

Client EX6F-NY

Business Trader in Forex

999-99-9999

2/16/11

02:58PM

EX6F-NY

Taxpayer quit his W-2 job in May of 2010 and began trading forex full time in June. He traded full-time from June through December of 2010.

Taxpayer had \$12,000 in forex losses in 2010 which are reported on Form 4797, Part II as ordinary loss per IRC Section 988. Since the taxpayer is considered a full time trader during the period of the forex loss, these losses can be used to generate a net operating loss in the current year.

Demo

**Name, Address, and SSN**

See separate instructions.

**Presidential Election Campaign**

For the year Jan 1 - Dec 31, 2010, or other tax year beginning , 2010, ending , 20		OMB No. 1545-0074
Your first name MI Last name	<b>Your social security number</b>	
Business Trader in Forex	999-99-9999	
If a joint return, spouse's first name MI Last name	<b>Spouse's social security number</b>	
Home address (number and street). If you have a P.O. box, see instructions. Apartment no.		Make sure the SSN(s) above and on line 6c are correct.
Any Street		
City, town or post office. If you have a foreign address, see instructions. State ZIP code		Checking a box below will not change your tax or refund.
New York, NY 10021		
Check here if you, or your spouse if filing jointly, want \$3 to go to this fund? . . . . .		<input type="checkbox"/> You <input type="checkbox"/> Spouse

**Filing Status**

Check only one box.

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

**Exemptions**

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

6a <input checked="" type="checkbox"/> Yourself. If someone can claim you as a dependent, do not check box 6a . . . . .	Boxes checked on 6a and 6b . . . . . 1																										
b <input type="checkbox"/> Spouse . . . . .	No. of children on 6c who:																										
<table border="1"> <thead> <tr> <th>c Dependents:</th> <th>(2) Dependent's social security number</th> <th>(3) Dependent's relationship to you</th> <th>(4) <input checked="" type="checkbox"/> if child under age 17 qualifying for child tax cr (see instrs)</th> <th> <input type="checkbox"/> lived with you . . . . .  <input type="checkbox"/> did not live with you due to divorce or separation (see instrs) . . . . .                      Dependents on 6c not entered above . . . . .                      Add numbers on lines above . . . . .                 </th> </tr> </thead> <tbody> <tr> <td>(1) First name Last name</td> <td></td> <td></td> <td><input type="checkbox"/></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> <td></td> </tr> </tbody> </table>			c Dependents:	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> if child under age 17 qualifying for child tax cr (see instrs)	<input type="checkbox"/> lived with you . . . . . <input type="checkbox"/> did not live with you due to divorce or separation (see instrs) . . . . . Dependents on 6c not entered above . . . . . Add numbers on lines above . . . . .	(1) First name Last name			<input type="checkbox"/>					<input type="checkbox"/>					<input type="checkbox"/>					<input type="checkbox"/>	
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(1) First name Last name			<input type="checkbox"/>																								
			<input type="checkbox"/>																								
			<input type="checkbox"/>																								
			<input type="checkbox"/>																								
d Total number of exemptions claimed . . . . . 1																											

**Income**

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

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

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

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

**Adjusted Gross Income**

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

**Tax and Credits**

<b>38</b>	Amount from line 37 (adjusted gross income)	<b>38</b>	21,811.
<b>39a</b>	Check if: <input type="checkbox"/> You were born before January 2, 1946, <input type="checkbox"/> Blind. <b>Total boxes checked</b> <input type="checkbox"/> <b>39a</b>		
	<input type="checkbox"/> Spouse was born before January 2, 1946, <input type="checkbox"/> Blind. <b>39b</b> <input type="checkbox"/>		
<b>40</b>	Itemized deductions (from Schedule A) or your standard deduction (see instructions)	<b>40</b>	15,826.
<b>41</b>	Subtract line 40 from line 38	<b>41</b>	5,985.
<b>42</b>	<b>Exemptions.</b> Multiply \$3,650 by the number on line 6d	<b>42</b>	3,650.
<b>43</b>	<b>Taxable income.</b> Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	<b>43</b>	2,335.
<b>44</b>	<b>Tax</b> (see instrs). Check if any tax is from: <b>a</b> <input type="checkbox"/> Form(s) 8814 <b>b</b> <input type="checkbox"/> Form 4972	<b>44</b>	234.
<b>45</b>	<b>Alternative minimum tax</b> (see instructions). Attach Form 6251	<b>45</b>	0.
<b>46</b>	Add lines 44 and 45	<b>46</b>	234.
<b>47</b>	Foreign tax credit. Attach Form 1116 if required	<b>47</b>	
<b>48</b>	Credit for child and dependent care expenses. Attach Form 2441	<b>48</b>	
<b>49</b>	Education credits from Form 8863, line 23	<b>49</b>	
<b>50</b>	Retirement savings contributions credit. Attach Form 8880	<b>50</b>	
<b>51</b>	Child tax credit (see instructions)	<b>51</b>	
<b>52</b>	Residential energy credits. Attach Form 5695	<b>52</b>	
<b>53</b>	Other crs from Form: <b>a</b> <input type="checkbox"/> 3800 <b>b</b> <input type="checkbox"/> 8801 <b>c</b> <input type="checkbox"/>	<b>53</b>	
<b>54</b>	Add lines 47 through 53. These are your <b>total credits</b>	<b>54</b>	
<b>55</b>	Subtract line 54 from line 46. If line 54 is more than line 46, enter -0-	<b>55</b>	234.
<b>56</b>	Self-employment tax. Attach Schedule SE	<b>56</b>	
<b>57</b>	Unreported social security and Medicare tax from Form: <b>a</b> <input type="checkbox"/> 4137 <b>b</b> <input type="checkbox"/> 8919	<b>57</b>	
<b>58</b>	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	<b>58</b>	
<b>59a</b>	<input type="checkbox"/> Form(s) W-2, box 9 <b>b</b> <input type="checkbox"/> Schedule H <b>c</b> <input type="checkbox"/> Form 5405, line 16	<b>59</b>	
<b>60</b>	Add lines 55-59. This is your <b>total tax</b>	<b>60</b>	234.

**Other Taxes****Payments**

If you have a qualifying child, attach Schedule EIC.

<b>61</b>	Federal income tax withheld from Forms W-2 and 1099	<b>61</b>	7,500.
<b>62</b>	2010 estimated tax payments and amount applied from 2009 return	<b>62</b>	
<b>63</b>	Making work pay credit. Attach Schedule M	<b>63</b>	
<b>64a</b>	<b>Earned income credit (EIC)</b>	<b>64a</b>	
	<b>b</b> Nontaxable combat pay election <b>64b</b> <input type="checkbox"/>		
<b>65</b>	Additional child tax credit. Attach Form 8812	<b>65</b>	
<b>66</b>	American opportunity credit from Form 8863, line 14	<b>66</b>	
<b>67</b>	First-time homebuyer credit from Form 5405, line 10	<b>67</b>	
<b>68</b>	Amount paid with request for extension to file	<b>68</b>	
<b>69</b>	Excess social security and tier 1 RRTA tax withheld	<b>69</b>	
<b>70</b>	Credit for federal tax on fuels. Attach Form 4136	<b>70</b>	
<b>71</b>	Credits from Form: <b>a</b> <input type="checkbox"/> 2439 <b>b</b> <input type="checkbox"/> 8839 <b>c</b> <input type="checkbox"/> 8801 <b>d</b> <input type="checkbox"/> 8885	<b>71</b>	
<b>72</b>	Add lns 61-63, 64a, & 65-71. These are your <b>total pmts</b>	<b>72</b>	7,500.

**Refund**

Direct deposit? See instructions.

<b>73</b>	If line 72 is more than line 60, subtract line 60 from line 72. This is the amount you <b>overpaid</b>	<b>73</b>	7,266.
<b>74a</b>	Amount of line 73 you want <b>refunded to you</b> . If Form 8888 is attached, check here <input type="checkbox"/>	<b>74a</b>	7,266.
	<b>b</b> Routing number <input type="text" value="XXXXXXXXXX"/> <b>c</b> Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
	<b>d</b> Account number <input type="text" value="XXXXXXXXXXXXXXXXXXXXXXXXXXXX"/>		
<b>75</b>	Amount of line 73 you want <b>applied to your 2011 estimated tax</b>	<b>75</b>	

**Amount You Owe**

<b>76</b>	<b>Amount you owe.</b> Subtract line 72 from line 60. For details on how to pay see instructions	<b>76</b>	
<b>77</b>	Estimated tax penalty (see instructions)	<b>77</b>	

**Third Party Designee**

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

Designee's name <b>z WebGuideExamples</b>	Phone no. <b>877-662-2014</b>	Personal identification number (PIN)
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**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
<b>z WebGuideExamples</b>		<b>Trader</b>	
Spouse's signature. If a joint return, <b>both</b> must sign.	Date	Spouse's occupation	

**Paid Preparer's Use Only**

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

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

OMB No. 1545-0074

**2010**Attachment  
Sequence No. **07**▶ **Attach to Form 1040.**▶ **See Instructions for Schedule A (Form 1040).**

Name(s) shown on Form 1040

Your social security number

Business Trader in Forex

999-99-9999

<b>Medical and Dental Expenses</b>	<b>Caution.</b> Do not include expenses reimbursed or paid by others.			
1	Medical and dental expenses (see instructions) .....	1		
2	Enter amount from Form 1040, line 38 ..... <b>2</b>			
3	Multiply line 2 by 7.5% (.075) .....	3		
4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0- .....	4		0.
<b>Taxes You Paid</b>	<b>5 State and local (check only one box):</b>	5	3,974.	
	a <input checked="" type="checkbox"/> Income taxes, or			
	b <input type="checkbox"/> General sales taxes	6	2,540.	
6	Real estate taxes (see instructions) .....	7		
7	New motor vehicle taxes from line 11 of the worksheet on page 2 (for certain vehicles purchased in 2009). Skip this line if you checked box 5b. ....	8		
8	Other taxes. List type and amount ▶ .....	9		6,514.
9	Add lines 5 through 8 .....			
<b>Interest You Paid</b>	<b>10 Home mtg interest and points reported to you on Form 1098 .....</b>	10	9,312.	
	<b>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 ▶</b> .....	11		
	-----	12		
	-----	13		
	-----	14		
<b>Note.</b> Your mortgage interest deduction may be limited (see instrs).	<b>12 Points not reported to you on Form 1098. See instrs for spcl rules .....</b>	15		9,312.
	<b>13 Mortgage insurance premiums (see instructions) .....</b>			
	<b>14 Investment interest. Attach Form 4952 if required. (See instrs.) .....</b>			
	<b>15 Add lines 10 through 14 .....</b>			
<b>Gifts to Charity</b>	<b>16 Gifts by cash or check. If you made any gift of \$250 or more, see instrs .....</b>	16		
	<b>17 Other than by cash or check. If any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500 .....</b>	17		
If you made a gift and got a benefit for it, see instructions.	<b>18 Carryover from prior year .....</b>	19		0.
	<b>19 Add lines 16 through 18 .....</b>			
<b>Casualty and Theft Losses</b>	<b>20 Casualty or theft loss(es). Attach Form 4684. (See instructions.) .....</b>	20		0.
<b>Job Expenses and Certain Miscellaneous Deductions</b>	<b>21 Unreimbursed employee expenses — job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.) ▶</b> .....	21		
	-----	22		
	<b>22 Tax preparation fees .....</b>	23		
	<b>23 Other expenses — investment, safe deposit box, etc. List type and amount ▶</b> .....	24		
	-----	25		
	<b>24 Add lines 21 through 23 .....</b>	26		
	<b>25 Enter amount from Form 1040, line 38 ..... <b>25</b></b>	27		0.
	<b>26 Multiply line 25 by 2% (.02) .....</b>			
	<b>27 Subtract line 26 from line 24. If line 26 is more than line 24, enter -0- .....</b>			
<b>Other Miscellaneous Deductions</b>	<b>28 Other — from list in instructions. List type and amount ▶</b> .....	28		0.
	-----			
<b>Total Itemized Deductions</b>	<b>29 Add the amounts in the far right column for lines 4 through 28. Also, enter this amount on Form 1040, line 40 .....</b>	29		15,826.
	<b>30 If you elect to itemize deductions even though they are less than your standard deduction, check here. ....</b> ▶ <input type="checkbox"/>			

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

Department of the Treasury  
Internal Revenue Service (99)

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

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

OMB No. 1545-0074

**2010**

Attachment  
Sequence No. **09**

Name of proprietor

**Business Trader in Forex**

Social security number (SSN)

999-99-9999

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

**Trader in currencies (June to December of 2010) - see notes**

**B** Enter code from instructions

► 523900

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

**D** Employer ID number (EIN), if any

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

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

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

**G** Did you 'materially participate' in the operation of this business during 2010? If 'No,' see instructions for limit on losses .. ☒ Yes ☐ No

**H** If you started or acquired this business during 2010, check here ..... ☒

**Part I** **Income**

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

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

► ☐

**1**

**2** Returns and allowances .....

**2**

**3** Subtract line 2 from line 1 .....

**3**

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

**4**

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

**7**

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

**8** Advertising .....

**8**

**9** Car and truck expenses (see instructions) .....

**9**

**10** Commissions and fees .....

**10**

**11** Contract labor (see instructions) .....

**11**

**12** Depletion .....

**12**

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

**13**

**14** Employee benefit programs (other than on line 19) .....

**14**

**15** Insurance (other than health) .....

**15**

**16** Interest:

**a** Mortgage (paid to banks, etc) .....

**16a**

**b** Other .....

**16b**

**17** Legal & professional services .....

**17**

**18** Office expense .....

**18**

**19** Pension and profit-sharing plans .....

**19**

**20** Rent or lease (see instructions):

**a** Vehicles, machinery, and equipment .....

**20a**

**b** Other business property .....

**20b**

**21** Repairs and maintenance .....

**21**

**22** Supplies (not included in Part III) .....

**22**

**23** Taxes and licenses .....

**23**

**24** Travel, meals, and entertainment:

**a** Travel .....

**24a**

**b** Deductible meals and entertainment (see instructions) .....

**24b**

**25** Utilities .....

**25**

**26** Wages (less employment credits) .....

**26**

**27** Other expenses (from line 48 on page 2) .....

**27**

2,567.

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

**28**

2,567.

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

**29**

-2,567.

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

**30**

2,149.

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

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

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

**31**

-4,716.

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

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

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

**32a** ☒ All investment is at risk.

**32b** ☐ Some investment is not at risk.

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

Schedule **C** (Form 1040) 2010

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

<b>33</b> Method(s) used to value closing inventory: a <input type="checkbox"/> Cost b <input type="checkbox"/> Lower of cost or market c <input type="checkbox"/> Other (attach explanation)	
<b>34</b> Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If 'Yes,' attach explanation	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>35</b> Inventory at beginning of year. If different from last year's closing inventory, attach explanation	<b>35</b>
<b>36</b> Purchases less cost of items withdrawn for personal use	<b>36</b>
<b>37</b> Cost of labor. Do not include any amounts paid to yourself	<b>37</b>
<b>38</b> Materials and supplies	<b>38</b>
<b>39</b> Other costs	<b>39</b>
<b>40</b> Add lines 35 through 39	<b>40</b>
<b>41</b> Inventory at end of year	<b>41</b>
<b>42</b> <b>Cost of goods sold.</b> Subtract line 41 from line 40. Enter the result here and on page 1, 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 2010, enter the number of miles you used your vehicle for:  
a Business \_\_\_\_\_ b Commuting (see instructions) \_\_\_\_\_ c Other \_\_\_\_\_

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

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

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

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

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

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

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

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

OMB No. 1545-0184

**2010**Attachment  
Sequence No. **27**

Name(s) shown on return

Business Trader in Forex

Identifying number

999-99-9999

- 1 Enter the gross proceeds from sales or exchanges reported to you for 2010 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions) .....

1

**Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft – Most Property Held More Than 1 Year** (see instructions)

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

3 Gain, if any, from Form 4684, line 42 .....

4 Section 1231 gain from installment sales from Form 6252, line 26 or 37 .....

5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824 .....

6 Gain, if any, from line 32, from other than casualty or theft .....

7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows .....

**Partnerships (except electing large partnerships) and S corporations.** Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.

**Individuals, partners, S corporation shareholders, and all others.** If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.

8 Nonrecaptured net section 1231 losses from prior years (see instructions) .....

9 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions) .....

**Part II Ordinary Gains and Losses** (see instructions)

- 10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

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

11	Loss, if any, from line 7 .....	11	
12	Gain, if any, from line 7 or amount from line 8, if applicable .....	12	
13	Gain, if any, from line 31 .....	13	
14	Net gain or (loss) from Form 4684, lines 34 and 41a .....	14	
15	Ordinary gain from installment sales from Form 6252, line 25 or 36 .....	15	
16	Ordinary gain or (loss) from like-kind exchanges from Form 8824 .....	16	
17	Combine lines 10 through 16 .....	17	-12,000.
18	For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:		
a	If the loss on line 11 includes a loss from Form 4684, line 38, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from 'Form 4797, line 18a.' See instructions .....	18a	
b	Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14 .....	18b	-12,000.

**BAA For Paperwork Reduction Act Notice, see separate instructions.**Form **4797** (2010)

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

OMB No. 1545-0074

**2010**Attachment  
Sequence No. **32**

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

Your social security number

Business Trader in Forex

999-99-9999

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

1	If filing Schedule A (Form 1040), enter the amount from Form 1040, line 41 and go to line 2. Otherwise, enter the amount from Form 1040, line 38 and go to line 6. (If less than zero, enter as a negative amount.)	1	5,985.
2	Medical and dental. Enter the <b>smaller</b> of Schedule A (Form 1040), line 4 or 2.5% (.025) of Form 1040, line 38. If zero or less, enter -0-	2	
3	Taxes from Schedule A (Form 1040), lines 5, 6, and 8	3	6,514.
4	Enter the home mortgage interest adjustment, if any, from line 6 of the worksheet in the instructions	4	
5	Miscellaneous deductions from Schedule A (Form 1040), line 27	5	
6	If filing Schedule L (Form 1040A or 1040), enter as a negative amount the sum of lines 6 and 17 from that schedule.	6	
7	Tax refund from Form 1040, line 10 or line 21	7	-3,527.
8	Investment interest expense (difference between regular tax and AMT)	8	
9	Depletion (difference between regular tax and AMT)	9	
10	Net operating loss deduction from Form 1040, line 21. Enter as a positive amount	10	
11	Alternative tax net operating loss deduction	11	
12	Interest from specified private activity bonds exempt from the regular tax	12	
13	Qualified small business stock (7% of gain excluded under section 1202)	13	
14	Exercise of incentive stock options (excess of AMT income over regular tax income)	14	
15	Estates and trusts (amount from Schedule K-1 (Form 1041), box 12, code A)	15	
16	Electing large partnerships (amount from Schedule K-1 (Form 1065-B), box 6)	16	
17	Disposition of property (difference between AMT and regular tax gain or loss)	17	
18	Depreciation on assets placed in service after 1986 (difference between regular tax and AMT)	18	
19	Passive activities (difference between AMT and regular tax income or loss)	19	
20	Loss limitations (difference between AMT and regular tax income or loss)	20	
21	Circulation costs (difference between regular tax and AMT)	21	
22	Long-term contracts (difference between AMT and regular tax income)	22	
23	Mining costs (difference between regular tax and AMT)	23	
24	Research and experimental costs (difference between regular tax and AMT)	24	
25	Income from certain installment sales before January 1, 1987	25	
26	Intangible drilling costs preference	26	
27	Other adjustments, including income-based related adjustments	27	
28	<b>Alternative minimum taxable income.</b> Combine lines 1 through 27. (If married filing separately and line 28 is more than \$219,900, see instructions.)	28	8,972.

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

29	Exemption. (If you were under age 24 at the end of 2010, see instructions.)														
	<table border="0"> <tr> <td><b>IF your filing status is . . .</b></td> <td><b>AND line 28 is not over . . .</b></td> <td><b>THEN enter on line 29 . . .</b></td> </tr> <tr> <td>Single or head of household . . . . .</td> <td>\$112,500 . . . . .</td> <td>\$47,450</td> </tr> <tr> <td>Married filing jointly or qualifying widow(er) . . . . .</td> <td>150,000 . . . . .</td> <td>72,450</td> </tr> <tr> <td>Married filing separately . . . . .</td> <td>75,000 . . . . .</td> <td>36,225</td> </tr> </table>	<b>IF your filing status is . . .</b>	<b>AND line 28 is not over . . .</b>	<b>THEN enter on line 29 . . .</b>	Single or head of household . . . . .	\$112,500 . . . . .	\$47,450	Married filing jointly or qualifying widow(er) . . . . .	150,000 . . . . .	72,450	Married filing separately . . . . .	75,000 . . . . .	36,225	29	47,450.
<b>IF your filing status is . . .</b>	<b>AND line 28 is not over . . .</b>	<b>THEN enter on line 29 . . .</b>													
Single or head of household . . . . .	\$112,500 . . . . .	\$47,450													
Married filing jointly or qualifying widow(er) . . . . .	150,000 . . . . .	72,450													
Married filing separately . . . . .	75,000 . . . . .	36,225													
	If line 28 is <b>over</b> the amount shown above for your filing status, see instructions.														
30	Subtract line 29 from line 28. If more than zero, go to line 31. If zero or less, enter -0- here and on lines 33 and 35 and skip the rest of Part II	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													
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													
35	<b>AMT.</b> Subtract line 34 from line 33. If zero or less, enter -0-. Enter here and on Form 1040, line 45	35	0.												

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

FDIA5312L 12/21/10

Form **6251** (2010)



**Expenses for Business Use of Your Home**

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

**2010**Attachment  
Sequence No. **176**

Name(s) of proprietor(s)

Your social security number

Business Trader in Forex

999-99-9999

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

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

**Part II Figure Your Allowable Deduction**

8	Enter the amount from Schedule C, line 29, <b>plus</b> any net gain or (loss) derived from the business use of your home and shown on Schedule D or Form 4797. If more than one place of business, see instructions ....	8	-2,567.
<b>See instrs for columns (a) and (b) before completing lines 9-21.</b>			
9	Casualty losses (see instructions) .....	9	
10	Deductible mortgage interest (see instructions) ....	10	11,000.
11	Real estate taxes (see instructions) .....	11	3,000.
12	Add lines 9, 10, and 11 .....	12	14,000.
13	Multiply line 12, column (b) by line 7 .....	13	2,149.
14	Add line 12, column (a) and line 13 .....	14	2,149.
15	Subtract line 14 from line 8. If zero or less, enter -0- .....	15	0.
16	Excess mortgage interest (see instructions) .....	16	
17	Insurance .....	17	4,500.
18	Rent .....	18	
19	Repairs and maintenance .....	19	800.
20	Utilities .....	20	6,500.
21	Other expenses (see instrs) ..... Statement 1	21	200.
22	Add lines 16 through 21 .....	22	12,000.
23	Multiply line 22, column (b) by line 7 .....	23	1,842.
24	Carryover of operating expenses from 2009 Form 8829, line 42 .....	24	
25	Add line 22 column (a), line 23, and line 24 .....	25	1,842.
26	Allowable operating expenses. Enter the <b>smaller</b> of line 15 or line 25 .....	26	
27	Limit on excess casualty losses and depreciation. Subtract line 26 from line 15 .....	27	
28	Excess casualty losses (see instructions) .....	28	
29	Depreciation of your home from line 41 below .....	29	
30	Carryover of excess casualty losses and depreciation from 2009 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	2,149.
34	Casualty loss portion, if any, from lines 14 and 32. Carry amount to <b>Form 4684</b> (see instructions) .....	34	
35	<b>Allowable expenses for business use of your home.</b> Subtract line 34 from line 33. Enter here and on Schedule C, line 30. If your home was used for more than one business, see instructions .....	35	2,149.

**Part III Depreciation of Your Home**

36	Enter the <b>smaller</b> of your home's adjusted basis or its fair market value (see instructions) .....	36	
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 2011**

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

2010

Federal Statements

Page 1

Client EX6F-NY

Business Trader in Forex

999-99-9999

2/16/11

02:58PM

Statement 1  
Form 8829, Line 21  
Other Expenses

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

Demo

Client EX6F-NY

Business Trader in Forex

999-99-9999

2/16/11

02:58PM

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

TAXPAYER QUALIFIES AS A "TRADER IN CURRENCIES"

Taxpayer qualifies as a "trader in currencies" from June through December of 2010. Taxpayer's trading business expenses are reported as business expenses on Schedule C and the currency trading gains and losses are reported on Form 4797, Part II.

Taxpayer received W-2 income from a sales position held from January through the end of May 2010. Taxpayer left his W-2 employment to trade full-time from June through December of 2010.

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

=====

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

-----

Taxpayer operated a trading business, in accordance with the definition below, from June through December of 2010. 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 2010).

..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).

Client EX6F-NY

Business Trader in Forex

999-99-9999

2/16/11

02:58PM

#### How To Report.

-----  
Interbank or forex currency transactions are IRC section 988 contracts reported on Form 1040 as other income or loss. As a trader rather than a manufacturer, Taxpayer is entitled to elect out of IRC 988 for IRC 1256 treatment. Taxpayer did not make the election out of IRC Section 988, therefore his respective forex loss for 2010 is reported on Form 4797, Part II.

#### Expenses.

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

#### Self-employment tax.

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

=====

#### SUMMARY OF ABOVE

Taxpayer qualifies as a "trader in currencies" from June through December of 2010. Taxpayer's trading business expenses are reported on Schedule C and his currency trading gains and losses are reported on Form 4797, Part II.

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

Client EX6F-NY

Business Trader in Forex

999-99-9999

2/16/11

02:58PM

**Wage Schedule**

<u>Taxpayer - Employer</u>	<u>Wages</u>	<u>Federal W/H</u>	<u>FICA</u>	<u>Medi- care</u>	<u>State W/H</u>	<u>Local W/H</u>
X Company - left job May 30, 2009						
	35,000.	7,500.	2,170.	508.	3,500.	474.
Grand Total	<u>35,000.</u>	<u>7,500.</u>	<u>2,170.</u>	<u>508.</u>	<u>3,500.</u>	<u>474.</u>

**State and Local Refunds Taxable in 2010**  
**(Refunds on Prior Year Return Taxable in Current Year)**

1. State and local income tax refunds (prior year)	3,527.
2. Refunds attributable to post 12/31/2009 payments per IRS Pub. 525	0.
3. Net state and local income tax refunds	3,527.
4. State and local taxes paid from prior year Sch. A, line 5	3,974.
5. Prior year allowable sales tax deduction	247.
6. Excess of income taxes deducted over sales taxes	3,727.
7. Enter the smaller of line 3 or line 6	3,527.
8. Itemized deductions from prior year Sch. A, line 29	15,826.
9. Prior year recomputed itemized deductions (if phaseout)	0.
10. Prior year base standard deduction	5,700.
11. Prior year add'l standard deduction for age/blindness	0.
12. State & local R/E taxes from prior Sch. A, line 6	2,540.
13. Enter \$500, \$1,000 if married filing jointly	500.
14. Enter the smaller of line 12 or line 13	500.
15. Prior year disaster loss / new motor vehicle deduction	0.
16. Prior year total standard deduction (add lines 10, 11, 14, and 15)	6,200.
17. Enter the larger of line 9 or line 16	6,200.
18. Subtract line 17 from line 8 (not less than 0)	9,626.
19. Enter the smaller of line 7 or line 18	3,527.
20. Negative taxable income (prior year)	0.
21. Refund with no tax benefit due to AMT or nonrefundable credits	0.
22. State and local refunds taxable this year (add lines 19, 20, and 21, but not less than 0)	<u>3,527.</u>

**State and Local Refunds Taxable in 2011**  
**(IRS Pub. 525)**

1. State and local income tax refunds (current year)	3,527.
2. Refunds attributable to post 12/31/2010 payments per IRS Pub. 525	0.
3. Net state and local income tax refunds	3,527.
4. State and local income taxes paid from Schedule A, line 5	3,974.
5. Allowable general sales tax deduction	258.
6. Excess of income taxes deducted over sales taxes deducted	3,716.
7. Enter the smaller of line 3 or line 6	3,527.
8. Itemized deductions from Schedule A, line 29	15,826.
9. Recomputed itemized deductions, if phaseout (n/a for 2010)	0.
10. Standard deduction	5,700.
11. Enter the larger of line 9 or line 10	5,700.
12. Subtract line 11 from line 8 (not less than 0)	10,126.

Client EX6F-NY

Business Trader in Forex

999-99-9999

2/16/11

02:58PM

**State and Local Refunds Taxable in 2011 (continued)**  
**(IRS Pub. 525)**

13. Enter the smaller of line 7 or line 12	3,527.
14. Negative taxable income (current year)	<u>0.</u>
15. State and local refunds taxable next year (add lines 13 and 14, but not less than 0)	<u><u>3,527.</u></u>

**Federal Income Tax Withheld**

X Company - left job May 30, 2009

Total 7,500.

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

## State and Local Income Taxes

	State	Local
Income tax withheld	3,500.	431.
Disability/unemployment insurance	43.	0.
Estimated tax payments	0.	0.
Credit for prior year overpayment	0.	0.
Credit for income tax withheld (K-1)	0.	0.
1/10 payment on 2009 estimate	0.	0.
Paid with 2009 extension	0.	0.
Paid with 2009 return	0.	0.
Paid for prior years and/or to other states	0.	0.
Total income taxes	<u>3,543.</u>	<u>431.</u>

Total state and local income taxes 3,974.

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

## Available Income:

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

Number of Exemptions 1.

Client EX6F-NY

Business Trader in Forex

999-99-9999

2/16/11

02:58PM

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

- |   |      |
|---|------|
| 1. State general sales taxes per Tables   | 258. |
| 2. Local general sales taxes per Tables for residents of<br>AK, AZ, AR, CO, GA, IL, LA, MO, NC, NY, SC, TN, UT, and VA<br>plus residents of Los Angeles County (based on 1% rate) | 65.  |
| 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  |      |
| 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)  | 258. |
| 8. Sales taxes paid on vehicles, boats, etc.  | 0.   |
| 9. Sales tax deduction when using Tables (add lines 7 and 8)  | 258. |

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

- |  |             |
|--|-------------|
| 1. General sales taxes paid                    | 0.          |
| 2. Use taxes paid                              | 17.         |
| 3. Total actual taxes paid (add lines 1 and 2) | 17.         |
| 4. Sales taxes using Tables                    | 258.        |
| 5. Greater of sales taxes paid or Table amount | <u>258.</u> |

State & Local Taxes to Sch. A, Ln 5 (greater of income or sales tax) 3,974.

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

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

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

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

**Form 8829 - Personal Portion of Mortgage Interest, Mortgage Insurance Premiums  
and Real Estate Taxes to Carry to Schedule A (or Standard Deduction Worksheet)**

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

For office use only

**Cover Sheet for Form IT-201**  
**Resident Income Tax Return**  
 New York State • New York City • Yonkers

2010

IT-201

This is the cover sheet of your return. For your return to be complete you **must** include this cover sheet with all four pages of Form IT-201 and all required attachments.

<b>Taxpayer name and address</b>		Software vendor code 1032	
Your social security number 999-99-9999		Spouse's social security number	
Your first name and middle initial BUSINESS T		Your last name FOREX	
Spouse's first name and middle initial		Spouse's last name	
Mailing address (number and street or rural route) ANY STREET		Apartment number	
City, village or post office NEW YORK		State NY	ZIP code 10021
Country (if not United States)			
<b>Summary of return data</b>			
Federal adjusted gross income.....		21,811.	
Total NYS adjusted gross income.....		18,284.	
Total New York State tax withheld.....		3,500.	
Total New York City tax withheld.....		431.	
Total Yonkers tax withheld.....			
Amount to be refunded to you.....		3,571.	
Amount you owe.....			

NYIA1305L 09/28/10

Staple check or  
money order here.

0731101032

File this original scannable cover sheet  
with all four pages of your tax return.



**Resident Income Tax Return (long form)**

2010

**IT-201**

New York State • New York City • Yonkers

For the full year January 1, 2010, through December 31, 2010, or fiscal year beginning

For help completing your return, see the combined instructions Form IT-150 and IT-201.

and ending

**Important:** You **must** enter your social security number(s) in the boxes to the right.

Print or type	Your first name and middle initial		Your last name (for a <b>joint return</b> , enter spouse's name on line below)		▼ Your social security number
	BUSINESS		T FOREX		999-99-9999
	Spouse's first name and middle initial		Spouse's last name		▼ Spouse's social security number
Mailing address ( <i>see instructions</i> ) (number and street or rural route)			Apartment number	New York State county of residence	
ANY STREET				• NY	
City, village, or post office			State	ZIP code	School district name
NEW YORK			NY	10021	• MANHATTAN
Permanent home address ( <i>see instructions</i> ) (number and street or rural route)			Apartment number	School district code number	
				369	
City, village, or post office			State	ZIP code	
NY					

**(A) Filing status — mark an X in one box:**

- 1 ☒ Single
- 2 ☐ Married filing joint return  
(enter spouse's social security number above)
- 3 ☐ Married filing separate return  
(enter spouse's social security number above)
- 4 ☐ Head of household (with qualifying person)
- 5 ☐ Qualifying widow(er) with dependent child

Staple  
check  
or money  
order here.**(B) Did you itemize your deductions** on your 2010 federal income tax return? Yes ☒ No ☐**(C) Can you be claimed as a dependent** on another taxpayer's federal return? Yes ☐ No ☒**(D)** Choose direct deposit to avoid paper check refund delays.**(E)** (1) Did you or your spouse **maintain living quarters in NYC** during 2010 (*see instructions*)? Yes ☒ No ☐(2) Enter the number of days spent in NYC in 2010  
(any part of a day spent in NYC is considered a day) 365**(F) NYC residents and NYC part-year residents only** (*see instructions*):(1) Number of months **you** lived in NYC in 2010 • 12(2) Number of months **your spouse** lived in NYC in 2010 •**(G)** Enter your **2-character special condition code** if applicable (*see instructions*) •If applicable, also enter your **second** 2-character special condition code •**Federal income and adjustments**Only full-year NY State residents may file this form. For lines 1 through 18 below, enter your income items and total adjustments as they appear on your federal return (*see instructions*). Also see instructions for showing a loss.

Dollars

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



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BUSINESS TRADER IN FOREX

Dollars

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

**New York additions** (see instructions)

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

**New York subtractions** (see instructions)

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

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

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

**New York State  
standard deduction table**

Filing status Standard deduction  
(from page 1) (enter on line 34 above)

**1** Single and you marked item C Yes \$ 3,000  
**1** Single and you marked item C No 7,500  
**2** Married filing joint return 15,000  
**3** Married filing separate return 7,500  
**4** Head of household (with qualifying person) 10,500  
**5** Qualifying widow(er) with dependent child 15,000

◀ or ▶

**New York State itemized deduction worksheet**

**a** Medical and dental expenses (federal Schedule A, line 4) **a.**  
**b** Taxes you paid (federal Schedule A, line 9) **b.** 6,514.  
**b1** State, local, and foreign **income** taxes (or general sales tax, if applicable) included in line b above **b1.** 3,974.  
**c** Interest you paid (federal Schedule A, line 15) **c.** 9,312.  
**d** Gifts to charity (federal Schedule A, line 19) **d.**  
**e** Casualty and theft losses (federal Schedule A, line 20) **e.**  
**f** Job expenses/misc deductions (fed Sch A, line 27) **f.**  
**g** Other misc deductions (federal Sch A, line 28) **g.**  
**h** Enter amount from federal Schedule A, line 29 **h.** 15,826.  
**i** State, local, and foreign **income** taxes (or general sales tax, if applicable) and other subtraction adjustments (see instrs) SEE ST 1 **i.** 3,974.  
**j** Subtract line i from line h **j.** 11,852.  
**k** Addition adjustments (see instrs) **k.**  
**l** Add lines j and k **l.** 11,852.  
**m** Itemized deduction adjustment (see instructions) **m.**  
**n** Subtract line m from line l **n.** 11,852.  
**o** College tuition itemized deduction (see Form IT-272) **o.**  
**p New York State itemized deduction** (add lines n and o; enter on line 34 above) **p.** 11,852.



BUSINESS TRADER IN FOREX

999-99-9999

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

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

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

<b>47</b>	New York City resident tax on line 38 amount (see instrs)	<b>47.</b>	187.	<b>See instructions to compute NYC and Yonkers taxes, credits, and tax surcharges.</b>
<b>48</b>	New York City household credit (from table 4, 5, or 6 in instructions)	<b>48.</b>		
<b>49</b>	Subtract line 48 from line 47 (if line 48 is more than line 47, leave blank)	<b>49.</b>	187.	
<b>50</b>	Part-year New York City resident tax (attach Form IT-360.1)	<b>50.</b>		
<b>51</b>	Other New York City taxes (from Form IT-201-ATT, line 34; attach form)	<b>51.</b>		
<b>52</b>	Add lines 49, 50, and 51	<b>52.</b>	187.	
<b>53</b>	New York City nonrefundable credits (from Form IT-201-ATT, line 10; attach form)	<b>53.</b>		
<b>54</b>	Subtract line 53 from line 52 (if line 53 is more than line 52, leave blank)	<b>54.</b>	187.	
<b>55</b>	Yonkers resident income tax surcharge (see instructions)	<b>55.</b>		
<b>56</b>	Yonkers nonresident earnings tax (attach Form Y-203)	<b>56.</b>		
<b>57</b>	Part-year Yonkers resident income tax surcharge (attach Form IT-360.1)	<b>57.</b>		
<b>58</b>	<b>Total New York City and Yonkers taxes/surcharges</b> (add lines 54 through 57)	<b>58.</b>	187.	
<b>59</b>	<b>Sales or use tax</b> (See the instructions. <b>Do not leave line 59 blank</b> )	<b>59.</b>	19.	

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

<b>60a</b>	Return a Gift to Wildlife	<b>60a.</b>	
<b>60b</b>	Missing/Exploited Children Fund	<b>60b.</b>	
<b>60c</b>	Breast Cancer Research Fund	<b>60c.</b>	
<b>60d</b>	Alzheimer's Fund	<b>60d.</b>	
<b>60e</b>	Olympic Fund (\$2 or \$4; see instructions)	<b>60e.</b>	
<b>60f</b>	Prostate Cancer Research Fund	<b>60f.</b>	
<b>60g</b>	9/11 Memorial	<b>60g.</b>	
<b>60h</b>	Volunteer Firefighting & EMS Recruitment Fund	<b>60h.</b>	
<b>60</b>	<b>Total voluntary contributions</b> (add lines 60a through 60h)	<b>60.</b>	
<b>61</b>	<b>Total New York State, New York City and Yonkers taxes, sales or use tax, and voluntary contributions</b> (add lines 46, 58, 59, and 60)	<b>61.</b>	423.



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BUSINESS TRADER IN FOREX

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

62.

423.

**Payments and refundable credits** (see instructions)

<b>63 Empire State child credit</b> (attach Form IT-213)	<b>63.</b>	
<b>64 NYS/NYC State child and dependent care credit</b> (attach Form IT-216)	<b>64.</b>	
<b>65 NYS earned income credit (EIC)</b> (attach Form IT-215 or IT-209)	<b>65.</b>	
<b>66 NYS noncustodial parent EIC</b> (attach Form IT-209)	<b>66.</b>	
<b>67 Real property tax credit</b> (attach Form IT-214)	<b>67.</b>	
<b>68 College tuition credit</b> (attach Form IT-272)	<b>68.</b>	
<b>69 NYC school tax credit</b> ( <b>also complete (F) on page 1; see instrs</b> )	<b>69.</b>	63.
<b>70 NYC earned income credit</b> (attach Form IT-215 or IT-209)	<b>70.</b>	
<b>71 Other refundable credits</b> (from Form IT-201-ATT, line 18; attach form)	<b>71.</b>	
<b>72 Total New York State tax withheld</b>	<b>72.</b>	3,500.
<b>73 Total New York City tax withheld</b>	<b>73.</b>	431.
<b>74 Total Yonkers tax withheld</b>	<b>74.</b>	
<b>75 Total estimated tax payments / Amount paid with Form IT-370</b>	<b>75.</b>	
<b>76 Total payments</b> (add lines 63 through 75)	<b>76.</b>	3,994.

**Forms IT-2, IT-1099-R, and/or IT-1099-UI must be completed and attached to your return (see instructions)**

**Staple them (and any other applicable forms) to the top of this page 4.**

**See the instructions for the proper assembly of your four-page return and all attachments.**

**Your refund / amount overpaid** (see instructions)

<b>77 Amount overpaid</b> (if line 76 is <b>more than</b> line 62, subtract line 62 from line 76)	<b>77.</b>	3,571.
<b>78 Amount of line 77 to be refunded by</b> (mark one): <b>direct deposit</b> (mark line 82) or <input checked="" type="checkbox"/> <b>paper check refund</b>	<b>78.</b>	3,571.
<b>79 Amount of line 77 that you want applied to your 2011 estimated tax.</b> (see instructions)	<b>79.</b>	

**Amount you owe** (see instructions)

<b>80 Amount you owe</b> (if line 76 is <b>less than</b> line 62, subtract line 76 from line 62). To pay by electronic funds withdrawal, mark this box <input type="checkbox"/> and mark line 82 <input type="checkbox"/>	<b>80.</b>	
<b>81 Estimated tax penalty</b> (Include this amount in line 80, or reduce the overpayment on line 77; see instructions.)	<b>81.</b>	

**Account information**

**82 Account information for direct deposit or electronic funds withdrawal.** See instructions.  
If the funds for your payment (or refund) would come from (or go to) an account outside the U.S., mark an **X** in this box (see instructions)

**82a Routing number** ☐ **Electronic funds withdrawal effective date**

**82b Account number** ☐ **82c Account Type** ☐ **Checking** ☐ **Savings**

**Third-party designee?**  
(see instrs.)

Print designee's name

Z WEBGUIDEEXAMPLES

Designee's phone number

877-662-2014

Personal identification number (PIN)

**Yes** ☒ **No**

E-mail:

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

Preparer's signature

Date:

► Preparer's NYTPRIN

► Z WEBGUIDEEXAMPLES

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

GREEN &amp; COMPANY CPAS, LLC

Address

54 DANBURY RD., #351

RIDGEFIELD, CT 06877

▼ Preparer's SSN or PTIN

● Employer ID number

20-0751653

Mark X if self-employed

E-mail:

**▼ Taxpayer(s) must sign here** ▼

Your signature

Your occupation

● TRADER

Spouse's signature and occupation (if joint return)

▼ Daytime phone number

Date

E-mail:

**See instructions for where to mail your return.**

NYIA1334L 12/27/10

2014101032

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

# Summary of W-2 Statements

New York State • New York City • Yonkers

2010

IT-2

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

Taxpayer's first name and middle initial      Taxpayer's last name  
 BUSINESS      T FOREX  
 Spouse's first name and middle initial      Spouse's last name

▼ Your social security number  
 999-99-9999  
 ▼ Spouse's social security number

## W-2 Record 1

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

X COMPANY - LEFT JOB MAY 30, 2009

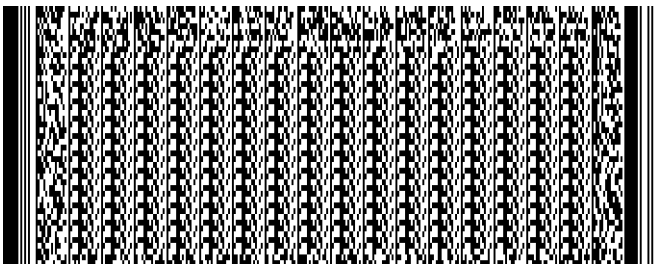
<b>Box b</b> Employer identification number (EIN)	<b>Box 12a</b> Amount	▼ Code	<b>Box 15</b> State	<b>Box 16</b> State wages, tips, etc (for NYS)
			NY	35,000.
<b>This W-2 record is for</b>	<b>Box 12b</b> Amount	▼ Code	<b>Box 17</b> New York State income tax withheld	
(mark an X in one box):	<b>Box 12c</b> Amount	▼ Code	<b>Box 18</b> Local wages, tips, etc (see instr)	
Taxpayer X Spouse	<b>Box 12d</b> Amount	▼ Code	Locality a	35,000.
<b>Box 1</b> Wages, tips, other compensation			Locality b	
35,000.			<b>Box 19</b> Local income tax withheld	
<b>Box 8</b> Allocated tips	<b>Box 13</b> Statutory employee		Locality a	431.
	<b>Box 14a</b> Amount	▼ Description	Locality b	
<b>Box 9</b> Advance EIC payment	43.	STATE DISABILITY INS.	<b>Box 20</b> Locality name	
<b>Box 10</b> Dependent care benefits	<b>Box 14b</b> Amount	▼ Description	Locality a	NYC
			Locality b	
<b>Box 11</b> Nonqualified plans	<b>Box 14c</b> Amount	▼ Description		
				Corrected (W-2c)

**Do not detach.**

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

## W-2 Record 2

<b>Box b</b> Employer identification number (EIN)	<b>Box 12a</b> Amount	▼ Code	<b>Box 15</b> State	<b>Box 16</b> State wages, tips, etc (for NYS)
<b>This W-2 record is for</b>	<b>Box 12b</b> Amount	▼ Code	<b>Box 17</b> New York State income tax withheld	
(mark an X in one box):	<b>Box 12c</b> Amount	▼ Code	<b>Box 18</b> Local wages, tips, etc (see instr)	
Taxpayer      Spouse	<b>Box 12d</b> Amount	▼ Code	Locality a	
<b>Box 1</b> Wages, tips, other compensation			Locality b	
<b>Box 8</b> Allocated tips	<b>Box 13</b> Statutory employee		Locality a	
	<b>Box 14a</b> Amount	▼ Description	Locality b	
<b>Box 9</b> Advance EIC payment			<b>Box 20</b> Locality name	
<b>Box 10</b> Dependent care benefits	<b>Box 14b</b> Amount	▼ Description	Locality a	
			Locality b	
<b>Box 11</b> Nonqualified plans	<b>Box 14c</b> Amount	▼ Description		
				Corrected (W-2c)



**Please file this original scannable form with the Tax Department.**

If you or your paid preparer use software to produce this form, it might have a two-dimensional (2-D) barcode on the bottom of this page. It will appear as a rectangular-shaped object with very small boxes and white spaces. This barcode will be used to efficiently process your entries on this form.

1021101032



2010

NEW YORK STATEMENTS

PAGE 1

CLIENT EX6F-NY

BUSINESS TRADER IN FOREX

999-99-9999

2/16/11

02:58PM

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

STATE, LOCAL, FOREIGN, AND GENERAL SALES TAXES .....	\$	3,974.
TOTAL	\$	<u>3,974.</u>

Demo

2010

## Federal Income Tax Summary

Page 1

Client EX6F-NY

Business Trader in Forex

999-99-9999

2/16/11

2:58 PM

	2010	2009	Diff
<b>INCOME</b>			
Wages, salaries, tips, etc.....	35,000	35,000	0
Refunds of state and local taxes.....	3,527	3,532	-5
Business income.....	-4,716	-4,716	0
Form 4797 gains or losses.....	-12,000	-12,000	0
Total income.....	21,811	21,816	-5
<b>ADJUSTMENTS TO INCOME</b>			
Total adjustments.....	0	0	0
Adjusted gross income.....	21,811	21,816	-5
<b>ITEMIZED DEDUCTIONS</b>			
Taxes.....	6,514	6,514	0
Interest.....	9,312	9,312	0
Total itemized deductions.....	15,826	15,826	0
<b>TAX COMPUTATION</b>			
Standard deduction.....	5,700	6,200	-500
Larger of itemized or standard deduction.....	15,826	15,826	0
Income prior to exemption deduction.....	5,985	5,990	-5
Exemption deduction.....	3,650	3,650	0
Taxable income.....	2,335	2,340	-5
Tax before credits.....	234	234	0
<b>CREDITS</b>			
Total credits.....	0	0	0
Tax after credits.....	234	234	0
<b>OTHER TAXES</b>			
Total tax.....	234	234	0
<b>PAYMENTS</b>			
Federal income tax withheld.....	7,500	7,500	0
Total payments.....	7,500	7,500	0
<b>REFUND OR AMOUNT DUE</b>			
Amount overpaid.....	7,266	7,266	0
Amount refunded to you.....	7,266	7,266	0
Amount you owe.....	0	0	0
<b>TAX RATES</b>			
Marginal tax rate.....	10.0%	10.0%	0.0%
Effective tax rate.....	10.0%	10.0%	0.0%

2010

## New York Income Tax Summary

Page 1

Client EX6F-NY

Business Trader in Forex

999-99-9999

2/16/11

2:58 PM

	2010	2009	Diff
<b>NEW YORK TAX SUMMARY</b>			
Federal adjusted gross income.....	21,811	21,816	-5
<b>NEW YORK SUBTRACTIONS</b>			
Refunds of state and local taxes.....	3,527	3,532	-5
<b>ADJUSTED GROSS INCOME</b>			
New York adjusted gross income.....	18,284	18,284	0
<b>TAXABLE INCOME</b>			
Itemized/Standard deduction.....	11,852	11,852	0
New York taxable income.....	6,432	6,432	0
<b>TAX AND CREDITS</b>			
New York state tax.....	257	257	0
New York state household credit.....	40	40	0
Total New York state tax.....	217	217	0
New York City resident tax.....	187	187	0
Total New York City and Yonkers taxes....	187	187	0
Sales or Use tax.....	19	17	2
Total state and city taxes and contribut	423	421	2
<b>PAYMENTS</b>			
New York City school tax credit.....	63	63	0
Total New York state tax withheld.....	3,500	3,500	0
Total New York City tax withheld.....	431	431	0
Total payments.....	3,994	3,994	0
<b>REFUND OR AMOUNT DUE</b>			
Amount overpaid.....	3,571	3,573	-2
Amount refunded to you.....	3,571	3,573	-2
Amount you owe.....	0	0	0
<b>TAX RATES</b>			
Marginal tax rate.....	4.00%	4.00%	0.00%
Effective tax rate.....	6.6%	6.5%	0.1%
New York City marginal tax rate.....	2.91%	2.91%	0.00%
Yonkers marginal tax rate.....	0.00%	0.00%	0.00%



**2010****General Information****Page 1****Client EX6F-NY****Business Trader in Forex****999-99-9999**

2/16/11

02:58PM

**Forms needed for this return**

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

**Tax Rates**

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

**Carryovers to 2011**Federal Carryovers

Bus Use of Home Operating Expenses	1,842.
AMT Bus Use of Home Operating Exp	1,842.
Taxable State and Local Refunds	3,527.

**Demo**

### Retirement Contributions

- ☐ In 2010 the taxpayer could have contributed \$5,000 to a traditional IRA, with estimated tax savings of \$234, or the taxpayer could have contributed \$5,000 to a Roth IRA, with estimated retirement contributions credit of \$200 (assuming no other changes). Contributions can be made up until April 18th, 2011.

### Future Tax Savings

- ☐ In 2011 the taxpayer can contribute \$5,000 to a traditional IRA, with estimated tax savings of \$234, or the taxpayer can contribute \$5,000 to a Roth IRA, with estimated retirement contributions credit of \$200 (assuming no other changes).

### Tax Tips

- ☐ Taxable income is \$2,335, placing the taxpayer in a 10% marginal tax bracket. Based on 2010 tax rates, income would have to increase by over \$6,040 in order for any income to begin being taxed in the 15% bracket. This may be used as a guide in determining the advantages or disadvantages of receiving discretionary income in 2011.
- ☐ The costs associated with maintaining a home office can be deducted only if strict IRS guidelines are met. Ensure that the home office is used exclusively for business, that the taxpayer uses the office to conduct administrative or management activities of a trade or business, and that there is no other fixed location of the trade or business where the taxpayer conducts substantial administrative or management activities for the business. Refer to IRS Publication 587 for additional rules related to the home office deduction.
- ☐ For home sales operations, ensure that storage space is included in the calculation of business square footage. Additional storage space can be underutilized spaces such as attics and basements. The storage space must be used on a regular basis and be an identifiable separate space suitable for storage.
- ☐ The taxpayer has a large overpayment. Ensure that the Form W-4 on file with the employer accurately reflects the personal allowances that the taxpayer is entitled to.

### Compliance Tips

- ☐ Schedule C for Business Trader in Forex (1) : Ensure that all required information returns such as Form 1099, 1098, 5498, and W-2G have been filed. Penalties for not filing required information returns can be fairly high.

**Schedule A Comparison Flags**

- ☐ Schedule A state and local taxes are 320% higher than the typical amount deducted by taxpayers claiming the deduction, with similar AGI.
- ☐ Schedule A real estate taxes are 5% lower than the typical amount deducted by taxpayers claiming the deduction, with similar AGI.
- ☐ Schedule A total taxes paid are 115% higher than the typical amount deducted by taxpayers claiming the deduction, with similar AGI.
- ☐ Schedule A home mortgage interest reported on Form 1098 is 10% higher than the typical amount deducted by taxpayers claiming the deduction, with similar AGI.
- ☐ Schedule A total interest paid deduction is 9% higher than the typical amount deducted by taxpayers claiming the deduction, with similar AGI.
- ☐ Schedule A total itemized deductions are 5% higher than the typical amount deducted by taxpayers claiming the deduction, with similar AGI.

Demo

**2010****Schedule A Analysis****Client EX6F-NY****Business Trader in Forex****999-99-9999**

2/16/11 AGI Range Used for This Analysis  <b>\$20,000 - \$24,999</b>	This Return		Typical Return*		02:58PM  This Return's Deviation From Typical
	Amounts	% of AGI	Amounts	% of AGI	
<b>AGI</b>					
Adjusted gross income	21,811.	N/A	21,811.	N/A	
<b>MEDICAL AND DENTAL EXPENSES</b>					
Medical and dental expenses before limitation			9,143.	41.92%	
Medical and dental expenses after limitation			7,512.	34.44%	
<b>TAXES PAID DEDUCTION</b>					
State and local taxes	3,974.	18.22%	947.	4.34%	+319.64% **
Real estate taxes	2,540.	11.65%	2,674.	12.26%	-5.01% **
New motor vehicle taxes					
Personal property taxes			388.	1.78%	
Other taxes			436.	2.0%	
Total taxes paid deduction	6,514.	29.87%	3,036.	13.92%	+114.56% **
<b>INTEREST PAID DEDUCTION</b>					
Home mortgage interest on Form 1098	9,312.	42.69%	8,493.	38.94%	+9.64% **
Home mortgage interest not on Form 1098			6,013.	27.57%	
Deductible points			345.	1.58%	
Qualified mortgage insurance premiums			1,071.	4.91%	
Investment interest deduction			1,317.	6.04%	
Total interest paid deduction	9,312.	42.69%	8,528.	39.1%	+9.19% **
<b>CHARITABLE CONTRIBUTIONS</b>					
Cash or check contributions			1,817.	8.33%	
Other than cash contributions			704.	3.23%	
Carryover from prior years			11,228.	51.48%	
Allowable charitable contributions			1,967.	9.02%	
<b>CASUALTY AND THEFT LOSSES</b>					
Casualty or theft loss deduction			7,902.	36.23%	
<b>MISCELLANEOUS DEDUCTIONS SUBJECT TO 2% LIMITATION</b>					
Unreimbursed employee business expenses			4,912.	22.52%	
Other deductions			1,581.	7.25%	
Total miscellaneous deductions before limitation			2,787.	12.78%	
Total miscellaneous deductions after limitation			4,931.	22.61%	
<b>OTHER MISCELLANEOUS DEDUCTIONS</b>					
Gambling loss deduction			5,571.	25.54%	
Other deductions			2,905.	13.32%	
Total other miscellaneous deductions			4,506.	20.66%	
<b>TOTAL ITEMIZED DEDUCTIONS</b>					
Total itemized deductions after limitation	15,826.	72.56%	15,080.	69.14%	+4.95% **

\* Typical amounts are estimates derived from IRS Table 2.1 - Individual Income Tax Returns with Itemized Deductions (Tax Year 2008), posted on the IRS website. The typical column is reflective of taxpayers who claimed the deduction only. Typical amounts are expressed as a percentage of AGI, using the average AGI and average deduction claimed for taxpayers within the given range. As an example, the table may indicate that the average AGI for taxpayers within the \$75,000 to \$99,999 AGI range is \$86,942 and that the average deduction for cash contributions (for those claiming it) within the same AGI range is \$2,625. The Schedule A Analysis assumes that the typical cash contribution for a taxpayer within this range is 3.02% (\$2,625 divided by \$86,942) of the taxpayer's actual AGI.

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

**2010****Schedule C Analysis****Client EX6F-NY****Business Trader in Forex****999-99-9999**

2/16/11	Actual Amounts For This Business		National Average Expense Ratios Applied to This Business*		02:58PM
Business Trader in Forex (1) PBA Code: 523900 Other Financial Investment Activities (advice, etc.)	Amounts	% of Sales	Amounts	% of Sales	This Business' Deviation from Averages

**INCOME**

Gross receipts less returns and allowances		N/A		N/A	
Cost of goods sold:					
Beginning inventory				0.14%	
Purchases				73.26%	
Cost of labor				0.27%	
Materials and supplies				0.24%	
Other costs				10.51%	
Ending inventory				0.11%	
Cost of goods sold					
Gross profit					
Other income				0.27%	
Total income	0.		0.		

**EXPENSES**

Advertising				0.06%	
Car and truck expenses				0.29%	
Commissions				1.06%	
Contract labor				0.43%	
Depletion					
Depreciation				0.32%	
Employee benefit programs				0.02%	
Insurance				0.03%	
Mortgage interest				0.07%	
Other interest				0.18%	
Legal and professional services				0.25%	
Office expense				0.27%	
Pension and profit-sharing plans				0.01%	
Rent or lease of machinery and equipment				0.04%	
Rent on other business property				0.94%	
Repairs and maintenance				0.08%	
Supplies				0.11%	
Taxes and licenses				0.07%	
Travel				0.34%	
Meals and entertainment				0.27%	
Utilities				0.13%	
Wages				1.17%	
Other expenses	2,567.			5.46%	
Expenses for business use of home	2,149.			0.02%	
Total expenses	4,716.		0.		
<b>NET PROFIT</b>	-4,716.		0.		

\* National average expense ratios are derived from the IRS summer 2010 statistics of income bulletin for sole proprietorships (Sole Proprietor Returns, 2008 section). The ratios are expressed as a percentage of gross receipts for businesses of this type, or similar type.