

2/19/12

10:01AM

EX8F-CA:

During 2011, Joe had total trading proceeds over \$20 million and total round-trip trades of over 1,000 per review of the TradeLog reports. Trading was Joe's only occupation in 2011 and his source of livelihood. Joe qualifies as a "trader in commodities" (i.e., he has trader tax status), so he reports all his trading business expenses on Schedule C (Business Profit and Loss).

Joe was wise - he was profitable trading commodities for the year as of April 15, 2011, and he decided to not elect mark-to-market accounting for 2011. If he had decided to, the election would have been due by April 15, 2011. Joe understood that electing MTM would convert his commodities "capital gains and losses" to "ordinary gains and losses," and he did not want to forgo the 60-percent long-term capital gains rate benefit on commodities gains. Without MTM, Joe saved a considerable amount of federal taxes vs. Example 7.

Demo

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

Your first name MI Last name Your social security number

Joe Trader no MTM Comm Gain Ex8 999-99-9999

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

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

any street Make sure the SSN(s) above and on line 6c are correct.

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

Los Angeles, CA 90025 Presidential Election Campaign

Foreign country name Foreign province/county Foreign postal code

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

## Filing Status

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

Check only one box.

## Exemptions

- 6a ☒ Yourself. If someone can claim you as a dependent, do not check box 6a
- b ☐ Spouse

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 or (see instrs)	Boxes checked on 6a and 6b . . . No. of children on 6c who:
(1) First name	Last name				• lived with you . . . . .
				<input type="checkbox"/>	• did not live with you due to divorce or separation (see instrs) . . . . .
				<input type="checkbox"/>	Dependents on 6c not entered above . . . . .
				<input type="checkbox"/>	Add numbers on lines above . . . . .

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

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

## Income

- 7 Wages, salaries, tips, etc. Attach Form(s) W-2. . . . . 7
- 8a Taxable interest. Attach Schedule B if required. . . . . 8a 1,762.
- b Tax-exempt interest. Do not include on line 8a. . . . . 8b
- 9a Ordinary dividends. Attach Schedule B if required. . . . . 9a 897.
- b Qualified dividends. . . . . 9b 897.
- 10 Taxable refunds, credits, or offsets of state and local income taxes. . . . . 10
- 11 Alimony received. . . . . 11
- 12 Business income or (loss). Attach Schedule C or C-EZ. . . . . 12
- 13 Capital gain or (loss). Att Sch D if reqd. If not reqd, ck here. . . . . 13 204,637.
- 14 Other gains or (losses). Attach Form 4797. . . . . 14
- 15a IRA distributions. . . . . 15a b Taxable amount. . . . . 15b
- 16a Pensions and annuities. . . . . 16a b Taxable amount. . . . . 16b
- 17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E. . . . . 17
- 18 Farm income or (loss). Attach Schedule F. . . . . 18
- 19 Unemployment compensation. . . . . 19
- 20a Social security benefits. . . . . 20a b Taxable amount. . . . . 20b
- 21 Other income. . . . . 21
- 22 Combine the amounts in the far right column for lines 7 through 21. This is your total income. . . . . 22 207,296.

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.

## Adjusted Gross Income

- 23 Educator expenses. . . . . 23
- 24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ. . . . . 24
- 25 Health savings account deduction. Attach Form 8889. . . . . 25
- 26 Moving expenses. Attach Form 3903. . . . . 26
- 27 Deductible part of self-employment tax. Attach Schedule SE. . . . . 27
- 28 Self-employed SEP, SIMPLE, and qualified plans. . . . . 28
- 29 Self-employed health insurance deduction. . . . . 29
- 30 Penalty on early withdrawal of savings. . . . . 30
- 31a Alimony paid b Recipient's SSN. . . . . 31a
- 32 IRA deduction. . . . . 32
- 33 Student loan interest deduction. . . . . 33
- 34 Tuition and fees. Attach Form 8917. . . . . 34
- 35 Domestic production activities deduction. Attach Form 8903. . . . . 35
- 36 Add lines 23 through 35. . . . . 36 0.
- 37 Subtract line 36 from line 22. This is your adjusted gross income. . . . . 37 207,296.

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

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

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

<b>38</b>	Amount from line 37 (adjusted gross income).....	<b>38</b>	207,296.
<b>39a</b>	Check if: <input type="checkbox"/> You were born before January 2, 1947, <input type="checkbox"/> Blind. <b>Total boxes checked</b> <input type="checkbox"/> <b>39a</b>		
	<input type="checkbox"/> Spouse was born before January 2, 1947, <input type="checkbox"/> Blind. <b>39b</b> <input type="checkbox"/>		
<b>40</b>	Itemized deductions (from Schedule A) or your standard deduction (see instructions).....	<b>40</b>	5,800.
<b>41</b>	Subtract line 40 from line 38.....	<b>41</b>	201,496.
<b>42</b>	<b>Exemptions.</b> Multiply \$3,700 by the number on line 6d.....	<b>42</b>	3,700.
<b>43</b>	<b>Taxable income.</b> Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-.....	<b>43</b>	197,796.
<b>44</b>	<b>Tax</b> (see instrs). Check if any from: <b>a</b> <input type="checkbox"/> Form(s) 8814 <b>c</b> <input type="checkbox"/> 962 election <b>b</b> <input type="checkbox"/> Form 4972.....	<b>44</b>	32,593.
<b>45</b>	<b>Alternative minimum tax</b> (see instructions). Attach Form 6251.....	<b>45</b>	588.
<b>46</b>	Add lines 44 and 45.....	<b>46</b>	33,181.
<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>	33,181.
<b>56</b>	Self-employment tax. Attach Schedule SE.....	<b>56</b>	
<b>57</b>	Unreported social security and Medicare tax from Form: <b>a</b> <input type="checkbox"/> 4137 <b>b</b> <input type="checkbox"/> 8919.....	<b>57</b>	
<b>58</b>	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required.....	<b>58</b>	
<b>59a</b>	Household employment taxes from Schedule H.....	<b>59a</b>	
<b>59b</b>	First-time homebuyer credit repayment. Attach Form 5405 if required.....	<b>59b</b>	
<b>60</b>	Other taxes. Enter code(s) from instructions.....	<b>60</b>	
<b>61</b>	Add lines 55-60. This is your <b>total tax</b> .....	<b>61</b>	33,181.
<b>62</b>	Federal income tax withheld from Forms W-2 and 1099.....	<b>62</b>	
<b>63</b>	2011 estimated tax payments and amount applied from 2010 return.....	<b>63</b>	
<b>64a</b>	<b>Earned income credit (EIC)</b> ..... <input type="checkbox"/> No <b>64a</b>		
<b>64b</b>	Nontaxable combat pay election..... <input type="checkbox"/> <b>64b</b>		
<b>65</b>	Additional child tax credit. Attach Form 8812.....	<b>65</b>	
<b>66</b>	American opportunity credit from Form 8863, line 14.....	<b>66</b>	
<b>67</b>	First-time homebuyer credit from Form 5405, line 10.....	<b>67</b>	
<b>68</b>	Amount paid with request for extension to file.....	<b>68</b>	
<b>69</b>	Excess social security and tier 1 RRTA tax withheld.....	<b>69</b>	
<b>70</b>	Credit for federal tax on fuels. Attach Form 4136.....	<b>70</b>	
<b>71</b>	Credits from Form: <b>a</b> <input type="checkbox"/> 2439 <b>b</b> <input type="checkbox"/> 8839 <b>c</b> <input type="checkbox"/> 8801 <b>d</b> <input type="checkbox"/> 8885.....	<b>71</b>	
<b>72</b>	Add lines 62, 63, 64a, & 65-71. These are your <b>total pmnts</b> .....	<b>72</b>	0.
<b>73</b>	If line 72 is more than line 61, subtract line 61 from line 72. This is the amount you <b>overpaid</b> .....	<b>73</b>	
<b>74a</b>	Amount of line 73 you want <b>refunded to you</b> . If Form 8888 is attached, check here.. <input type="checkbox"/> <b>74a</b>		
<b>74b</b>	Routing number..... <b>c</b> Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
<b>74d</b>	Account number.....		
<b>75</b>	Amount of line 73 you want <b>applied to your 2012 estimated tax</b> ..... <b>75</b>		
<b>76</b>	<b>Amount you owe.</b> Subtract line 72 from line 61. For details on how to pay see instructions.....	<b>76</b>	33,181.
<b>77</b>	Estimated tax penalty (see instructions).....	<b>77</b>	

**Payments**

If you have a qualifying child, attach Schedule EIC.

**Refund**

Direct deposit?  
See instructions.

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

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

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

**Sign Here**

Joint return?  
See instructions.

Keep a copy for your records.

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, <b>both</b> must sign.	Date	Spouse's occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst)

**Paid Preparer's Use Only**

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

**SCHEDULE B**  
**(Form 1040A or 1040)**

Department of the Treasury  
Internal Revenue Service (99)

**Interest and Ordinary Dividends**

▶ **Attach to Form 1040A or 1040.**

▶ **See Instructions.**

OMB No. 1545-0074

**2011**

Attachment  
Sequence No. **08**

Name(s) shown on return

Joe Trader no MTM Comm Gain Ex8

Your social security number

999-99-9999

**Part I**  
**Interest**

(See  
instructions for  
Form 1040A,  
or Form 1040,  
line 8a.)

**Note.** If you  
received a Form  
1099-INT, Form  
1099-OID, or  
substitute statement  
from a brokerage  
firm, list the firm's  
name as the payer  
and enter the total  
interest shown on  
that form.

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

Interactive Brokers - trading a/c

**Amount**

1,762.

1

- 2 Add the amounts on line 1

1,762.

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

3

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

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**

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

X

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.

X

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

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

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

X

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

Department of the Treasury  
Internal Revenue Service (99)

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

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

OMB No. 1545-0074

**2011**

Attachment  
Sequence No. **09**

Name of proprietor

Joe Trader no MTM Comm Gain Ex8

Social security number (SSN)

999-99-9999

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

Trader in Commodities - See Note

**B** Enter code from instructions

► 523900

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

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

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

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

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

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

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

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

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

**Part I** **Income**

<b>1 a</b> Merchant card and third party payments. For 2011, enter -0-.....	<b>1 a</b>	0.	
<b>b</b> Gross receipts or sales not entered on line 1a (see instructions).....	<b>1 b</b>		
<b>c</b> Income reported to you on Form W-2 if the 'Statutory Employee' box on that form was checked. <b>Caution.</b> See instructions before completing this line.....	<b>1 c</b>		
<b>d</b> Total gross receipts. Add lines 1a through 1c.....	<b>1 d</b>		
<b>2</b> Returns and allowances plus any other adjustments (see instructions).....	<b>2</b>		
<b>3</b> Subtract line 2 from line 1d.....	<b>3</b>		
<b>4</b> Cost of goods sold (from line 42).....	<b>4</b>		
<b>5</b> <b>Gross profit.</b> Subtract line 4 from line 3.....	<b>5</b>		
<b>6</b> Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)..... See Statement 1	<b>6</b>	46,147.	
<b>7</b> <b>Gross income.</b> Add lines 5 and 6.....	<b>7</b>	46,147.	

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

<b>8</b> Advertising.....	<b>8</b>		<b>18</b> Office expense (see instructions).....	<b>18</b>	
<b>9</b> Car and truck expenses (see instructions).....	<b>9</b>		<b>19</b> Pension and profit-sharing plans.....	<b>19</b>	
<b>10</b> Commissions and fees.....	<b>10</b>		<b>20</b> Rent or lease (see instructions):		
<b>11</b> Contract labor (see instructions).....	<b>11</b>		<b>a</b> Vehicles, machinery, and equipment.....	<b>20 a</b>	
<b>12</b> Depletion.....	<b>12</b>		<b>b</b> Other business property.....	<b>20 b</b>	
<b>13</b> Depreciation and section 179 expense deduction (not included in Part III) (see instructions).....	<b>13</b>	7,865.	<b>21</b> Repairs and maintenance.....	<b>21</b>	
<b>14</b> Employee benefit programs (other than on line 19).....	<b>14</b>		<b>22</b> Supplies (not included in Part III).....	<b>22</b>	953.
<b>15</b> Insurance (other than health).....	<b>15</b>		<b>23</b> Taxes and licenses.....	<b>23</b>	
<b>16</b> Interest:			<b>24</b> Travel, meals, and entertainment:		
<b>a</b> Mortgage (paid to banks, etc).....	<b>16 a</b>		<b>a</b> Travel.....	<b>24 a</b>	1,855.
<b>b</b> Other.....	<b>16 b</b>	16,299.	<b>b</b> Deductible meals and entertainment (see instructions).....	<b>24 b</b>	1,327.
<b>17</b> Legal & professional services.....	<b>17</b>		<b>25</b> Utilities.....	<b>25</b>	
			<b>26</b> Wages (less employment credits).....	<b>26</b>	
			<b>27 a</b> Other expenses (from line 48).....	<b>27 a</b>	10,612.
			<b>b</b> Reserved for future use.....	<b>27 b</b>	
<b>28</b> <b>Total expenses</b> before expenses for business use of home. Add lines 8 through 27a.....	<b>28</b>	38,911.			
<b>29</b> Tentative profit or (loss). Subtract line 28 from line 7.....	<b>29</b>	7,236.			
<b>30</b> Expenses for business use of your home. Attach <b>Form 8829</b> . Do <b>not</b> report such expenses elsewhere.....	<b>30</b>	7,236.			
<b>31</b> <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 entered an amount on line 1c, see instructions. Estates and trusts, enter on <b>Form 1041, line 3</b> . • If a loss, you <b>must</b> go to line 32.	<b>31</b>	0.			

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

• If you checked 32a, enter the loss on both **Form 1040, line 12**, (or **Form 1040NR, line 13**) and on **Schedule SE, line 2**. If you entered an amount on line 1c, see the instructions for line 31. Estates and trusts, enter on **Form 1041, line 3**.

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

**32 a** ☐ All investment is at risk.

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

**Part III Cost of Goods Sold** (see instructions)33 Method(s) used to value closing inventory: a ☐ Cost b ☐ Lower of cost or market c ☐ Other (attach explanation)

34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory?

If 'Yes,' attach explanation

☐ Yes ☐ No

35 Inventory at beginning of year. If different from last year's closing inventory, attach explanation

35

36 Purchases less cost of items withdrawn for personal use

36

37 Cost of labor. Do not include any amounts paid to yourself.

37

38 Materials and supplies

38

39 Other costs

39

40 Add lines 35 through 39.

40

41 Inventory at end of year.

41

42 Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on line 4.

42

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

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

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

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

45 Was your vehicle available for personal use during off-duty hours? ☐ Yes ☐ No46 Do you (or your spouse) have another vehicle available for personal use? ☐ Yes ☐ No47a Do you have evidence to support your deduction? ☐ Yes ☐ Nob 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

48 Total other expenses. Enter here and on line 27a. 48 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. ▶ See Instructions for Schedule D (Form 1040).  
▶ Use Form 8949 to list your transactions for lines 1, 2, 3, 8, 9, and 10.

OMB No. 1545-0074

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

Name(s) shown on return

Joe Trader no MTM Comm Gain Ex8

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

**(e)** Sales price from Form(s) 8949, line 2, column (e)**(f)** Cost or other basis from Form(s) 8949, line 2, column (f)**(g)** Adjustments to gain or loss from Form(s) 8949, line 2, column (g)**(h)** Gain or (loss) Combine columns (e), (f), and (g)

<b>1</b> Short-term totals from all Forms 8949 with <b>box A</b> checked in <b>Part I</b> .....				
<b>2</b> Short-term totals from all Forms 8949 with <b>box B</b> checked in <b>Part I</b> .....				
<b>3</b> Short-term totals from all Forms 8949 with <b>box C</b> checked in <b>Part I</b> .....				
<b>4</b> Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824 .....	<b>4</b>	75,708.		
<b>5</b> Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1 .....	<b>5</b>			
<b>6</b> Short-term capital loss carryover. Enter the amount, if any, from line 8 of your <b>Capital Loss Carryover Worksheet</b> in the instructions .....	<b>6</b>			
<b>7 Net short-term capital gain or (loss).</b> Combine lines 1 through 6 in column (h). If you have any long-term capital gains or losses, go to Part II below. Otherwise, go to Part III on page 2 .....	<b>7</b>	75,708.		

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

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

**(e)** Sales price from Form(s) 8949, line 4, column (e)**(f)** Cost or other basis from Form(s) 8949, line 4, column (f)**(g)** Adjustments to gain or loss from Form(s) 8949, line 4, column (g)**(h)** Gain or (loss) Combine columns (e), (f), and (g)

<b>8</b> Long-term totals from all Forms 8949 with <b>box A</b> checked in <b>Part II</b> .....				
<b>9</b> Long-term totals from all Forms 8949 with <b>box B</b> checked in <b>Part II</b> .....	875,105.	859,739.		15,366.
<b>10</b> Long-term totals from all Forms 8949 with <b>box C</b> checked in <b>Part II</b> .....				
<b>11</b> 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 .....	<b>11</b>	113,563.		
<b>12</b> Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1 .....	<b>12</b>			
<b>13</b> Capital gain distributions. See instrs .....	<b>13</b>			
<b>14</b> Long-term capital loss carryover. Enter the amount, if any, from line 13 of your <b>Capital Loss Carryover Worksheet</b> in the instructions .....	<b>14</b>			
<b>15 Net long-term capital gain or (loss).</b> Combine lines 8 through 14 in column (h). Then go to Part III on page 2 .....	<b>15</b>	128,929.		

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

Schedule D (Form 1040) 2011

**Part III Summary**

16 Combine lines 7 and 15 and enter the result.....	<b>16</b>	204,637.
<ul style="list-style-type: none"> <li>• If line 16 is a <b>gain</b>, enter the amount from line 16 on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 17 below.</li> <li>• If line 16 is a <b>loss</b>, skip lines 17 through 20 below. Then go to line 21. Also be sure to complete line 22.</li> <li>• If line 16 is <b>zero</b>, skip lines 17 through 21 below and enter -0- on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 22.</li> </ul>		
17 Are lines 15 and 16 <b>both</b> gains?		
<input checked="" type="checkbox"/> <b>Yes.</b> Go to line 18.		
<input type="checkbox"/> <b>No.</b> Skip lines 18 through 21, and go to line 22.		
18 Enter the amount, if any, from line 7 of the <b>28% Rate Gain Worksheet</b> in the instructions.....	<b>18</b>	0.
19 Enter the amount, if any, from line 18 of the <b>Unrecaptured Section 1250 Gain Worksheet</b> in the instructions.....	<b>19</b>	
20 Are lines 18 and 19 <b>both</b> zero or blank?		
<input checked="" type="checkbox"/> <b>Yes.</b> Complete Form 1040 through line 43, or Form 1040NR through line 41. Then complete the <b>Qualified Dividends and Capital Gain Tax Worksheet</b> in the instructions for Form 1040, line 44 (or in the instructions for Form 1040NR, line 42). <b>Do not</b> complete lines 21 and 22 below.		
<input type="checkbox"/> <b>No.</b> Complete Form 1040 through line 43, or Form 1040NR through line 41. Then complete the <b>Schedule D Tax Worksheet</b> in the instructions. <b>Do not</b> complete lines 21 and 22 below.		
21 If line 16 is a loss, enter here and on Form 1040, line 13, or Form 1040NR, line 14, the <b>smaller</b> of:		
<ul style="list-style-type: none"> <li>• The loss on line 16 or</li> <li>• (\$3,000), or if married filing separately, (\$1,500)</li> </ul>	<b>21</b>	
<b>Note.</b> When figuring which amount is smaller, treat both amounts as positive numbers.		
22 Do you have qualified dividends on Form 1040, line 9b, or Form 1040NR, line 10b?		
<input type="checkbox"/> <b>Yes.</b> Complete Form 1040 through line 43, or Form 1040NR through line 41. Then complete the <b>Qualified Dividends and Capital Gain Tax Worksheet</b> in the instructions for Form 1040, line 44 (or in the instructions for Form 1040NR, line 42).		
<input type="checkbox"/> <b>No.</b> Complete the rest of Form 1040 or Form 1040NR.		



Your social security number

999-99-9999

**Note.** You **must** check **one** of the boxes below. Complete a *separate* Form 8949, page 2, for **each** box that is checked.

☐ **(A)** Long-term transactions reported on Form 1099-B with basis reported to the IRS      ☒ **(B)** Long-term transactions reported on Form 1099-B but basis not reported to the IRS      ☐ **(C)** Long-term transactions for which you cannot check box A or B

Demo

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

OMB No. 1545-0074

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

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

Your social security number

Joe Trader no MTM Comm Gain Ex8

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	207,296.
2	Medical and dental. Enter the <b>smaller</b> of Schedule A (Form 1040), line 4 or 2.5% (.025) of Form 1040, line 38. If zero or less, enter -0-	2	
3	Taxes from Schedule A (Form 1040), line 9	3	
4	Enter the home mortgage interest adjustment, if any, from line 6 of the worksheet in the instructions for this line	4	
5	Miscellaneous deductions from Schedule A (Form 1040), line 27	5	
6	Skip this line. It is reserved for future use	6	
7	Tax refund from Form 1040, line 10 or line 21	7	
8	Investment interest expense (difference between regular tax and AMT)	8	
9	Depletion (difference between regular tax and AMT)	9	
10	Net operating loss deduction from Form 1040, line 21. Enter as a positive amount	10	
11	Alternative tax net operating loss deduction	11	
12	Interest from specified private activity bonds exempt from the regular tax	12	
13	Qualified small business stock (7% of gain excluded under section 1202)	13	
14	Exercise of incentive stock options (excess of AMT income over regular tax income)	14	
15	Estates and trusts (amount from Schedule K-1 (Form 1041), box 12, code A)	15	
16	Electing large partnerships (amount from Schedule K-1 (Form 1065-B), box 6)	16	
17	Disposition of property (difference between AMT and regular tax gain or loss)	17	
18	Depreciation on assets placed in service after 1986 (difference between regular tax and AMT)	18	
19	Passive activities (difference between AMT and regular tax income or loss)	19	
20	Loss limitations (difference between AMT and regular tax income or loss)	20	
21	Circulation costs (difference between regular tax and AMT)	21	
22	Long-term contracts (difference between AMT and regular tax income)	22	
23	Mining costs (difference between regular tax and AMT)	23	
24	Research and experimental costs (difference between regular tax and AMT)	24	
25	Income from certain installment sales before January 1, 1987	25	
26	Intangible drilling costs preference	26	
27	Other adjustments, including income-based related adjustments	27	
28	<b>Alternative minimum taxable income.</b> Combine lines 1 through 27. (If married filing separately and line 28 is more than \$223,900, see instructions.)	28	207,296.

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

29	Exemption. (If you were under age 24 at the end of 2011, see instructions.)														
	<table border="0"> <tr> <td><b>IF your filing status is . . .</b></td> <td><b>AND line 28 is not over . . .</b></td> <td><b>THEN enter on line 29 . . .</b></td> </tr> <tr> <td>Single or head of household</td> <td>\$112,500</td> <td>\$48,450</td> </tr> <tr> <td>Married filing jointly or qualifying widow(er)</td> <td>150,000</td> <td>74,450</td> </tr> <tr> <td>Married filing separately</td> <td>75,000</td> <td>37,225</td> </tr> </table>	<b>IF your filing status is . . .</b>	<b>AND line 28 is not over . . .</b>	<b>THEN enter on line 29 . . .</b>	Single or head of household	\$112,500	\$48,450	Married filing jointly or qualifying widow(er)	150,000	74,450	Married filing separately	75,000	37,225	29	24,751.
<b>IF your filing status is . . .</b>	<b>AND line 28 is not over . . .</b>	<b>THEN enter on line 29 . . .</b>													
Single or head of household	\$112,500	\$48,450													
Married filing jointly or qualifying widow(er)	150,000	74,450													
Married filing separately	75,000	37,225													
	If line 28 is <b>over</b> the amount shown above for your filing status, see instructions.														
30	Subtract line 29 from line 28. If more than zero, go to line 31. If zero or less, enter -0- here and on lines 31, 33 and 35, and go to line 34.	30	182,545.												
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	33,181.												
32	Alternative minimum tax foreign tax credit (see instructions)	32													
33	Tentative minimum tax. Subtract line 32 from line 31.	33	33,181.												
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	32,593.												
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	588.												

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

FDIA5312L 12/22/11

Form **6251** (2011)

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

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

<b>36</b>	Enter the amount from Form 6251, line 30. If you are filing Form 2555 or 2555-EZ, enter the amount from line 3 of the worksheet in the instructions for this line .....	<b>36</b>	182,545.
<b>37</b>	Enter the amount from line 6 of the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44, or the amount from line 13 of the Schedule D Tax Worksheet in the instructions for Schedule D (Form 1040), whichever applies (as refigured for the AMT, if necessary) (see instructions). If you are filing Form 2555 or 2555-EZ, see instructions for the amount to enter. ....	<b>37</b>	129,826.
<b>38</b>	Enter the amount from Schedule D (Form 1040), line 19 (as refigured for the AMT, if necessary) (see instructions). If you are filing Form 2555 or 2555-EZ, see instructions for the amount to enter .....	<b>38</b>	0.
<b>39</b>	If you did not complete a Schedule D Tax Worksheet for the regular tax or the AMT, enter the amount from line 37. Otherwise, add lines 37 and 38, and enter the <b>smaller</b> of that result or the amount from line 10 of the Schedule D Tax Worksheet (as refigured for the AMT, if necessary). If you are filing Form 2555 or 2555-EZ, see instructions for the amount to enter. ....	<b>39</b>	129,826.
<b>40</b>	Enter the <b>smaller</b> of line 36 or line 39. ....	<b>40</b>	129,826.
<b>41</b>	Subtract line 40 from line 36. ....	<b>41</b>	52,719.
<b>42</b>	If line 41 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 41 by 26% (.26). Otherwise, multiply line 41 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result .....	<b>42</b>	13,707.
<b>43</b>	Enter: <ul style="list-style-type: none"> <li>• \$69,000 if married filing jointly or qualifying widow(er),</li> <li>• \$34,500 if single or married filing separately, or</li> <li>• \$46,250 if head of household.</li> </ul> .....	<b>43</b>	34,500.
<b>44</b>	Enter the amount from line 7 of the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44, or the amount from line 14 of the Schedule D Tax Worksheet in the instructions for Schedule D (Form 1040), whichever applies (as figured for the regular tax). If you did not complete either worksheet for the regular tax, enter -0-.....	<b>44</b>	67,970.
<b>45</b>	Subtract line 44 from line 43. If zero or less, enter -0-.....	<b>45</b>	0.
<b>46</b>	Enter the <b>smaller</b> of line 36 or line 37. ....	<b>46</b>	129,826.
<b>47</b>	Enter the <b>smaller</b> of line 45 or line 46. ....	<b>47</b>	
<b>48</b>	Subtract line 47 from line 46. ....	<b>48</b>	129,826.
<b>49</b>	Multiply line 48 by 15% (.15) .....	<b>49</b>	19,474.
<b>If line 38 is zero or blank, skip lines 50 and 51 and go to line 52. Otherwise, go to line 50.</b>			
<b>50</b>	Subtract line 46 from line 40. ....	<b>50</b>	
<b>51</b>	Multiply line 50 by 25% (.25) .....	<b>51</b>	
<b>52</b>	Add lines 42, 49, and 51 .....	<b>52</b>	33,181.
<b>53</b>	If line 36 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 36 by 26% (.26). Otherwise, multiply line 36 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result .....	<b>53</b>	47,613.
<b>54</b>	Enter the <b>smaller</b> of line 52 or line 53 here and on line 31. If you are filing Form 2555 or 2555-EZ, do not enter this amount on line 31. Instead, enter it on line 4 of the worksheet in the instructions for line 31. ....	<b>54</b>	33,181.

Form 6251 (2011)

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

► Attach to your tax return.

OMB No. 1545-0644

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

Name(s) shown on tax return

Joe Trader no MTM Comm Gain Ex8

Identifying number

999-99-9999

Check all applicable boxes (see instructions).

**A**  
**B**

Mixed straddle election

Straddle-by-straddle identification election

**C**  
**D**

Mixed straddle account election

Net section 1256 contracts loss election

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

1	(a) Identification of account	(b) (Loss)	(c) Gain
	Interactive Brokers futures trading a/c		235,418.
	Transfer part trading gain to Sch C-Note	46,147.	
2	Add the amounts on line 1 in columns (b) and (c).....	46,147.	235,418.
3	Net gain or (loss). Combine line 2, columns (b) and (c).....	3	189,271.
4	Form 1099-B adjustments. See instructions and attach schedule. ....	4	
5	Combine lines 3 and 4.....	5	189,271.
<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	189,271.
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	75,708.
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	113,563.

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

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

**Section B – Gains From Straddles**

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

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

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

BAA For Paperwork Reduction Act Notice, see separate instructions.

FDIZ1601L 06/21/11

Form **6781** (2011)

Form **8829**Department of the Treasury  
Internal Revenue Service (99)**Expenses for Business Use of Your Home**

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

OMB No. 1545-0074

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

Name(s) of proprietor(s)

Joe Trader no MTM Comm Gain Ex8

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

**Part II Figure Your Allowable Deduction**

8	Enter the amount from Schedule C, line 29, <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	7,236.
<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	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	7,236.
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).....	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 2010 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	7,236.
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 2010 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	7,236.
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	7,236.

**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 2012**

42	Operating expenses. Subtract line 26 from line 25. If less than zero, enter -0-.....	42	0.
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 09/12/11

Form **8829** (2011)

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

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

OMB No. 1545-0172

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

Name(s) shown on return

Joe Trader no MTM Comm Gain Ex8

Identifying number

999-99-9999

Business or activity to which this form relates

Schedule C - Joe Trader no MTM Comm Gain Ex8

**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	7,865.
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	0.
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	500,000.
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
See Statement 4			7,865.
7	Listed property. Enter the amount from line 29.	7	0.
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7.	8	7,865.
9	Tentative deduction. Enter the smaller of line 5 or line 8.	9	7,865.
10	Carryover of disallowed deduction from line 13 of your 2010 Form 4562.	10	0.
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs).	11	7,865.
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11.	12	7,865.
13	Carryover of disallowed deduction to 2012. Add lines 9 and 10, less line 12.	13	0.

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

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

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

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

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

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

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

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

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

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

21	Listed property. Enter amount from line 28.	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations — see instructions.	22	7,865.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs.	23	

BAA For Paperwork Reduction Act Notice, see separate instructions.

FD020812L 05/20/11

Form **4562** (2011)

2011

## Federal Statements

Page 1

Client EX8F-CA

Joe Trader no MTM Comm Gain Ex8

999-99-9999

2/19/12

10:01AM

**Statement 1 - Trader in Commodities - See Note**  
**Schedule C, Line 6**  
**Other Income**

Tsfr part trading gains Form 6781-Note.....	\$	46,147.
Total	\$	<u>46,147.</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.
Trading chat rooms.....		1,205.
Trading communications.....		644.
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**

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

**Statement 4**  
**Form 4562, Part I**  
**Election To Expense Certain Tangible Property (Section 179)**

<u>Description of Property</u>	<u>Cost</u>	<u>Elected Cost</u>
5-Year Computers for trading.....	3,466.	\$ 3,466.
7-Year Furniture/fixtures.....	2,946.	2,946.
Software for trading.....	1,453.	1,453.
Total		<u>\$ 7,865.</u>

Client EX8F-CA

Joe Trader no MTM Comm Gain Ex8

999-99-9999

2/19/12

10:01AM

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 2011. 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 2011. Considerable time spent every trading day, consistent and frequent number of trades, and trading proceeds all support taxpayer's rising to the level of conducting this activity as a business.

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

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

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

..Your activity must be substantial.

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

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

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

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

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

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

Note.

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

How To Report.

-----



Client EX8F-CA

Joe Trader no MTM Comm Gain Ex8

999-99-9999

2/19/12

10:01AM

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.

#### SPECIAL NOTES

If Taxpayer has net trading gains, sufficient trading gains are transferred from Form 6781 to Schedule C to cover Taxpayer's related trading business expenses. This is done since Schedule C business expenses relate to taxpayer's trading gains. There is no change to the tax liability as a result of this transfer.

Client EX8F-CA

Joe Trader no MTM Comm Gain Ex8

999-99-9999

2/19/12

10:01AM

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

Schwab - invest a/c

	897.
Total	<u>897.</u>

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

- |                                                                                                                                              |          |                |
|----------------------------------------------------------------------------------------------------------------------------------------------|----------|----------------|
| 1. Enter the amount from Form 1040, line 43                                                                                                  |          | 197,796.       |
| 2. Enter the amount from Form 1040, line 9b                                                                                                  | 897.     |                |
| 3. Are you filing Schedule D?                                                                                                                |          |                |
| [X] Yes. Enter the smaller of line 15 or 16 of Schedule D, but do not enter less than zero                                                   |          |                |
| [ ] No. Enter the amount from Form 1040, line 13                                                                                             | 128,929. |                |
| 4. Add lines 2 and 3                                                                                                                         | 129,826. |                |
| 5. If you are claiming investment interest expense on Form 4952, enter the amount from line 4g of that form. Otherwise enter zero.           | 0.       |                |
| 6. Subtract line 5 from line 4. If zero or less, enter zero.                                                                                 |          | 129,826.       |
| 7. Subtract line 6 from line 1. If zero or less, enter zero.                                                                                 |          | 67,970.        |
| 8. Enter:                                                                                                                                    |          |                |
| \$34,500 if single or married filing separately,                                                                                             |          |                |
| \$69,000 if married filing jointly or qualifying widow(er), \$46,250 if head of household.                                                   |          | 34,500.        |
| 9. Enter the smaller of line 1 or line 8                                                                                                     |          | 34,500.        |
| 10. Enter the smaller of line 7 or line 9                                                                                                    |          | 34,500.        |
| 11. Subtract line 10 from line 9. This amount is taxed at 0%                                                                                 |          | 0.             |
| 12. Enter the smaller of line 1 or line 6                                                                                                    |          | 129,826.       |
| 13. Enter the amount from line 11                                                                                                            |          | 0.             |
| 14. Subtract line 13 from line 12                                                                                                            |          | 129,826.       |
| 15. Multiply line 14 by 15% (.15)                                                                                                            |          | 19,474.        |
| 16. Figure the tax on the amount on line 7. (Use the Tax Table or Tax Computation Worksheet)                                                 |          | 13,119.        |
| 17. Add lines 15 and 16                                                                                                                      |          | 32,593.        |
| 18. Figure the tax on the amount on line 1. (Use the Tax Table or Tax Computation Worksheet)                                                 |          | 50,170.        |
| 19. Tax on all taxable income (including capital gain distributions). Enter the smaller of line 17 or line 18 here and on Form 1040, line 44 |          | <u>32,593.</u> |

Client EX8F-CA

Joe Trader no MTM Comm Gain Ex8

999-99-9999

2/19/12

10:01AM

**Taxable Business Income for Limitation of  
Section 179 Expense Deduction (Form 4562, Line 11)**

Wages, salaries, tips, etc.	0.
Business income or loss	7,865.
Farm income or loss	0.
Rental real estate income or loss	0.
Nonpassive partnerships, S corps, estates, trusts	0.
Income or loss for real estate professionals	0.
Gains or losses on sales of business property	0.
Total Taxable Business Income	<u>7,865.</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>

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

- |                                                                                                                                                                                                              |          |           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-----------|
| 1. Enter \$48,450 (\$74,450 if married filing jointly or qualifying widow(er), \$37,225 if married filing separately.)                                                                                       |          | 48,450.   |
| 2. Enter your alternative minimum taxable income (AMTI) from Form 6251, line 28.                                                                                                                             | 207,296. |           |
| 3. Enter \$112,500 (\$150,000 if married filing jointly or qualifying widow(er), \$75,000 if married filing separately.)                                                                                     | 112,500. |           |
| 4. Subtract line 3 from line 2.                                                                                                                                                                              | 94,796.  |           |
| 5. Multiply line 4 by 25% (.25).                                                                                                                                                                             |          | 23,699.   |
| 6. Subtract line 5 from line 1. If this form is for a child under age 18, or a full-time student under age 24, go to line 7. Otherwise enter this amount on Form 6251, line 29 and go to Form 6251, line 30. |          | 24,751.   |
| 7. Child's minimum exemption amount.                                                                                                                                                                         |          | 0.        |
| 8. Enter the child's earned income, if any.                                                                                                                                                                  |          | 0.        |
| 9. Add lines 7 and 8.                                                                                                                                                                                        |          | 0.        |
| 10. Enter the smaller of line 6 or line 9 here and on Form 6251, line 29.                                                                                                                                    |          | <u>0.</u> |

Demo

12/31/11

## 2011 Federal Summary Depreciation Schedule

Page 1

Client EX8F-CA

Joe Trader no MTM Comm Gain Ex8

999-99-9999

2/19/12

10:01AM

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179/ SDA	Prior 179/ SDA/ Depr.	Method	Life	Current Depr.
Schedule C - Joe Trader no MTM Comm Gain Ex8										
Furniture and Fixtures										
2	Furniture/fixtures	Various		2,946		2,946		200DB HY	7	0
	Total Furniture and Fixtures			2,946		2,946	0			0
Machinery and Equipment										
1	Computers for trading	Various		3,466		3,466		200DB HY	5	0
3	Software for trading	Various		1,453		1,453		S/L	3	0
	Total Machinery and Equipment			4,919		4,919	0			0
	Total Depreciation			7,865		7,865	0			0
	Grand Total Depreciation			7,865		7,865	0			0

Demo

**California Resident  
Income Tax Return 2011**

FORM

**540** C1 Side 1

APE

ATTACH FEDERAL RETURN

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

11 PBA 523900

ANY ST

LOS ANGELES

CA 90025

01-01-1960

01	1	72	0	408	0	APE	0
06	0	73	0	410	0	FS	0
09	0	74	0	412	0	3800	0
10	0	91	0	413	0	3803	0
12	0	92	0	414	0	SCHG1	0
14	0	93	0	415	0	5870A	0
16	0	94	16576	416	0	5805 5805F	0
17	207296	95	0	417	0	DESIGNEE	1
18	3769	400	0	418	0	TPID	
31	16576	401	0	419	0	FN 200751653	
34	0	402	0	110	0		
40	0	403	0	111	16576		
41	0	404	0	112	0		
42	0	405	0	113	0		
43	0	406	0	115	0		
44	0	407	0	116	0		
45	0			117	0		
46	0						
61	0						
62	0						
63	0						
64	16576						
71	0						

Demo

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) \_\_\_\_\_

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)

● Paid Preparer's PTIN

Z WEBGUIDEEXAMPLES

Firm's name (or yours, if self-employed)  
GREEN & COMPANY CPAS, LLC  
54 DANBURY RD., #351  
RIDGEFIELD, CT 06877

Firm's address

● FEIN

20-0751653

Do you want to allow another person to discuss this tax return with us (see instructions)? ☒ Yes ☐ No

Z WEBGUIDEEXAMPLES

877-662-2014

Print Third Party Designee's Name

Telephone Number

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

Joint tax return? (See instructions.)

059

3101116

7

Your Name: JOE TRADER NO MTM COMM GAIN EX8Your SSN or ITIN: 999-99-9999**Filing Status**

- 1 ☒ Single  
2 ☐ Married/RDP filing jointly. (see instructions)  
3 ☐ Married/RDP filing separately. Enter spouse's/RDP's SSN or ITIN above and full name here...  
4 ☐ Head of household (with qualifying person). (see instructions)  
5 ☐ 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...  
6 If someone can claim you (or your spouse/RDP) as a dependent, check the box here (see instructions)...

**Exemptions**

- 7 **Personal:** If you checked 1, 3, or 4 above, enter 1 in the box. If you checked 2 or 5, enter 2 in the box. If you checked the box on line 6, see the instructions. 7 ☐ 1 x \$102 = \$ 102.  
8 **Blind:** If you (or your spouse/RDP) are visually impaired, enter 1; if both are visually impaired, enter 2... 8 ☐ x \$102 = \$  
9 **Senior:** If you (or your spouse/RDP) are 65 or older, enter 1; if both are 65 or older, enter 2... 9 ☐ x \$102 = \$  
10 **Dependents:** Enter name and relationship. Do not include yourself or your spouse/RDP.  
Total dependent exemptions... 10 ☐ x \$315 = \$  
11 **Exemption amount:** Add line 7 through line 10. Transfer this amount to line 32. 11 \$ 102.

**Taxable Income**

- 12 State wages from your Form(s) W-2, box 16. 12 207,296.  
13 Enter federal adjusted gross income from Form 1040, line 37; Form 1040A, line 21; Form 1040EZ, line 4. 13 207,296.  
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). 15 207,296.  
16 California adjustments — additions. Enter the amount from Schedule CA (540), line 37, column C. 16  
17 California adjusted gross income. Combine line 15 and line 16. 17 207,296.  
18 Enter the larger of your CA standard deduction OR your CA itemized deductions. 18 3,769.  
19 Subtract line 18 from line 17. This is your taxable income. If less than zero, enter -0-. 19 203,527.

**Tax**

- 31 Tax. Check box if from: ☐ Tax Table ☒ Tax Rate Schedule ☐ FTB 3800 ☐ FTB 3803. 31 16,576.  
32 Exemption credits. Enter the amount from line 11. If your federal AGI is more than \$166,565 (see instrs). 32 0.  
33 Subtract line 32 from line 31. If less than zero, enter -0-. 33 16,576.  
34 Tax. (see instructions) Check box if from: ☐ Schedule G-1 ☐ Form FTB 5870A. 34  
35 Add line 33 and line 34. 35 16,576.

**Special Credits**

- 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 Code amount. 43  
44 Credit Code amount. 44  
45 To claim more than two credits (see instructions). 45  
46 Nonrefundable renter's credit (see instructions). 46  
47 Add line 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 16,576.

**Other Taxes**

- 61 Alternative minimum tax. Attach Schedule P (540). 61  
62 Mental Health Services Tax (see instructions). 62  
63 Other taxes and credit recapture (see instructions). 63  
64 Add line 48, line 61, line 62, and line 63. This is your total tax. 64 16,576.

**Payments**

- 71 California income tax withheld (see instructions). 71  
72 2011 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

**Overpaid Tax/  
Tax Due**

- 91 Overpaid tax. If line 75 is more than line 64, subtract line 64 from line 75. 91  
92 Amount of line 91 you want applied to your 2012 estimated tax. 92  
93 Overpaid tax available this year. Subtract line 92 from line 91. 93  
94 Tax due. If line 75 is less than line 64, subtract line 75 from line 64. 94 16,576.

**Use Tax**

- 95 Use Tax. This is not a total line (see instructions). 95

Your Name: JOE TRADER NO MTM COMM GAIN EX8Your SSN or ITIN: 999-99-9999

		Code	Amount	
<b>Contributions</b>	California Seniors Special Fund (see instructions).....	● 400		
	Alzheimer's Disease/Related Disorders Fund.....	● 401		
	California Fund for Senior Citizens.....	● 402		
	Rare and Endangered Species Preservation Program.....	● 403		
	State Children's Trust Fund for the Prevention of Child Abuse.....	● 404		
	California Breast Cancer Research Fund.....	● 405		
	California Firefighters' Memorial Fund.....	● 406		
	Emergency Food For Families Fund.....	● 407		
	California Peace Officer Memorial Foundation Fund.....	● 408		
	California Sea Otter Fund.....	● 410		
	Municipal Shelter Spay-Neuter Fund.....	● 412		
	California Cancer Research Fund.....	● 413		
	ALS/Lou Gehrig's Disease Research Fund.....	● 414		
	Arts Council Fund.....	● 415		
	California Police Activities League (CALPAL) Fund.....	● 416		
	California Veterans Homes Fund.....	● 417		
	Safely Surrendered Baby Fund.....	● 418		
	Child Victims of Human Trafficking Fund.....	● 419		
	110	Add code 400 through code 419. This is your total contribution.....	● 110	

<b>Amount You Owe</b>	111	<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> Pay online — Go to <a href="http://ftb.ca.gov">ftb.ca.gov</a> and search for <b>web pay</b> .....	● 111	16,576.
	112	Interest, late return penalties, and late payment penalties.....	● 112	
<b>Interest and Penalties</b>	113	Underpayment of estimated tax. Check box: <input type="checkbox"/> FTB 5805 attached <input type="checkbox"/> FTB 5805F attached.....	● 113	
	114	Total amount due (see instructions). Enclose, but <b>do not</b> staple, any payment.....	● 114	16,576.

<b>Refund and Direct Deposit</b>	115	<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> .....	● 115	0.									
	Fill in the information to authorize direct deposit of your refund into one or two accounts. <b>Do not</b> attach a voided check or a deposit slip (see instructions). <b>Have you verified the routing and account numbers?</b> Use whole dollars only. All or the following amount of my refund (line 115) is authorized for direct deposit into the account shown below: <table><tbody><tr><td><input type="checkbox"/> Checking</td><td><input type="checkbox"/> Savings</td></tr><tr><td>● Routing number</td><td>● Type</td></tr><tr><td colspan="2">The remaining amount of my refund (line 115) is authorized for direct deposit into the account shown below:</td></tr><tr><td><input type="checkbox"/> Checking</td><td><input type="checkbox"/> Savings</td></tr><tr><td>● Routing number</td><td>● Type</td></tr></tbody></table>				<input type="checkbox"/> Checking	<input type="checkbox"/> Savings	● Routing number	● Type	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
<input type="checkbox"/> Checking	<input type="checkbox"/> Savings												
● Routing number	● Type												
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	● 116	Direct deposit amount									
		● Account number	● 117	Direct deposit amount									



2011

Alternative Minimum Tax and  
Credit Limitations – Residents

P (540)

Attach this schedule to Form 540.

Name(s) as shown on Form 540

Your SSN or ITIN

JOE TRADER NO MTM COMM GAIN EX8

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	3,769.																								
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																									
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.	13																									
<table border="0"> <tr> <td>a</td> <td>Circulation expenditures.</td> <td>g</td> <td>Mining costs.</td> </tr> <tr> <td>b</td> <td>Depletion.</td> <td>h</td> <td>Patron's adjustment.</td> </tr> <tr> <td>c</td> <td>Installment sales.</td> <td>i</td> <td>Qualified small business stock.</td> </tr> <tr> <td>d</td> <td>Intangible drilling costs.</td> <td>j</td> <td>Research and experimental.</td> </tr> <tr> <td>e</td> <td>Long-term contracts.</td> <td>k</td> <td>Tax shelter farm activities.</td> </tr> <tr> <td>f</td> <td>Loss limitations.</td> <td>l</td> <td>Related adjustments.</td> </tr> </table>				a	Circulation expenditures.	g	Mining costs.	b	Depletion.	h	Patron's adjustment.	c	Installment sales.	i	Qualified small business stock.	d	Intangible drilling costs.	j	Research and experimental.	e	Long-term contracts.	k	Tax shelter farm activities.	f	Loss limitations.	l	Related adjustments.
a	Circulation expenditures.	g	Mining costs.																								
b	Depletion.	h	Patron's adjustment.																								
c	Installment sales.	i	Qualified small business stock.																								
d	Intangible drilling costs.	j	Research and experimental.																								
e	Long-term contracts.	k	Tax shelter farm activities.																								
f	Loss limitations.	l	Related adjustments.																								
14	Total Adjustments and Preferences. Combine line 1 through line 13.	14	3,769.																								
15	Enter taxable income from Form 540, line 19. See instructions.	15	203,527.																								
16	Net operating loss (NOL) deductions from Schedule CA (540), line 21d and 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																									
<table border="0"> <tr> <td>Single or married/RDP filing separately.</td> <td>\$166,565</td> </tr> <tr> <td>Married/RDP filing jointly or qualifying widow(er)</td> <td>\$333,134</td> </tr> <tr> <td>Head of household.</td> <td>\$249,852</td> </tr> </table>				Single or married/RDP filing separately.	\$166,565	Married/RDP filing jointly or qualifying widow(er)	\$333,134	Head of household.	\$249,852																		
Single or married/RDP filing separately.	\$166,565																										
Married/RDP filing jointly or qualifying widow(er)	\$333,134																										
Head of household.	\$249,852																										
19	Combine line 14 through line 18.	19	207,296.																								
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 \$316,481 see instructions).	21	207,296.																								

**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	\$ 229,708	\$ 61,256
	Married/RDP filing jointly or qualifying widow(er)	306,276	81,673
	Married/RDP filing separately	153,137	40,836
	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	146,040.
24	Tentative Minimum Tax. Multiply line 23 by 7.0% (.07).	24	10,223.
25	Regular tax before credits from Form 540, line 31.	25	16,576.
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 2012, enter amount from line 26 on the 2012 Form 540-ES, Estimated Tax Worksheet, line 16. (Exception: If you have carryover credit for solar energy or commercial solar energy, first enter the result on Side 2, Part III, Section C, line 23 or 24.)	26	0.

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

1	Enter the amount from Form 540, line 35.....	1	16,576.
2	Enter the tentative minimum tax from Side 1, Part II, line 24.....	2	10,223.

	(a) Credit amount	(b) Credit used this year	(c) Tax balance that may be offset by credits	(d) Credit carryover
<b>Section A – Credits that reduce excess tax.</b>				
<b>3</b> 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..... <b>3</b>			6,353.	
<b>A1 Credits that reduce excess tax and have no carryover provisions.</b>				
<b>4</b> Code: 162 Prison inmate labor credit (FTB 3507)..... <b>4</b>				
<b>5</b> Code: 169 Enterprise zone employee credit (FTB 3553)..... <b>5</b>				
<b>6</b> Code: _____ New Home Credit or First Time Buyer Credit .... <b>6</b>				
<b>7</b> Code: 232 Child and dependent care expenses credit (FTB 3506)..... <b>7</b>				
<b>A2 Credits that reduce excess tax and have carryover provisions. See instructions.</b>				
<b>8</b> Code: _____ Credit Name: _____ <b>8</b>				
<b>9</b> Code: _____ Credit Name: _____ <b>9</b>				
<b>10</b> Code: _____ Credit Name: _____ <b>10</b>				
<b>11</b> Code: _____ Credit Name: _____ <b>11</b>				
<b>12</b> Code: 188 Credit for prior year alternative minimum tax..... <b>12</b>				
<b>Section B – Credits that may reduce tax below tentative minimum tax.</b>				
<b>13</b> 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>13</b>			16,576.	
<b>B1 Credits that reduce net tax and have no carryover provisions.</b>				
<b>14</b> Code: 170 Credit for joint custody head of household... <b>14</b>				
<b>15</b> Code: 173 Credit for dependent parent..... <b>15</b>				
<b>16</b> Code: 163 Credit for senior head of household..... <b>16</b>				
<b>17</b> Nonrefundable renter's credit..... <b>17</b>				
<b>B2 Credits that reduce net tax and have carryover provisions. See instructions.</b>				
<b>18</b> Code: _____ Credit Name: _____ <b>18</b>				
<b>19</b> Code: _____ Credit Name: _____ <b>19</b>				
<b>20</b> Code: _____ Credit Name: _____ <b>20</b>				
<b>21</b> Code: _____ Credit Name: _____ <b>21</b>				
<b>B3 Other state tax credit.</b>				
<b>22</b> Code: 187 Other state tax credit..... <b>22</b>				
<b>Section C – Credits that may reduce alternative minimum tax.</b>				
<b>23</b> Enter your alternative minimum tax from Side 1, Part II, line 26..... <b>23</b>				
<b>24</b> Code: 180 Solar energy credit carryover from Section B2, column (d)..... <b>24</b>				
<b>25</b> Code: 181 Commercial solar energy credit carryover from Section B2, column (d)..... <b>25</b>				
<b>26</b> Adjusted AMT. Enter the balance from line 25, column (c) here and on Form 540, line 61..... <b>26</b>				

**2011 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 COMM GAIN EX8

999-99-9999

<b>1</b> Investment interest expense paid or accrued in 2011. See instructions. ....	<b>1</b>	<u>482.</u>
<b>2</b> Disallowed investment interest expense from 2010 form FTB 3526, line 7. If zero or less, enter -0- ....	<b>2</b>	<u>0.</u>
<b>3</b> Total investment interest expense. Add line 1 and line 2. ....	<b>3</b>	<u>482.</u>
<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>	<u>2,659.</u>
<b>4b</b> Net gain from the disposition of property held for investment. See instructions ..	<b>4b</b>	<u>204,637.</u>
<b>4c</b> Net capital gain from the disposition of property held for investment. See instructions. ....	<b>4c</b>	<u>204,637.</u>
<b>4d</b> Subtract line 4c from line 4b. If zero or less, enter -0- ....	<b>4d</b>	<u>0.</u>
<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>	<u>204,637.</u>
<b>4f</b> Investment income. Add line 4a, line 4d, and line 4e. ....	<b>4f</b>	<u>207,296.</u>
<b>5</b> Investment expenses. See instructions. ....	<b>5</b>	<u></u>
<b>6</b> Net investment income. Subtract line 5 from line 4f. ....	<b>6</b>	<u>207,296.</u>
<b>7</b> Disallowed investment interest expense to be carried forward to 2012. Subtract line 6 from line 3. If zero or less, enter -0- ....	<b>7</b>	<u>0.</u>
<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>	<u>482.</u>
<b>9</b> Enter the amount from federal Form 4952, line 8. ....	<b>9</b>	<u>482.</u>
<b>10</b> California investment interest expense deduction adjustment. Enter the difference between line 8 and line 9. See instructions. ....	<b>10</b>	<u></u>

Demo

2011

## Federal Income Tax Summary

Page 1

Client EX8F-CA

Joe Trader no MTM Comm Gain Ex8

999-99-9999

2/19/12

10:01 AM

	2011	2010	Diff
<b>INCOME</b>			
Interest income.....	1,762	1,762	0
Dividend income.....	897	897	0
Capital gain or loss.....	204,637	204,637	0
Total income.....	207,296	207,296	0
<b>ADJUSTMENTS TO INCOME</b>			
Total adjustments.....	0	0	0
Adjusted gross income.....	207,296	207,296	0
<b>ITEMIZED DEDUCTIONS</b>			
Taxes.....	4,000	4,000	0
Interest.....	482	482	0
Contributions.....	985	985	0
Total itemized deductions.....	5,467	5,467	0
<b>TAX COMPUTATION</b>			
Standard deduction.....	5,800	5,700	100
Larger of itemized or standard deduction.....	5,800	5,700	100
Income prior to exemption deduction.....	201,496	201,596	-100
Exemption deduction.....	3,700	3,650	50
Taxable income.....	197,796	197,946	-150
Tax before AMT.....	32,593	34,251	-1,658
Alternative minimum tax.....	588	880	-292
Tax before credits.....	33,181	35,131	-1,950
<b>CREDITS</b>			
Total credits.....	0	0	0
Tax after credits.....	33,181	35,131	-1,950
<b>OTHER TAXES</b>			
Total tax.....	33,181	35,131	-1,950
<b>PAYMENTS</b>			
Total payments.....	0	0	0
<b>REFUND OR AMOUNT DUE</b>			
Amount you owe.....	33,181	35,131	-1,950
<b>TAX RATES</b>			
Marginal tax rate.....	25.0%	28.0%	-3.0%
Effective tax rate.....	16.8%	17.7%	-0.9%

2011

## California Income Tax Summary

Page 1

Client EX8F-CA

Joe Trader no MTM Comm Gain Ex8

999-99-9999

2/19/12

10:01 AM

	2011	2010	Diff
<b>FEDERAL ADJUSTED GROSS INCOME</b>			
Federal adjusted gross income.....	207,296	207,296	0
<b>ADJUSTED GROSS INCOME</b>			
Adjusted gross income.....	207,296	207,296	0
<b>ITEMIZED DEDUCTIONS</b>			
Federal itemized deductions.....	5,467	5,467	0
Less state, local and foreign taxes.....	4,000	4,000	0
Itemized deduction limitation.....	-788	-788	0
California itemized deductions.....	679	679	0
California standard deduction.....	3,769	3,670	99
<b>TAX COMPUTATION</b>			
Total taxable income.....	203,527	203,626	-99
Tax.....	16,576	17,156	-580
Net tax.....	16,576	17,156	-580
<b>PAYMENTS</b>			
California income tax withheld.....	0	0	0
Total payments.....	0	0	0
<b>REFUND OR AMOUNT DUE</b>			
Amount overpaid.....	0	0	0
Amount you owe.....	16,576	17,156	-580
<b>TAX RATES</b>			
Marginal tax rate.....	9.3%	9.6%	-0.3%
Effective tax rate.....	8.1%	8.4%	-0.3%

Demo

**2011****General Information****Page 1****Client EX8F-CA****Joe Trader no MTM Comm Gain Ex8****999-99-9999**

2/19/12

10:01AM

**Forms needed for this return**

Federal: 1040, 1040-V, Sch B, Sch C, Sch D, 4562, 6251, 6781, 8829, 8949  
California: 540, 540-V, Sch P, 3526

**Tax Rates**

	<u>Marginal</u>	<u>Effective</u>
Federal	25.0%	16.8%
California	9.3%	8.1%

**Carryovers to 2012**Federal Carryovers

Deductible State and Local Taxes 16,576.

**Demo**

### Future Tax Savings

- ☐ If the medical insurance premiums currently being paid by the taxpayer are for a high deductible health plan, consideration should be given to opening a Health Savings Account (HSA) under IRC Section 223. Qualified HSA contributions provide for an above-the-line deduction. In 2012, the policy must have an annual deductible of at least \$1,200 (\$2,400 for family coverage) and maximum out-of-pocket expenses not exceeding \$6,050 (\$12,100 for family coverage). If the taxpayer participates for the entire year, contributions up to the amount of the annual deductible, but not exceeding \$3,100 (\$6,250 for family coverage) could be deducted on the tax return. In 2012, catch-up contributions of \$1,000 can be made by taxpayers between age 55 and 65. Distributions and earnings from HSA's are not taxed provided they are used to pay qualified medical expenses.

### Tax Tips

- ☐ Taxable income excluding capital gains and qualified dividends is \$67,970, placing the taxpayer in a 25% marginal tax bracket on ordinary income. Based on 2011 tax rates, ordinary income would have to increase by over \$15,630 in order for any ordinary income to begin being taxed in the 28% bracket. This may be used as a guide in determining the advantages or disadvantages of receiving discretionary ordinary income in 2012.
- ☐ A careful approach to prepaying discretionary itemized deductions before the end of the year, or postponing discretionary itemized deductions until after the year end, could prove to be beneficial to this taxpayer, since itemized deductions are very close in value to the standard deduction.
- ☐ The costs associated with maintaining a home office can be deducted only if strict IRS guidelines are met. Ensure that the home office is used exclusively for business, that the taxpayer uses the office to conduct administrative or management activities of a trade or business, and that there is no other fixed location of the trade or business where the taxpayer conducts substantial administrative or management activities for the business. Refer to IRS Publication 587 for additional rules related to the home office deduction.
- ☐ For home sales operations, ensure that storage space is included in the calculation of business square footage. Additional storage space can be underutilized spaces such as attics and basements. The storage space must be used on a regular basis and be an identifiable separate space suitable for storage.
- ☐ The taxpayer is subject to AMT. Consider a thorough review of next year's anticipated income and deductions items, and AMT preference and adjustment items, to see if any can be postponed or eliminated.

### Compliance Tips

- ☐ Schedule C for Joe Trader no MTM Comm Gain Ex8 (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.

**Compliance Tips (continued)**

- ☐ Schedule C for Joe Trader no MTM Comm Gain Ex8 (1) : Travel, meals, and entertainment expenses draw close attention from the IRS under examination. Entertainment expenses must be ordinary and necessary, and common practice for the type of industry. In addition to the general record keeping requirements, the following information may be required: dates and duration of business discussions that took place, nature of the business conducted, the business benefit derived or expected to be derived, identification of the person(s) entertained, and whether the site of the meeting was vacation oriented. Ensure that adequate records exist to support the travel, meals, and entertainment expense.

Demo



2011

## Schedule C Analysis

Client EX8F-CA

Joe Trader no MTM Comm Gain Ex8

999-99-9999

2/19/12	Actual Amounts For This Business		National Average Expense Ratios Applied to This Business*		10:01AM
Joe Trader no MTM Comm Gain Ex8 (1) PBA Code: 523900 Other Financial Investment Activities (advice, etc.)	Amounts	% of Sales	Amounts	% of Sales	This Business' Deviation from Averages
<b>INCOME</b>					
Gross receipts less returns and allowances		N/A		N/A	
Cost of goods sold:					
Beginning inventory				0.3%	
Purchases				22.25%	
Cost of labor					
Materials and supplies				2.54%	
Other costs				19.21%	
Ending inventory				0.55%	
Cost of goods sold					
Gross profit					
Other income	46,147.			-0.42%	
Total income	46,147.		0.		
<b>EXPENSES</b>					
Advertising				1.2%	
Car and truck expenses				2.88%	
Commissions				4.85%	
Contract labor				1.23%	
Depletion					
Depreciation	7,865.			1.21%	
Employee benefit programs				0.18%	
Insurance				0.39%	
Mortgage interest				0.04%	
Other interest	16,299.			0.85%	
Legal and professional services				1.1%	
Office expense				1.74%	
Pension and profit-sharing plans				0.04%	
Rent or lease of machinery and equipment				0.08%	
Rent on other business property				2.15%	
Repairs and maintenance				1.1%	
Supplies	953.			1.04%	
Taxes and licenses				0.37%	
Travel	1,855.			1.81%	
Meals and entertainment	1,327.			1.42%	
Utilities				1.71%	
Wages				3.82%	
Other expenses	10,612.			20.38%	
Expenses for business use of home	7,236.			0.98%	
Total expenses	46,147.		0.		
<b>NET PROFIT</b>	0.		0.		

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