COVER PAGE

Filing Checklist for 2016 Tax Return Filed On Standard Forms

Prepared on: 05/13/2017 07:48:42 pm

Return: C:\Users\Irene\Documents\ACTG067\2017 CA Material\2016 CA mock return R & S Lee CA HW#2\Ron Lee 2016 Tax Return.T16

To file your 2016 tax return, simply follow these instructions:

Step 1. Sign and date the return

Because you're filing a joint return, Ron and Susan both need to sign the tax return.

If your return is signed by a representative for you, you must have a power of attorney attached that specifically authorizes the representative to sign your return. To do this, you can use Form 2848, Power of Attorney and Declaration of Representative.

Step 2. Assemble the return

These forms should be assembled behind Form 1040 --U.S. Individual Income Tax Return

- Schedule A
- Schedule D
- - Form 8949

Staple these documents to the front of the first page of the return:

Form W-2: Wage and Tax Statement

1st (Burk Corporation)

2nd (Five Star Systems)

Step 3. Mail the return

Mail the return to this address:

Department of the Treasury
Internal Revenue Service
Fresno, CA 93888-0002

We recommend that you use one of these IRS-approved methods to send your return. Retain the proof of mailing to avoid a late filing penalty:

- U.S. Postal Service certified mail.
- DHL Express, Express 9:00, Express 10:30, Express 12:00, Express Worldwide, Express Envelope, Import Express 10:30, Import Express 12:00, and Import Express Worldwide.
- FedEx First Overnight, Priority Overnight, Standard Overnight, 2 Day, International Next Flight Out, International Priority, International First, or International Economy.
- United Parcel Service Next Day Air Early AM, Next Day Air, Next Day Air Saver, 2nd Day Air, 2nd Day Air A.M., Worldwide Express Plus, or Worldwide Express.

Step 4. Keep a copy

Print a second copy of the return for your records. We recommend that you also print and retain these supporting forms, which don't need to be sent to the IRS:

- - Background Worksheet
- - Last Year's Data Worksheet
- - Form 1099-INT/OID
- - Form 1099-DIV
- - Form 1099-G
- - Charitable Worksheet
- - Social Security Worksheet
- - Capital Gains and Losses Worksheet
- - Health Care Coverage
- - Health Care Summary

2016 return information - Keep this for your records

Here is some additional information about your 2016 return. Keep this information with your records.

You will need your 2016 AGI to electronically sign your return next year.

Quick Summary

Income		$222,352
Adjustments	-	$0
Adjusted gross income		**$222,352**

Deductions	-	$31,705
Exemption(s)	-	$8,100
Taxable income		**$182,547**
Tax withheld or paid already		$44,700
Actual tax due	-	$33,286
Refund applied to next year	-	$0
Refund		**$11,414**

* Your long-term capital gains and qualifying dividends are taxed at a lower rate than your other income. As a result, your total federal tax is less than the tax shown on the IRS's Tax Table.

Form 1040 Department of the Treasury—Internal Revenue Service (99)
U.S. Individual Income Tax Return 2016
OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2016, or other tax year beginning , 2016, ending , 20 See separate instructions.

Your first name and initial	Last name	Your social security number
Ron	Lee	342-90-1243
If a joint return, spouse's first name and initial	Last name	Spouse's social security number
Susan	Lee	360-84-5643

Home address (number and street). If you have a P.O. box, see instructions. Apt. no.
180 Oak River Drive

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

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).
San Jose CA 95134

Foreign country name | Foreign province/state/county | Foreign postal code

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

Filing Status

Check only one box.

1 ☐ Single
2 ☒ 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 instr.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶
5 ☐ Qualifying widow(er) with dependent child

Exemptions

6a ☒ **Yourself.** If someone can claim you as a dependent, **do not** check box 6a
b ☒ **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) X if child under age 17 qualifying for child tax credit (see instructions)

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

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

7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	160,500
8a	**Taxable** interest. Attach Schedule B if required	8a	1,190
b	**Tax-exempt** interest. **Do not** include on line 8a — 8b: 0		
9a	Ordinary dividends. Attach Schedule B if required	9a	1,500
b	Qualified dividends — 9b: 1,500		
10	Taxable refunds, credits, or offsets of state and local income taxes	10	905
11	Alimony received	11	
12	Business income or (loss). Attach Schedule C or C-EZ	12	0
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ ☐	13	37,432
14	Other gains or (losses). Attach Form 4797	14	
15a	IRA distributions 15a — b Taxable amount	15b	0
16a	Pensions and annuities 16a — b Taxable amount	16b	0
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	
18	Farm income or (loss). Attach Schedule F	18	0
19	Unemployment compensation	19	
20a	Social security benefits 20a: 24,500 — b Taxable amount	20b	20,825
21	Other income. List type and amount	21	0
22	Combine the amounts in the far right column for lines 7 through 21. This is your **total income** ▶	22	222,352

Adjusted Gross Income

23	Educator expenses	23	
24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24	0
25	Health savings account deduction. Attach Form 8889	25	0
26	Moving expenses. Attach Form 3903	26	0
27	Deductible part of self-employment tax. Attach Schedule SE	27	0
28	Self-employed SEP, SIMPLE, and qualified plans	28	0
29	Self-employed health insurance deduction	29	
30	Penalty on early withdrawal of savings	30	0
31a	Alimony paid b Recipient's SSN ▶	31a	
32	IRA deduction	32	0
33	Student loan interest deduction	33	
34	Tuition and fees. Attach Form 8917	34	
35	Domestic production activities deduction. Attach Form 8903	35	0
36	Add lines 23 through 35	36	0
37	Subtract line 36 from line 22. This is your **adjusted gross income** ▶	37	222,352

Tax and Credits

38	Amount from line 37 (adjusted gross income)			38	222,352
39a	Check if: [X] You were born before January 2, 1952, [ ] Blind. [X] Spouse was born before January 2, 1952, [ ] Blind. Total boxes checked ▶	39a	2		
b	If your spouse itemizes on a separate return or you were a dual-status alien, check here ▶	39b	[ ]		
40	**Itemized deductions** (from Schedule A) **or** your **standard deduction** (see left margin)			40	31,705
41	Subtract line 40 from line 38			41	190,647
42	**Exemptions.** If line 38 is $155,650 or less, multiply $4,050 by the number on line 6d. Otherwise, see instructions			42	8,100
43	**Taxable income**. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-			43	182,547
44	**Tax** (see instructions). Check if any from: a [ ] Form(s) 8814 b [ ] Form 4972 c [ ]			44	33,286
45	**Alternative minimum tax** (see instructions). Attach Form 6251 ▶			45	0
46	Excess advance premium tax credit repayment. Attach Form 8962			46	
47	Add lines 44, 45, and 46			47	33,286
48	Foreign tax credit. Attach Form 1116 if required	48	0		
49	Credit for child and dependent care expenses. Attach Form 2441	49			
50	Education credits from Form 8863, line 19	50			
51	Retirement savings contributions credit. Attach Form 8880	51	0		
52	Child tax credit. Attach Schedule 8812, if required	52			
53	Residential energy credits. Attach Form 5695	53			
54	Other credits from Form: a [ ] 3800 b [ ] 8801 c [ ]	54	0		
55	Add lines 48 through 54. These are your **total credits**			55	0
56	Subtract line 55 from line 47. If line 55 is more than line 47, enter -0- ▶			56	33,286

Standard Deduction for—
- People who check any box on line 39a or 39b **or** who can be claimed as a dependent, see instructions.
- All others:

Single or Married filing separately, $6,300
Married filing jointly or Qualifying widow(er), $12,600
Head of household, $9,300

Other Taxes

57	Self-employment tax. Attach Schedule SE	57	0
58	Unreported social security and Medicare tax from Form: a [ ] 4137 b [ ] 8919	58	0
59	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	59	0
60a	Household employment taxes from Schedule H	60a	0
b	First-time homebuyer credit repayment. Attach Form 5405 if required	60b	0
61	Health care: individual responsibility (see instructions) Full-year coverage [X]	61	
62	Taxes from: a [ ] Form 8959 b [ ] Form 8960 c [ ] Instructions; enter code(s)	62	0
63	Add lines 56 through 62. This is your **total tax** ▶	63	33,286

Payments

64	Federal income tax withheld from Forms W-2 and 1099	64	44,700		
65	2016 estimated tax payments and amount applied from 2015 return	65	0		
66a	**Earned income credit (EIC)**	66a			
b	Nontaxable combat pay election 66b				
67	Additional child tax credit. Attach Schedule 8812	67			
68	American opportunity credit from Form 8863, line 8	68			
69	Net premium tax credit. Attach Form 8962	69			
70	Amount paid with request for extension to file	70			
71	Excess social security and tier 1 RRTA tax withheld	71	0		
72	Credit for federal tax on fuels. Attach Form 4136	72			
73	Credits from Form: a [ ] 2439 b [ ] Reserved c [ ] 8885 d [ ]	73	0		
74	Add lines 64, 65, 66a, and 67 through 73. These are your **total payments** ▶			74	44,700

If you have a qualifying child, attach Schedule EIC.

Refund

75	If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you **overpaid**	75	11,414
76a	Amount of line 75 you want **refunded to you.** If Form 8888 is attached, check here ▶ [ ]	76a	11,414
b	Routing number XXXXXXXXX ▶ c Type: [X] Checking [ ] Savings		
d	Account number XXXXXXXXXXXXXXXXX		
77	Amount of line 75 you want **applied to your 2017 estimated tax** ▶ 77: 0		

Direct deposit? See instructions.

Amount You Owe

78	**Amount you owe.** Subtract line 74 from line 63. For details on how to pay, see instructions ▶	78	
79	Estimated tax penalty (see instructions) 79:		

Third Party Designee

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

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

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 accurately list all amounts and sources of income I received during the tax year. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Joint return? See instructions. Keep a copy for your records.

Your signature	Date	Your occupation	Daytime phone number
		Engineer	
Spouse's signature. If a joint return, **both** must sign.	Date	Spouse's occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)
		Manager	

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check [ ] if self-employed	PTIN
Firm's name ▶		Firm's EIN ▶		
Firm's address ▶		Phone no.		

SCHEDULE A (Form 1040)

Department of the Treasury Internal Revenue Service (99)

Itemized Deductions

▶ Information about Schedule A and its separate instructions is at *www.irs.gov/schedulea.*

▶ Attach to Form 1040.

OMB No. 1545-0074

2016

Attachment Sequence No. **07**

Name(s) shown on Form 1040: Ron Lee

Your social security number: 342-90-1243

Medical and Dental Expenses		**Caution.** Do not include expenses reimbursed or paid by others.				
	1	Medical and dental expenses (see instructions)	1	0		
	2	Enter amount from Form 1040, line 38 . . . 2 222,352				
	3	Multiply line 2 by 10% (10.10). But if either you or your spouse was born before January 2, 1952, multiply line 2 by 7.5% (0.075) instead	3	16,676		
	4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-			4	0
Taxes You Paid	5	State and local **(check only one box):** a. [X] Income taxes, or b. [ ] General sales taxes	5	18,250		
	6	Real estate taxes (see instructions)	6	5,800		
	7	Personal property taxes	7	155		
	8	Other taxes. List type and amount ▶	8	0		
	9	Add lines 5 through 8			9	24,205
Interest You Paid	10	Home mortgage interest and points reported to you on Form 1098	10	0		
Note. Your mortgage interest deduction may be limited (see instructions).	11	Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying no., and address ▶	11	0		
	12	Points not reported to you on Form 1098. See instructions for special rules	12	0		
	13	Mortgage insurance premiums (see instructions)	13	0		
	14	Investment interest. Attach Form 4952 if required. (See instructions.)	14			
	15	Add lines 10 through 14			15	0
Gifts to Charity	16	Gifts by cash or check. If you made any gift of $250 or more, see instructions	16	7,500		
If you made a gift and got a benefit for it, see instructions.	17	Other than by cash or check. If any gift of $250 or more, see instructions. You **must** attach Form 8283 if over $500	17	0		
	18	Carryover from prior year	18	0		
	19	Add lines 16 through 18			19	7,500
Casualty and Theft Losses	20	Casualty or theft loss(es). Attach Form 4684. (See instructions.)			20	0
Job Expenses and Certain Miscellaneous Deductions	21	Unreimbursed employee expenses—job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.) ▶	21	0		
	22	Tax preparation fees	22			
	23	Other expenses—investment, safe deposit box, etc. List type and amount ▶	23	0		
	24	Add lines 21 through 23	24	0		
	25	Enter amount from Form 1040, line 38 . . . 25 222,352				
	26	Multiply line 25 by 2% (0.02)	26	4,447		
	27	Subtract line 26 from line 24. If line 26 is more than line 24, enter -0-			27	0
Other Miscellaneous Deductions	28	Other—from list in instructions. List type and amount ▶			28	0
Total Itemized Deductions	29	Is Form 1040, line 38, over $155,650? [ ] **No.** Your deduction is not limited. Add the amounts in the far right column for lines 4 through 28. Also, enter this amount on Form 1040, line 40. [X] **Yes.** Your deduction may be limited. See the Itemized Deductions Worksheet in the instructions to figure the amount to enter.			29	31,705
	30	If you elect to itemize deductions even though they are less than your standard deduction, check here ▶ [ ]				

SCHEDULE D (Form 1040)

Department of the Treasury Internal Revenue Service (99)

Capital Gains and Losses

▶ Attach to Form 1040 or Form 1040NR.

▶ Information about Schedule D and its separate instructions is at *www.irs.gov/scheduled*.

▶ Use Form 8949 to list your transactions for lines 1b, 2, 3, 8b, 9, and 10.

OMB No. 1545-0074

2016

Attachment Sequence No. 12

Name(s) shown on return: Ron Lee

Your social security number: 342-90-1243

Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less

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	0	0		0
1b Totals for all transactions reported on Form(s) 8949 with **Box A** checked	0	0	0	0
2 Totals for all transactions reported on Form(s) 8949 with **Box B** checked	0	0	0	0
3 Totals for all transactions reported on Form(s) 8949 with **Box C** checked	0	0	0	0

4 Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824	4	0
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	(0)
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 page 2	7	0

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

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	0	0		0
8b Totals for all transactions reported on Form(s) 8949 with **Box D** checked	0	0	0	0
9 Totals for all transactions reported on Form(s) 8949 with **Box E** checked	55,432	18,000	0	37,432
10 Totals for all transactions reported on Form(s) 8949 with **Box F** checked	0	0	0	0

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	0
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	0
14 Long-term capital loss carryover. Enter the amount, if any, from line 13 of your **Capital Loss Carryover Worksheet** in the instructions	14	(0)
15 **Net long-term capital gain or (loss).** Combine lines 8a through 14 in column (h). Then go to Part III on page 2	15	37,432

Part III **Summary**

16	Combine lines 7 and 15 and enter the result	**16**	37,432
	• If line 16 is a **gain**, enter the amount from line 16 on 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 Form 1040, line 13, or Form 1040NR, line 14. Then go to line 22.		
17	Are lines 15 and 16 **both** gains? [X] **Yes.** Go to line 18. [ ] **No.** Skip lines 18 through 21, and go to line 22.		
18	Enter the amount, if any, from line 7 of the **28% Rate Gain Worksheet** in the instructions ▶	**18**	0
19	Enter the amount, if any, from line 18 of the **Unrecaptured Section 1250 Gain Worksheet** in the instructions ▶	**19**	0
20	Are lines 18 and 19 **both** zero or blank? [X] **Yes.** Complete the **Qualified Dividends and Capital Gain Tax Worksheet** in the instructions for Form 1040, line 44 (or in the instructions for Form 1040NR, line 42). **Don't** complete lines 21 and 22 below. [ ] **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 Form 1040, line 13, or Form 1040NR, line 14, the **smaller** of: • The loss on line 16 or • ($3,000), or if married filing separately, ($1,500) **Note.** When figuring which amount is smaller, treat both amounts as positive numbers.	**21**	( )
22	Do you have qualified dividends on Form 1040, line 9b, or Form 1040NR, line 10b? [ ] **Yes.** Complete the **Qualified Dividends and Capital Gain Tax Worksheet** in the instructions for Form 1040, line 44 (or in the instructions for Form 1040NR, line 42). [ ] **No.** Complete the rest of Form 1040 and Form 1040NR.		

Name(s) shown on return. Name and SSN or taxpayer identification no. not required if shown on Page 1	**Social security number or taxpayer identification number**
Ron Lee	342-90-1243

Before you check Box D, E, or F below, see whether you received any Form(s) 1099-B or substitute statement(s) from your broker. A substitute statement will have the same information as Form 1099-B. Either will show whether your basis (usually your cost) was reported to the IRS by your broker and may even tell you which box to check.

Part II **Long-Term.** Transactions involving capital assets you held more than 1 year are long term. For short-term transactions, see page 1.

Note. You may aggregate all long-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS and for which no adjustments or codes are required. Enter the totals directly on Schedule D, line 8a; you aren't required to report these transactions on Form 8949 (see instructions).

You *must* check Box D, E, *or* F below. Check only one box. If more than one box applies for your long-term transactions, complete a separate Form 8949, page 2, for each applicable box. If you have more long-term transactions than will fit on this page for one or more of the boxes, complete as many forms with the same box checked as you need.

- ☐ **(D)** Long-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS (see **Note** above)
- ☒ **(E)** Long-term transactions reported on Form(s) 1099-B showing basis **wasn't** reported to the IRS
- ☐ **(F)** Long-term transactions not reported to you on Form 1099-B

1 (a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold or disposed of (Mo., day, yr.)	(d) Proceeds (sales price) (see instructions)	(e) Cost or other basis See the **Note** below and see *Column (e)* in the separate instructions	**Adjustment, if any, to gain or loss.** If you enter an amount in column (g), enter a code in column (f). **See the separate instructions.** (f) Code(s) from instructions	(g) Amount of adjustment	(h) **Gain or (loss).** Subtract column (e) from column (d) and combine the result with column (g)
ABC Stock	03/16/00	08/13/16	55,432	18,000		0	37,432
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
2 Totals. Add the amounts in columns (d), (e), (g), and (h) (subtract negative amounts). Enter each total here and include on your Schedule D, **line 8b** (if **Box D** above is checked), **line 9** (if **Box E** above is checked), or **line 10** (if **Box F** above is checked) ▶			55,432	18,000		0	37,432

Note. If you checked Box D above but the basis reported to the IRS was incorrect, enter in column (e) the basis as reported to the IRS, and enter an adjustment in column (g) to correct the basis. See *Column (g)* in the separate instructions for how to figure the amount of the adjustment.