SAMPLE RETURN

Tommy Fulltimer is a fulltimer serving in the church in Utopia. His wife Sally is a nurse. To prepare his income tax for 2008, Tommy gathered the following information.

I. Income:

W-2 for Sally for $48,900
1099-MISC from the Southern Districts Campus Work for $24,000
(100% designated as housing allowance)
1099-INT from American Bank for $64
$700 from the Church in Portsville – gave conference there June 6-9
$1100 from the FTT in Mulligan – taught there for two weeks March 17-30. (The FTT paid for his plane ticket.)
$200 from the Church in Bullwhip (Tommy had no contact with Bullwhip)
$355 from offerings

Total received: $26,419

Schedule C income:

So. Districts Chinese Work	24,000
Church in Portsville	700
FTT Mulligan	1,100
Total Schedule C income	25,800

II. Housing costs:

Mortgage: 12 x $1105.02 = $13,260.24
Utilities: $786.70
Real estate taxes: $1412.12
Furnishings: Bought dishwasher for $328.00
Repairs: $226.75
Household supplies: $111.36
Homeowners insurance: $347.22
Cleaning service: $1080.00
Gardener: $360.00
Wallpapering: $261.82

Total housing costs: $18,174.21

Excludible housing allowance: 16,734.21
(All costs except the cleaning service and the gardener)

III. Allocation:

$$\frac{\text{Exempt income (housing allowance)}}{\text{Total Schedule C income}} = \frac{16{,}734}{25{,}800} = 64.86\%$$

Disallowed portion: 64.86%

IV. Expenses

A. Auto expenses:

Gasoline:	$2297.68	Total mileage:	13,230
Insurance:	$789.74	Business mileage:	8,793
Repairs:	$653.39		
Auto Club:	$65.00	Business use:	$\frac{8793}{13230}$ = 66.46%
Car washes:	$80.00		
DMV:	$338.00		

(Registration: $78; VLF (personal property tax) $260)

Total expenses: $4,223.81

Interest on car loan: $154.39
Parking (business): $12.00

Standard mileage rate (2008): 8793 x $.545 = 4792
plus the business portion of the interest and taxes (154 + 260 = 414 x 66.47% = 275) plus parking ($12) = 5,079

Actual expenses: 4223.81 + interest 154.39 = 4378.20 x 66.46% = 2910 + depreciation $1531 + parking $12 = 4453

The standard mileage rate is better.

B. Travel and Meals:

Airfare to Portsville: $428.00

Per diem: Portsville – $43/day x 3 days = $129.00
Mulligan – $103/day x 13 days = 1339.00

Local meals: $352.47

Total meals: 1820.47 (50% deductible)

C. Other expenses:

Home phone: $734.24

(Basic rate: $18.73/mo; business toll calls: $329.57)

Cellular phone (business use): $417.90

Internet: $239.40

Total business phone: 986.87

Books:	$325.63
Desk:	$249.38
Supplies:	$358.03
Conference fees:	$370.00
Contributions:	$2650.00

Total expenses on Schedule C:

	Auto	5079	
	Travel	428	
	Meals	910	
	Telephone	987	
	Books	326	
	Depreciation	249	(Section 179 elected)
	Supplies	358	
	Conferences	<u>370</u>	
Total expenses (before allocation)		8707	

D. Disallowed expenses

Total expenses 8707 x 64.86% = 5647 disallowed

Total deductible expenses: 8707 – 5647 = 3060

V. Self-employment income:

Net income from Schedule C:

Income	25,800
Less housing allowance	- 16,734
Less deductible expenses	<u>- 3,060</u>
Net Schedule C income	6,006
Plus housing allowance:	16,734
Less disallowed expenses:	<u>- 5,647</u>
Total SE income	17,093

VI. Estimated taxes

Total tax from line 61	6,994
W-2 withholding	- 4,238
Shortage	2,756
Divided by 4	$689

Form 1040 — Department of the Treasury—Internal Revenue Service — U.S. Individual Income Tax Return 2008

(99) IRS Use Only–Do not write or staple in this space.

For the year Jan. 1-Dec. 31, 2008, or other tax year beginning , 2008, ending , 20 — OMB No. 1545-0074

Label (See instructions on page 14.) **Use the IRS label.** Otherwise, please print or type.

LABEL HERE

Your first name and initial	TOMMY
Last name	FULLTIMER
Your social security number	123-44-5678
If a joint return, spouse's first name and initial	SALLY
Last name	FULLTIMER
Spouse's social security number	333-24-5568
Home address (number and street). If you have a P.O. box, see page 14.	15578 MAPLE AVE
Apt. no.	
City, town or post office, state, and ZIP code. If you have a foreign address, see page 14.	UTOPIA CA 95555

You **must** enter your SSN(s) above.

Checking a box below will not change your tax or refund.

Presidential Election Campaign ▶ Check here if you, or your spouse if filing jointly, want $3 to go to this fund (see page 14) ☐ You ☐ Spouse

Filing Status

Check only one box.

1 ☐ Single
2 [X] Married filing jointly (even if only one had income)
3 ☐ Married filing separately. Enter spouse's SSN above and full name here.
4 ☐ Head of household (with qualifying person). (See page 15.) If the qualifying person is a child but not your dependent, enter this child's name here.
5 ☐ Qualifying widow(er) with dependent child (see page 16)

Exemptions

6a [X] **Yourself.** If someone can claim you as a dependent, **do not** check box 6a
b [X] **Spouse**

Boxes checked on 6a and 6b: 2

c **Dependents:**

(1) First name Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) ✓ if qual. child for child tax cr. (see page 17)

If more than four dependents, see page 17.

No. of children on 6c who:
- lived with you
- did not live with you due to divorce or separation (see page 18)

Dependents on 6c not entered above

d Total number of exemptions claimed — Add numbers on lines above: 2

Income

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

If you did not get a W-2, see page 21.

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

7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	48,900
8a	**Taxable** interest. Attach Schedule B if required	8a	64
b	**Tax-exempt** interest. **Do not** include on line 8a	8b	
9a	Ordinary dividends. Attach Schedule B if required	9a	
b	Qualified dividends (see page 21)	9b	
10	Taxable refunds, credits, or offsets of state and local income taxes (see page 22)	10	
11	Alimony received	11	
12	Business income or (loss). Attach Schedule C or C-EZ	12	6,006
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here ☐	13	
14	Other gains or (losses). Attach Form 4797	14	
15a	IRA distributions 15a — b Taxable amount (see page 23)	15b	
16a	Pensions and annuities 16a — b Taxable amount (see page 24)	16b	
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	
18	Farm income or (loss). Attach Schedule F	18	
19	Unemployment compensation	19	
20a	Social security benefits 20a — b Taxable amount (see page 26)	20b	
21	Other income. List type and amount (see page 28)	21	
22	Add the amounts in the far right column for lines 7 through 21. This is your **total income**	22	54,970

Adjusted Gross Income

23	Educator expenses (see page 28)	23			
24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24			
25	Health savings account deduction. Attach Form 8889	25			
26	Moving expenses. Attach Form 3903	26			
27	One-half of self-employment tax. Attach Schedule SE	27	1,208		
28	Self-employed SEP, SIMPLE, and qualified plans	28			
29	Self-employed health insurance deduction (see page 29)	29			
30	Penalty on early withdrawal of savings	30			
31a	Alimony paid b Recipient's SSN	31a			
32	IRA deduction (see page 30)	32			
33	Student loan interest deduction (see page 33)	33			
34	Tuition and fees deduction. Attach Form 8917	34			
35	Domestic production activities deduction. Attach Form 8903	35			
36	Add lines 23 through 31a and 32 through 35			36	1,208
37	Subtract line 36 from line 22. This is your **adjusted gross income**			37	53,762

Form 1040 (2008) **TOMMY & SALLY FULLTIMER** **123-44-5678** Page **2**

Tax and Credits

38	Amount from line 37 (adjusted gross income)	38	53,762
39a	Check if: ☐ **You** were born before January 2, 1944, ☐ Blind. ☐ **Spouse** was born before January 2, 1944, ☐ Blind. **Total boxes checked** u 39a ☐		
b	If your spouse itemizes on a separate return or you were a dual-status alien, see page 34 and check here u 39b ☐		
c	Check if standard deduction includes real estate taxes or disaster loss (see page 34) u 39c ☐		
40	**Itemized deductions** (from Schedule A) **or** your **standard deduction** (see left margin)	40	10,900
41	Subtract line 40 from line 38	41	42,862
42	If line 38 is over $119,975, or you provided housing to a Midwestern displaced individual, see page 36. Otherwise, multiply $3,500 by the total number of exemptions claimed on line 6d	42	7,000
43	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	35,862
44	Tax (see page 36). Check if any tax is from: a ☐ Form(s) 8814 b ☐ Form 4972	44	4,579
45	**Alternative minimum tax** (see page 39). Attach Form 6251	45	
46	Add lines 44 and 45 u	46	4,579
47	Foreign tax credit. Attach Form 1116 if required — 47		
48	Credit for child and dependent care expenses. Attach Form 2441 — 48		
49	Credit for the elderly or the disabled. Attach Schedule R — 49		
50	Education credits. Attach Form 8863 — 50		
51	Retirement savings contributions credit. Attach Form 8880 — 51		
52	Child tax credit (see page 42). Attach Form 8901 if required — 52		
53	Credits from Form: a ☐ 8396 b ☐ 8839 c ☐ 5695 — 53		
54	Other credits from Form: a ☐ 3800 b ☐ 8801 c ☐ — 54		
55	Add lines 47 through 54. These are your **total credits**	55	
56	Subtract line 55 from line 46. If line 55 is more than line 46, enter -0- u	56	4,579

Standard Deduction for—

- People who checked any box on line 39a, 39b, or 39c **or** who can be claimed as a dependent, see page 34.
- All others:

Single or Married filing separately, $5,450

Married filing jointly or Qualifying widow(er), $10,900

Head of household, $8,000

Other Taxes

57	Self-employment tax. Attach Schedule SE	57	2,415
58	Unreported social security and Medicare tax from Form: **a** ☐ 4137 **b** ☐ 8919	58	
59	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	59	
60	Additional taxes: a ☐ AEIC payments b ☐ Household employment taxes. Attach Schedule H	60	
61	Add lines 56 through 60. This is your total tax u	61	6,994

Payments

If you have a qualifying child, attach Schedule EIC.

62	Federal income tax withheld from Forms W-2 and 1099 — 62	4,238	
63	2008 estimated tax payments and amount applied from 2007 return — 63		
64a	**Earned income credit (EIC)** — 64a		
b	Nontaxable combat pay election 64b		
65	Excess social security and tier 1 RRTA tax withheld (see page 61) — 65		
66	Additional child tax credit. Attach Form 8812 — 66		
67	Amount paid with request for extension to file (see page 61) — 67		
68	Credits from Form: **a** ☐ 2439 **b** ☐ 4136 **c** ☐ 8801 **d** ☐ 8885 — 68		
69	First-time homebuyer credit. Attach Form 5405 — 69		
70	Recovery rebate credit (see worksheet on pages 62 and 63) — 70		
71	Add lines 62 through 70. These are your total payments u	71	4,238

Refund

Direct deposit? See page 63 and fill in 73b, 73c, and 73d, or Form 8888.

72	If line 71 is more than line 61, subtract line 61 from line 71. This is the amount you **overpaid**	72	
73a	Amount of line 72 you want **refunded to you.** If Form 8888 is attached, check here u ☐	73a	
u b	Routing number ____ u c Type: ☐ Checking ☐ Savings		
u d	Account number ____		
74	Amount of line 72 you want **applied to your 2009 estimated tax** u 74		

Amount You Owe

75	**Amount you owe.** Subtract line 71 from line 61. For details on how to pay, see page 65 u	75	2,829
76	Estimated tax penalty (see page 65) — 76	73	

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see page 66)? ☐ **Yes.** Complete the following. ☐ **No**

Designee's name u — Phone no. u — Personal identification number (PIN) u

Sign Here

Joint return? See page 15. Keep a copy for your records.

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

Your signature — Date — Your occupation: **CHRISTIAN MINISTER** — Daytime phone number

Spouse's signature. If a joint return, **both** must sign. — Date — Spouse's occupation: **NURSE**

Paid Preparer's Use Only

Preparer's signature — Date: **12/09/09** — Check if self-employed ☐ — Preparer's SSN or PTIN: **P00081631**

Firm's name (or yours if self-employed), address, and ZIP code: **LINDA DONG, EA** / **1734 Bluestone Ln** / **Monterey Park CA 91755** — EIN — Phone no. **626-288-8558**

Form **2210**

Department of the Treasury
Internal Revenue Service

Underpayment of Estimated Tax by Individuals, Estates, and Trusts

u See separate instructions.

u Attach to Form 1040, 1040A, 1040NR, 1040NR-EZ, or 1041.

OMB No. 1545-0140

2008

Attachment Sequence No. **06**

Name(s) shown on tax return	Identifying number
TOMMY & SALLY FULLTIMER	123-44-5678

Do You Have To File Form 2210?

Complete lines 1 through 7 below. Is line 7 less than $1,000? — **Yes** → **Do not file Form 2210.** You do not owe a penalty.

No ↓

Complete lines 8 and 9 below. Is line 6 equal to or more than line 9? — **Yes** → You do not owe a penalty. **Do not file Form 2210** (but if box **E** in Part II applies, you must file page 1 of Form 2210).

No ↓

You may owe a penalty. Does any box in Part II below apply? — **Yes** → You **must** file Form 2210. Does box **B, C,** or **D** in Part II apply? — **Yes** → You must figure your penalty.

No ↓ (from "Does any box in Part II below apply?"): **Do not file Form 2210.** You are not required to figure your penalty because the IRS will figure it and send you a bill for any unpaid amount. If you want to figure it, you may use Part III or Part IV as a worksheet and enter your penalty amount on your tax return, but **do not file Form 2210.**

No ↓ (from "Does box B, C, or D in Part II apply?"): You are **not** required to figure your penalty because the IRS will figure it and send you a bill for any unpaid amount. If you want to figure it, you may use Part III or Part IV as a worksheet and enter your penalty amount on your tax return, but **file only page 1 of Form 2210.**

Part I Required Annual Payment

1	Enter your 2008 tax after credits from Form 1040, line 56 (see instructions if not filing Form 1040)	1	4,579
2	Other taxes, including self-employment tax (see page 2 of the instructions)	2	2,415
3	Refundable credits. Enter the total of your earned income credit, additional child tax credit, credit for federal tax paid on fuels, health coverage tax credit, refundable credit for prior year minimum tax, first-time homebuyer credit, and recovery rebate credit	3	( )
4	Current year tax. Combine lines 1, 2, and 3. If less than $1,000, you do not owe a penalty; **do not file Form 2210**	4	6,994
5	Multiply line 4 by 90% (.90) — 5: 6,295		
6	Withholding taxes. **Do not** include estimated tax payments. (see page 2 of the instructions)	6	4,238
7	Subtract line 6 from line 4. If less than $1,000, you do not owe a penalty; **do not file Form 2210**	7	2,756
8	Maximum required annual payment based on prior year's tax (see page 2 of the instructions)	8	
9	**Required annual payment.** Enter the **smaller** of line 5 or line 8	9	6,295

Next: Is line 9 more than line 6?

☐ **No.** You **do not** owe a penalty. **Do not file Form 2210** unless box **E** below applies.

☒ **Yes.** You may owe a penalty, but **do not file Form 2210** unless one or more boxes in Part II below applies.

- If box **B, C,** or **D** applies, you must figure your penalty and file Form 2210.
- If only box **A** or **E** (or both) applies, file only page 1 of Form 2210. You are **not** required to figure your penalty; the IRS will figure it and send you a bill for any unpaid amount. If you want to figure your penalty, you may use Part III or IV as a worksheet and enter your penalty on your tax return, but **file only page 1 of Form 2210.**

Part II Reasons for Filing. Check applicable boxes. If none apply, **do not file Form 2210.**

A ☐ You request a **waiver** (see page 2 of the instructions) of your entire penalty. You must check this box and file page 1 of Form 2210, but you are not required to figure your penalty.

B ☐ You request a **waiver** (see page 2 of the instructions) of part of your penalty. You must figure your penalty and waiver amount and file Form 2210.

C ☐ Your income varied during the year and your penalty is reduced or eliminated when figured using the **annualized income installment method.** You must figure the penalty using Schedule AI and file Form 2210.

D ☐ Your penalty is lower when figured by treating the federal income tax withheld from your income as paid on the dates it was actually withheld, instead of in equal amounts on the payment due dates. You must figure your penalty and file Form 2210.

E ☐ You filed or are filing a joint return for either 2007 or 2008, but not for both years, and line 8 above is smaller than line 5 above. You must file page 1 of Form 2210, but you are **not** required to figure your penalty (unless box **B, C,** or **D** applies).

TOMMY & SALLY FULLTIMER 123-44-5678

Part III Short Method

Can You Use the Short Method?

You may use the short method if:

- You made no estimated tax payments (or your only payments were withheld federal income tax), **or**
- You paid the same amount of estimated tax on each of the four payment due dates.

Must You Use the Regular Method?

You must use the regular method (Part IV) instead of the short method if:

- You made any estimated tax payments late,
- You checked box **C** or **D** in Part **II**, **or**
- You are filing Form 1040NR or 1040NR-EZ and you did not receive wages as an employee subject to U.S. income tax withholding.

Note: If any payment was made earlier than the due date, you may use the short method, but using it may cause you to pay a larger penalty than the regular method. If the payment was only a few days early, the difference is likely to be small.

10 Enter the amount from Form 2210, line 9			10	6,295
11 Enter the amount, if any, from Form 2210, line 6	11	4,238		
12 Enter the total amount, if any, of estimated tax payments you made	12			
13 Add lines 11 and 12			13	4,238
14 **Total underpayment for year.** Subtract line 13 from line 10. If zero or less, stop here; you do not owe the penalty. **Do not file Form 2210 unless you checked box E in Part II**			14	2,057
15 Multiply line 14 by .03571			15	73
16 • If the amount on line 14 was paid **on or after** 4/15/09, enter -0-. • If the amount on line 14 was paid **before** 4/15/09, make the following computation to find the amount to enter on line 16. Amount on line 14 X Number of days paid before 4/15/09 X .00014			16	0
17 **Penalty.** Subtract line 16 from line 15. Enter the result here and on Form 1040, line 76; Form 1040A, line 48; Form 1040NR, line 74; Form 1040NR-EZ, line 26; or Form 1041, line 26. **Do not file Form 2210 unless you checked a box in Part II** ▶			17	73

Name(s) shown on Form 1040. Do not enter name and social security number if shown on other side.
TOMMY & SALLY FULLTIMER

Your social security number
123-44-5678

Schedule B—Interest and Ordinary Dividends

Attachment Sequence No. 08

Part I Interest

(See page B-1 and the instructions for Form 1040, line 8a.)

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

			Amount
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 page B-1 and list this interest first. Also, show that buyer's social security number and address		
	AMERICAN BANK	1	64
2	Add the amounts on line 1	2	64
3	Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815	3	
4	Subtract line 3 from line 2. Enter the result here and on Form 1040, line 8a ▶	4	64

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

Part II Ordinary Dividends

(See page B-1 and the instructions for Form 1040, line 9a.)

Note. If you received a Form 1099-DIV or substitute statement from a brokerage firm, list the firm's name as the payer and enter the ordinary dividends shown on that form.

			Amount
5	List name of payer	5	
6	Add the amounts on line 5. Enter the total here and on Form 1040, line 9a ▶	6	

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

Part III Foreign Accounts and Trusts

(See page B-2.)

	You must complete this part if you **(a)** had over $1,500 of taxable interest or ordinary dividends; or **(b)** had a foreign account; or **(c)** received a distribution from, or were a grantor of, or a transferor to, a foreign trust.	Yes	No
7a	At any time during 2008, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See page B-2 for exceptions and filing requirements for Form TD F 90-22.1	☐	X
b	If "Yes," enter the name of the foreign country		
8	During 2008, 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 page B-2	☐	☐

SCHEDULE C (Form 1040)
Department of the Treasury Internal Revenue Service (99)

Profit or Loss From Business
(Sole Proprietorship)

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

OMB No. 1545-0074
2008
Attachment Sequence No. 09

Name of proprietor: TOMMY FULLTIMER	Social security number (SSN): 123-44-5678
A Principal business or profession, including product or service (see page C-3 of the instructions): CHRISTIAN MINISTRY	**B** Enter code from pages C-9, 10, & 11: u 541990
C Business name. If no separate business name, leave blank.	**D** Employer ID number (EIN), if any

E Business address (including suite or room no.) u 15578 MAPLE AVE
City, town or post office, state, and ZIP code UTOPIA CA 95555

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

G Did you "materially participate" in the operation of this business during 2008? If "No," see page C-4 for limit on losses ☒ Yes ☐ No

H If you started or acquired this business during 2008, check here u ☐

Part I Income

1	Gross receipts or sales. **Caution.** See page C-4 and check the box if: • This income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked, or • You are a member of a qualified joint venture reporting only rental real estate income not subject to self-employment tax. Also see page C-4 for limit on losses. u ☐	1	25,800
2	Returns and allowances	2	16,734
3	Subtract line 2 from line 1	3	9,066
4	Cost of goods sold (from line 42 on page 2)	4	
5	**Gross profit.** Subtract line 4 from line 3	5	9,066
6	Other income, including federal and state gasoline or fuel tax credit or refund (see page C-4)	6	
7	**Gross income.** Add lines 5 and 6 u	7	9,066

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

8	Advertising	8		18	Office expense	18	
9	Car and truck expenses (see page C-5)	9	5,079	19	Pension and profit-sharing plans	19	
				20	Rent or lease (see page C-6):		
10	Commissions and fees	10		a	Vehicles, machinery, and equipment	20a	
11	Contract labor (see page C-5)	11		b	Other business property	20b	
12	Depletion	12		21	Repairs and maintenance	21	
13	Depreciation and section 179 expense deduction (not included in Part III) (see page C-5)	13	249	22	Supplies (not included in Part III)	22	358
				23	Taxes and licenses	23	
				24	Travel, meals, and entertainment:		
				a	Travel	24a	428
14	Employee benefit programs (other than on line 19)	14		b	Deductible meals and entertainment (see page C-7)	24b	910
15	Insurance (other than health)	15		25	Utilities	25	
16	Interest:			26	Wages (less employment credits)	26	
a	Mortgage (paid to banks, etc.)	16a		27	Other expenses (from line 48 on page 2)	27	-3,964
b	Other	16b					
17	Legal and professional services	17					

28	**Total expenses** before expenses for business use of home. Add lines 8 through 27 u	28	3,060
29	Tentative profit or (loss). Subtract line 28 from line 7	29	6,006
30	Expenses for business use of your home. Attach **Form 8829**	30	
31	**Net profit or (loss).** Subtract line 30 from line 29. • If a profit, enter on both **Form 1040, line 12,** and **Schedule SE, line 2,** or on **Form 1040NR, line 13** (if you checked the box on line 1, see page C-7). Estates and trusts, enter on **Form 1041, line 3.** • If a loss, you **must** go to line 32.	31	6,006

32 If you have a loss, check the box that describes your investment in this activity (see page C-8).
• If you checked 32a, enter the loss on both **Form 1040, line 12,** and **Schedule SE, line 2,** or on **Form 1040NR, line 13** (if you checked the box on line 1, see the line 31 instructions on page C-7). Estates and trusts, enter on **Form 1041, line 3.**
• If you checked 32b, you **must** attach **Form 6198.** Your loss may be limited.

32a ☐ All investment is at risk.
32b ☐ Some investment is not at risk.

For Paperwork Reduction Act Notice, see page C-9 of the instructions. **Schedule C (Form 1040) 2008**

DAA

TOMMY FULLTIMER 123-44-5678

Schedule C (Form 1040) 2008 CHRISTIAN MINISTRY Page **2**

Part III Cost of Goods Sold (see page C-8)

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 page 1, 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 on page C-5 to find out if you must file Form 4562.

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

44 Of the total number of miles you drove your vehicle during 2008, 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.

BOOKS AND PUBLICATIONS	326
CONFERENCE FEES	370
BUSINESS TELEPHONE	987
EXP RELATED TO EXEMPT INCOME	-5,647
48 **Total other expenses.** Enter here and on page 1, line 27 **48**	-3,964

SCHEDULE SE (Form 1040)

Department of the Treasury Internal Revenue Service (99)

Self-Employment Tax

Attach to Form 1040. See Instructions for Schedule SE (Form 1040).

OMB No. 1545-0074

2008

Attachment Sequence No. **17**

Name of person with **self-employment** income (as shown on Form 1040)	Social security number of person with **self-employment** income
TOMMY FULLTIMER	123-44-5678

Who Must File Schedule SE

You must file Schedule SE if:

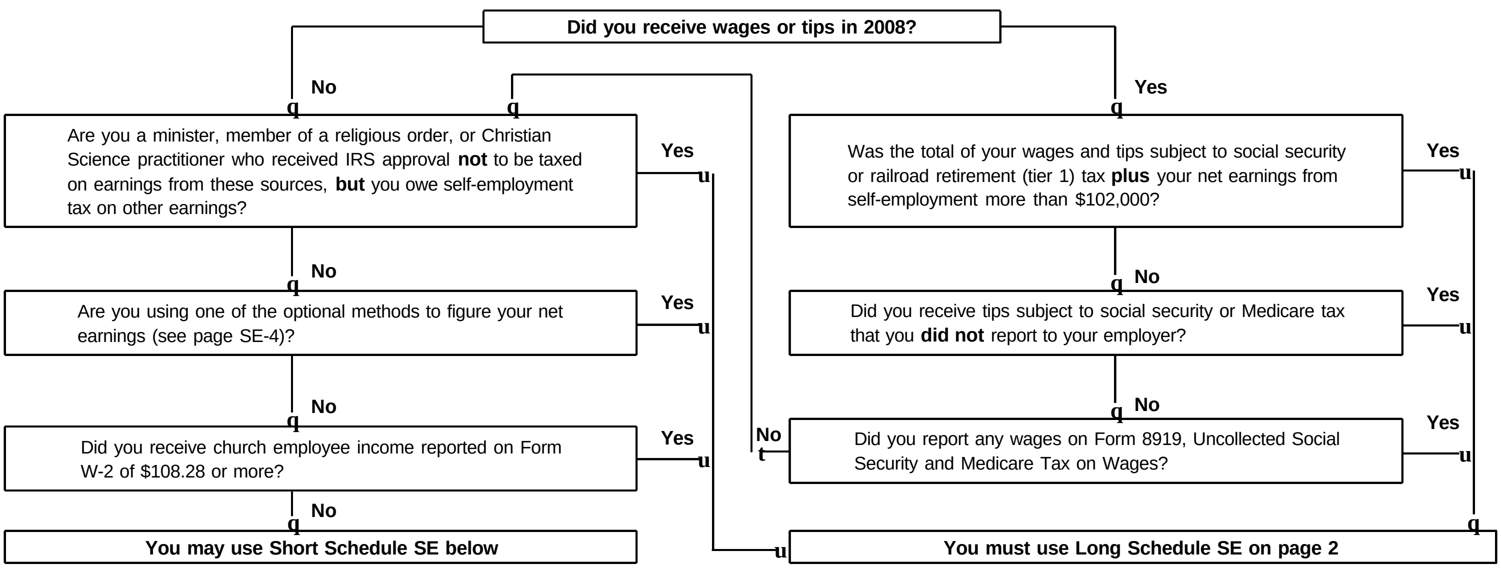
- You had net earnings from self-employment from **other than** church employee income (line 4 of Short Schedule SE or line 4c of Long Schedule SE) of $400 or more, **or**
- You had church employee income of $108.28 or more. Income from services you performed as a minister or a member of a religious order **is not** church employee income (see page SE-1).

Note. Even if you had a loss or a small amount of income from self-employment, it may be to your benefit to file Schedule SE and use either "optional method" in Part II of Long Schedule SE (see page SE-4).

Exception. If your only self-employment income was from earnings as a minister, member of a religious order, or Christian Science practitioner **and** you filed Form 4361 and received IRS approval not to be taxed on those earnings, **do not** file Schedule SE. Instead, write "Exempt—Form 4361" on Form 1040, line 57.

May I Use Short Schedule SE or Must I Use Long Schedule SE?

Note. Use this flowchart **only if** you must file Schedule SE. If unsure, see Who Must File Schedule SE, above.



Section A—Short Schedule SE. Caution. Read above to see if you can use Short Schedule SE.

1a	Net farm profit or (loss) from Schedule F, line 36, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A	1a	
b	If you received social security retirement or disability benefits, enter the amount of Conservation Reserve Program payments included on Schedule F, line 6b, or listed on Schedule K-1 (Form 1065), box 20, code X	1b	( )
2	Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), box 14, code A (other than farming); and Schedule K-1 (Form 1065-B), box 9, code J1. Ministers and members of religious orders, see page SE-1 for types of income to report on this line. See page SE-3 for other income to report	2	17,093
3	Combine lines 1a, 1b, and 2	3	17,093
4	**Net earnings from self-employment.** Multiply line 3 by 92.35% (.9235). If less than $400, **do not** file this schedule; you do not owe self-employment tax	4	15,785
5	**Self-employment tax.** If the amount on line 4 is: • $102,000 or less, multiply line 4 by 15.3% (.153). Enter the result here and on **Form 1040, line 57.** • More than $102,000, multiply line 4 by 2.9% (.029). Then, add $12,648 to the result. Enter the total here and on **Form 1040, line 57**	5	2,415
6	**Deduction for one-half of self-employment tax.** Multiply line 5 by 50% (.5). Enter the result here and on **Form 1040, line 27** — 6 — 1,208		

Form **4562**

Department of the Treasury
Internal Revenue Service (99)

Depreciation and Amortization

(Including Information on Listed Property)

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

OMB No. 1545-0172

2008

Attachment Sequence No. 67

Name(s) shown on return: TOMMY & SALLY FULLTIMER

Identifying number: 123-44-5678

Business or activity to which this form relates: CHRISTIAN MINISTRY

Part I Election To Expense Certain Property Under Section 179

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

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	250,000
2	Total cost of section 179 property placed in service (see instructions)	2	249
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	800,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	0
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	250,000

	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
6	DESK	249	249

7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	249
9	Tentative deduction. Enter the **smaller** of line 5 or line 8	9	249
10	Carryover of disallowed deduction from line 13 of your 2007 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	55,155
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	249
13	Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12 ▶	13	

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

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

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

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

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2008	17	0
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here u ☐		

Section B—Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

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

Section C—Assets Placed in Service During 2008 Tax Year Using the Alternative Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	**Total.** Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instr.	22	249
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

DAA

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A—Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.**)**

24a Do you have evidence to support the business/investment use claimed? X Yes ☐ No **24b** If "Yes," is the evidence written? X Yes ☐ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) . . . **25**								
26 Property used more than 50% in a qualified business use:								
TOYOTA CAMRY	1/01/06	66.46 %						
		%						
27 Property used 50% or less in a qualified business use:								
		%				S/L-		
		%				S/L-		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 . . . **28**								
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 . . . **29**								

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.
If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (**do not** include commuting miles) . . .	8,793											
31 Total commuting miles driven during the year . . .												
32 Total other personal (noncommuting) miles driven . .	4,437											
33 Total miles driven during the year. Add lines 30 through 32 . . .	13,230											
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
34 Was the vehicle available for personal use during off-duty hours? . . .	X											
35 Was the vehicle used primarily by a more than 5% owner or related person? . . .	X											
36 Is another vehicle available for personal use? . . .	X											

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **are not** more than 5% owners or related persons (see instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? . . .		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners . . .		
39 Do you treat all use of vehicles by employees as personal use? . . .		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received? . . .		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.) . . .		
Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.		

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2008 tax year (see instructions):					
43 Amortization of costs that began before your 2008 tax year . . . **43**					
44 **Total.** Add amounts in column (f). See the instructions for where to report . . . **44**					

Form **1040** | **Auto Worksheet** | **2008**

Name: TOMMY & SALLY FULLTIMER
Taxpayer Identification Number: 123-44-5678

Description: CHRISTIAN MINISTRY
Form/Schedule: C Unit number: 1
Vehicle 1 - Date: 1/01/06 Description: TOYOTA CAMRY
Vehicle 2 - Date: Description:
Vehicle 3 - Date: Description:

	Vehicle 1	Vehicle 2	Vehicle 3
General Information			
1. Total mileage	13,230		
2 a. Business miles (50.5 cents per mile)	4,396		
b. Business miles (58.5 cents per mile)	4,397		
3. Commuting mileage			
4. Other mileage	4,437		
5. Business use percentage	66.46 %	%	%
Actual Expenses			
6. Parking fees and tolls	12		
7 a. Gasoline, oil, repairs, insurance, etc.	3,886		
b. Interest, registration & taxes	492		
c. Vehicle rentals (net of inclusion amount)			
8. Total expenses. Add lines 7a - 7c	4,378		
9. Business use percentage from line 5	66.46 %	%	%
10. Business use portion of actual expenses	2,910		
11. Depreciation	1,531		
12. Total actual expense allowable. Add lines 6, 10 and 11	4,453		
Standard Mileage Rate Method			
13. Business mileage (line 2) multiplied by applicable rate	4,792		
14. Parking fees and tolls from line 6	12		
15. Line 7b (Int & taxes only) multiplied by bus pct (line 5)	275		
16. Standard mileage rate	5,079		

Vehicle 4 - Date: Description:
Vehicle 5 - Date: Description:
Vehicle 6 - Date: Description:

	Vehicle 4	Vehicle 5	Vehicle 6
General Information			
1. Total mileage			
2 a. Business miles (50.5 cents per mile)			
b. Business miles (58.5 cents per mile)			
3. Commuting mileage			
4. Other mileage			
5. Business use percentage	%	%	%
Actual Expenses			
6. Parking fees and tolls			
7 a. Gasoline, oil, repairs, insurance, etc.			
b. Interest, registration & taxes			
c. Vehicle rentals (net of inclusion amount)			
8. Total expenses. Add lines 7a - 7c			
9. Business use percentage from line 5	%	%	%
10. Business use portion of actual expenses			
11. Depreciation			
12. Total actual expense allowable. Add lines 6, 10 and 11			
Standard Mileage Rate Method			
13. Business mileage (line 2) multiplied by applicable rate			
14. Parking fees and tolls from line 6			
15. Line 7b (Int & taxes only) multiplied by bus pct (line 5)			
16. Standard mileage rate			

	Vehicle expense	Vehicle rentals	Vehicle depreciation	**Total allowable deduction**
Allowable Deduction	5,079			5,079

Form 1040 — Net Earnings from Self-Employment Worksheet — 2008

Name	Taxpayer Identification Number
TOMMY & SALLY FULLTIMER	123-44-5678

	Taxpayer	Spouse
Farm profit or (loss)		
Schedule F		
Farm Partnerships - Schedule K-1, box 14, code A		
Auto expense from farm partnerships	( )	( )
Amortization from farm partnerships	( )	( )
Depreciation & Section 179 from farm partnerships	( )	( )
Depletion from farm partnerships	( )	( )
Other expenses from farm partnerships	( )	( )
Home office expenses from farm partnerships	( )	( )
Unreimbursed partnership expenses from farm partnerships	( )	( )
Farm adjustment to SE Income		
Net farm profit or (loss) - Schedule SE line 1a	0	0
Conservation Reserve Program payments to social security/disability benefit recipients included on Sch F, ln 6b or listed on Sch K-1 (Form 1065), box 20, code X - Sch SE line 1b	(0)	(0)
Nonfarm profit or (loss)		
Schedule C (excluding minister Schedule C income reported below)	6,006	
Nonfarm partnerships - Schedule K-1, box 14, code A		
Auto expense from nonfarm partnerships	( )	( )
Amortization from nonfarm partnerships	( )	( )
Depreciation & section 179 from nonfarm partnerships	( )	( )
Depletion from nonfarm partnerships	( )	( )
Other expenses from nonfarm partnerships	( )	( )
Home office expenses from nonfarm partnerships	( )	( )
Unreimbursed partnership expenses from nonfarm partnerships	( )	( )
Employee business expenses - Form 2106 (excluding minister 2106 expenses reported below)	( )	( )
Nonfarm adjustment to SE income	11,087	
Self-employment income reported as other income		
Self-employment income from contracts and straddles		
Minister/clergy self-employment income (from Clergy Worksheet Page 3, line 8)		
Net nonfarm profit or (loss) - Schedule SE line 2	17,093	0
Other income items subject to and/or exempt from self-employment tax		
Fees received for services performed as a notary public	( )	( )
Earnings while debtor in a chapter 11 bankruptcy case		
Net adjustment included on Schedule SE, line 3	0	0
Net profit (loss) from self-employment activities - Schedule SE line 3	17,093	0
Church employee income - Schedule SE line 5a		