

File by Mail Instructions for your 2018 Federal Tax Return

Important: Your taxes are not finished until all required steps are completed.



(If you prefer, you can still e-file. Go to the end of these instructions for more information.)

James K Lockett & Yuhui Liu
9850 East Windrose Drive
Scottsdale, AZ 85260

Balance Due/Refund	Your federal tax return (Form 1040) shows you are due a refund of \$1,632.00. Do not expect your refund from the Internal Revenue Service. You have applied \$1,632.00 to your 2019 estimated taxes.		
What You Need to Mail	<p>Your tax return - The official return for mailing is included in this printout. Remember to sign and date the return.</p> <p>Mail your return to:</p> <p>Department of the Treasury Internal Revenue Service Austin, TX 73301-0215 USA</p> <p>Deadline: Postmarked by Monday, April 15, 2019</p> <p>Note: Your state return may be due on a different date. Please review your state filing instructions.</p> <p>Don't forget correct postage on the envelope.</p>		
What You Need to Keep	Keep these instructions and a copy of your return for your records. If you did not print one before closing TurboTax, go back to the program and select File tab, then select the Print for Your Records category.		
2018 Federal Tax Return Summary	Adjusted Gross Income	\$	-942,575.00
	Taxable Income	\$	0.00
	Total Tax	\$	0.00
	Total Payments/Credits	\$	1,632.00
	Refund Applied to ES Tax	\$	1,632.00
	No Refund or Amount Due	\$	0.00
	Effective Tax Rate		0.00%
Changed Your Mind About e-filing?	You can still file electronically. Just go back to TurboTax, select the File tab, then select the E-file category. We'll walk you through the process. Once you file, we will let you know if your return is accepted (or rejected) by the Internal Revenue Service.		

Filing status: <input type="checkbox"/> Single <input checked="" type="checkbox"/> Married filing jointly <input type="checkbox"/> Married filing separately <input type="checkbox"/> Head of household <input type="checkbox"/> Qualifying widow(er)					
Your first name and initial James K		Last name Lockett		Your social security number 534-60-2998	
Your standard deduction: <input type="checkbox"/> Someone can claim you as a dependent <input checked="" type="checkbox"/> You were born before January 2, 1954 <input type="checkbox"/> You are blind					
If joint return, spouse's first name and initial Yuhui		Last name Liu		Spouse's social security number 677-28-4731	
Spouse standard deduction: <input type="checkbox"/> Someone can claim your spouse as a dependent <input type="checkbox"/> Spouse was born before January 2, 1954 <input type="checkbox"/> Spouse is blind <input type="checkbox"/> Spouse itemizes on a separate return or you were dual-status alien				<input checked="" type="checkbox"/> Full-year health care coverage or exempt (see inst.)	
Home address (number and street). If you have a P.O. box, see instructions. 9850 East Windrose Drive				Apt. no.	Presidential Election Campaign (see inst.) <input type="checkbox"/> You <input type="checkbox"/> Spouse
City, town or post office, state, and ZIP code. If you have a foreign address, attach Schedule 6. Scottsdale AZ 85260				If more than four dependents, see inst. and ✓ here ► <input type="checkbox"/>	
Dependents (see instructions):					
(1) First name		Last name	(2) Social security number	(3) Relationship to you	(4) ✓ if qualifies for (see inst.): Child tax credit Credit for other dependents
Thomas		Lockett	721-99-3745	Son	<input checked="" type="checkbox"/> <input type="checkbox"/>
					<input type="checkbox"/> <input type="checkbox"/>
					<input type="checkbox"/> <input type="checkbox"/>
					<input type="checkbox"/> <input type="checkbox"/>

Sign Here

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 Lawyer	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)
	Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation Teacher	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)

Paid Preparer Use Only

Preparer's name	Preparer's signature	PTIN	Firm's EIN	Check if: <input type="checkbox"/> 3rd Party Designee <input type="checkbox"/> Self-employed
Firm's name ► Self-Prepared	Phone no.			
Firm's address ►				

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.

Form **1040** (2018)

Form 1040 (2018)

Page 2

Attach Form(s) W-2. Also attach Form(s) W-2G and 1099-R if tax was withheld.		Standard Deduction for —		Refund	
1	Wages, salaries, tips, etc. Attach Form(s) W-2	1	119,992.	19	If line 18 is more than line 15, subtract line 15 from line 18. This is the amount you overpaid
2a	Tax-exempt interest	2b	43.	20a	Amount of line 19 you want refunded to you . If Form 8888 is attached, check here
3a	Qualified dividends	3b			
4a	IRAs, pensions, and annuities	4b			
5a	Social security benefits	5b			
6	Total income. Add lines 1 through 5. Add any amount from Schedule 1, line 22	6	-915,430.	17	1,632.
7	Adjusted gross income. If you have no adjustments to income, enter the amount from line 6; otherwise, subtract Schedule 1, line 36, from line 6	7	-942,575.	18	1,632.
8	Standard deduction or itemized deductions (from Schedule A)	8	25,300.	19	1,632.
9	Qualified business income deduction (see instructions)	9	0.	20a	0.
10	Taxable income. Subtract lines 8 and 9 from line 7. If zero or less, enter -0-	10	0.		
11	a Tax (see inst.) 0. (check if any from: 1 <input type="checkbox"/> Form(s) 8814 2 <input type="checkbox"/> Form 4972 3 <input type="checkbox"/>)	11	0.		
12	b Add any amount from Schedule 2 and check here	12	0.		
13	a Child tax credit/credit for other dependents 0. b Add any amount from Schedule 3 and check here	13	0.		
14	Subtract line 12 from line 11. If zero or less, enter -0-	14	0.		
15	Other taxes. Attach Schedule 4	15	0.		
16	Total tax. Add lines 13 and 14	16			
17	Federal income tax withheld from Forms W-2 and 1099	17			
18	Refundable credits: a EIC (see inst.) b Sch. 8812 c Form 8863	18	1,632.		
19	Add any amount from Schedule 5 1,632.	19	1,632.		
20a	Amount of line 19 you want refunded to you. If Form 8888 is attached, check here	20a	0.		
21	Amount of line 19 you want applied to your 2019 estimated tax	21	1,632.		
22	Amount you owe. Subtract line 18 from line 15. For details on how to pay, see instructions	22			
23	Estimated tax penalty (see instructions)	23			

SCHEDULE 1
(Form 1040)(Rev. January 2020)
Department of the Treasury
Internal Revenue Service**Additional Income and Adjustments to Income**► **Attach to Form 1040.**► **Go to www.irs.gov/Form1040 for instructions and the latest information.**

OMB No. 1545-0074

2018
Attachment
Sequence No. **01**

Name(s) shown on Form 1040

James K Lockett & Yuhui Liu

Your social security number

534-60-2998

Additional Income	1-9b	Reserved	1-9b	
	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	-957,982.
	13	Capital gain or (loss). Attach Schedule D if required. If not required, check here ► <input type="checkbox"/>	13	17,286.
	14	Other gains or (losses). Attach Form 4797	14	
	15a	Reserved	15b	
	16a	Reserved	16b	
	17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	-6,627.
	18	Farm income or (loss). Attach Schedule F	18	
19	Unemployment compensation	19		
20a	Reserved	20b		
	21	Other income. List type and amount ► See Line 21-Other Income Statement -88,142.	21	-88,142.
	22	Combine the amounts in the far right column. If you don't have any adjustments to income, enter here and include on Form 1040, line 6. Otherwise, go to line 23 . .	22	-1,035,465.
Adjustments to Income	23	Educator expenses	23	145.
	24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 . .	24	
	25	Health savings account deduction. Attach Form 8889 . .	25	
	26	Moving expenses for members of the Armed Forces. 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 ► 535-64-8491	31a	27,000.
	32	IRA deduction	32	
	33	Student loan interest deduction	33	
	34	Tuition and fees. Attach Form 8917	34	
	35	Reserved	35	
	36	Add lines 23 through 35	36	27,145.

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

Schedule 1 (Form 1040) 2018

REV 07/19/20 TTW

SCHEDULE 5
(Form 1040)

Department of the Treasury
Internal Revenue Service

Other Payments and Refundable Credits

► **Attach to Form 1040.**
► **Go to www.irs.gov/Form1040 for instructions and the latest information.**

OMB No. 1545-0074

2018
Attachment
Sequence No. **05**

Name(s) shown on Form 1040

James K Lockett & Yuhui Liu

Your social security number

534-60-2998

Other Payments and Refundable Credits	65	Reserved	65	
	66	2018 estimated tax payments and amount applied from 2017 return	66	1,632.
	67a	Reserved	67a	
	b	Reserved	67b	
	68-69	Reserved	68-69	
	70	Net premium tax credit. Attach Form 8962	70	
	71	Amount paid with request for extension to file (see instructions)	71	
	72	Excess social security and tier 1 RRTA tax withheld	72	
	73	Credit for federal tax on fuels. Attach Form 4136	73	
	74	Credits from Form: a <input type="checkbox"/> 2439 b <input checked="" type="checkbox"/> Reserved c <input type="checkbox"/> 8885 d <input type="checkbox"/> _____	74	
	75	Add the amounts in the far right column. These are your total other payments and refundable credits . Enter here and include on Form 1040, line 17.	75	1,632.

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

REV 02/14/19 TTW

Schedule 5 (Form 1040) 2018

SCHEDULE B
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Interest and Ordinary Dividends

► Go to www.irs.gov/ScheduleB for instructions and the latest information.
► Attach to Form 1040.

OMB No. 1545-0074

2018
Attachment
Sequence No. **08**

Name(s) shown on return

James K Lockett & Yuhui Liu

Your social security number

534-60-2998

Part I
Interest

(See instructions
and the
instructions for
Form 1040,
line 2b.)

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

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

Bank of America

Amount

43.

1

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

43.

43.

Note: If line 4 is over \$1,500, you must complete Part III.

Amount

Part II
Ordinary Dividends

(See instructions
and the
instructions for
Form 1040,
line 3b.)

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 ►

5

- 6** Add the amounts on line 5. Enter the total here and on Form 1040, line 3b . . ►

Note: If line 6 is over \$1,500, you must complete Part III.

Part III

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

Foreign Accounts and Trusts

(See instructions.)

- 7a** At any time during 2018, 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 FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR), to report that financial interest or signature authority? See FinCEN Form 114 and its instructions for filing requirements and exceptions to those requirements

X

- b** If you are required to file FinCEN Form 114, enter the name of the foreign country where the financial account is located ►

- 8** During 2018, 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)

► Go to www.irs.gov/ScheduleC for instructions and the latest information.
► Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

OMB No. 1545-0074

2018
Attachment
Sequence No. **09**

Name of proprietor James K Lockett		Social security number (SSN) 534-60-2998
A Principal business or profession, including product or service (see instructions) Lawyer	B Enter code from instructions ► 4 5 4 3 9 0	
C Business name. If no separate business name, leave blank. Lockett International LLC	D Employer ID number (EIN) (see instr.) 4 7 1 8 2 9 6 5 7	
E Business address (including suite or room no.) ► 9850 East Windrose Drive City, town or post office, state, and ZIP code Scottsdale, AZ 85260		
F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ►		
G Did you "materially participate" in the operation of this business during 2018? If "No," see instructions for limit on losses . <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
H If you started or acquired this business during 2018, check here <input type="checkbox"/>		
I Did you make any payments in 2018 that would require you to file Form(s) 1099? (see instructions) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
J If "Yes," did you or will you file required Forms 1099? <input type="checkbox"/> Yes <input type="checkbox"/> No		

Part I Income

1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked <input type="checkbox"/>	1	2,770.
2 Returns and allowances	2	
3 Subtract line 2 from line 1	3	2,770.
4 Cost of goods sold (from line 42)	4	
5 Gross profit. Subtract line 4 from line 3	5	2,770.
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	
7 Gross income. Add lines 5 and 6	7	2,770.

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

8 Advertising	8	560.	18 Office expense (see instructions)	18	1,077.
9 Car and truck expenses (see instructions).	9	776.	19 Pension and profit-sharing plans	19	
10 Commissions and fees	10		20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11		a Vehicles, machinery, and equipment	20a	
12 Depletion	12		b Other business property	20b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions).	13	0.	21 Repairs and maintenance	21	
14 Employee benefit programs (other than on line 19)	14		22 Supplies (not included in Part III)	22	796.
15 Insurance (other than health)	15		23 Taxes and licenses	23	120.
16 Interest (see instructions):			24 Travel and meals:		
a Mortgage (paid to banks, etc.)	16a		a Travel	24a	1,800.
b Other	16b		b Deductible meals (see instructions)	24b	224.
17 Legal and professional services	17	1,422.	25 Utilities	25	848.
			26 Wages (less employment credits)	26	
			27a Other expenses (from line 48)	27a	140.
			b Reserved for future use	27b	
28 Total expenses before expenses for business use of home. Add lines 8 through 27a	28	7,763.			
29 Tentative profit or (loss). Subtract line 28 from line 7	29	-4,993.			
30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). Simplified method filers only: enter the total square footage of: (a) your home: 4638 and (b) the part of your home used for business: 600 . Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30	30	0.			
31 Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Schedule 1 (Form 1040), line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2 . (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3 . • If a loss, you must go to line 32.	31	-4,993.			
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 Schedule 1 (Form 1040), line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2 . (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3 . • If you checked 32b, you must attach Form 6198 . Your loss may be limited.			32a <input checked="" type="checkbox"/> All investment is at risk.		
			32b <input type="checkbox"/> Some investment is not at risk.		

Part III Cost of Goods Sold (see instructions)

33	Method(s) used to value closing inventory: a <input type="checkbox"/> Cost b <input type="checkbox"/> Lower of cost or market c <input type="checkbox"/> Other (attach explanation)
34	Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation <input type="checkbox"/> Yes <input type="checkbox"/> No
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) ► 10/03/2018
44	Of the total number of miles you drove your vehicle during 2018, enter the number of miles you used your vehicle for:
a	Business 1,355 b Commuting (see instructions) c Other 2,098
45	Was your vehicle available for personal use during off-duty hours? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
46	Do you (or your spouse) have another vehicle available for personal use? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
47a	Do you have evidence to support your deduction? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b	If "Yes," is the evidence written? <input type="checkbox"/> Yes <input type="checkbox"/> No

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

Bank account services	140.
48 Total other expenses. Enter here and on line 27a	48 140.

SCHEDULE C
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Profit or Loss From Business
(Sole Proprietorship)

► Go to www.irs.gov/ScheduleC for instructions and the latest information.
► Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

OMB No. 1545-0074

2018
Attachment
Sequence No. **09**

Name of proprietor James K Lockett		Social security number (SSN) 534-60-2998
A Principal business or profession, including product or service (see instructions) Internet Marketing and Sales	B Enter code from instructions ► 4 5 4 3 9 0	
C Business name. If no separate business name, leave blank. Global One2One LLC	D Employer ID number (EIN) (see instr.) 4 7 1 3 1 6 2 1 9	
E Business address (including suite or room no.) ► 9850 East Windrose Drive City, town or post office, state, and ZIP code Scottsdale, AZ 85260		
F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ►		
G Did you "materially participate" in the operation of this business during 2018? If "No," see instructions for limit on losses . <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
H If you started or acquired this business during 2018, check here <input type="checkbox"/>		
I Did you make any payments in 2018 that would require you to file Form(s) 1099? (see instructions) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
J If "Yes," did you or will you file required Forms 1099? <input type="checkbox"/> Yes <input type="checkbox"/> No		

Part I Income

1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked <input type="checkbox"/>	1	905,034.
2 Returns and allowances	2	
3 Subtract line 2 from line 1	3	905,034.
4 Cost of goods sold (from line 42)	4	
5 Gross profit. Subtract line 4 from line 3	5	905,034.
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	
7 Gross income. Add lines 5 and 6	7	905,034.

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

8 Advertising	8	14,874.	18 Office expense (see instructions)	18	1,929.
9 Car and truck expenses (see instructions).	9		19 Pension and profit-sharing plans	19	
10 Commissions and fees	10		20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11	22,515.	a Vehicles, machinery, and equipment	20a	
12 Depletion	12		b Other business property	20b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions).	13	266.	21 Repairs and maintenance	21	1,329.
14 Employee benefit programs (other than on line 19)	14		22 Supplies (not included in Part III)	22	224.
15 Insurance (other than health)	15		23 Taxes and licenses	23	120.
16 Interest (see instructions):			24 Travel and meals:		
a Mortgage (paid to banks, etc.)	16a		a Travel	24a	3,650.
b Other	16b		b Deductible meals (see instructions)	24b	407.
17 Legal and professional services	17	18,275.	25 Utilities	25	
			26 Wages (less employment credits)	26	
			27a Other expenses (from line 48)	27a	1,794,434.
			b Reserved for future use	27b	
28 Total expenses before expenses for business use of home. Add lines 8 through 27a	28	1,858,023.			
29 Tentative profit or (loss). Subtract line 28 from line 7	29	-952,989.			
30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). Simplified method filers only: enter the total square footage of: (a) your home: 4588 and (b) the part of your home used for business: 600 . Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30	30				
31 Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Schedule 1 (Form 1040), line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2 . (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3 . • If a loss, you must go to line 32.	31	-952,989.			
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 Schedule 1 (Form 1040), line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2 . (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3 . • If you checked 32b, you must attach Form 6198 . Your loss may be limited.			32a <input checked="" type="checkbox"/> All investment is at risk. 32b <input type="checkbox"/> 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 2018, enter the number of miles you used your vehicle for:

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

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

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

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

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

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

Shipping costs	248.
CWE Product Purchases	1,500.
Mintbuilder Product Purchases	420.
MLSP	1,188.
AWOL	1,188.
John Crestani	1,200.
Click Funnels	540.
USI-Tech Product Purchases for Membership	411,258.
See Line 48 Other Expenses	1,376,892.
48 Total other expenses. Enter here and on line 27a	48 1,794,434.

SCHEDULE D
(Form 1040)Department of the Treasury
Internal Revenue Service (99)**Capital Gains and Losses**

- **Attach to Form 1040 or Form 1040NR.**
► **Go to www.irs.gov/ScheduleD for instructions and the latest information.**
► **Use Form 8949 to list your transactions for lines 1b, 2, 3, 8b, 9, and 10.**

OMB No. 1545-0074

2018Attachment
Sequence No. **12**

Name(s) shown on return

James K Lockett & Yuhui Liu

Your social security number

534-60-2998

Part I Short-Term Capital Gains and Losses—Generally Assets Held One Year or Less (see instructions)

See instructions for how to figure the amounts to enter on the lines below.

This form may be easier to complete if you round off cents to whole dollars.

	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part I, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
1a Totals for all short-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 1b				
1b Totals for all transactions reported on Form(s) 8949 with Box A checked				
2 Totals for all transactions reported on Form(s) 8949 with Box B checked				
3 Totals for all transactions reported on Form(s) 8949 with Box C checked				
4 Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824				4
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				5
6 Short-term capital loss carryover. Enter the amount, if any, from line 8 of your Capital Loss Carryover Worksheet in the instructions				6 ()
7 Net short-term capital gain or (loss). Combine lines 1a 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 the back				7

Part II Long-Term Capital Gains and Losses—Generally Assets Held More Than One Year (see instructions)

See instructions for how to figure the amounts to enter on the lines below.

This form may be easier to complete if you round off cents to whole dollars.

	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part II, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
8a Totals for all long-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 8b				
8b Totals for all transactions reported on Form(s) 8949 with Box D checked				
9 Totals for all transactions reported on Form(s) 8949 with Box E checked				
10 Totals for all transactions reported on Form(s) 8949 with Box F checked				
11 Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824				11 17,286 .
12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				12
13 Capital gain distributions. See the instructions				13
14 Long-term capital loss carryover. Enter the amount, if any, from line 13 of your Capital Loss Carryover Worksheet in the instructions				14 ()
15 Net long-term capital gain or (loss). Combine lines 8a through 14 in column (h). Then go to Part III on the back				15 17,286 .

Part III Summary

16	Combine lines 7 and 15 and enter the result	16	17,286.
	<ul style="list-style-type: none"> • If line 16 is a gain, enter the amount from line 16 on Schedule 1 (Form 1040), line 13, or Form 1040NR, line 14. Then go to line 17 below. • If line 16 is a loss, skip lines 17 through 20 below. Then go to line 21. Also be sure to complete line 22. • If line 16 is zero, skip lines 17 through 21 below and enter -0- on Schedule 1 (Form 1040), line 13, or Form 1040NR, line 14. Then go to line 22. 		
17	Are lines 15 and 16 both gains? <input checked="" type="checkbox"/> Yes. Go to line 18. <input type="checkbox"/> No. Skip lines 18 through 21, and go to line 22.		
18	If you are required to complete the 28% Rate Gain Worksheet (see instructions), enter the amount, if any, from line 7 of that worksheet ►	18	
19	If you are required to complete the Unrecaptured Section 1250 Gain Worksheet (see instructions), enter the amount, if any, from line 18 of that worksheet ►	19	
20	Are lines 18 and 19 both zero or blank? <input checked="" type="checkbox"/> Yes. Complete the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 11a (or in the instructions for Form 1040NR, line 42). Don't complete lines 21 and 22 below. <input type="checkbox"/> No. Complete the Schedule D Tax Worksheet in the instructions. Don't complete lines 21 and 22 below.		
21	If line 16 is a loss, enter here and on Schedule 1 (Form 1040), line 13, or Form 1040NR, line 14, the smaller of: <div style="display: flex; align-items: center;"> <ul style="list-style-type: none"> • The loss on line 16; or • (\$3,000), or if married filing separately, (\$1,500) <div style="font-size: 3em; margin: 0 10px;">}</div> <div style="border-bottom: 1px solid black; width: 150px; flex-grow: 1;"></div> </div> <p>Note: When figuring which amount is smaller, treat both amounts as positive numbers.</p>	21	()
22	Do you have qualified dividends on Form 1040, line 3a, or Form 1040NR, line 10b? <input type="checkbox"/> Yes. Complete the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 11a (or in the instructions for Form 1040NR, line 42). <input type="checkbox"/> No. Complete the rest of Form 1040 or Form 1040NR.		

**SCHEDULE E
(Form 1040)**Department of the Treasury
Internal Revenue Service (99)**Supplemental Income and Loss**

(From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)

▶ Attach to Form 1040, 1040NR, or Form 1041.

▶ Go to www.irs.gov/ScheduleE for instructions and the latest information.

OMB No. 1545-0074

2018Attachment
Sequence No. **13**

Name(s) shown on return

James K Lockett & Yuhui Liu

Your social security number

534-60-2998

Part I Income or Loss From Rental Real Estate and Royalties Note: If you are in the business of renting personal property, use Schedule C or C-EZ (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.**A** Did you make any payments in 2018 that would require you to file Form(s) 1099? (see instructions) ☐ Yes ☒ No**B** If "Yes," did you or will you file required Forms 1099? ☐ Yes ☐ No

1a	Physical address of each property (street, city, state, ZIP code)						
A	2121 East Upriver Drive #4 Spokane WA 99207						
B							
C							
1b	Type of Property (from list below)	2	For each rental real estate property listed above, report the number of fair rental and personal use days. Check the QJV box only if you meet the requirements to file as a qualified joint venture. See instructions.	Fair Rental Days	Personal Use Days	QJV	
A	2			A	211	0	<input type="checkbox"/>
B				B			<input type="checkbox"/>
C				C			<input type="checkbox"/>

Type of Property:

- | | | | |
|---------------------------|------------------------------|-------------|--------------------|
| 1 Single Family Residence | 3 Vacation/Short-Term Rental | 5 Land | 7 Self-Rental |
| 2 Multi-Family Residence | 4 Commercial | 6 Royalties | 8 Other (describe) |

Income:	Properties:	A	B	C
3 Rents received	3	4,614.		
4 Royalties received	4			
Expenses:				
5 Advertising	5	250.		
6 Auto and travel (see instructions)	6	245.		
7 Cleaning and maintenance	7	3,475.		
8 Commissions.	8			
9 Insurance	9	104.		
10 Legal and other professional fees	10	125.		
11 Management fees	11	350.		
12 Mortgage interest paid to banks, etc. (see instructions)	12			
13 Other interest.	13			
14 Repairs.	14	2,245.		
15 Supplies	15	627.		
16 Taxes	16	976.		
17 Utilities.	17	222.		
18 Depreciation expense or depletion	18			
19 Other (list) ▶ See Line 19 Other Expenses	19	1,547.		
20 Total expenses. Add lines 5 through 19	20	10,166.		
21 Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6198	21	-5,552.		
22 Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)	22	(-6,627.)	()	()
23a Total of all amounts reported on line 3 for all rental properties	23a	4,614.		
b Total of all amounts reported on line 4 for all royalty properties	23b			
c Total of all amounts reported on line 12 for all properties	23c			
d Total of all amounts reported on line 18 for all properties	23d			
e Total of all amounts reported on line 20 for all properties	23e	10,166.		
24 Income. Add positive amounts shown on line 21. Do not include any losses	24			
25 Losses. Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here	25	(6,627.)		
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Schedule 1 (Form 1040), line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2. NPA	26			-6,627.

For Paperwork Reduction Act Notice, see the separate instructions.

BAA REV 03/05/19 TTW

-6,627. Schedule E (Form 1040) 2018

Foreign Tax Credit

(Individual, Estate, or Trust)

▶ Attach to Form 1040, 1040NR, 1041, or 990-T. COPY 1

▶ Go to www.irs.gov/Form1116 for instructions and the latest information.

Name James K Lockett & Yuhui Liu Identifying number as shown on page 1 of your tax return 534-60-2998

Use a separate Form 1116 for each category of income listed below. See *Categories of Income* in the instructions. Check only one box on each Form 1116. Report all amounts in U.S. dollars except where specified in Part II below.

- ☐ Section 951A income ☐ Passive category income ☐ Section 901(j) income ☐ Lump-sum distributions
☐ Foreign branch income ☒ General category income ☐ Certain income re-sourced by treaty

h Resident of (name of country) ▶ China

Note: If you paid taxes to only one foreign country or U.S. possession, use column A in Part I and line A in Part II. If you paid taxes to more than one foreign country or U.S. possession, use a separate column and line for each country or possession.

Part I Taxable Income or Loss From Sources Outside the United States (for category checked above)

i Enter the name of the foreign country or U.S. possession ▶	Foreign Country or U.S. Possession			Total (Add cols. A, B, and C.)
	A	B	C	
<u>China</u>				
1a Gross income from sources within country shown above and of the type checked above (see instructions): <u>0</u> From Form <u>2555</u>				
	41,850.			1a 41,850.
b Check if line 1a is compensation for personal services as an employee, your total compensation from all sources is \$250,000 or more, and you used an alternative basis to determine its source (see instructions) <input type="checkbox"/>				
Deductions and losses (Caution: See instructions.):				
2 Expenses definitely related to the income on line 1a (attach statement)				
3 Pro rata share of other deductions not definitely related: SEE STMT				
a Certain itemized deductions or standard deduction (see instructions)	25,300.			
b Other deductions (attach statement)	27,145.			
c Add lines 3a and 3b	52,445.			
d Gross foreign source income (see instructions)	119,992.			
e Gross income from all sources (see instructions)	1,049,739.			
f Divide line 3d by line 3e (see instructions)	0.1143			
g Multiply line 3c by line 3f	5,994.			
4 Pro rata share of interest expense (see instructions):				
a Home mortgage interest (use the Worksheet for Home Mortgage Interest in the instructions)				
b Other interest expense				
5 Losses from foreign sources				
6 Add lines 2, 3g, 4a, 4b, and 5	5,994.			6 5,994.
7 Subtract line 6 from line 1a. Enter the result here and on line 15, page 2 ▶				7 35,856.

Part II Foreign Taxes Paid or Accrued (see instructions)

Country	Credit is claimed for taxes (you must check one) (j) <input checked="" type="checkbox"/> Paid (k) <input type="checkbox"/> Accrued	Foreign taxes paid or accrued								
		In foreign currency				In U.S. dollars				
		Taxes withheld at source on:			(p) Other foreign taxes paid or accrued	Taxes withheld at source on:			(t) Other foreign taxes paid or accrued	(u) Total foreign taxes paid or accrued (add cols. (q) through (t))
		(l) Date paid or accrued	(m) Dividends	(n) Rents and royalties		(o) Interest	(q) Dividends	(r) Rents and royalties		
A	12/31/2018						0.		56,126.	56,126.
B										
C										
8	Add lines A through C, column (u). Enter the total here and on line 9, page 2 ▶									8 56,126.

Part III Figuring the Credit

9	Enter the amount from line 8. These are your total foreign taxes paid or accrued for the category of income checked above Part I . . .	9	56,126.	
10	Carryback or carryover (attach detailed computation) <u>SEE STMT</u> (If your income was section 951A income (box a above Part I), leave line 10 blank.)	10	541,696.	
11	Add lines 9 and 10	11	597,822.	
12	Reduction in foreign taxes (see instructions)	12	(0.)	
13	Taxes reclassified under high tax kickout (see instructions) . . .	13	0.	
14	Combine lines 11, 12, and 13. This is the total amount of foreign taxes available for credit . . .	14		597,822.
15	Enter the amount from line 7. This is your taxable income or (loss) from sources outside the United States (before adjustments) for the category of income checked above Part I (see instructions)	15	35,856.	
16	Adjustments to line 15 (see instructions)	16		
17	Combine the amounts on lines 15 and 16. This is your net foreign source taxable income. (If the result is zero or less, you have no foreign tax credit for the category of income you checked above Part I. Skip lines 18 through 22. However, if you are filing more than one Form 1116, you must complete line 20.)	17	35,856.	
18	Individuals: Enter the amount from Form 1040, line 10; or Form 1040NR, line 41. Estates and trusts: Enter your taxable income without the deduction for your exemption	18	0.	
	Caution: If you figured your tax using the lower rates on qualified dividends or capital gains, see instructions.			
19	Divide line 17 by line 18. If line 17 is more than line 18, enter "1"	19		1.0000
20	Individuals: Enter the total of Form 1040, line 11a, and Schedule 2 (Form 1040), line 46. If you are a nonresident alien, enter the total of Form 1040NR, lines 42 and 44. Estates and trusts: Enter the amount from Form 1041, Schedule G, line 1a; or the total of Form 990-T, lines 40, 41, and 43. Foreign estates and trusts should enter the amount from Form 1040NR, line 42	20		0.
	Caution: If you are completing line 20 for separate category g (lump-sum distributions), see instructions.			
21	Multiply line 20 by line 19 (maximum amount of credit)	21		0.
22	Enter the smaller of line 14 or line 21. If this is the only Form 1116 you are filing, skip lines 23 through 30 and enter this amount on line 31. Otherwise, complete the appropriate line in Part IV (see instructions)	22		0.

Part IV Summary of Credits From Separate Parts III (see instructions)

23	Credit for taxes on section 951A income	23		
24	Credit for taxes on foreign branch income	24		
25	Credit for taxes on passive category income	25		
26	Credit for taxes on general category income	26		
27	Credit for taxes on section 901(j) income	27		
28	Credit for taxes on certain income re-sourced by treaty	28		
29	Credit for taxes on lump-sum distributions	29		
30	Add lines 23 through 29	30		
31	Enter the smaller of line 20 or line 30	31		0.
32	Reduction of credit for international boycott operations. See instructions for line 12	32		
33	Subtract line 32 from line 31. This is your foreign tax credit . Enter here and on Schedule 3 (Form 1040), line 48; Form 1040NR, line 46; Form 1041, Schedule G, line 2a; or Form 990-T, line 45a	33		0.

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

▶ Attach to your tax return.

▶ Go to www.irs.gov/Form4797 for instructions and the latest information.

OMB No. 1545-0184

2018Attachment
Sequence No. **27**

Name(s) shown on return

James K Lockett & Yuhui Liu

Identifying number

534-60-2998

- 1** Enter the gross proceeds from sales or exchanges reported to you for 2018 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20. See instructions

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

2	(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
3	Gain, if any, from Form 4684, line 39						3
4	Section 1231 gain from installment sales from Form 6252, line 26 or 37						4
5	Section 1231 gain or (loss) from like-kind exchanges from Form 8824						5
6	Gain, if any, from line 32, from other than casualty or theft						6 17,286.
7	Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows						7 17,286.
Partnerships and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below. Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you didn't have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.							
8	Nonrecaptured net section 1231 losses from prior years. See instructions						8
9	Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return. See instructions						9

Part II Ordinary Gains and Losses (see instructions)

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

11	Loss, if any, from line 7						11 ()						
12	Gain, if any, from line 7 or amount from line 8, if applicable						12						
13	Gain, if any, from line 31						13 0.						
14	Net gain or (loss) from Form 4684, lines 31 and 38a						14						
15	Ordinary gain from installment sales from Form 6252, line 25 or 36						15						
16	Ordinary gain or (loss) from like-kind exchanges from Form 8824						16						
17	Combine lines 10 through 16						17 0.						
18	For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below.												
a If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the loss from income-producing property on Schedule A (Form 1040), line 16. (Do not include any loss on property used as an employee.) Identify as from "Form 4797, line 18a." See instructions							18a						
b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Schedule 1 (Form 1040), line 14							18b 0.						

For Paperwork Reduction Act Notice, see separate instructions.

BAA

REV 12/22/18 TTW

Form **4797** (2018)

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255
 (see instructions)

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:		(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
A	2121 E Upriver Drive	07/31/2013	07/31/2018
B			
C			
D			

These columns relate to the properties on lines 19A through 19D. ▶		Property A	Property B	Property C	Property D
20	Gross sales price (Note: See line 1 before completing.)	20	105,000.		
21	Cost or other basis plus expense of sale	21	87,714.		
22	Depreciation (or depletion) allowed or allowable.	22	0.		
23	Adjusted basis. Subtract line 22 from line 21.	23	87,714.		
24	Total gain. Subtract line 23 from line 20	24	17,286.		
25	If section 1245 property:				
	a Depreciation allowed or allowable from line 22	25a			
	b Enter the smaller of line 24 or 25a.	25b			
26	If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.				
	a Additional depreciation after 1975. See instructions	26a			
	b Applicable percentage multiplied by the smaller of line 24 or line 26a. See instructions.	26b			
	c Subtract line 26a from line 24. If residential rental property or line 24 isn't more than line 26a, skip lines 26d and 26e	26c			
	d Additional depreciation after 1969 and before 1976.	26d			
	e Enter the smaller of line 26c or 26d	26e			
	f Section 291 amount (corporations only)	26f			
	g Add lines 26b, 26e, and 26f	26g	0.		
27	If section 1252 property: Skip this section if you didn't dispose of farmland or if this form is being completed for a partnership.				
	a Soil, water, and land clearing expenses	27a			
	b Line 27a multiplied by applicable percentage. See instructions	27b			
	c Enter the smaller of line 24 or 27b	27c			
28	If section 1254 property:				
	a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion. See instructions	28a			
	b Enter the smaller of line 24 or 28a.	28b			
29	If section 1255 property:				
	a Applicable percentage of payments excluded from income under section 126. See instructions	29a			
	b Enter the smaller of line 24 or 29a. See instructions	29b			

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30	Total gains for all properties. Add property columns A through D, line 24	30	17,286.
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31	0.
32	Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6	32	17,286.

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less
 (see instructions)

		(a) Section 179	(b) Section 280F(b)(2)
33	Section 179 expense deduction or depreciation allowable in prior years.	33	
34	Recomputed depreciation. See instructions	34	
35	Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35	

Foreign Earned Income

▶ **Attach to Form 1040. Complete the Foreign Earned Income Tax Worksheet in the Instructions for Form 1040 if you enter an amount on line 45 or 50.**
▶ **Go to www.irs.gov/Form2555 for instructions and the latest information.**

OMB No. 1545-0074

2018
Attachment
Sequence No. **34**

For Use by U.S. Citizens and Resident Aliens Only

Name shown on Form 1040
James K Lockett

Your social security number
534-60-2998

Part I General Information

1 Your foreign address (including country) Apt 3D, Building 12, Century Village, 118 East Shahe Road, Nanshan Dist Shenzhen Guangdong China 518053		2 Your occupation Lawyer
3 Employer's name ▶ Huawei Technology Company Ltd		
4a Employer's U.S. address ▶ None		
b Employer's foreign address ▶ Huawei Bantian Main Base Shenzhen Guangdong China 518129		
5 Employer is (check any that apply): a <input checked="" type="checkbox"/> A foreign entity b <input type="checkbox"/> A U.S. company c <input type="checkbox"/> Self d <input type="checkbox"/> A foreign affiliate of a U.S. company e <input type="checkbox"/> Other (specify) ▶		
6a If you previously filed Form 2555 or Form 2555-EZ, enter the last year you filed the form. ▶		2017
b If you didn't previously file Form 2555 or 2555-EZ to claim either of the exclusions, check here ▶ <input type="checkbox"/> and go to line 7.		
c Have you ever revoked either of the exclusions? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
d If you answered "Yes," enter the type of exclusion and the tax year for which the revocation was effective. ▶		
7 Of what country are you a citizen/national? ▶ United States		
8a Did you maintain a separate foreign residence for your family because of adverse living conditions at your tax home? See Second foreign household in the instructions <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If "Yes," enter city and country of the separate foreign residence. Also, enter the number of days during your tax year that you maintained a second household at that address. ▶		
9 List your tax home(s) during your tax year and date(s) established. ▶ Spokane (08); Shenzhen (13) 01/24/2013		

Next, complete either Part II or Part III. If an item doesn't apply, enter "NA." If you don't give the information asked for, any exclusion or deduction you claim may be disallowed.

Part II Taxpayers Qualifying Under Bona Fide Residence Test (see instructions)

10 Date bona fide residence began ▶ , and ended ▶							
11 Kind of living quarters in foreign country ▶ a <input type="checkbox"/> Purchased house b <input type="checkbox"/> Rented house or apartment c <input type="checkbox"/> Rented room d <input type="checkbox"/> Quarters furnished by employer							
12a Did any of your family live with you abroad during any part of the tax year? <input type="checkbox"/> Yes <input type="checkbox"/> No							
b If "Yes," who and for what period? ▶							
13a Have you submitted a statement to the authorities of the foreign country where you claim bona fide residence that you aren't a resident of that country? See instructions <input type="checkbox"/> Yes <input type="checkbox"/> No							
b Are you required to pay income tax to the country where you claim bona fide residence? See instructions . <input type="checkbox"/> Yes <input type="checkbox"/> No							
If you answered "Yes" to 13a and "No" to 13b, you don't qualify as a bona fide resident. Don't complete the rest of this part.							
14 If you were present in the United States or its possessions during the tax year, complete columns (a)–(d) below. Don't include the income from column (d) in Part IV, but report it on Form 1040.							
(a) Date arrived in U.S.	(b) Date left U.S.	(c) Number of days in U.S. on business	(d) Income earned in U.S. on business (attach computation)	(a) Date arrived in U.S.	(b) Date left U.S.	(c) Number of days in U.S. on business	(d) Income earned in U.S. on business (attach computation)
15a List any contractual terms or other conditions relating to the length of your employment abroad. ▶							
b Enter the type of visa under which you entered the foreign country. ▶							
c Did your visa limit the length of your stay or employment in a foreign country? If "Yes," attach explanation . <input type="checkbox"/> Yes <input type="checkbox"/> No							
d Did you maintain a home in the United States while living abroad? <input type="checkbox"/> Yes <input type="checkbox"/> No							
e If "Yes," enter address of your home, whether it was rented, the names of the occupants, and their relationship to you. ▶							

Part III Taxpayers Qualifying Under Physical Presence Test (see instructions)

- 16** The physical presence test is based on the 12-month period from **▶ 10/03/2017** through **▶ 10/02/2018**
- 17** Enter your principal country of employment during your tax year. **▶ China**
- 18** If you traveled abroad during the 12-month period entered on line 16, complete columns **(a)–(f)** below. Exclude travel between foreign countries that didn't involve travel on or over international waters, or in or over the United States, for 24 hours or more. If you have no travel to report during the period, enter "Physically present in a foreign country or countries for the entire 12-month period." **Don't** include the income from column **(f)** below in Part IV, but report it on Form 1040.

(a) Name of country (including U.S.)	(b) Date arrived	(c) Date left	(d) Full days present in country	(e) Number of days in U.S. on business	(f) Income earned in U.S. on business (attach computation)
US	05/25/2018	06/01/2018	5	1	0.
US	08/07/2018	09/01/2018	22	1	0.

Part IV All Taxpayers

Note: Enter on lines 19 through 23 all income, including noncash income, you earned and actually or constructively received during your 2018 tax year for services you performed in a foreign country. If any of the foreign earned income received this tax year was earned in a prior tax year, or will be earned in a later tax year (such as a bonus), see the instructions. **Don't** include income from line 14, column **(d)**, or line 18, column **(f)**. Report amounts in U.S. dollars, using the exchange rates in effect when you actually or constructively received the income.

If you are a cash basis taxpayer, report on Form 1040 all income you received in 2018, no matter when you performed the service.

2018 Foreign Earned Income		Amount (in U.S. dollars)
19	Total wages, salaries, bonuses, commissions, etc.	19 119,992.
20	Allowable share of income for personal services performed (see instructions):	
a	In a business (including farming) or profession	20a
b	In a partnership. List partnership's name and address and type of income. ▶	20b
21	Noncash income (market value of property or facilities furnished by employer—attach statement showing how it was determined):	
a	Home (lodging)	21a 0.
b	Meals	21b 0.
c	Car	21c 0.
d	Other property or facilities. List type and amount. ▶	21d
22	Allowances, reimbursements, or expenses paid on your behalf for services you performed:	
a	Cost of living and overseas differential	22a
b	Family	22b
c	Education	22c
d	Home leave	22d
e	Quarters	22e
f	For any other purpose. List type and amount. ▶	22f
g	Add lines 22a through 22f	22g
23	Other foreign earned income. List type and amount. ▶	23
24	Add lines 19 through 21d, line 22g, and line 23	24 119,992.
25	Total amount of meals and lodging included on line 24 that is excludable (see instructions)	25
26	Subtract line 25 from line 24. Enter the result here and on line 27 on page 3. This is your 2018 foreign earned income ▶	26 119,992.

Part V All Taxpayers

27	Enter the amount from line 26	27	119,992.
Are you claiming the housing exclusion or housing deduction?			
<input type="checkbox"/> Yes. Complete Part VI.			
<input checked="" type="checkbox"/> No. Go to Part VII.			

Part VI Taxpayers Claiming the Housing Exclusion and/or Deduction

28	Qualified housing expenses for the tax year. See instructions	28	0.
29a	Enter location where housing expenses incurred. See instructions ▶		
b	Enter limit on housing expenses. See instructions	29b	0.
30	Enter the smaller of line 28 or line 29b	30	0.
31	Number of days in your qualifying period that fall within your 2018 tax year (see instructions)	31	275 days
32	Multiply \$45.55 by the number of days on line 31. If 365 is entered on line 31, enter \$16,624 here	32	12,526.
33	Subtract line 32 from line 30. If the result is zero or less, don't complete the rest of this part or any of Part IX	33	0.
34	Enter employer-provided amounts. See instructions	34	
35	Divide line 34 by line 27. Enter the result as a decimal (rounded to at least three places), but don't enter more than "1.000"	35	
36	Housing exclusion. Multiply line 33 by line 35. Enter the result but don't enter more than the amount on line 34. Also, complete Part VIII ▶ Note: The housing deduction is figured in Part IX. If you choose to claim the foreign earned income exclusion, complete Parts VII and VIII before Part IX.	36	

Part VII Taxpayers Claiming the Foreign Earned Income Exclusion

37	Maximum foreign earned income exclusion	37	\$103,900	00
38	• If you completed Part VI, enter the number from line 31. • All others, enter the number of days in your qualifying period that fall within your 2018 tax year. See the instructions for line 31. } 38 275 days			
39	• If line 38 and the number of days in your 2018 tax year (usually 365) are the same, enter "1.000." • Otherwise, divide line 38 by the number of days in your 2018 tax year and enter the result as a decimal (rounded to at least three places). } 39 0.753			
40	Multiply line 37 by line 39	40	78,237.	
41	Subtract line 36 from line 27	41	119,992.	
42	Foreign earned income exclusion. Enter the smaller of line 40 or line 41. Also, complete Part VIII ▶	42	78,237.	

Part VIII Taxpayers Claiming the Housing Exclusion, Foreign Earned Income Exclusion, or Both

43	Add lines 36 and 42	43	78,237.
44	Deductions allowed in figuring your adjusted gross income (Form 1040, line 7) that are allocable to the excluded income. See instructions and attach computation SEE STMT	44	95.
45	Subtract line 44 from line 43. Enter the result here and in parentheses on Schedule 1 (Form 1040), line 21. Next to the amount, enter "Form 2555." On Schedule 1 (Form 1040), subtract this amount from your additional income to arrive at the amount reported on Schedule 1 (Form 1040), line 22	45	78,142.

Part IX Taxpayers Claiming the Housing Deduction—Complete this part only if (a) line 33 is more than line 36 and (b) line 27 is more than line 43.

46	Subtract line 36 from line 33	46	
47	Subtract line 43 from line 27	47	
48	Enter the smaller of line 46 or line 47	48	
Note: If line 47 is more than line 48 and you couldn't deduct all of your 2017 housing deduction because of the 2017 limit, use the Housing Deduction Carryover Worksheet in the instructions to figure the amount to enter on line 49. Otherwise, go to line 50.			
49	Housing deduction carryover from 2017 (from the Housing Deduction Carryover Worksheet in the instructions)	49	
50	Housing deduction. Add lines 48 and 49. Enter the total here and on Schedule 1 (Form 1040) to the left of line 36. Next to the amount on Schedule 1 (Form 1040), line 36, enter "Form 2555." Add it to the total adjustments to income reported on line 36 ▶	50	

Health Coverage Exemptions

▶ Attach to Form 1040.

▶ Go to www.irs.gov/Form8965 for instructions and the latest information.

Name as shown on return

James K Lockett & Yuhui Liu

Your social security number

534-60-2998

Complete this form if you have a Marketplace-granted coverage exemption or you are claiming a coverage exemption on your return.

Part I

Marketplace-Granted Coverage Exemptions for Individuals. If you and/or a member of your tax household have an exemption granted by the Marketplace, complete Part I.

	(a) Name of Individual	(b) SSN	(c) Exemption Certificate Number
1			
2			
3			
4			
5			
6			

Part II**Coverage Exemptions Claimed on Your Return for Your Household**

7 If you are claiming a coverage exemption because your household income or gross income is below the filing threshold, check here ☒

Part III

Coverage Exemptions Claimed on Your Return for Individuals. If you and/or a member of your tax household are claiming an exemption on your return, complete Part III.

	(a) Name of Individual	(b) SSN	(c) Exemption Type	(d) Full Year	(e) Jan	(f) Feb	(g) Mar	(h) Apr	(i) May	(j) June	(k) July	(l) Aug	(m) Sept	(n) Oct	(o) Nov	(p) Dec
8	James Lockett	534-60-2998	B												X	X
9	Yuhui Liu	677-28-4731	B												X	X
10	Thomas Lockett	721-99-3745	B												X	X
11	James Lockett	534-60-2998	C		X	X	X	X	X	X	X	X	X	X		
12	Yuhui Liu	677-28-4731	C		X	X	X	X	X	X	X	X	X	X		
13	See Part III - Coverage Exemptions Claimed on Your Return for Individuals															

Foreign Tax Credit Carryover Statement

2018

COPY 1

Name(s) Shown on Return

James K Lockett & Yuhui Liu

Social Security No

534-60-2998

Foreign Tax Credit Carryovers from 2017

a ☐ Passive category income
b ☒ General category income
c ☐ Section 901(j) income

d ☐ Certain income re-sourced by treaty
e ☐ Lump-sum distribution

Regular Tax	Foreign Taxes	Disallowed	Utilized	Carryover
2008				
2009				
2010				
2011	135,992.	0.	23,410.	112,582.
2012				
2013	66,615.	0.	8,900.	57,715.
2014	69,092.	0.	23,481.	45,611.
2015	121,150.	0.	42,476.	78,674.
2016	177,562.	0.	78,101.	99,461.
2017	168,378.	0.	20,725.	147,653.
Carryover to 2018				541,696.

Alternative Minimum Tax	Foreign Taxes	Disallowed	Utilized	Carryover
2008				
2009				
2010				
2011	135,992.	0.	25,294.	110,698.
2012				
2013	66,615.	0.	1,884.	64,731.
2014	69,092.		13,569.	55,523.
2015	121,150.		32,150.	89,000.
2016	177,562.		61,658.	115,904.
2017	168,378.		9,331.	159,047.
Carryover to 2018				594,903.

Tax History Report

► Keep for your records

2018

Name(s) Shown on Return

James K Lockett & Yuhui Liu

	Five Year Tax History:				
	2014	2015	2016	2017	2018
Filing status	MFS	MFS	MFS	MFS	MFJ
Total income	143,357.	208,413.	304,182.	130,563.	-915,430.
Adjustments to income	42,000.	48,000.	54,000.	54,988.	27,145.
Adjusted gross income	101,357.	160,413.	250,182.	75,575.	-942,575.
Tax expense	3,737.	2,591.	4,458.	3,536.	0.
Interest expense . . .			0.		933.
Contributions	14,155.	19,361.	24,526.	25,201.	
Misc. deductions . . .	5,576.	5,606.	4,312.	10,795.	
Other itemized ded'ns					5,580.
Total itemized/ standard deduction . .	23,468.	27,394.	30,460.	6,350.	25,300.
Exemption amount . .	3,950.	3,600.	0.	4,050.	0.
QBI deduction					0.
Taxable income	73,939.	129,419.	219,722.	65,175.	0.
Tax	23,681.	42,476.	78,101.	20,725.	
Alternative min tax . .					
Total credits	23,681.	42,476.	78,101.	20,725.	0.
Other taxes				1,976.	
Payments					1,632.
Form 2210 penalty . .					
Amount owed	0.	0.	0.	1,976.	0.
Applied to next year's estimated tax .					1,632.
Refund					
Effective tax rate % . .	0.00	0.00	0.00	0.00	0.00
**Tax bracket %	28.0	33.0	35.0	25.0	10.0

**Tax bracket % is based on Taxable income.

Section 1.263(a)-1(f)

▶ Attach to your income tax return

Name(s) Shown on Return

James K Lockett & Yuhui Liu

Identification Number

534-60-2998Tax Year: 2018**Section 1.263(a)-1(f)**
De Minimis Safe Harbor Election

The taxpayer elects to make the de minimis safe harbor election under the Regulation 1.263(a)-1(f)

Name:

James K Lockett & Yuhui Liu

Address:

9850 East Windrose Drive, Scottsdale AZ 85260

Identification Number:

534-60-2998

Healthcare Entry Sheet

2018

► Keep for your records

The forms associated with healthcare (8965, 8962, 1095-A, and this Healthcare Entry Sheet) all interact with information from the information worksheet. Be sure to enter all personal information including dependents listed on the return **before** using this sheet to track health insurance coverage.

Yes No/Partial

☐ ☒ Everyone on the tax return was covered by health insurance all year.

If everyone on the return was covered and there was no Market Place coverage (Form 1095-A) then check the YES box above - no other action is required.

Health Insurance Coverage for Individuals: Use this form to report healthcare coverage for individuals for months:

- not reported on 1095-A, 1095-B or 1095-C
- not covered by employer
- months not covered by an exemption

Note: The 1095-A information **must** be entered on Form 1095-A in order to correctly calculate any Premium Tax Credit. The 1095-B or the 1095-C can be entered directly in the table below.

If applicable enter information on form 1095-A, Health Insurance Marketplace Statement

Note: The IRS is not requiring the 1095-B or 1095-C be filed with the returns. Keep these forms for your records and track the the months using the checkboxes below.

If applicable enter Market Place exemptions (ECNs) or Request exemptions on form 8965

Note: Do not enter the name, SSN, or date of birth directly on the table below. Instead, enter the information at the bottom of the Personal Information Worksheet or Dependent and Nondependent Information Worksheet.

Or if you check the box at the top "Yes" that "Everyone on the tax return was covered by health insurance all year." the covered all 12 months box will be marked for all the individuals below regardless of what is entered on the Personal Information or Dependent and Nondependent Information Worksheet.

Short Gap
Eligible*
Yes No

a. Name of covered individual(s)	b. SSN	c. DOB	Covered all 12 months	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
1 James Lockett	534-60-2998	11/11/53	<input type="checkbox"/>	Short gap: <input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Yes <input type="checkbox"/>	<input type="checkbox"/>	No <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	T
2 Yuhui Liu	677-28-4731	03/25/68	<input type="checkbox"/>	Short gap: <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes <input type="checkbox"/>	X <input type="checkbox"/>	No <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	S
3 Thomas Lockett	721-99-3745	11/30/04	<input type="checkbox"/>	Short gap: <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes <input type="checkbox"/>	X <input type="checkbox"/>	No <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1
4			<input type="checkbox"/>	Short gap: <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes <input type="checkbox"/>	<input type="checkbox"/>	No <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
5			<input type="checkbox"/>	Short gap: <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes <input type="checkbox"/>	<input type="checkbox"/>	No <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6			<input type="checkbox"/>	Short gap: <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes <input type="checkbox"/>	<input type="checkbox"/>	No <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

* See help for explanation of short gap Yes/No box function. It affects the calculation of short gap coverage for January and February based on answer, which indicates whether coverage at end of prior year qualify months for short gap eligibility.

To review the detail of each person listed on the return (covered, not covered, exempt) and to see any penalty calculation go to the **Health Care Individual Responsibility Smart Worksheet** on Form 8965. ►

Completion checkbox:

☒ Check this box once you are finished with all the healthcare related entries.

Tax Payments Worksheet

2018

► Keep for your records

Name(s) Shown on Return James K Lockett & Yuhui Liu	Social Security Number 534-60-2998
--	---------------------------------------

Estimated Tax Payments for 2018 (If more than 4 payments for any state or locality, see Tax Help)

Federal		State			Local		
Date	Amount	Date	Amount	ID	Date	Amount	ID
1 04/17/18		04/17/18			04/17/18		
2 06/15/18	544.	06/15/18			06/15/18		
3 09/17/18	544.	09/17/18			09/17/18		
4 01/15/19	544.	01/15/19			01/15/19		
5							
Tot Estimated Payments . . .	1,632.						

Tax Payments Other Than Withholding (If multiple states, see Tax Help)		Federal	State	ID	Local	ID
6 Overpayments applied to 2018						
7 Credited by estates and trusts						
8 Totals Lines 1 through 7	1,632.					
9 2018 extensions						

Taxes Withheld From:				Federal	State	Local
10 Forms W-2						
11 Forms W-2G						
12 Forms 1099-R						
13 Forms 1099-MISC, 1099-K and 1099-G						
14 Schedules K-1						
15 Forms 1099-INT, DIV and OID						
16 Social Security and Railroad Benefits						
17 Form 1099-B	St		Loc			
18 a Other withholding	St		Loc			
b Other withholding	St		Loc			
c Other withholding	St		Loc			
d Positive Adjustment	St		Loc			
e Negative Adjustment	St		Loc			
f Additional Medicare Tax						
19 Total Withholding Lines 10 through 18f						
20 Total Tax Payments for 2018				1,632.		

Prior Year Taxes Paid In 2018 (If multiple states or localities, see Tax Help)				State	ID	Local	ID
21 Tax paid with 2017 extensions							
22 2017 estimated tax paid after 12/31/2017							
23 Balance due paid with 2017 return							
24 Other (amended returns, installment payments, etc) . .							

Charitable Deduction Limits Worksheet For Current Year Contributions

2018

► Keep for your records

Name(s) Shown on Return James K Lockett & Yuhui Liu	Social Security Number 534-60-2998
--	---------------------------------------

Step 1. List your qualified charitable contributions made during the year.

- 1 Enter your cash contributions for qualified disaster relief. Do not include this amount on line 2 below

Step 2. List your other charitable contributions made during the year.

- 2 Enter your cash contributions to 50% (60%) limit organizations. Do not include contributions entered on line 1. 16,300.
- 3 Enter your non-cash contributions to 50% limit organizations. Do not include contributions of capital gain property deducted at fair market value
- 4 Enter your contributions to 50% limit organizations of capital gain property deducted at fair market value
- 5 Enter your contributions (other than of capital gain property) to organizations that are not 50% limit organizations
- 6 Enter your contributions "for the use" of any qualified organization
- 7 Add lines 5 and 6
- 8 Enter your contributions of capital gain property to or for the use of any qualified organization. (But do not enter here any amount entered on line 1, 2 or 3)

Step 3. Figure your deduction for the year and your carryover to the next year.

- 9 Enter your adjusted gross income -942,575.
- 10 a Multiply line 9 by 0.5. This is your 50% limit. 0.
- b Multiply line 9 by 0.6. This is your 60% limit. 0.

		Limits				Deduct this year	Carryover to next year
		Cash and Other		Capital gain			
		50% Org	Other	50% Org	Other		
Cash Contributions to 50%(60%) limit organizations							
11	Enter the smaller of line 2 or line 10b . .				0.		
12	Subtract line 11 from line 2					16,300.	
13	Subtract line 11 from line 10b			0.			
Contributions to 50% limit organizations							
14	Subtract line 2 from line 10a		0.				
15	Enter the smallest of line 3, 10a or 14 . .				0.		
16	Subtract line 15 from line 3					0.	
17	Subtract line 16 from line 15			0.			
Contributions not to 50% limit organizations							
18	Add lines 2, 3 and 4		16,300.				
19	Multiply line 9 by 0.3. This is your 30% limit.		0.	0.			
20	Subtract line 18 from line 10a		0.				
21	Enter the smallest of line 7, 19, or 20 . .				0.		
22	Subtract line 21 from line 7					0.	
23	Subtract line 21 from line 19				0.		
Capital gain property to 50% limit organizations							
24	Enter the smallest of line 4, 17, or 19 . .				0.		
25	Subtract line 24 from line 4					0.	
26	Subtract line 21 from line 20			0.			
27	Subtract line 24 from line 19			0.			
Capital gain property not to 50% limit organizations							
28	Multiply line 9 by 0.2. This is your 20% limit.			0.			
29	Enter the smaller of line 8, 23, 26, 27, or 28				0.		
30	Subtract line 29 from line 8					0.	
31	Add lines 11, 15, 21, 24, and 29. Amount for Schedule A, Line 14				0.		

32	Subtract line 31 from line 9	0.					
33	Enter the smaller of line 1 or line 32 here on Schedule A, line 14.					0.	
34	Subtract line 33 from line 1						0.
35	Add lines 12, 16, 22, 25, 30 and 34. Carry to next year.						16,300.

Schedule E

Schedule E Worksheet

2018

► Keep for your records

Name(s) shown on return

James K Lockett & Yuhui Liu

Social Security No.

534-60-2998

General Information:

Property description Spokane Rental Property
 Property type . . . 2 Multi-Family Residence If type is other, enter a description . . .
 Location (street address) 2121 East Upriver Drive #4
 City Spokane State WA ZIP code 99207
 If a foreign address: Foreign province or state . . .
 Foreign postal code Foreign country

Complete For All Properties:

Did you make any payments that would require you to file Form(s) 1099? Yes ☐ No ☒
 If **yes**, did you or will you file all required Form(s) 1099? Yes ☐ No ☐

Complete For All Rental Properties:

Days rented at fair rental value . . . 211 Days of personal use 0

Check All That Apply:

A Owned by spouse ☐ **B** Owned jointly ☐
C Active participation ☒ **D** Material participation ☐
E Qualified joint venture ☐ **F** Some investment is not at risk ☐
G Other passive exceptions ☐ **H** Complete taxable disposition - See Help . . . ☒
 Trade or business not subject to net investment income tax ☐
I Treat all MACRS assets for this activity as qualified Indian reservation property? . . . Yes ☐ No ☒
J Treat all assets acquired after August 27, 2005 as
 qualified GO Zone property? Regular ☐ Extension ☐ No ☒
K Treat all assets acquired after May 4, 2007 as
 qualified Kansas Disaster Zone property? Yes ☐ No ☒
L Was this activity located in a Qualified Disaster Area? Yes ☐ No ☒
M Reserved for future use

Ownership Percentage:

N Check to allocate income and expenses using ownership percentage ☐
O Enter ownership percentage %

Owner-Occupied Rentals:

P Check to allocate personal use items to Schedule A ☐
Q Percentage of rental use %

Vacation Home or Property with Personal Use Days:

R Check to allocate interest and taxes using the Tax Court Method ☐
S Number of days property owned if less than the entire year

Property Location

Page 2

2121 East Upriver Drive #4, Spokane, WA 99207

Income		% if Different	Total
3	Enter rental income (not reported elsewhere)	4,014.	
	Rental income from Form 1099-MISC	600.	
	Rental income from Form 1099-K		
	Rental Income from Cancellation of Debt Wks		
	Total rents received	4,614.	100.000000 4,614.
4	Enter royalties received (not reported elsewhere) . .		
	Royalty income from Form 1099-MISC		
	Royalty income from Form 1099-K		
	Royalty Income from Cancellation of Debt Wks		
	Royalty Income from Schedule K-1		
	Total royalties received		

Expenses	(a) Total	(b) Enter % if not 100.00	(c) Reported On Schedule E	(d) Vacation Home Loss Limitation	(e) Allocated to Personal use
5 Advertising	250.		250.		
6 a Auto					
b Travel	245.		245.		
7 Cleaning and maint . .	3,475.		3,475.		
8 Commissions					
9 a Mort insur qualified . .					
From Form 1098 import					
Total mort insur qual .					
b Other Insurance	104.		104.		
10 Legal & other prof fees	125.		125.		
11 Management fees . . .	350.		350.		
12 a Mortgage int qualified .					
From Form 1098 import					
Total mort int qualified					
b Mort int other					
From Form 1098 import					
Total mort int other . .					
13 Other interest					
14 Repairs	2,245.		2,245.		
15 Supplies	627.		627.		
16 a Real estate taxes . . .	580.				
From Form 1098 import					
Total real estate taxes	580.		580.		
b Other taxes	396.		396.		
17 Utilities	222.		222.		
18 a Depreciation					
b Depletion					
c Depreciation carryover					
19 Other expenses					
a microwave	299.		299.		
b refrigerator	599.		599.		
c stove/oven	649.		649.		
d					
e Indirect operating exp .					
f Operating exp carryover					
g Vehicle rental					
h Amortization					
20 Add lines 5 through 19	10,166.		10,166.		
21 Income or (loss)			-5,552.		
22 Deductible rental real estate loss			-6,627.		

Qualified Business Income Component Worksheet

2018

► Keep for your records

Name(s) Shown on Return James K Lockett & Yuhui Liu	Social Security Number 534-60-2998
--	---------------------------------------

Aggregate trade or business name Aggregate trade or business ID number	Lockett International LLC 47-1829657
---	---

For multiple businesses being aggregated under Regulations section 1.199A-4, complete the explanation statements below. (Not necessary for businesses combined with SSTB.)

Provide a description of the trade or business and an explanation of the factors met that allow the aggregation in accordance with Regulations section 1.199A-4.
Has this trade or business aggregation changed from the prior year? This includes changes due to a trade or business being formed, acquired, disposed, or ceasing operations. If yes, explain.

Business name	Tax ID	QBI	W2 wages	UBIA
Lockett International LLC	47-1829657	-4,993.	0.	0.

1 Qualified business income (QBI) -4,993.

If using Simplified Worksheet, stop here.

2 Taxable Income

3 Threshold Amount. Enter \$315,000 if filing joint, otherwise \$157,500

4 Subtract line 3 from line 2. If less than 0, enter 0.

5 Phase-in range amount. Enter \$100,000 if filing joint, otherwise \$50,000.

6 Reduction ratio. If line 4 is less than line 5, divide line 4 by line 5.
Otherwise, enter 1.

7 Applicable percentage. Subtract the reduction ratio (line 6) from 1.0000

8 Wages allocable to qualified business income.

9 Unadjusted Basis Immediately after Acquisition of Assets (UBIA) allocable to qualified business income

Reductions for Specified Service Trades or Businesses

Check if Specified Service Trade or Business (SSTB) ☐

11 SSTB reduction to QBI

12 SSTB reduction to allocable wages.

13 SSTB reduction to allocable UBIA

QBI, wages, and UBIA after applicable SSTB reductions

14 Qualified business income

15 Allocable wages

16 Allocable UBIA

Tentative QBI component

17 Adjustments for QBI losses

18 Loss-adjusted QBI (line 14 plus line 17)

19 Tentative QBI component before limitations (20% of line 18)

Wages and assets limits

20 50% of W2 wages

21 25% of W2 wages

22 2.5% of UBIA

23 Sum of 25% of W2 wages and 2.5% of UBIA

24 Wage and Asset Limit. Larger of line 20 or line 23

25 Subtract wage/asset limit (line 24) from tentative QBI component (line 19) (But not less than 0)

26 Reduction Amount. Multiply line 6 by line 25.

27 Subtract the Reduction Amount (line 26) from Tent. QBI Ded'n (line 19)

28 Qualified payments from agricultural or horticultural coop

29 Wages allocable to qualified payments from coop

30 Patron reduction (lesser of 9% of line 28 or 50% of line 29)

Qualified business income component amount

31 Subtract line 30 from line 27

Qualified Business Income Component Worksheet

2018

► Keep for your records

Name(s) Shown on Return James K Lockett & Yuhui Liu	Social Security Number 534-60-2998
Aggregate trade or business name Global One2One LLC	Aggregate trade or business ID number 47-1316219

For multiple businesses being aggregated under Regulations section 1.199A-4, complete the explanation statements below. (Not necessary for businesses combined with SSTB.)

Provide a description of the trade or business and an explanation of the factors met that allow the aggregation in accordance with Regulations section 1.199A-4.
Has this trade or business aggregation changed from the prior year? This includes changes due to a trade or business being formed, acquired, disposed, or ceasing operations. If yes, explain.

Business name	Tax ID	QBI	W2 wages	UBIA
Global One2One LLC	47-1316219	-952,989.	0.	4,260.

1 Qualified business income (QBI) -952,989.

If using Simplified Worksheet, stop here.

2 Taxable Income

3 Threshold Amount. Enter \$315,000 if filing joint, otherwise \$157,500

4 Subtract line 3 from line 2. If less than 0, enter 0.

5 Phase-in range amount. Enter \$100,000 if filing joint, otherwise \$50,000.

6 Reduction ratio. If line 4 is less than line 5, divide line 4 by line 5.

Otherwise, enter 1.

7 Applicable percentage. Subtract the reduction ratio (line 6) from 1.0000

8 Wages allocable to qualified business income.

9 Unadjusted Basis Immediately after Acquisition of Assets (UBIA) allocable to qualified business income

Reductions for Specified Service Trades or Businesses

Check if Specified Service Trade or Business (SSTB) ☐

11 SSTB reduction to QBI

12 SSTB reduction to allocable wages.

13 SSTB reduction to allocable UBIA

QBI, wages, and UBIA after applicable SSTB reductions

14 Qualified business income

15 Allocable wages

16 Allocable UBIA

Tentative QBI component

17 Adjustments for QBI losses

18 Loss-adjusted QBI (line 14 plus line 17)

19 Tentative QBI component before limitations (20% of line 18)

Wages and assets limits

20 50% of W2 wages

21 25% of W2 wages

22 2.5% of UBIA

23 Sum of 25% of W2 wages and 2.5% of UBIA

24 Wage and Asset Limit. Larger of line 20 or line 23

25 Subtract wage/asset limit (line 24) from tentative QBI component (line 19)
(But not less than 0)

26 Reduction Amount. Multiply line 6 by line 25.

27 Subtract the Reduction Amount (line 26) from Tent. QBI Ded'n (line 19)

28 Qualified payments from agricultural or horticultural coop

29 Wages allocable to qualified payments from coop

30 Patron reduction (lesser of 9% of line 28 or 50% of line 29)

Qualified business income component amount

31 Subtract line 30 from line 27

Qualified Business Income Component Worksheet

2018

► Keep for your records

Name(s) Shown on Return James K Lockett & Yuhui Liu	Social Security Number 534-60-2998
--	---------------------------------------

Aggregate trade or business name Spokane Rental Property
Aggregate trade or business ID number _____

For multiple businesses being aggregated under Regulations section 1.199A-4, complete the explanation statements below. (Not necessary for businesses combined with SSTB.)

Provide a description of the trade or business and an explanation of the factors met that allow the aggregation in accordance with Regulations section 1.199A-4.
Has this trade or business aggregation changed from the prior year? This includes changes due to a trade or business being formed, acquired, disposed, or ceasing operations. If yes, explain.

Business name	Tax ID	QBI	W2 wages	UBIA
Spokane Rental Property		-5,552.		0.

1 Qualified business income (QBI) -5,552.

If using Simplified Worksheet, stop here.

2 Taxable Income

3 Threshold Amount. Enter \$315,000 if filing joint, otherwise \$157,500

4 Subtract line 3 from line 2. If less than 0, enter 0.

5 Phase-in range amount. Enter \$100,000 if filing joint, otherwise \$50,000.

6 Reduction ratio. If line 4 is less than line 5, divide line 4 by line 5.

Otherwise, enter 1.

7 Applicable percentage. Subtract the reduction ratio (line 6) from 1.0000

8 Wages allocable to qualified business income.

9 Unadjusted Basis Immediately after Acquisition of Assets (UBIA) allocable to qualified business income

Reductions for Specified Service Trades or Businesses

Check if Specified Service Trade or Business (SSTB) ☐

11 SSTB reduction to QBI

12 SSTB reduction to allocable wages.

13 SSTB reduction to allocable UBIA

QBI, wages, and UBIA after applicable SSTB reductions

14 Qualified business income

15 Allocable wages

16 Allocable UBIA

Tentative QBI component

17 Adjustments for QBI losses

18 Loss-adjusted QBI (line 14 plus line 17)

19 Tentative QBI component before limitations (20% of line 18)

Wages and assets limits

20 50% of W2 wages

21 25% of W2 wages

22 2.5% of UBIA

23 Sum of 25% of W2 wages and 2.5% of UBIA

24 Wage and Asset Limit. Larger of line 20 or line 23

25 Subtract wage/asset limit (line 24) from tentative QBI component (line 19)
(But not less than 0)

26 Reduction Amount. Multiply line 6 by line 25.

27 Subtract the Reduction Amount (line 26) from Tent. QBI Ded'n (line 19)

28 Qualified payments from agricultural or horticultural coop

29 Wages allocable to qualified payments from coop

30 Patron reduction (lesser of 9% of line 28 or 50% of line 29)

Qualified business income component amount

31 Subtract line 30 from line 27

Qualified Business Income Deduction Simplified Worksheet 2018

► Keep for your records

Name(s) Shown on Return James K Lockett & Yuhui Liu	Social Security Number 534-60-2998
--	---------------------------------------

This worksheet is for taxpayers who:

- Have qualified business income, REIT dividends, or PTP income.
- Are not a patron in a specified agricultural or horticultural cooperative.
- Have taxable income of \$157,500 or less (\$315,000 if married filing jointly).

1	(a) Trade or business name	(b) Employer identification number	(c) Qualified business income or (loss)
	Lockett International LLC	47-1829657	-4,993.
	Global One2One LLC	47-1316219	-952,989.
	Spokane Rental Property		-5,552.
2	Total qualified business income or (loss). Add the amounts in column 1(c)		-963,534.
3	Qualified business loss carryforward from the prior year. Enter as negative.		0.
4	Total QBI. Combine lines 2 and 3. If zero or less, enter -0-		0.
5	Qualified business income component. Multiply line 4 by 20% (0.20)		0.
	Qualified REIT dividends		0.
	Qualified PTP income		0.
6	Qualified REIT dividends and PTP income or (loss).		0.
7	Qualified REIT and PTP loss carryforward from prior year. Enter as a negative		0.
8	Total qualified REIT and PTP income. Add lines 6 and 7. Enter -0- if negative		0.
9	Multiply line 8 by 20% (0.20)		0.
10	Qualified business income ded'n before income limitation. Add lines 5 and 9.		0.
11	Income before qualified business income deduction		0.
12	Net capital gains		17,286.
13	Subtract line 12 from line 11. If zero or less, enter -0-		0.
14	Income limitation. Multiply line 13 by 20% (0.20)		0.
15	Qualified business income deduction. Enter the smaller of line 10 or line 14		0.
16	Total QB loss carryforward. Add lines 2 and 3. If more than zero, enter -0-		-963,534.
17	Total qualified REIT and PTP loss carryforward. Add lines 6 and 7. If more than zero, enter -0-		0.

Qualified Business Income Deduction Summary

2018

► Keep for your records

Name(s) Shown on Return	Social Security Number
James K Lockett & Yuhui Liu	534-60-2998

Trade or business name	Net QBI
Lockett International LLC	-4,993.
Global One2One LLC	-952,989.
Spokane Rental Property	-5,552.
Net income from qualified trades or businesses	-963,534.
Loss from previous year	
Sum of activities with gains	
Sum of activities with losses	-963,534.

Check if using Simplified Worksheet

☒ X

QBI component from Simplified Wksht line 5 or Wksht 12-A line 27 0.

Total REIT dividends

PTP Income from non-SSTBs

PTP Income from SSTBs

Allowed PTP Income from SSTBs

Total Allowed PTP income

Carryover REIT/PTP losses from prior year

Total REIT/PTP income

20% of total REIT/PTP income

Combined QBI Amount (QBI component plus 20% of REIT/PTP income). 0.

Income before qualified business income deduction 0.

Net capital gains 17,286.

Taxable income minus net capital gains. If zero or less, enter -0- 0.

20% of taxable income minus net capital gains 0.

Total QBI Deduction 0.

Lesser of Combined QBI Amount or 20% of taxable income net of cap gains

Section 199A(g) deduction for domestic production activities 0.

Foreign Tax Credit Computation Worksheet

2018

COPY 1

Name(s) Shown on Return James K Lockett & Yuhui Liu	Social Security Number 534-60-2998
--	---------------------------------------

- a** ☐ Section 951A income **e** ☐ Section 901(j) income
b ☐ Foreign branch income **f** ☐ Certain income re-sourced by treaty
c ☐ Passive category income **g** ☐ Lump-sum distribution
d ☒ General category income
 Category name: General category income
f Resident of (country) China

Part I – Taxable Income (Loss)	Total	A	B	C
g Name of country or U.S. possession ▶		China		
1 Gross income:				
a <u>0</u>				
b _____				
c Interest and Dividends from Schedule B				
d From Schedules K-1				
e From Form 2555 foreign earned income	41,850.	41,850.		
f Unadjusted gross income this category	41,850.	41,850.		
g Ordinary Income	41,850.	41,850.		
h Qual. Dividends and LT Capital Gains	0.	0.		
i Section 1250 (25%) Capital Gains				
j Collectibles (28%) Capital Gains				
k Adjustment required for QD/LTCG ▶	0.	0.		
l Net Qual. Dividends and LTCG	0.	0.		
m Adjusted gross income this category ▶	41,850.	41,850.		
2 Expense definitely related to gross income:				
a (1) Deduction from K-1 worksheets				
Codes for line 2b ▶ I/J ABCUO				
b Other <u>0</u>				
c _____				
d _____				
e _____				
Total expenses definitely related to gross income ▶				
3 Deductions not definitely related:				
a Standard/certain itemized deductions:				
(1) Standard deduction	25,300.	25,300.		
or (2) Sales taxes (if deducted) and real estate taxes on personal residence				
(3) Medical expenses				
(4) Gifts to charity (See tax help)				
(5) Other a Remaining itemized dedns . .				
b _____				
c _____				
Total itemized deductions not definitely related ▶	25,300.	25,300.		

Part II – Foreign Taxes Paid/Accrued, Line 8

Paid <input checked="" type="checkbox"/> / Accrued <input type="checkbox"/>	Date (mm/dd/yy)	o Dividend	p Rent/Royalties	q Interest	r (1) Other	r (2) K-1's
Country A	12/31/2018		0.		56,126.	
Country B						
Country C						

Additional foreign tax credit on US income to be added to

Form 1116, line 33 (see Tax Help for more info)

Part III – Foreign Tax Credit Computation

10	Carryback or carryover relating to this category	10	541,696.
12	Reduction in foreign taxes:		
a	(1) Current year foreign earned income excluded less related deductions	12a 1	0.
	(2) Total foreign earned income (FEI) less related deductions	2	119,992.
	(3) Allocation ratio: (line 12a1 divided by line 12a2)	3	0.0000
	(4) Total foreign taxes on Form 1116, line 8 minus line 12a6	4	56,126.
	(5) Total reduction for current year taxes (line 12a4 times 12a3)	5	0.
	(6) Foreign tax paid in current year for this category related to prior year FEI	6	
	(7) a Net FEI exclusion that previous year		
	b Total net FEI that previous year	7	
	(8) Total reduction for prior year FEI (line 12a6 times line 12a7)	8	
	(9) Adjustment (explain)		
	Taxes allocable to excluded income (line 12a5 plus line 12a8)	12a	0.
b	From K-1s Desc	12b	
c	Reduction due to participation in international boycott operations	12 c	
	Total reduction in foreign taxes (line 12a plus line 12b plus line 12c) ▶	12	0.
16	Adjustments to line 15		
a	Allocation of foreign losses		
	(1) Losses from other categories	16a 1	
	(2) Foreign income this category/total foreign income	2	
	Pro rata share of losses from other categories (limited to income this category) . . .	16a	
b	Recapture prior year overall foreign loss		
	(1) Overall foreign loss, this category, not recaptured from previous year	16b 1	
	(2) 50% of tax income foreign sources, all categories	2	
	(3) Amount from Form 1116, line 15, less any amount on line 16a above and line 16d below.	3	
	Smallest of 16b1, 2, 3 — recapture required.	16b	
c	Recapture of separate limitation loss accounts		
	(1) Pro rata share, this category, of loss from other categories, from prior year . . .	16c 1	
	(2) Total loss from other categories, from prior year	2	
	(3) Current year income in prior year loss category	3	
	(4) Allocation ratio: (line 16c1 divided by line 16c2)	4	
	Recapture adjustment, this category	16c	
d	Allocation of current year U.S. source losses		
	(1) Net loss from U.S. sources	16d 1	
	(2) Allocation ratio	2	
	U.S. losses allocable to this category (line 16d1 multiplied by line 16d2)	16d	
e	Recapture of overall domestic loss accounts		
	(1) Total balance in overall domestic loss account for this category	16e 1	
	(2) 50% of U.S. source taxable income for the tax year	2	
	Smaller of 16e1 or 16e2, adjustment to line 15	16e	
	Total adjustments to line 15 (minus line 16a minus line 16d minus line 16b plus line 16c plus line 16e)	16	

Foreign Tax Credit Carryovers**Foreign Tax Credit Carryovers from 2017**

Regular Tax	Foreign Taxes	Disallowed	Utilized	Carryover
2008				
2009				
2010				
2011	135,992.	0.	23,410.	112,582.
2012				
2013	66,615.	0.	8,900.	57,715.
2014	69,092.	0.	23,481.	45,611.
2015	121,150.	0.	42,476.	78,674.
2016	177,562.	0.	78,101.	99,461.
2017	168,378.	0.	20,725.	147,653.
Carryover to 2018.				541,696.
Alternative Minimum Tax	Foreign Taxes	Disallowed	Utilized	Carryover
2008				
2009				
2010				
2011	135,992.	0.	25,294.	110,698.
2012				
2013	66,615.	0.	1,884.	64,731.
2014	69,092.		13,569.	55,523.
2015	121,150.		32,150.	89,000.
2016	177,562.		61,658.	115,904.
2017	168,378.		9,331.	159,047.
AMT Carryover to 2018.				594,903.

Foreign Tax Credit Carryovers to 2019

Regular Tax	Foreign Taxes	Disallowed	Utilized	Carryover
2009				
2010				
2011	135,992.	0.	23,410.	112,582.
2012				
2013	66,615.	0.	8,900.	57,715.
2014	69,092.	0.	23,481.	45,611.
2015	121,150.	0.	42,476.	78,674.
2016	177,562.	0.	78,101.	99,461.
2017	168,378.	0.	20,725.	147,653.
2018	56,126.	0.	0.	56,126.
Carryover to 2019.				597,822.
Alternative Minimum Tax	Foreign Taxes	Disallowed	Utilized	Carryover
2009				
2010				
2011	135,992.	0.	25,294.	110,698.
2012				
2013	66,615.	0.	1,884.	64,731.
2014	69,092.		13,569.	55,523.
2015	121,150.		32,150.	89,000.
2016	177,562.		61,658.	115,904.
2017	168,378.		9,331.	159,047.
2018	56,126.		0.	56,126.
AMT Carryover to 2019.				651,029.

Name(s) Shown on Return

James K Lockett & Yuhui Liu

Social Security Number

534-60-2998

Part I Information from Form(s) 1098-E, Student Loan Interest Statement

(a) Lender's name	(b) Borrower (Taxpayer, Spouse)	(c) Borrower's social security number	(d) Prior Year Student Loan Interest	(e) Student loan interest (Box 1)
Total student loan interest.				

Part II Computation of Student Loan Interest Deduction

1	Enter the total interest you paid in 2018 on qualified student loans (see Form 1040 instructions).	1	
2	Enter the smaller of line 1 or \$2,500.	2	
3	Modified AGI Note: If line 3 is \$80,000 or more if single, head of household, or qualifying widow(er) or \$165,000 or more if married filing jointly, stop here . You cannot take the deduction.	3	-864,433.
4	Enter: \$65,000 if single, head of household, or qualifying widow(er); \$135,000 if married filing jointly.	4	135,000.
5	Subtract line 4 from line 3. If zero or less, enter -0- here and on line 7, skip line 6, and go on to line 8	5	0.
6	Divide line 5 by \$15,000 or \$30,000 if married filing jointly. Enter the result as a decimal (rounded to at least three places)	6	0.0000
7	Multiply line 2 by line 6	7	
8	Student loan interest deduction. Subtract line 7 from line 2. Enter the result here and on Form 1040, Sch 1, line 33. Do not include this amount in figuring any other deduction on your return (such as on Schedule A, C, E, etc.)	8	

* **Modified AGI** is the amount from Form 1040, line 6, increased by any excludable income from Puerto Rico, or of bona fide residents of American Samoa, Guam, or the Commonwealth of the Northern Mariana Islands, and foreign earned income/housing exclusion, and decreased by amounts on Schedule 1 (Form 1040), lines 23 through 32 and any write-in amount next to line 36, not including the Foreign housing deduction on line A of the Other Adjustments to Income Smart Worksheet.

Federal Carryover Worksheet

2018

► Keep for your records

Name(s) Shown on Return James K Lockett & Yuhui Liu	Social Security Number 534-60-2998
--	---------------------------------------

2017 State and Local Income Tax Information

(a) State or Local ID	(b) Paid With Extension	(c) Estimates Pd After 12/31	(d) Total With- held/Pmts	(e) Paid With Return	(f) Total Over- payment	(g) Applied Amount
AZ		0.				
Totals . .		0.				

2017 State Extension Information

(a) State	(b) Paid With Extension

2017 Locality Extension Information

(a) Locality	(b) Paid With Extension

2017 State Estimates Information

(a) State	(c) Estimates Paid After 12/31
AZ	0.

2017 Locality Estimates Information

(a) Locality	(c) Estimates Paid After 12/31

2017 State Taxes Due Information

(a) State	(e) Paid With Return

2017 Locality Taxes Due Information

(a) Locality	(e) Paid With Return

2017 State Refund Applied Information

(a) State	(g) Applied Amount

2017 Locality Refund Applied Information

(a) Locality	(g) Applied Amount

2017 State Tax Refund Information

(a) State	(d) Total Withheld/Pmts	(f) Total Overpayment

2017 Locality Tax Refund Information

(a) Locality	(d) Total Withheld/Pmts	(f) Total Overpayment

James K Lockett & Yuhui Liu

534-60-2998

Other Tax and Income Information			2017	2018
1	Filing status	1	3 MFS	2 MFJ
2	Number of exemptions for blind or over 65 (0 - 4).	2		1
3	Itemized deductions	3	39,532.	6,513.
4	Check box if required to itemize deductions	4	<input type="checkbox"/>	<input type="checkbox"/>
5	Adjusted gross income	5	75,575.	-942,575.
6	Tax liability for Form 2210 or Form 2210-F	6	1,976.	0.
7	Alternative minimum tax.	7	0.	
8	Federal overpayment applied to next year estimated tax.	8		1,632.

QuickZoom to the IRA Information Worksheet for IRA information ►

Excess Contributions			2017	2018
9 a	Taxpayer's excess Archer MSA contributions as of 12/31	9 a		
b	Spouse's excess Archer MSA contributions as of 12/31	b		
10 a	Taxpayer's excess Coverdell ESA contributions as of 12/31	10 a		
b	Spouse's excess Coverdell ESA contributions as of 12/31	b		
11 a	Taxpayer's excess HSA contributions as of 12/31	11 a		
b	Spouse's excess HSA contributions as of 12/31	b		

Loss and Expense Carryovers			2017	2018
Note: Enter all entries as a positive amount				
12 a	Short-term capital loss.	12 a		
b	AMT Short-term capital loss	b		
13 a	Long-term capital loss	13 a		
b	AMT Long-term capital loss	b		
14 a	Net operating loss available to carry forward	14 a	10,000.	
b	AMT Net operating loss available to carry forward	b	10,000.	
15 a	Investment interest expense disallowed	15 a		
b	AMT Investment interest expense disallowed	b		
16	Nonrecaptured net Section 1231 losses from:	16 a		
	a 2018. . .	a		
	b 2017. . .	b		
	c 2016. . .	c		
	d 2015. . .	d		
	e 2014. . .	e		
	f 2013. . .	f		
17	AMT Nonrecap'd net Sec 1231 losses from:	17 a		
	a 2018. . .	a		
	b 2017. . .	b		
	c 2016. . .	c		
	d 2015. . .	d		
	e 2014. . .	e		
	f 2013. . .	f		

James K Lockett & Yuhui Liu

534-60-2998

Credit Carryovers				2017	2018
18	General business credit			18	
19	Adoption credit from:	a	2018	19 a	
		b	2017	b	
		c	2016	c	
		d	2015	d	
		e	2014	e	
		f	2013	f	
20	Mortgage interest credit from:	a	2018	20 a	
		b	2017	b	
		c	2016	c	
		d	2015	d	
21	Credit for prior year minimum tax			21	
22	District of Columbia first-time homebuyer credit			22	
23	Residential energy efficient property credit			23	
Other Carryovers				2017	2018
24	Section 179 expense deduction disallowed			24	
25	Excess	a	Taxpayer (Form 2555, line 46)	25 a	
	foreign	b	Taxpayer (Form 2555, line 48)	b	
	housing	c	Spouse (Form 2555, line 46)	c	
	deduction:	d	Spouse (Form 2555, line 48)	d	

Charitable Contribution Carryovers

26	2017 Carryover of charitable contributions from:	Other Property		Capital Gain		Cash
		(a) 50%	(b) 30%	(c) 30%	(d) 20%	(e) 60%
a	2017					
b	2016					
c	2015					
d	2014					
e	2013					
27	2018 Carryover of charitable contributions from:	Other Property		Capital Gain		Cash
		(a) 50%	(b) 30%	(c) 30%	(d) 20%	(e) 60%
a	2018					16,300.
b	2017					
c	2016					
d	2015					
e	2014					

28 Amount overpaid less earned income credit 0.

2017 State Capital Loss Carryovers (For users not transferring from the prior year)

State ID	Short-term Capital Loss for State	AMT Short-term Capital Loss for State	Long-term Capital Loss for State	AMT Long-term Capital Loss for State	Capital Loss (combined) for State	AMT Capital Loss (combined) for State

Tax Year 2018

- Keep for your records

James K Lockett & Yuhui Liu

Sch C - Lawyer

534-60-2998

[illegible]

* Code: S = Sold, A = Auto, L = Listed, V = Vine with SDA in Year Planted/Grafted, X = Non-depreciated asset, H = Home Office

Tax Year 2018

- Keep for your records

James K Lockett & Yuhui Liu

Sch C - Internet Marketing and Sales

534-60-2998

[illegible]

* Code: S = Sold, A = Auto, L = Listed, V = Vine with SDA in Year Planted/Grafted, X = Non-depreciated asset, H = Home Office

Form 4562

Alternative Minimum Tax Depreciation Report

Tax Year 2018

- Keep for your records

2018

James K Lockett & Yuhui Liu

Sch C - Lawyer

534-60-2998

[illegible]

* Code: S = Sold, A = Auto, L = Listed, V = Vine with SDA in Year Planted/Grafted, X = Non-depreciated asset, H = Home Office

534-60-2998

* Code: S = Sold, A = Auto, L = Listed, V = Vine with SDA in Year Planted/Grafted, X = Non-depreciated asset, H = Home Office

Additional information from your 2018 Federal Tax Return

Form 1040: Individual Tax Return

default-field

Explanation Statement

Explanation

We incurred a significant Net Operating Loss for our business. We wish the NOL to be carried forward to 2019.

Schedule 1: Additional Income and Adjustments to Income

Line 21 - Other Income

Continuation Statement

Description	Amount
Form 2555-Foreign Earned Inc/Housing Excl	-78,142.
Net Operating Loss - SEE STMT	-10,000.
Total	-88,142.

Schedule C (Internet Marketing and Sales): Profit or Loss from Business

Line 48 Other Expenses

Continuation Statement

Description	Amount
USI-Tech TechCoins for Membership	456,739.
USI-Tech Re-Purchases From Earnings and Commissions for Membership	895,153.
Ormeus Product Purchases for Membership	25,000.
Total	1,376,892.

Schedule E: Supplemental Income and Loss

Line 19 Other Expenses: Property (1)

Continuation Statement

Expense Description	Amount
microwave	299.
refrigerator	599.
stove/oven	649.
Total	1,547.

Form 1116: Foreign Tax Credit

Foreign Taxes (A)

Line 3

Explanation Statement

Other Deduction Statement

Balance of deductions from income not claimed as definitely related on line 2

Explanation Statement

Explanation Statement

Continuation Statement[illegible]

File by Mail Instructions for your 2018 Arizona Tax Return

Important: Your taxes are not finished until all required steps are completed.



(If you prefer, you can still e-file. Go to the end of these instructions for more information.)

James K Lockett & Yuhui Liu
9850 East Windrose Drive
Scottsdale, AZ 85260

Balance Due/Refund	Your Arizona state tax return (Form 140PY) shows you are due a refund of \$75.00. Do not expect your refund from the Arizona Department of Revenue. You have applied \$75.00 to your 2019 estimated taxes.		
What You Need to Mail	<p>Your tax return - The official return for mailing is included in this printout. Remember to sign and date the return.</p> <p>Attach the Form(s) W-2 to the back of your return.</p> <p>Mail your return and attachments to: Arizona Department of Revenue P.O. Box 29205 Phoenix, AZ 85038-9205</p> <p>Deadline: Postmarked by April 15, 2019</p> <p>Don't forget correct postage on the envelope.</p>		
What You Need to Keep	Keep these instructions and a copy of your return for your records. If you did not print one before closing TurboTax, go back to the program and select File tab, then select the Print for Your Records category.		
2018 Arizona Tax Return Summary	Taxable Income	\$	0.00
	Total Tax	\$	0.00
	Total Payments/Credits	\$	75.00
	Refund Applied to ES Tax	\$	75.00
	No Refund or Amount Due	\$	0.00
Special Formatting	Your printed state tax forms may have special formatting on them, such as bar codes or other symbols. This is to enable fast processing. Don't worry, these forms have been approved by your taxing authority and are acceptable for printing and mailing.		
Changed Your Mind About e-filing?	You can still file electronically. Just go back to TurboTax, select the File tab, then select the E-file category. We'll walk you through the process. Once you file, we will let you know if your return is accepted (or rejected) by the state taxing agency.		

Arizona Form
140PY

Part-Year Resident Personal Income Tax Return

FOR CALENDAR YEAR

2018

82F <input type="checkbox"/> Check box 82F if filing under extension		OR FISCAL YEAR BEGINNING <u>MM/DD/2018</u> AND ENDING <u>MM/DD/20YY</u> 66F	
Your First Name and Middle Initial 1 James K		Last Name Lockett	
Spouse's First Name and Middle Initial (if box 4 or 6 checked) 1 Yuhui		Last Name Liu	
Current Home Address - number and street, rural route 2 9850 East Windrose Drive		Apt. No.	Daytime Phone (with area code) 94 (619) 405-5321
City, Town or Post Office 3 Scottsdale		State AZ	ZIP Code 85260
Last Names Used in Last Four Prior Year(s) (if different) 97			
4 <input checked="" type="checkbox"/> Married filing joint return 4a <input type="checkbox"/> Injured Spouse Protection of Joint Overpayment		REVENUE USE ONLY. DO NOT MARK IN THIS AREA.	
5 <input type="checkbox"/> Head of household: Enter name of qualifying child or dependent on next line: _____		88R	
6 <input type="checkbox"/> Married filing separate return: Enter spouse's name and Social Security Number above.			
7 <input type="checkbox"/> Single			
↓ Enter the number claimed. Do not put a check mark.			
8 1 Age 65 or over (you and/or spouse)		81P PM	
9 _____ Blind (you and/or spouse)		80R RCVD	
10 1 Dependents: Do not include self or spouse.			
11 _____ Qualifying parents and grandparents			
12-13 Residency Status (check one): 12 <input checked="" type="checkbox"/> Part-Year Resident Other than Active Military 13 <input type="checkbox"/> Part-Year Resident Active Military			
(Box 10): Dependent Information: Children and other dependents. For more space, (check) <input type="checkbox"/> and complete page 3.			
(a) FIRST AND LAST NAME (Do not list yourself or spouse.)		(b) SOCIAL SECURITY NO.	(c) RELATIONSHIP
10a Thomas Lockett		721-99-3745	Son
10b _____		_____	_____
(Box 11): Qualifying parents and grandparents. See instructions. For more space, (check) <input type="checkbox"/> and complete page 3.			
(a) FIRST AND LAST NAME (Do not list yourself or spouse.)		(b) SOCIAL SECURITY NO.	(c) RELATIONSHIP
11a _____		_____	_____
11b _____		_____	_____
14 Dates of Arizona residency: From <u>06/01/2018</u> to <u>12/31/2018</u> List other state(s) of residency: <u>WA</u>		2018 FEDERAL Amount from Federal Return	
15 Wages, salaries, tips, etc.		15 119,992 00	
16 Interest.....		16 43 00	
17 Dividends.....		17 00 00	
18 Arizona income tax refunds.....		18 00 00	
19 Business income (or loss) from federal Schedule C.....		19 -957,982 00	
20 Gains (or losses) from federal Schedule D. See instructions for ARIZONA column.....		20 17,286 00	
21 Rents, royalties, partnerships, estates, trusts, small business corporations from federal Schedule E.....		21 -6,627 00	
22 Other income reported on your federal return: Include your own schedule..... <u>SEE STMT</u>		22 -88,142 00	
23 Total income: Add lines 15 through 22.....		23 -915,430 00	
24 Other federal adjustments: Include your own schedule.....		24 27,145 00	
25 Federal adjusted gross income: Subtract line 24 from line 23 in the FEDERAL column.....		25 -942,575 00	
26 Arizona gross income: Subtract line 24 from line 23 in the ARIZONA column.....		26 -265,641 00	
27 Arizona income ratio: Divide line 26 by line 25, and enter the result (not over 1.000).....		27 0.282	
28 Total depreciation included in Arizona gross income ..		28 0 00	
29 Net capital loss from exchange of legal tender		29 00 00	
30 Other Additions to Income		30 00 00	
31 Subtotal: Add lines 26, 28, 29 and 30.....		31 -265,641 00	
32 AZ sourced gain/loss 32 4,322 00			
33 Short-term gain/loss 33 00 00			
34 Long-term gain/loss. 34 4,322 00			
35 Net long-term gain... 35 0 00			
36 Multiply line 35 by 25% (.25).....		36 00 00	
37 Net capital gain from qualified small business		37 00 00	
38 Net capital gain from exchange of legal tender ...		38 00 00	
39 Subtract line 31 - (lines 36, 37, and 38).....		39 -265,641 00	

Your Name (as shown on page 1)		Your Social Security Number				
James K Lockett & Yuhui Liu						
Subtractions – cont. from page 1	40	Enter the amount from page 1, line 39	40	-265,641	00	
	41	Recalculated Arizona depreciation	41	0	00	
	42	Contributions to 529 College Savings Plans	42		00	
	43	Interest on U.S. obligations such as U.S. savings bonds and treasury bills	43		00	
	44	Arizona state lottery winnings included as income on your federal return (up to \$5,000 only)	44		00	
	45	U.S. Social Security or Railroad Retirement Act benefits included in your Arizona income	45		00	
	46	Other Subtractions from Income: See instructions and include your own schedule	46		00	
	47	Subtract lines 41 through 46 from line 40	47	-265,641	00	
	Exemptions	48	Age 65 or over: Multiply the number in box 8 by \$2,100	48	2,100	00
		49	Blind: Multiply the number in box 9 by \$1,500	49		00
50		Dependents: Multiply the number in box 10 by \$2,300	50	2,300	00	
51		Qualifying parents and grandparents: Multiply the number in box 11 by \$10,000	51		00	
52		Add lines 48 through 51	52	4,400	00	
	53	Multiply line 52 by the Arizona income ratio on line 27	53	1,241	00	
	54	Arizona adjusted gross income: Subtract line 53 from line 47	54	-266,882	00	
	Balance of Tax	55	Deductions: Check box and enter amount. See instructions 55I <input type="checkbox"/> ITEMIZED 55S <input checked="" type="checkbox"/> STANDARD	55	10,613	00
		56	Personal exemptions: See instructions	56	1,861	00
		57	Arizona taxable income: Subtract lines 55 and 56 from line 54. If less than zero, enter "0"	57	0	00
58		Compute the tax using amount from line 57 and Tax Table X or Y	58	0	00	
59		Tax from recapture of credits from Arizona Form 301, Part 2, line 36	59		00	
	60	Subtotal of tax: Add lines 58 and 59 and enter the total	60	0	00	
	61	Family income tax credit (from the worksheet - see instructions)	61	120	00	
	62	Nonrefundable credits from Arizona Form 301, Part 2, line 69	62		00	
	63	Balance of tax: Subtract lines 61 and 62 from line 60. If the sum of lines 61 and 62 is more than line 60, enter "0"	63	0	00	
	Total Payments and Refundable Credits	64	2018 AZ income tax withheld	64		00
65		2018 AZ estimated tax payments. 65a <input type="text"/> 00 Claim of Right 65b <input type="text"/> 00 Add 65a and 65b	65c		00	
66		2018 AZ extension payment (Form 204)	66		00	
67		Increased Excise Tax Credit (from the worksheet - see instructions)	67	75	00	
68		Other refundable credits: Check the box(es) and enter the total amount. 681 <input type="checkbox"/> 308-I 682 <input type="checkbox"/> 349	68		00	
	69	Total payments and refundable credits: Add lines 64 through 68 and enter the total	69	75	00	
	Tax Due or Overpayment	70	TAX DUE: If line 63 is larger than line 69, subtract line 69 from line 63, and enter amount of tax due. Skip lines 71, 72 and 73	70		00
		71	OVERPAYMENT: If line 69 is larger than line 63, subtract line 63 from line 69, and enter amount of overpayment	71	75	00
		72	Amount of line 71 to be applied to 2019 estimated tax	72	75	00
		73	Balance of overpayment: Subtract line 72 from line 71	73	0	00
Voluntary Gifts	74 - 84 Voluntary Gifts to:					
	74	Solutions Teams Assigned to Schools	74	00	00	
	75	Arizona Wildlife	75		00	
	76	Child Abuse Prevention	76	00	00	
	77	Domestic Violence Shelter	77	00	00	
	78	Political Gift	78		00	
	79	Neighbors Helping Neighbors	79	00	00	
	80	Special Olympics	80	00	00	
	81	Veterans' Donations Fund	81		00	
	82	I Didn't Pay Enough Fund	82	00	00	
	83	Sustainable State Parks and Road Fund	83	00	00	
	84	Spay/Neuter of Animals	84		00	
	85	Political Party (if amount is entered on line 78 - check only one): 851 <input type="checkbox"/> Democratic 852 <input type="checkbox"/> Green Party 853 <input type="checkbox"/> Libertarian 854 <input type="checkbox"/> Republican				
	Penalty	86	Estimated payment penalty	86		00
		87	871 <input type="checkbox"/> Annualized/Other 872 <input type="checkbox"/> Farmer or Fisherman 873 <input type="checkbox"/> Form 221 included			
88		Add lines 74 through 84 and 86; enter the total	88		00	
Refund or Amount Owed	89	REFUND: Subtract line 88 from line 73. If less than zero, enter amount owed on line 90	89		00	
	Direct Deposit of Refund: Check box 89A if your deposit will be ultimately placed in a foreign account; see instructions. 89A <input type="checkbox"/>					
	ROUTING NUMBER ACCOUNT NUMBER					
	98 <input type="checkbox"/> C <input type="checkbox"/> Checking or <input type="checkbox"/> S <input type="checkbox"/> Savings					
	90	AMOUNT OWED: Add lines 70 and 88. Make check payable to Arizona Department of Revenue; write your SSN on payment.	90	0	00	
PLEASE SIGN HERE	Under penalties of perjury, I declare that I have read this return and any documents with it, 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	Lawyer		
	SPOUSE'S SIGNATURE		DATE	Teacher		
	Self Prepared					
	PAID PREPARER'S SIGNATURE		DATE	FIRM'S NAME (PREPARER'S IF SELF-EMPLOYED)		
	PAID PREPARER'S STREET ADDRESS		PAID PREPARER'S TIN			
	PAID PREPARER'S CITY		STATE	ZIP CODE	PAID PREPARER'S PHONE NUMBER	

If you are also sending a payment, mail to Arizona Department of Revenue, PO Box 52016, Phoenix, AZ 85072-2016 (PO Box 29204, Phoenix, AZ 85038-9204 if your return has a barcode). If you are not sending a payment, mail to Arizona Department of Revenue, PO Box 52138, Phoenix, AZ 85072-2138 (PO Box 29205, Phoenix, AZ 85038-9205 if your return has a barcode).

Additional information from your Form 140PY: Part-Year Resident Personal Return

Form 140PY: Part-Year Resident Personal Return
Other Income Reported on Federal Return

Continuation Statement

Description	Amount
Form 2555-Foreign Earned Inc/Housing Excl	-78,142
Net Operating Loss - SEE STMT	-10,000

Additional Dependents Worksheet**2017**

Keep for your records

Name

James K Lockett & Yuhui Liu

Social Security Number

534-60-2998

Type of Dep	First Name	Last Name	Date of birth (mm/dd/yyyy)	Social security number	Relationship	No. mos in home
	Stillborn Certificate Number		Deceased			
D	Thomas	Lockett	11/30/2004	721-99-3745	Son	12

Enter additional dependents below

Type of Dep	First Name	Last Name	Date of birth (mm/dd/yyyy)	Social security number	Relationship	No. mos in home
	Stillborn Certificate Number		Deceased			

Dependent Information:

In the 'Type of Dep' column above, select the appropriate code for each dependent listed:

- D — Dependent (Default)
- A — Parent/Ancessor (65 or over, lived 12 months in taxpayer home)
- O — Dependent on AZ only (65 or older, not claimed on federal return)
- E — Dependent on AZ only (student not claimed on federal return to allow federal education credits)
- S — Dependent on AZ only (Stillborn)
- N — N/A (Not a qualified dependent), exclude dependent from tax return

See the government instructions on a main form, dependent section, for more information.

Keep for your records

Name James K Lockett & Yuhui Liu	Social Security Number 534-60-2998
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► Keep for your records

Name as Shown on Return

James K Lockett & Yuhui Liu

Social Security Number

534-60-2998

Family Income Tax Credit Worksheet

A	Number of dependents listed as type "D"	<u>1</u>
B	Number of personal exemptions based upon filing status (MFJ = 2, otherwise = 1)	<u>2</u>
C	Add lines A and B	<u>3</u>
D	Multiply line C by \$40	<u>120.</u>
E	Enter \$240 if MFJ or HOH; enter \$120 if Single or MFS	<u>240.</u>
F	Lesser of line D or line E. Enter here and on Form 140PY, line 61	<u>120.</u>