes (see instructions).

**A**☐

Mixed straddle election

**C**☐

Mixed straddle account election

**B**☐

Straddle-by-straddle identification election

**D**☐

Net section 1256 contracts loss election

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

1	(a) Identification of account	(b) (Loss)	(c) Gain
	Interactive Brokers futures trading a/c	79,186.	
2	Add the amounts on line 1 in columns (b) and (c).....	2	79,186.
3	Net gain or (loss). Combine line 2, columns (b) and (c).....	3	-79,186.
4	Form 1099-B adjustments. See instructions and attach statement.....	4	
5	Combine lines 3 and 4.....	5	-79,186.
	<b>Note:</b> If line 5 shows a net gain, skip line 6 and enter the gain on line 7. Partnerships and S corporations, see instructions.		
6	If you have a net section 1256 contracts loss and checked box D above, enter the amount of loss to be carried back. Enter the loss as a positive number.....	6	
7	Combine lines 5 and 6.....	7	-79,186.
8	<b>Short-term capital gain or (loss).</b> Multiply line 7 by 40% (.40). Enter here and include on the appropriate line of Schedule D (see instructions).....	8	-31,674.
9	<b>Long-term capital gain or (loss).</b> Multiply line 7 by 60% (.60). Enter here and include on the appropriate line of Schedule D (see instructions).....	9	-47,512.

**Part II Gains and Losses From Straddles.** Attach a separate statement 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							
11 a	Enter the short-term portion of losses from line 10, column (h), here and include on the appropriate line of Schedule D (see instructions).....						11 a
11 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).....						11 b

**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						
13 a	Enter the short-term portion of gains from line 12, column (f), here and include on the appropriate line of Schedule D (see instructions).....					13 a
13 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).....					13 b

**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 is adjusted	(e) Unrecognized gain. If column (c) is more than (d), enter difference. Otherwise, enter -0-
14				

Form **8829**Department of the Treasury  
Internal Revenue Service (99)**Expenses for Business Use of Your Home**► **File only with Schedule C (Form 1040). Use a separate Form 8829 for each home you used for business during the year.**► **Information about Form 8829 and its separate instructions is at [www.irs.gov/form8829](http://www.irs.gov/form8829)**

OMB No. 1545-0074

**2012**Attachment  
Sequence No. **176**

Name(s) of proprietor(s)

Joe Trader no MTM Com Loss Ex11

Your social security number

999-99-9999

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

1	Area used regularly and exclusively for business, regularly for daycare, or for storage of inventory or product samples (see instructions).	1	270
2	Total area of home	2	1,505
3	Divide line 1 by line 2. Enter the result as a percentage	3	17.94 %
<b>For daycare facilities not used exclusively for business go to line 4. All others go to line 7.</b>			
4	Multiply days used for daycare during year by hours used per day.	4	hr
5	Total hours available for use during the year (366 days x 24 hours) (see instructions).	5	hr
6	Divide line 4 by line 5. Enter the result as a decimal amount	6	
7	Business percentage. For daycare facilities not used exclusively for business, multiply line 6 by line 3 (enter the result as a percentage). All others, enter the amount from line 3.	7	17.94 %

**Part II Figure Your Allowable Deduction**

8	Enter the amount from Schedule C, line 29, <b>plus</b> any gain derived from the business use of your home and shown on Schedule D or Form 4797, minus any loss from the trade or business not derived from the business use of your home and shown on Schedule D or Form 4797. See instructions.	8	-35,323.
<b>See instrs for columns (a) and (b) before completing lines 9-21.</b>			
	<b>(a) Direct expenses</b>	<b>(b) Indirect expenses</b>	
9	Casualty losses (see instructions)	9	
10	Deductible mortgage interest (see instructions)	10	
11	Real estate taxes (see instructions)	11	
12	Add lines 9, 10, and 11	12	
13	Multiply line 12, column (b) by line 7	13	
14	Add line 12, column (a) and line 13	14	
15	Subtract line 14 from line 8. If zero or less, enter -0-	15	0.
16	Excess mortgage interest (see instructions)	16	
17	Insurance	17	545.
18	Rent	18	30,000.
19	Repairs and maintenance	19	805.
20	Utilities	20	3,688.
21	Other expenses (see instrs) <b>Statement 3</b>	21	5,294.
22	Add lines 16 through 21	22	40,332.
23	Multiply line 22, column (b) by line 7	23	7,236.
24	Carryover of operating expenses from 2011 Form 8829, line 42	24	
25	Add line 22 column (a), line 23, and line 24	25	7,236.
26	Allowable operating expenses. Enter the <b>smaller</b> of line 15 or line 25	26	
27	Limit on excess casualty losses and depreciation. Subtract line 26 from line 15	27	
28	Excess casualty losses (see instructions)	28	
29	Depreciation of your home from line 41 below	29	
30	Carryover of excess casualty losses and depreciation from 2011 Form 8829, line 43	30	
31	Add lines 28 through 30	31	
32	Allowable excess casualty losses and depreciation. Enter the <b>smaller</b> of line 27 or line 31	32	
33	Add lines 14, 26, and 32	33	
34	Casualty loss portion, if any, from lines 14 and 32. Carry amount to <b>Form 4684</b> (see instructions)	34	
35	<b>Allowable expenses for business use of your home.</b> Subtract line 34 from line 33. Enter here and on Schedule C, line 30. If your home was used for more than one business, see instructions	35	0.

**Part III Depreciation of Your Home**

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

**Part IV Carryover of Unallowed Expenses to 2013**

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

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

FDIA6902L 08/16/12

Form **8829** (2012)

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

**2012**Attachment  
Sequence No. **179**

Name(s) shown on return

Joe Trader no MTM Com Loss Ex11

Identifying number

999-99-9999

Business or activity to which this form relates

Schedule C - Joe Trader no MTM Com Loss Ex11

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

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

1	Maximum amount (see instructions) .....	1	500,000.
2	Total cost of section 179 property placed in service (see instructions) .....	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions) .....	3	2,000,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- .....	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions .....	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29 .....	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 .....	8	
9	Tentative deduction. Enter the <b>smaller</b> of line 5 or line 8 .....	9	
10	Carryover of disallowed deduction from line 13 of your 2011 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 2013. Add lines 9 and 10, less line 12 .....	13	

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

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

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions) .....	14	3,206.
15	Property subject to section 168(f)(1) election .....	15	
16	Other depreciation (including ACRS) .....	16	484.

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

17	MACRS deductions for assets placed in service in tax years beginning before 2012 .....	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here. <input type="checkbox"/>		

**Section B - Assets Placed in Service During 2012 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
19 a 3-year property .....						
b 5-year property .....		1,733.	5	HY	200DB	347.
c 7-year property .....		1,473.	7	HY	200DB	210.
d 10-year property .....						
e 15-year property .....						
f 20-year property .....						
g 25-year property .....			25 yrs		S/L	
h Residential rental property .....			27.5 yrs	MM	S/L	
i Nonresidential real property .....			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	

**Section C - Assets Placed in Service During 2012 Tax Year Using the Alternative Depreciation System**

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

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

21	Listed property. Enter amount from line 28 .....	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions .....	22	4,247.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs .....	23	

BAA For Paperwork Reduction Act Notice, see separate instructions.

FDIZ0812L 08/19/12

Form **4562** (2012)



2012

## Federal Statements

Page 1

Client EX11F-CA

Joe Trader no MTM Com Loss Ex11

999-99-9999

2/11/13

09:10AM

**Statement 1**  
**Form 1040, Line 9b**  
**Qualified Dividends**

Schwab - invest a/c.....	\$	897.
Total	\$	<u>897.</u>

**Statement 2 - Trader in Commodities - See Note**  
**Schedule C, Part V**  
**Other Expenses**

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

**Statement 3**  
**Form 8829, Line 21**  
**Other Expenses**

Demo

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

Client EX11F-CA

Joe Trader no MTM Com Loss Ex11

999-99-9999

2/11/13

09:10AM

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

TAXPAYER QUALIFIES AS A "TRADER IN COMMODITIES"

SUMMARY

-----  
Taxpayer qualifies as a "trader in commodities" for 2012. Taxpayer's trading business expenses are reported on Schedule C and his commodities trading gains and losses are reported on Form 6781.

=====

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

-----

Taxpayer operated a trading business, in accordance with the definition below, during all of 2012. 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 2012).

..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.

-----

Client EX11F-CA

Joe Trader no MTM Com Loss Ex11

999-99-9999

2/11/13

09:10AM

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

#### Expenses.

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

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

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

=====

Demo

2/11/13

09:10AM

**Election to Waive Net Operating Loss Carryback**

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

Demo

Client EX11F-CA

Joe Trader no MTM Com Loss Ex11

999-99-9999

2/11/13

09:10AM

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

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

## Available Income:

Adjusted gross income per Form 1040	-35,664.
Tax-exempt interest	0.
Nontaxable combat pay	0.
Nontaxable social security benefits	0.
Nontaxable pensions	0.
Nontaxable IRAs	0.
Prior year refundable credits (refundable portion only)	0.
Additional nontaxable amounts	0.
Total Available Income (not less than zero)	<u>0.</u>

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

- |   |        |
|---|--------|
| 1. State general sales taxes per Tables   | 307.   |
| 2. Local general sales taxes per Tables for certain residents of<br>AK, AZ, AR, CO, GA, IL, LA, MO, NC, NY, SC, TN, UT, VA, and WV<br>(based on a rate of 1%) | 0.     |
| 3. Local general sales tax rate   |        |
| 4. If line 2 is zero, enter your state general sales tax rate.<br>Otherwise, skip line 4 and 5, and go to line 6  | 7.2500 |
| 5. Divide line 3 by line 4  |        |
| 6. Local general sales taxes. If line 2 is zero, multiply<br>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)  | 307.   |
| 8. Sales taxes paid on vehicles, boats, etc.  | 0.     |
| 9. Sales tax deduction when using Tables (add lines 7 and 8)  | 307.   |

State and Local Sales Tax Deduction  
(Greater of Taxes Paid or Table Amount)

- |  |             |
|--|-------------|
| 1. General sales taxes paid                    | 0.          |
| 2. Use taxes paid                              | 0.          |
| 3. Total actual taxes paid (add lines 1 and 2) | 0.          |
| 4. Sales taxes using Tables                    | 307.        |
| 5. Greater of sales taxes paid or Table amount | <u>307.</u> |

Client EX11F-CA

Joe Trader no MTM Com Loss Ex11

999-99-9999

2/11/13

09:10AM

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

- |  |          |
|--|----------|
| 1. Enter the amount from Form 1040, line 41 or Form 1040NR, line 39. | -41,863. |
| 2. Enter the loss from Schedule D, line 21.                          | 3,000.   |
| 3. Combine lines 1 and 2 (but not less than zero).                   | 0.       |
| 4. Enter the smaller of line 2 or line 3.                            | 0.       |

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

- |   |         |
|---|---------|
| 5. Enter the loss from Schedule D, line 7.                                    | 79,656. |
| 6. Enter gain from Schedule D, line 15.                                       | 0.      |
| 7. Add lines 4 and 6.   | 0.      |
| 8. Short-term capital loss carryover to 2013.<br>Subtract line 7 from line 5. | 79,656. |

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

- |  |                 |
|--|-----------------|
| 9. Enter the loss from Schedule D, line 15.                                    | 111,804.        |
| 10. Enter gain from Schedule D, line 7.  | 0.              |
| 11. Subtract line 5 from line 4.   | 0.              |
| 12. Add lines 10 and 11.   | 0.              |
| 13. Long-term capital loss carryover to 2013.<br>Subtract line 12 from line 9. | <u>111,804.</u> |

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

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

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

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

2/11/13

09:10AM

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

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

Demo

**Computation of 2012 Net Operating Loss**

1. Enter the amount from Form 1040, line 41		-41,863.
2. Nonbusiness Capital Losses	127,640.	
3. Nonbusiness Capital Gains	15,366.	
4. Excess of line 2 over line 3	112,274.	
5. Excess of line 3 over line 2	0.	
6. Nonbusiness Deductions	6,199.	
7. Nonbusiness Income	2,659.	
8. Add lines 5 and 7	2,659.	
9. Excess of line 6 over line 8		3,540.
10. Excess of line 8 over line 6; But do not enter more than line 5	0.	
11. Business Capital Losses	79,186.	
12. Business Capital Gains	0.	
13. Add lines 10 and 12	0.	
14. Excess of line 11 over line 13	79,186.	
15. Add lines 4 and 14	191,460.	
16. Loss from Schedule D, line 16	191,460.	
17. Section 1202 Exclusion		0.
18. Subtract line 17 from line 16	191,460.	
19. Loss from Schedule D, line 21	3,000.	
20. Subtract line 19 from line 18	188,460.	
21. Subtract line 18 from line 19		0.
22. Subtract line 20 from line 15		3,000.
23. Domestic production activities deduction		0.
24. Prior years' Net Operating Losses		0.
25. 2012 Net Operating Gain (Loss) (Combine lines 1, 9, 17, and 21 through 24)		<u><u>-35,323.</u></u>

Demo



**Computation of 2012 AMT Net Operating Loss**

1. AMTI before ATNOLD (Form 6251, lines 1 through 27)		-41,491.
2. Nonbusiness Capital Losses	127,640.	
3. Nonbusiness Capital Gains	15,366.	
4. Excess of line 2 over line 3	112,274.	
5. Excess of line 3 over line 2	0.	
6. Nonbusiness Deductions	5,827.	
7. Nonbusiness Income	2,659.	
8. Add lines 5 and 7	2,659.	
9. Excess of line 6 over line 8		3,168.
10. Excess of line 8 over line 6 (no more than ln 5)	0.	
11. Business Capital Losses	79,186.	
12. Business Capital Gains	0.	
13. Add lines 10 and 12	0.	
14. Excess of line 11 over line 13	79,186.	
15. Add lines 4 and 14	191,460.	
16. Loss from Schedule D, line 16	191,460.	
17. Section 1202 Exclusion		0.
18. Subtract line 17 from line 16	191,460.	
19. Loss from Schedule D, line 18	3,000.	
20. Subtract line 19 from line 18	188,460.	
21. Subtract line 18 from line 19		0.
22. Subtract line 20 from line 15		3,000.
23. 2012 AMT Net Operating Gain (Loss) (Combine lines 1, 9, 17, 21, and 22)		<u><u>-35,323.</u></u>

Demo

12/31/12

## 2012 Federal Depreciation Schedule

Page 1

Client EX11F-CA

Joe Trader no MTM Com Loss Ex11

999-99-9999

2/11/13

09:10AM

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179 Bonus	Special Depr. Allow.	Prior 179/ Bonus/ Sp. Depr.	Prior Dec. Bal. Depr.	Salvage /Basis Reductn	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.
Schedule C - Joe Trader no MTM Com Loss Ex11																
Furniture and Fixtures																
2	Furniture/fixtures	Various		2,946			1,473				1,473		200DB HY	7	.14290	210
	Total Furniture and Fixtures			2,946		0	1,473	0	0	0	1,473	0				210
Machinery and Equipment																
1	Computers for trading	Various		3,466			1,733				1,733		200DB HY	5	.20000	347
3	Software for trading	Various		1,453							1,453		S/L	3		484
	Total Machinery and Equipment			4,919		0	1,733	0	0	0	3,186	0				831
	Total Depreciation			7,865		0	3,206	0	0	0	4,659	0				1,041
	Grand Total Depreciation			7,865		0	3,206	0	0	0	4,659	0				1,041

12/31/12

## 2012 Federal Alternative Minimum Tax Depreciation Schedule

Page 1

Client EX11F-CA

Joe Trader no MTM Com Loss Ex11

999-99-9999

2/11/13

09:10AM

No.	Description	Date Acquired	Date Sold	AMT Basis	AMT Prior Depr	AMT Method	AMT Life	AMT Rate	AMT Depr	Reg. Depr	Ownr. Pct	Post-86 Depr Adj	Real Prop Pref	Leas Pers Prop Pref	59 (e)(2) Amort
Schedule C - Joe Trader no MTM Com Loss Ex11															
Furniture and Fixtures															
2	Furniture/fixtures	Various		1,473		200DB HY	7	.14290	210	210					0
	Total Furniture and Fixtures			1,473	0				210	210		0	0	0	0
Machinery and Equipment															
1	Computers for trading	Various		1,733		200DB HY	5	.20000	347	347					0
3	Software for trading	Various		1,453					484	484					0
	Total Machinery and Equipment			3,186	0				831	831		0	0	0	0
	Total Depreciation			4,659	0				1,041	1,041		0	0	0	0
	Grand Total Depreciation			4,659	0				1,041	1,041		0	0	0	0

Demo

**2012**

## California Filing Instructions

Client EX11F-CA

Joe Trader no MTM Com Loss Ex11

999-99-9999

2/11/13

09:10AM

**FORM TO FILE:**

Form 540 - 2012 California Resident Income Tax Return

**SIGNATURE:**

Sign and date Form 540, page 1.

**PAYMENT:**

No payment is required.

**WHEN TO FILE:**

On or before April 15, 2013.

**WHERE TO FILE:**

Franchise Tax Board  
P.O. Box 942840  
Sacramento, CA 94240-0009

Demo

**California Resident  
Income Tax Return 2012**

FORM

**540** C1 Side 1

APE

ATTACH FEDERAL RETURN

999-99-9999 NOMT  
JOE T NOMTMCOMLOSSEX

12 PBA 523900

P  
AC  
A  
R  
RP

ANY ST  
LOS ANGELES CA 90025 01-01-1960

01	1	45	0	404	0	APE	0
06	0	46	0	405	0	FS	0
09	00	47	0	406	0	3800	0
10	00	48	0	407	0	3803	0
11	104	61	0	408	0	SCHG1	0
12	0	62	0	410	0	5870A	0
13	-35664	63	0	412	0	5805 5805F	0
14	0	64	0	413	0	DESIGNEE	1
16	2649	71	0	414	0	TPID	
17	-33015	72	0	419	0	FN 454365561	
18	5892	73	0	420	0	CCF	0
19	0	74	0	421	0	3805P	0
31	0	75	0	422	0	NQDC	0
32	104	91	0	423	0	3540	0
33	0	92	0	110	0	3805Z	0
34	0	93	0	111	0	3807	0
35	0	94	0	112	0	3808	0
40	0	95	0	113	0	3809	0
41	0	400	0	115	0	3549A	0
42	0	401	0	116	0	IRC1341	0
43	0	402	0	117	0		
44	0	403	0				

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

Your signature

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

**Sign  
Here**

Daytime phone number (optional)

Date

Your email address (optional). Enter only one.

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

● PTIN

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

**Z EXAMPLES**

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

Firm's address

● FEIN

**GREEN NFH, LLC****PO BOX 1198****ROBERTSDALE, AL 36567****45-4365561**

Joint tax  
return? (See  
instructions.)

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

●

☒ Yes☐ No**Z EXAMPLES****(888) 558-5257**

Print Third Party Designee's Name

Telephone Number

Your Name: **JOE TRADER NO MTM COM LOSS EX11**Your SSN or ITIN: **999-99-9999**

<b>Filing Status</b>	1	<input checked="" type="checkbox"/> Single													
	2	<input type="checkbox"/> Married/RDP filing jointly (see instructions).													
	3	<input type="checkbox"/> Married/RDP filing separately. Enter spouse's/RDP's SSN or ITIN above and full name here. . . . .													
	4	<input type="checkbox"/> Head of household (with qualifying person) (see instructions)													
	5	<input type="checkbox"/> Qualifying widow(er) with dependent child. Enter year spouse/RDP died . . . . .													
		If your California filing status is different from your federal filing status, check the box here. . . . . <input type="checkbox"/>													
	6	If someone can claim you (or your spouse/RDP) as a dependent, check the box here (see instructions). . . . .	<input type="checkbox"/> 6												
<b>Exemptions</b>	7	Personal: If you checked the box 1, 3, or 4 above, enter 1 in the box. If you checked box 2 or 5, enter 2 in the box. If you checked the box on line 6, see the instructions. . . . .	7 <input type="checkbox"/> x \$104 = \$ 104.												
	8	Blind: If you (or your spouse/RDP) are visually impaired, enter 1; if both are visually impaired, enter 2. . . . .	8 <input type="checkbox"/> x \$104 = \$												
	9	Senior: If you (or your spouse/RDP) are 65 or older, enter 1; if both are 65 or older, enter 2. . . . .	9 <input type="checkbox"/> x \$104 = \$												
	10	Dependents: Do not include yourself or your spouse/RDP.													
		<table border="1"><thead><tr><th>First name</th><th>Last name</th><th>Dependent's relationship to you</th></tr></thead><tbody><tr><td> </td><td> </td><td> </td></tr><tr><td> </td><td> </td><td> </td></tr><tr><td> </td><td> </td><td> </td></tr></tbody></table>	First name	Last name	Dependent's relationship to you										
First name	Last name	Dependent's relationship to you													
		Total dependent exemptions. . . . .	10 <input type="checkbox"/> x \$321 = \$												
	11	Exemption amount: Add line 7 through line 10. Transfer this amount to line 32. . . . .	11 \$ 104.												
<b>Taxable Income</b>	12	State wages from your Form(s) W-2, box 16. . . . .	12												
	13	Enter federal adjusted gross income from Form 1040, line 37; Form 1040A, line 21; Form 1040EZ, line 4. . . . .	13 -35,664.												
	14	California adjustments — subtractions. Enter the amount from Schedule CA (540), line 37, column B. . . . .	14												
	15	Subtract line 14 from line 13. If less than zero, enter the result in parentheses (see instructions). . . . .	15 ( 35,664.)												
	16	California adjustments — additions. Enter the amount from Schedule CA (540), line 37, column C. . . . .	16 2,649.												
	17	California adjusted gross income. Combine line 15 and line 16. . . . .	17 -33,015.												
	18	Enter the larger of your CA standard deduction OR your CA itemized deductions. . . . .	18 5,892.												
	19	Subtract line 18 from line 17. This is your taxable income. If less than zero, enter -0-. . . . .	19 0.												
<b>Tax</b>	31	Tax. Check box if from: <input type="checkbox"/> Tax Table <input type="checkbox"/> Tax Rate Schedule <input type="checkbox"/> FTB 3800 <input type="checkbox"/> FTB 3803. . . . .	31 0.												
	32	Exemption credits. Enter the amount from line 11. If your federal AGI is more than \$169,730 (see instrs) . . . . .	32 104.												
	33	Subtract line 32 from line 31. If less than zero, enter -0-. . . . .	33 0.												
	34	Tax (see instructions). Check box if from: <input type="checkbox"/> Schedule G-1 <input type="checkbox"/> Form FTB 5870A. . . . .	34												
	35	Add line 33 and line 34. . . . .	35												
<b>Special Credits</b>	40	Nonrefundable Child and Dependent Care Expenses Credit, (see instructions). Attach form FTB 3506. . . . .	40												
	41	New jobs credit, amount generated (see instructions). . . . .	41												
	42	New jobs credit, amount claimed (see instructions). . . . .	42												
	43	Credit <input type="checkbox"/> Code <input type="checkbox"/> amount. . . . .	43												
	44	Credit <input type="checkbox"/> Code <input type="checkbox"/> amount. . . . .	44												
	45	To claim more than two credits (see instructions). . . . .	45												
	46	Nonrefundable renter's credit (see instructions). . . . .	46												
	47	Add line 40 and line 42 through line 46. These are your total credits. . . . .	47												
	48	Subtract line 47 from line 35. If less than zero, enter -0-. . . . .	48 0.												
<b>Other Taxes</b>	61	Alternative minimum tax. Attach Schedule P (540). . . . .	61												
	62	Mental Health Services Tax (see instructions). . . . .	62												
	63	Other taxes and credit recapture (see instructions). . . . .	63												
	64	Add line 48, line 61, line 62, and line 63. This is your total tax. . . . .	64												
<b>Payments</b>	71	California income tax withheld (see instructions). . . . .	71												
	72	2012 CA estimated tax and other payments (see instructions). . . . .	72												
	73	Real estate and other withholding (see instructions). . . . .	73												
	74	Excess SDI (or VPD) withheld (see instructions). . . . .	74 0.												
	75	Add line 71, line 72, line 73, and line 74. These are your total payments (see instructions). . . . .	75												

Your Name: **JOE TRADER NO MTM COM LOSS EX11**Your SSN or ITIN: **999-99-9999**

<b>Overpaid Tax/ Tax Due</b>	<b>91</b>	Overpaid tax. If line 75 is more than line 64, subtract line 64 from line 75. ....	<b>91</b>
	<b>92</b>	Amount of line 91 you want applied to your <b>2013</b> estimated tax .....	<b>92</b>
	<b>93</b>	Overpaid tax available this year. Subtract line 92 from line 91. ....	<b>93</b>
	<b>94</b>	Tax due. If line 75 is less than line 64, subtract line 75 from line 64 .....	<b>94</b>

<b>Use Tax</b>	<b>95</b>	Use Tax. <b>This is not a total line</b> (see instructions) .....	<b>95</b>
----------------	-----------	---	-----------

		<b>Code</b>	<b>Amount</b>
<b>Contributions</b>	California Seniors Special Fund (see instructions) .....	<b>400</b>	
	Alzheimer's Disease/Related Disorders Fund. ....	<b>401</b>	
	California Fund for Senior Citizens .....	<b>402</b>	
	Rare and Endangered Species Preservation Program .....	<b>403</b>	
	State Children's Trust Fund for the Prevention of Child Abuse .....	<b>404</b>	
	California Breast Cancer Research Fund .....	<b>405</b>	
	California Firefighters' Memorial Fund .....	<b>406</b>	
	Emergency Food For Families Fund .....	<b>407</b>	
	California Peace Officer Memorial Foundation Fund .....	<b>408</b>	
	California Sea Otter Fund .....	<b>410</b>	
	Municipal Shelter Spay-Neuter Fund .....	<b>412</b>	
	California Cancer Research Fund .....	<b>413</b>	
	ALS/Lou Gehrig's Disease Research Fund .....	<b>414</b>	
	Child Victims of Human Trafficking Fund .....	<b>419</b>	
	California YMCA Youth and Government Fund .....	<b>420</b>	
	California Youth Leadership Fund .....	<b>421</b>	
	School Supplies for Homeless Children Fund .....	<b>422</b>	
	State Parks Protection Fund/Parks Pass Purchase .....	<b>423</b>	
<b>110</b>	Add code 400 through code 423. This is your total contribution .....	<b>110</b>	

<b>Amount You Owe</b>	<b>111</b>	<b>AMOUNT YOU OWE.</b> Add line 94, line 95, and line 110 (see instructions). Mail to: <b>FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0009</b> .....	<b>111</b>
Pay online – Go to <b>ftb.ca.gov</b> for more information.			

<b>Interest and Penalties</b>	<b>112</b>	Interest, late return penalties, and late payment penalties. ....	<b>112</b>
	<b>113</b>	Underpayment of estimated tax. Check box: <input type="checkbox"/> <b>FTB 5805 attached</b> <input type="checkbox"/> <b>FTB 5805F attached</b> .....	<b>113</b>
	<b>114</b>	Total amount due (see instructions). Enclose, but <b>do not</b> staple, any payment .....	<b>114</b>

<b>Refund and Direct Deposit</b>	<b>115</b>	<b>REFUND OR NO AMOUNT DUE.</b> Subtract line 95 and line 110 from line 93 (see instructions). Mail to: <b>FRANCHISE TAX BOARD, PO BOX 942840, SACRAMENTO CA 94240-0009</b> .....	<b>115</b>	<b>0.</b>
--------------------------------------	------------	--	------------	-----------

Fill in the information to authorize direct deposit of your refund into one or two accounts. **Do not** attach a voided check or a deposit slip (see instructions).**Have you verified the routing and account numbers?** Use whole dollars only.

All or the following amount of my refund (line 115) is authorized for direct deposit into the account shown below:

<input type="checkbox"/> Checking <input type="checkbox"/> Savings			
● Routing number	● Type	● Account number	● <b>116</b> Direct deposit amount

The remaining amount of my refund (line 115) is authorized for direct deposit into the account shown below:

<input type="checkbox"/> Checking <input type="checkbox"/> Savings			
● Routing number	● Type	● Account number	● <b>117</b> Direct deposit amount

**2012 California Adjustments – Residents****CA (540)****Important:** Attach this schedule behind Form 540, Side 3 as a supporting California schedule.

Name(s) as shown on tax return

SSN or ITIN

JOE TRADER NO MTM COM LOSS EX11

999-99-9999

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

	<b>A</b> Federal Amounts (taxable amounts from your federal tax return)	<b>B</b> Subtractions See instructions	<b>C</b> Additions See instructions
<b>7</b> Wages, salaries, tips, etc. See instructions before making an entry in column B or C.	<b>7</b>		
<b>8</b> Taxable interest (b) _____	<b>8a</b> 1,762.		
<b>9</b> Ordinary dividends. See instructions (b) 897.	<b>9a</b> 897.		
<b>10</b> Taxable refunds, credits, offsets of state and local income taxes	<b>10</b>		
<b>11</b> Alimony received	<b>11</b>		
<b>12</b> Business income or (loss) DEPRECIATION (3885A)	<b>12</b> -35,323.		2,649.
<b>13</b> Capital gain or (loss). See instructions	<b>13</b> -3,000.		
<b>14</b> Other gains or (losses)	<b>14</b>		
<b>15</b> IRA distributions. See instructions (a) _____	<b>15b</b>		
<b>16</b> Pensions and annuities. See instructions (a) _____	<b>16b</b>		
<b>17</b> Rental real estate, royalties, partnerships, S corporations, trusts, etc.	<b>17</b>		
<b>18</b> Farm income or (loss)	<b>18</b>		
<b>19</b> Unemployment compensation	<b>19</b>		
<b>20</b> Social security benefits (a) _____	<b>20b</b>		
<b>21</b> Other income.			
a California lottery winnings		a	a
b Disaster loss carryover from FTB 3805V		b	b
c Federal NOL (Form 1040, line 21)		c	c
d NOL carryover from FTB 3805V		d	d
e NOL from FTB 3805D, 3805Z, 3806, 3807, or 3809		e	e
f Other (describe): _____		f	f
<b>22 Total.</b> Combine line 7 through line 21 in column A. Add line 7 through line 21f in column B and column C. Go to Section B.	<b>22</b> -35,664.		2,649.

**Section B – Adjustments to Income**

<b>23</b> Educator expenses	<b>23</b>		
<b>24</b> Certain business expenses of reservists, performing artists, and fee-basis government officials.	<b>24</b>		
<b>25</b> Health savings account deduction.	<b>25</b>		
<b>26</b> Moving expenses.	<b>26</b>		
<b>27</b> Deductible part of self-employment tax.	<b>27</b>		
<b>28</b> Self-employed SEP, SIMPLE, and qualified plans.	<b>28</b>		
<b>29</b> Self-employed health insurance deduction.	<b>29</b>		
<b>30</b> Penalty on early withdrawal of savings.	<b>30</b>		
<b>31a</b> Alimony paid.			
b Recipient's: SSN _____			
Last name _____	<b>31a</b>		
<b>32</b> IRA deduction.	<b>32</b>		
<b>33</b> Student loan interest deduction.	<b>33</b>		
<b>34</b> Tuition and fees.	<b>34</b>		
<b>35</b> Domestic production activities deduction.	<b>35</b>		
<b>36</b> Add line 23 through line 31a and line 32 through line 35 in columns A, B, and C. See instrs.	<b>36</b>		
<b>37 Total.</b> Subtract line 36 from line 22 in columns A, B, and C. See instructions.	<b>37</b> -35,664.		2,649.

CAIA4012L 02/04/13



**Part II Adjustments to Federal Itemized Deductions**

<b>38</b>	Federal itemized deductions. Enter the amount from federal Schedule A (Form 1040), line 4, 9, 15, 19, 20, 27, and 28 .....	<b>38</b>	<u>6,199.</u>
<b>39</b>	Enter total of federal Schedule A (Form 1040), line 5 (State Disability Insurance, and state and local income tax, or General Sales Tax), and line 8 (foreign income taxes <b>only</b> ). See instructions. ....	<b>39</b>	<u>307.</u>
<b>40</b>	Subtract line 39 from line 38. ....	<b>40</b>	<u>5,892.</u>
<b>41</b>	Other adjustments including California lottery losses. See instructions. Specify. ....	<b>41</b>	
<b>42</b>	Combine line 40 and line 41. ....	<b>42</b>	<u>5,892.</u>
<b>43</b>	<b>Is your federal AGI (Form 540, line 13) more than the amount shown below for your filing status?</b>		
	Single or married/RDP filing separately. ....		<b>\$169,730</b>
	Head of household. ....		<b>\$254,599</b>
	Married/RDP filing jointly or qualifying widow(er). ....		<b>\$339,464</b>
<b>No.</b>	Transfer the amount on line 42 to line 43.		
<b>Yes.</b>	Complete the Itemized Deductions Worksheet in the instructions for Schedule CA (540), line 43. ....	<b>43</b>	<div style="border: 1px solid black; padding: 2px; display: inline-block;">5,892.</div>
<b>44</b>	<b>Enter the larger of the amount on line 43 or your standard deduction listed below</b>		
	Single or married/RDP filing separately. ....		<b>\$3,841</b>
	Married/RDP filing jointly, head of household, or qualifying widow(er). ....		<b>\$7,682</b>
	Transfer the amount on line 44 to Form 540, line 18. ....	<b>44</b>	<div style="border: 1px solid black; padding: 2px; display: inline-block;">5,892.</div>

Demo

2012

## California Capital Gain or Loss Adjustment

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

## SCHEDULE

**D (540)**

Name(s) as shown on return

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

JOE TRADER NO MTM COM LOSS EX11

999-99-9999

[illegible]

- |     |  |     |           |           |
|-----|--|-----|-----------|-----------|
| 2   | Net gain or (loss) shown on California Schedule(s) K-1 (100S, 541, 565, and 568) . . . .   | 2   |           |           |
| 3   | Capital gain distributions (federal Form 1099-DIV, box 2a minus box 2c) . . . . .  |     | 3         |           |
| 4   | Total 2012 gains from all sources. Add column (e) amounts of line 1, line 2, and line 3 . . . . .  |     | 4         | 15,366.   |
| 5   | 2012 loss. Add column (d) amounts of line 1, and line 2 . . . . .  | 5   | -79,186.  |           |
| 6   | California capital loss carryover from 2011, if any. See instructions . . . . .  | 6   | -127,640. |           |
| 7   | Total 2012 loss. Add line 5 and line 6 . . . . .   | 7   | -206,826. |           |
| 8   | Combine line 4 and line 7. If a loss, go to line 9. If a gain, go to line 10 . . . . .   | 8   |           | -191,460. |
| 9   | If line 8 is a loss, enter the smaller of: (a) the loss on line 8<br>(b) \$3,000 (\$1,500 if married or an RDP filing a separate return). See instructions . . . | 9   |           | -3,000.   |
| 10  | Enter the gain or (loss) from federal Form 1040, line 13 . . . . .   | 10  |           | -3,000.   |
| 11  | Enter the California gain from line 8 or (loss) from line 9 . . . . .  | 11  |           | -3,000.   |
| 12a | If line 10 is <b>more</b> than line 11, enter the difference here and on Schedule CA (540), line 13, column B . . . . .  | 12a |           |           |
| 12b | If line 10 is <b>less</b> than line 11, enter the difference here and on Schedule CA (540), line 13, column C . . . . .  | 12b |           |           |

CAIA6401L 12/19/12

2012

Alternative Minimum Tax and  
Credit Limitations – Residents

P (540)

Attach this schedule to Form 540.

Names as shown on Form 540

Your SSN or ITIN

JOE TRADER NO MTM COM LOSS EX11

999-99-9999

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

1	If you itemized deductions, go to line 2. If you did not itemize deductions, enter your standard deduction from Form 540, line 18, and go to line 6.	1	0.
2	Medical and dental expense. Enter the smaller of Schedule A (Form 1040), line 4, or 2-1/2% (.025) of Form 1040, line 37.	2	
3	Personal property taxes and real property taxes. See instructions.	3	
4	Certain interest on a home mortgage <b>not</b> used to buy, build, or improve your home. See instructions.	4	
5	Miscellaneous itemized deductions. See instructions.	5	65.
6	Refund of personal property taxes and real property taxes. See instructions.	6	
<b>Do not</b> include your state income tax refund on this line.			
7	Investment interest expense adjustment. See instructions.	7	
8	Post-1986 depreciation. See instructions.	8	
9	Adjusted gain or loss. See instructions.	9	
10	Incentive stock options and California qualified stock options (CQSOs). See instructions.	10	
11	Passive activities adjustment. See instructions.	11	
12	Beneficiaries of estates and trusts. Enter the amount from Schedule K-1 (541), line 12a.	12	
13	Other adjustment and preferences. Enter the amount, if any, for each item, a through l, and enter the total on line 13. See instructions.		
a	Circulation expenditures.	g	Mining costs.
b	Depletion.	h	Patron's adjustment.
c	Installment sales.	i	Research and experimental.
d	Intangible drilling costs.	j	Pollution control facilities.
e	Long-term contracts.	k	Tax shelter farm activities.
f	Loss limitations.	l	Related adjustments.
		13	
14	Total Adjustments and Preferences. Combine line 1 through line 13.	14	65.
15	Enter taxable income from Form 540, line 19. See instructions.	15	-38,907.
16	Net operating loss (NOL) deductions from Schedule CA (540), line 21d and line 21e, column B. Enter as a positive amount.	16	
17	AMTI exclusion. See instructions.	17	0.
18	If your federal adjusted gross income (AGI) is less than the amount for your filing status (listed below), skip this line and go to line 19. If you itemized deductions and your federal AGI is more than the amount for your filing status, see instructions.	18	
	Single or married/RDP filing separately		\$169,730
	Married/RDP filing jointly or qualifying widow(er)		\$339,464
	Head of household		\$254,599
19	Combine line 14 through line 18.	19	-38,842.
20	Alternative minimum tax NOL deduction. See instructions.	20	
21	<b>Alternative Minimum Taxable Income.</b> Subtract line 20 from line 19 (if married/RDP filing separately and line 21 is more than \$322,495 see instructions).	21	-38,842.

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

22	<b>Exemption Amount.</b> (If this schedule is for a certain child under age 24, see instructions.)		
	<b>If your filing status is:</b>	<b>And line 21 is not over:</b>	<b>Enter on line 22:</b>
	Single or head of household	\$ 234,072	\$ 62,420
	Married/RDP filing jointly or qualifying widow(er)	312,095	83,225
	Married/RDP filing separately	156,047	41,612
			62,420.
	If Part I, line 21 is more than the amount shown above for your filing status, see instructions.		
23	Subtract line 22 from line 21. If zero or less, enter -0-.	23	0.
24	Tentative Minimum Tax. Multiply line 23 by 7.0% (.07).	24	
25	Regular tax before credits from Form 540, line 31.	25	0.
26	<b>Alternative Minimum Tax.</b> Subtract line 25 from line 24. If zero or less, enter -0- here and on Form 540, line 61. If more than zero, enter here and on Form 540, line 61. If you make estimated tax payments for taxable year 2013, enter amount from line 26 on the 2013 Form 540-ES, Estimated Tax Worksheet, line 16. (Exception: If you have carryover credit for solar energy or commercial solar energy, first enter the result on Side 2, Part III, Section C, line 24 or 25.)	26	0.

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

		(a) Credit amount	(b) Credit used this year	(c) Tax balance that may be offset by credits	(d) Credit carryover
1	Enter the amount from Form 540, line 35.....			1	0.
2	Enter the tentative minimum tax from Side 1, Part II, line 24.....			2	
<b>Section A – Credits that reduce excess tax.</b>					
3	Subtract line 2 from line 1. If zero or less enter -0- and see instructions. This is your excess tax which may be offset by credits.....			0.	
<b>A1</b>	<b>Credits that reduce excess tax and have no carryover provisions.</b>				
4	Code: 162 Prison inmate labor credit (FTB 3507).....				
5	Code: 169 Enterprise zone employee credit (FTB 3553).....				
6	Code: _____ New Home Credit or First Time Buyer Credit ...				
7	Code: 232 Child and dependent care expenses credit (FTB 3506).....				
<b>A2</b>	<b>Credits that reduce excess tax and have carryover provisions. See instructions.</b>				
8	Code: <input type="checkbox"/> Credit Name: _____				<input type="checkbox"/>
9	Code: <input type="checkbox"/> Credit Name: _____				<input type="checkbox"/>
10	Code: <input type="checkbox"/> Credit Name: _____				<input type="checkbox"/>
11	Code: <input type="checkbox"/> Credit Name: _____				<input type="checkbox"/>
12	Code: 188 Credit for prior year alternative minimum tax.....	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
<b>Section B – Credits that may reduce tax below tentative minimum tax.</b>					
13	If Part III, line 3 is zero, enter the amount from line 1. If line 3 is more than zero, enter the total of line 2 and the last entry in column (c).....				
<b>B1</b>	<b>Credits that reduce net tax and have no carryover provisions.</b>				
14	Code: 170 Credit for joint custody head of household..				
15	Code: 173 Credit for dependent parent.....				
16	Code: 163 Credit for senior head of household.....				
17	Nonrefundable renter's credit.....	60.			
<b>B2</b>	<b>Credits that reduce net tax and have carryover provisions. See instructions.</b>				
18	Code: <input type="checkbox"/> Credit Name: _____				<input type="checkbox"/>
19	Code: <input type="checkbox"/> Credit Name: _____				<input type="checkbox"/>
20	Code: <input type="checkbox"/> Credit Name: _____				<input type="checkbox"/>
21	Code: <input type="checkbox"/> Credit Name: _____				<input type="checkbox"/>
<b>B3</b>	<b>Other state tax credit.</b>				
22	Code: 187 Other state tax credit.....				
<b>Section C – Credits that may reduce alternative minimum tax.</b>					
23	Enter your alternative minimum tax from Side 1, Part II, line 26.....				
24	Code: 180 Solar energy credit carryover from Section B2, column (d).....				<input type="checkbox"/>
25	Code: 181 Commercial solar energy credit carryover from Section B2, column (d).....				<input type="checkbox"/>
26	Adjusted AMT. Enter the balance from line 25, column (c) here and on Form 540, line 61.....				

**2012****Investment Interest Expense Deduction****3526**

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

Name(s) as shown on return

SSN, ITIN, or FEIN

**JOE TRADER NO MTM COM LOSS EX11****999-99-9999**

<b>1</b>	Investment interest expense paid or accrued in 2012. See instructions .....	<b>1</b>	<b>482.</b>
<b>2</b>	Disallowed investment interest expense from 2011 form FTB 3526, line 7. If zero or less, enter -0-.....	<b>2</b>	<b>0.</b>
<b>3</b>	Total investment interest expense. Add line 1 and line 2 .....	<b>3</b>	<b>482.</b>
<b>4a</b>	Gross income from property held for investment (excluding any net gain from the disposition of property held for investment). See instructions.....	<b>4a</b>	<b>2,659.</b>
<b>4b</b>	Net gain from the disposition of property held for investment. See instructions....	<b>4b</b>	
<b>4c</b>	Net capital gain from the disposition of property held for investment. See instructions .....	<b>4c</b>	
<b>4d</b>	Subtract line 4c from line 4b. If zero or less, enter -0-.....	<b>4d</b>	<b>0.</b>
<b>4e</b>	Enter all or part of the amount on line 4c that you elect to include in investment income. <b>Do not</b> include more than the amount on line 4b. See instructions.....	<b>4e</b>	
<b>4f</b>	Investment income. Add line 4a, line 4d, and line 4e.....	<b>4f</b>	<b>2,659.</b>
<b>5</b>	Investment expenses. See instructions.....	<b>5</b>	<b>65.</b>
<b>6</b>	Net investment income. Subtract line 5 from line 4f.....	<b>6</b>	<b>2,594.</b>
<b>7</b>	Disallowed investment interest expense to be carried forward to 2013. Subtract line 6 from line 3. If zero or less, enter -0-.....	<b>7</b>	<b>0.</b>
<b>8</b>	Investment interest expense deduction. Enter the smaller of line 3 or line 6. Form 541 filers, stop here and see instructions. All other filers, go to line 9.....	<b>8</b>	<b>482.</b>
<b>9</b>	Enter the amount from federal Form 4952, line 8.....	<b>9</b>	<b>482.</b>
<b>10</b>	California investment interest expense deduction adjustment. Enter the difference between line 8 and line 9. See instructions .....	<b>10</b>	

Demo

2012

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

3805V

Attach to your California tax return.

Names as shown on return

SSN or ITIN

999-99-9999

FEIN

JOE TRADER NO MTM COM LOSS EX11

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

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

1	Adjusted gross income from 2012 Form 540, line 17. If negative, use brackets. Estates and Trusts, begin on line 3	1	( 33,015.)
2	Itemized deductions or standard deduction from 2012 Form 540, line 18	2	( 5,892.)
3a	Combine line 1 and line 2. (Estates and Trusts, enter taxable income, see instructions.) If negative, use brackets. If positive, enter -0- here and on line 25. <b>Do not</b> complete the rest of Section A. You do not have a current year NOL. Complete Part II and Part III if you have a carryover from prior years	3a	( 38,907.)
3b	2012 designated disaster loss included in line 3a. Enter as a positive number	3b	0.
3c	Combine line 3a and line 3b. If negative, use brackets and continue to line 4. If zero or more, <b>do not</b> complete the rest of Part I. Enter the amount from line 3b, if any, in Part III, line 3, column (d) and complete Part II and Part III as instructed	3c	( 38,907.)
Enter amounts on line 4 through line 24 as if they were all <b>positive</b> numbers. See instructions.			
4	Nonbusiness capital losses	4	127,640.
5	Nonbusiness capital gains. See instructions	5	15,366.
6	If line 4 is more than line 5, enter the difference; otherwise, enter -0-	6	112,274.
7	If line 4 is less than line 5, enter the difference; otherwise, enter -0-	7	0.
8	Nonbusiness deductions	8	5,892.
9	Nonbusiness income other than capital gains	9	2,659.
10	Add line 7 and line 9	10	2,659.
11	If line 8 is more than line 10, enter the difference; otherwise, enter -0-	11	3,233.
12	If line 8 is less than line 10, enter the difference; otherwise, enter -0-	12	0.
13	Business capital losses	13	79,186.
14	Business capital gains	14	
15	Add line 12 and line 14	15	
16	If line 13 is more than line 15, enter the difference; otherwise, enter -0-	16	79,186.
17	Add line 6 and line 16	17	191,460.
18	Enter the loss, if any, from line 8 of Schedule D (540). Estates and Trusts, enter the loss, if any, from line 9, column (c), of Schedule D (541). If you do not have a loss on that line, skip line 18 through line 21 and enter on line 22 the amount from line 17	18	191,460.
19	Enter the loss, if any, from line 9 of Schedule D (540). Estates and Trusts, enter the loss, if any, from line 10 of Schedule D (541). Enter as a positive number	19	3,000.
20	If line 18 is more than line 19, enter the difference; otherwise, enter -0-	20	188,460.
21	If line 19 is more than line 18, enter the difference; otherwise enter -0-	21	0.
22	Subtract line 20 from line 17. If zero or less, enter -0-	22	3,000.
23	NOL and disaster loss carryovers from prior years. See instructions	23	
24	Add lines 11, 21, 22, and 23	24	6,233.
25	<b>2012 NOL carryover.</b> Combine line 3c and line 24. If more than zero, enter -0-. You do not have a current year NOL to carryover	25	( 32,674.)

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

	A Enter total amounts as if you were a <b>CA resident for entire year.</b>	B Enter amounts earned or received from CA sources if you were a <b>nonresident for the entire year.</b>	C Enter amounts earned or received during the portion of the year you were a <b>CA resident.</b>	D Enter amounts earned or received from CA sources during the portion of the year you were a <b>nonresident.</b>	E <b>Total</b> Combine columns C and D
<b>1</b> Adjusted gross income. See instructions If negative, use brackets. . . . . <b>1</b>					
<b>2</b> Itemized deductions or standard deduction. See instructions. . . . . <b>2</b>					
<b>3a</b> Combine line 1 and line 2. See instructions. . . . . <b>3a</b>					
<b>b</b> 2012 designated disaster loss included in line 3a. Enter as a positive number. . . . . <b>3b</b>					
<b>c</b> Combine line 3a and line 3b. If negative, use brackets and continue to line 4. . . . . <b>3c</b>					
Enter amounts on line 4 through line 24 as if they were all <b>positive</b> numbers.					
<b>4</b> Nonbusiness capital losses. . . . . <b>4</b>					
<b>5</b> Nonbusiness capital gains. . . . . <b>5</b>					
<b>6</b> If line 4 is more than line 5, enter the difference; otherwise, enter -0- <b>6</b>					
<b>7</b> If line 4 is less than line 5, enter the difference; otherwise, enter -0- <b>7</b>					
<b>8</b> Nonbusiness deductions. . . . . <b>8</b>					
<b>9</b> Nonbusiness income other than capital gains. . . . . <b>9</b>					
<b>10</b> Add line 7 and line 9. . . . . <b>10</b>					
<b>11</b> If line 8 is more than line 10, enter the difference; otherwise, enter -0- <b>11</b>					
<b>12</b> If line 8 is less than line 10, enter the difference; otherwise, enter -0- <b>12</b>					
<b>13</b> Business capital losses. . . . . <b>13</b>					
<b>14</b> Business capital gains. . . . . <b>14</b>					
<b>15</b> Add line 12 and line 14. . . . . <b>15</b>					
<b>16</b> If line 13 is more than line 15, enter the difference; otherwise, enter -0-. . . . . <b>16</b>					
<b>17</b> Add line 6 and line 16. . . . . <b>17</b>					
<b>18</b> Enter the loss, if any, from line 4 of Schedule D (540NR) worksheet for nonresidents and part-year residents. See instructions. . . . . <b>18</b>					
<b>19</b> Enter the loss, if any, from line 5 of Schedule D (540NR) worksheet for nonresidents and part-year residents. Enter as a positive number. . . . . <b>19</b>					
<b>20</b> If line 18 is more than line 19, enter the difference; otherwise, enter -0-. . . . . <b>20</b>					
<b>21</b> If line 19 is more than line 18, enter the difference; otherwise, enter -0-. . . . . <b>21</b>					
<b>22</b> Subtract line 20 from line 17. If zero or less, enter -0-. . . . . <b>22</b>					
<b>23</b> NOL and disaster loss carryovers from prior years. . . . . <b>23</b>					
<b>24</b> Add lines 11, 21, 22, and 23. . . . . <b>24</b>					
<b>25</b> <b>2012 NOL carryover.</b> Combine line 3c and line 24. If more than zero, enter -0-. . . . . <b>25</b>					

**Part II Determine 2012 Modified Taxable Income (MTI).** Be sure to read the instructions for Part II.

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

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

		(g) Available balance	
1	MTI from Part II, line 5	1	

**Prior Year NOLs**

(a) Year of loss	(b) Code	(c) Type of NOL* See below	(d) Initial Loss	(e) Carryover from 2011	(f) Amount used in 2012	(g) Available balance	(h) Carryover to 2013 subtract column (f) from column (e)
2							

**Current Year NOLs**

3	2012		DIS				
4	2012		GEN	32,674.			32,674.
	2012						
	2012						
	2012						

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

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



2012

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

3805V

Attach to your California tax return.

Names as shown on return

SSN or ITIN

999-99-9999

FEIN

JOE TRADER NO MTM COM LOSS EX11

**Part I** Computation of Current Year NOL for Individuals, Estates, and Trusts. If you do not have a current year NOL, go to Part II.**Section A — California Residents Only** (Nonresidents go to Section B.)

1	Adjusted gross income from 2012 Form 540, line 17. If negative, use brackets. Estates and Trusts, begin on line 3 .....	1	_____
2	Itemized deductions or standard deduction from 2012 Form 540, line 18. ....	2	_____
3a	Combine line 1 and line 2. (Estates and Trusts, enter taxable income, see instructions.) If negative, use brackets. If positive, enter -0- here and on line 25. <b>Do not</b> complete the rest of Section A. You do not have a current year NOL. Complete Part II and Part III if you have a carryover from prior years. ....	AMTI BEFORE NOL	3a ( 38,842. )
b	2012 designated disaster loss included in line 3a. Enter as a positive number. ....	3b	0.
c	Combine line 3a and line 3b. If negative, use brackets and continue to line 4. If zero or more, <b>do not</b> complete the rest of Part I. Enter the amount from line 3b, if any, in Part III, line 3, column (d) and complete Part II and Part III as instructed. ....	3c	( 38,842. )
Enter amounts on line 4 through line 24 as if they were all <b>positive</b> numbers. See instructions.			
4	Nonbusiness capital losses. ....	4	127,640.
5	Nonbusiness capital gains. See instructions. ....	5	15,366.
6	If line 4 is more than line 5, enter the difference; otherwise, enter -0- ....	6	112,274.
7	If line 4 is less than line 5, enter the difference; otherwise, enter -0- ....	7	0.
8	Nonbusiness deductions. ....	8	5,827.
9	Nonbusiness income other than capital gains. ....	9	2,659.
10	Add line 7 and line 9. ....	10	2,659.
11	If line 8 is more than line 10, enter the difference; otherwise, enter -0- ....	11	3,168.
12	If line 8 is less than line 10, enter the difference; otherwise, enter -0- ....	12	0.
13	Business capital losses. ....	13	79,186.
14	Business capital gains. ....	14	_____
15	Add line 12 and line 14. ....	15	_____
16	If line 13 is more than line 15, enter the difference; otherwise, enter -0- ....	16	79,186.
17	Add line 6 and line 16. ....	17	191,460.
18	Enter the loss, if any, from line 8 of Schedule D (540). Estates and Trusts, enter the loss, if any, from line 9, column (c), of Schedule D (541). If you do not have a loss on that line, skip line 18 through line 21 and enter on line 22 the amount from line 17. ....	18	191,460.
19	Enter the loss, if any, from line 9 of Schedule D (540). Estates and Trusts, enter the loss, if any, from line 10 of Schedule D (541). Enter as a positive number. ....	19	3,000.
20	If line 18 is more than line 19, enter the difference; otherwise, enter -0- ....	20	188,460.
21	If line 19 is more than line 18, enter the difference; otherwise enter -0- ....	21	0.
22	Subtract line 20 from line 17. If zero or less, enter -0- ....	22	3,000.
23	NOL and disaster loss carryovers from prior years. See instructions. ....	23	_____
24	Add lines 11, 21, 22, and 23. ....	24	6,168.
25	<b>2012 NOL carryover.</b> Combine line 3c and line 24. If more than zero, enter -0-. You do not have a current year NOL to carryover. ....	25	( 32,674. )

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

	A Enter total amounts as if you were a <b>CA resident for entire year.</b>	B Enter amounts earned or received from CA sources if you were a <b>nonresident</b> for the entire year.	C Enter amounts earned or received during the portion of the year you were a <b>CA resident.</b>	D Enter amounts earned or received from CA sources during the portion of the year you were a <b>nonresident.</b>	E <b>Total</b> Combine columns C and D
<b>1</b> Adjusted gross income. See instructions If negative, use brackets. . . . . <b>1</b>					
<b>2</b> Itemized deductions or standard deduction. See instructions. . . . . <b>2</b>					
<b>3a</b> Combine line 1 and line 2. See instructions. . . . . <b>3a</b>					
<b>b</b> 2012 designated disaster loss included in line 3a. Enter as a positive number. . . . . <b>3b</b>					
<b>c</b> Combine line 3a and line 3b. If negative, use brackets and continue to line 4. . . . . <b>3c</b>					
Enter amounts on line 4 through line 24 as if they were all <b>positive</b> numbers.					
<b>4</b> Nonbusiness capital losses. . . . . <b>4</b>					
<b>5</b> Nonbusiness capital gains. . . . . <b>5</b>					
<b>6</b> If line 4 is more than line 5, enter the difference; otherwise, enter -0- <b>6</b>					
<b>7</b> If line 4 is less than line 5, enter the difference; otherwise, enter -0- <b>7</b>					
<b>8</b> Nonbusiness deductions. . . . . <b>8</b>					
<b>9</b> Nonbusiness income other than capital gains. . . . . <b>9</b>					
<b>10</b> Add line 7 and line 9. . . . . <b>10</b>					
<b>11</b> If line 8 is more than line 10, enter the difference; otherwise, enter -0- <b>11</b>					
<b>12</b> If line 8 is less than line 10, enter the difference; otherwise, enter -0- <b>12</b>					
<b>13</b> Business capital losses. . . . . <b>13</b>					
<b>14</b> Business capital gains. . . . . <b>14</b>					
<b>15</b> Add line 12 and line 14. . . . . <b>15</b>					
<b>16</b> If line 13 is more than line 15, enter the difference; otherwise, enter -0-. . . . . <b>16</b>					
<b>17</b> Add line 6 and line 16. . . . . <b>17</b>					
<b>18</b> Enter the loss, if any, from line 4 of Schedule D (540NR) worksheet for nonresidents and part-year residents. See instructions. . . . . <b>18</b>					
<b>19</b> Enter the loss, if any, from line 5 of Schedule D (540NR) worksheet for nonresidents and part-year residents. Enter as a positive number. . . . . <b>19</b>					
<b>20</b> If line 18 is more than line 19, enter the difference; otherwise, enter -0-. . . . . <b>20</b>					
<b>21</b> If line 19 is more than line 18, enter the difference; otherwise, enter -0-. . . . . <b>21</b>					
<b>22</b> Subtract line 20 from line 17. If zero or less, enter -0-. . . . . <b>22</b>					
<b>23</b> NOL and disaster loss carryovers from prior years. . . . . <b>23</b>					
<b>24</b> Add lines 11, 21, 22, and 23. . . . . <b>24</b>					
<b>25</b> 2012 NOL carryover. Combine line 3c and line 24. If more than zero, enter -0-. . . . . <b>25</b>					

**Part II Determine 2012 Modified Taxable Income (MTI).** Be sure to read the instructions for Part II. **AMT COPY**

1	Taxable income. See instructions. <b>AMTI BEFORE ATNOLD (SCH. P, LINE 19)</b>	1	( 38,842.)
Enter amounts on line 2 through line 4 as if they were all <b>positive</b> numbers.			
2	Capital loss deduction included in line 1	2	3,000.
3	Disaster loss carryover included in line 1	3	
4	NOL carryover included in line 1	4	
5	MTI. Combine line 1 through line 4. If line 5 is zero or less, enter -0-	5	0.
<b>ATNOLD LIMITATION PERCENTAGE</b>			90

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

		(g) Available balance	
1	MTI from Part II, line 5	1	

**Prior Year NOLs**

(a) Year of loss	(b) Code	(c) Type of NOL* See below	(d) Initial Loss	(e) Carryover from 2011	(f) Amount used in 2012	(g) Available balance	(h) Carryover to 2013 subtract column (f) from column (e)
2							

**Current Year NOLs**

3	2012		DIS				
4	2012		GEN	32,674.			32,674.
	2012						
	2012						
	2012						

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

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

2012

## Depreciation and Amortization Adjustments

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

CALIFORNIA FORM

3885A

Name(s) as shown on tax return

SSN or ITIN

JOE TRADER NO MTM COM LOSS EX11

999-99-9999

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

Business or activity to which form FTB 3885A relates
--

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

SCHEDULE C

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

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

## Part III Depreciation

[illegible]

- |           |  |           |               |
|-----------|--|-----------|---------------|
| <b>4</b>  | Add the amounts on line 3, column (f) .....  | <b>4</b>  | <b>1,598.</b> |
| <b>5</b>  | California depreciation for assets placed in service prior to 2012.....                                | <b>5</b>  |               |
| <b>6</b>  | Total California depreciation from this activity. Add the amounts on line 2, line 4, and line 5.....   | <b>6</b>  | <b>1,598.</b> |
| <b>7</b>  | Total federal depreciation from this activity. Enter depreciation from federal Form 4562, line 22..... | <b>7</b>  | <b>4,247.</b> |
| <b>8a</b> | If line 6 is <b>more</b> than line 7, enter the difference here and see instructions .....             | <b>8a</b> |               |
| <b>b</b>  | If line 6 is <b>less</b> than line 7, enter the difference here and see instructions .....             | <b>8b</b> | <b>2,649.</b> |

## Part IV Amortization

[illegible]

- |            |  |            |
|------------|--|------------|
| <b>10</b>  | Total California amortization from this activity. Add the amounts on line 9, column (f).....           | <b>10</b>  |
| <b>11</b>  | California amortization of costs that began before 2012 .....  | <b>11</b>  |
| <b>12</b>  | Total California amortization from this activity. Add the amounts on line 10 and line 11.....          | <b>12</b>  |
| <b>13</b>  | Total federal amortization from this activity. Enter amortization from federal Form 4562, line 44..... | <b>13</b>  |
| <b>14a</b> | If line 12 is <b>more</b> than line 13, enter the difference here and see instructions.....            | <b>14a</b> |
| <b>b</b>   | If line 12 is <b>less</b> than line 13, enter the difference here and see instructions.....            | <b>14b</b> |

2/11/13

09:10AM

**Capital Loss Carryover Worksheet**

1. Loss from Schedule D, line 11.	3,000.
2. Amount from Form 540 or Form 540NR, line 17.	-33,015.
3. Amount from Form 540 or Form 540NR, line 18.	5,892.
4. Subtract line 3 from line 2.	-38,907.
5. Combine Line 1 and line 4.	0.
6. Loss from Schedule D, line 8.	191,460.
7. Enter the smaller of line 1 or line 5.	<u>0.</u>
8. Subtract line 7 from line 6.	<u>191,460.</u>
This is your capital loss carryover to 2013.	

Demo

12/31/12

## 2012 California Depreciation Schedule

Page 1

Client EX11F-CA

Joe Trader no MTM Com Loss Ex11

999-99-9999

2/11/13

09:10AM

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179 Bonus	Special Depr. Allow.	Prior 179/ Bonus/ Sp. Depr.	Prior Dec. Bal. Depr.	Salvage /Basis Reductn	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.
Schedule C - Joe Trader no MTM Com Loss Ex11																
Furniture and Fixtures																
2	Furniture/fixtures	Various		2,946							2,946		200DB HY	7	.14290	421
	Total Furniture and Fixtures			2,946		0	0	0	0	0	2,946	0				421
Machinery and Equipment																
1	Computers for trading	Various		3,466							3,466		200DB HY	5	.20000	693
3	Software for trading	Various		1,453							1,453		S/L	3		484
	Total Machinery and Equipment			4,919		0	0	0	0	0	4,919	0				1,177
	Total Depreciation			7,865		0	0	0	0	0	7,865	0				1,598
	Grand Total Depreciation			7,865		0	0	0	0	0	7,865	0				1,598

12/31/12

## 2012 California Alternative Minimum Tax Depreciation Schedule

Page 1

Client EX11F-CA

Joe Trader no MTM Com Loss Ex11

999-99-9999

2/11/13

09:10AM

No.	Description	Date Acquired	Date Sold	AMT Basis	AMT Prior Depr	AMT Method	AMT Life	AMT Rate	AMT Depr	Reg. Depr	Ownr. Pct	Post-86 Depr Adj	Real Prop Pref	Leas Pers Prop Pref	59 (e)(2) Amort
Schedule C - Joe Trader no MTM Com Loss Ex11															
Furniture and Fixtures															
2	Furniture/fixtures	Various		2,946		150DB HY	7	.10710	316	421		105			0
	Total Furniture and Fixtures			2,946	0				316	421		105	0	0	0
Machinery and Equipment															
1	Computers for trading	Various		3,466		150DB HY	5	.15000	520	693		173			0
3	Software for trading	Various		1,453					484	484					0
	Total Machinery and Equipment			4,919	0				1,004	1,177		173	0	0	0
	Total Depreciation			7,865	0				1,320	1,598		278	0	0	0
	Grand Total Depreciation			7,865	0				1,320	1,598		278	0	0	0

Demo