

ANSWERS**SESSION 9 – MISCELLANEOUS TOPICS****Problem –**

1. **False.** Gambling winnings are taxable.
2. **The answer is “b”.** Mark passed away in 2022 and thus Mary can file a joint return with Mark. She is allowed to file as the surviving spouse with just her signature. She does not qualify for Qualifying Surviving Spouse for 2022, as this only applies if the spouse died during 2020 or 2021. MFJ is a better filing status than HoH or MFS.
3. **True.** Her 1099-R shows a Code 1 in Box 7, and she is less than 59½ years old. The facts state that the distribution was taken out to cover living expenses, which is not on the list of exceptions found in Pub. 4012, p. H-5 to the additional tax. Thus, the 10% additional tax will apply in the amount of \$400.
4. **The answer is “d”.** She qualifies for all three credits. Jenny qualifies as a QC with respect to Mary. As a QC, she is a qualifying person for the EIC. She is also a qualifying person for the CTC since she is a QC under the age of 17. Finally, she is a QC for purposes of the CDCC as she is a QC under the age of 13 and her daycare was necessary for Mary to work.
5. **The answer is “c”.** As a full-time high school teacher, Mary is a qualified educator for purposes of the adjustment to income for educator expenses. The maximum expenses for purposes of this credit are \$300 per educator. The fact that she is filing a joint return does not increase the limit to \$600 as it is \$300 per educator. Her actual expenses were \$320, so she is limited to a \$300 adjustment.