

REVIEW QUESTIONS

SESSION 9 – MISCELLANEOUS TOPICS

A final comprehensive problem.

Problem - Mary is 30 years old and married to Mark, age 36. Mark passed away on January 30, 2022, following a long disability. Mark was unemployed and had no income in 2022 due to his illness. Mary’s seven-year-old daughter, Jenny, lived with her the entire year. Mary paid more than half the cost of keeping up a home and support for Mark and Jenny.

Mary received a distribution from her traditional IRA of \$4,000 in January to pay for living expenses. Mary was a full-time high school teacher and earned \$35,000 in wages. Mary purchased supplies for her class out of her own pocket totaling \$320. Mary received a W-2G in the amount of \$8,200 from the local casino. Mary paid child and dependent care expenses for Jenny to a local daycare that provided her with the information necessary to complete the return.

Mary, Mark, and Jenny were U.S. citizens and have valid Social Security numbers. They all lived in the United States for the entire year.

<input type="checkbox"/> CORRECTED (if checked)		OMB No. 1545-0119		2021		Form 1099-R		Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.		
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. RILEY STATE BANK 123 SKIP WAY YOUR CITY, YOUR STATE, ZIP		1 Gross distribution \$ 4,000.00	2a Taxable amount \$ 4,000.00		2b Taxable amount not determined <input type="checkbox"/>		Total distribution <input type="checkbox"/>		Copy B Report this income on your federal tax return. If this form shows federal income tax withheld in box 4, attach this copy to your return. This information is being furnished to the IRS.	
PAYER'S TIN 38-200XXXX	RECIPIENT'S TIN 620-00-XXXX	3 Capital gain (included in box 2a) \$	4 Federal income tax withheld \$ 800.00		5 Employee contributions/ Designated Roth contributions or insurance premiums \$		6 Net unrealized appreciation in employer's securities \$			
RECIPIENT'S name MARY RODGERS Street address (including apt. no.) 178 PACKER DRIVE City or town, state or province, country, and ZIP or foreign postal code YOUR CITY, YOUR STATE, ZIP		7 Distribution code(s) 1	IRA/ SEP/ SIMPLE <input checked="" type="checkbox"/>	8 Other \$ %		9a Your percentage of total distribution %		9b Total employee contributions \$		
10 Amount allocable to IRR within 5 years \$	11 1st year of desig. Roth contrib.	12 FATCA filing requirement <input type="checkbox"/>	14 State tax withheld \$		15 State/Payer's state no.		16 State distribution \$			
Account number (see instructions)		13 Date of payment	17 Local tax withheld \$		18 Name of locality		19 Local distribution \$			
Form 1099-R		www.irs.gov/Form1099R		Department of the Treasury - Internal Revenue Service						

Questions

1. Mary's gambling winnings do **not** have to be reported on her return.
 - a. True
 - b. False
2. Mary's most advantageous filing status is:
 - a. Head of Household
 - b. Married Filing Jointly
 - c. Married Filing Separately
 - d. Qualifying Surviving Spouse
3. Mary is subject to the additional 10% tax on early distributions.
 - a. True
 - b. False
4. Mary qualifies for which of the following credits?
 - a. Child Tax Credit
 - b. Earned Income Credit
 - c. Child and Dependent Care Credit
 - d. All three credits
5. What amount can Mary claim as an adjustment for the supplies she purchased out of pocket?
 - a. \$0
 - b. \$250
 - c. \$300
 - d. \$320