

APPENDIX E

PRACTICE SET ASSIGNMENTS—COMPREHENSIVE TAX RETURN PROBLEMS

SOLUTIONS TO PROBLEM MATERIALS

PROBLEM 1 SOLUTIONS

1. Matthew reports his compensation of \$85,000 on line 1 of Form 1040. This includes his salary of \$98,000 and the \$6,000 bonus he received in 2019 (because he is a cash basis taxpayer). This sum is reduced by his \$19,000 contribution to his § 401(k) plan (taxation is deferred until he takes distributions from the plan). Matthew's salary is not reduced by his *contribution* of \$7,200 to the group health insurance plan because it was made with after-tax dollars. Instead, this amount represents health premiums paid, which are included on line 1 of Schedule A as a qualifying medical expense (see item 9 below). Commuting expenses are generally not tax deductible, so Matthew is not permitted to claim a deduction for his commuting mileage.
2. Courtney reports her income from her sole proprietorship on Schedule C (Form 1040). Her consulting income of \$72,000 is reported on Part I of Schedule C. Since she uses the cash method of accounting for tax purposes, she includes the \$3,000 receipt for work done in 2018 but not the \$5,000 billed for 2019 work that has not yet been collected. The \$6,400 uncollected receivable from 2017 cannot be deducted as a bad debt since Courtney has no basis in the item. As a cash basis taxpayer, she never recognized any income. Her deductible business expenses (other than the cost of her home office) total \$11,095 and are detailed as follows:
 - Line 9: \$545 Car expenses (940 miles \times \$0.58 standard mileage rate).
 - Line 13: \$800 Depreciation on the fireproof file cabinet (from Form 4562).
 - Line 22: \$8,000 Supplies (\$4,800 drafting supplies + \$3,200 reproduction materials).
 - Line 23: \$400 License fee.
 - Line 27a: \$1,350 Other expenses [dues and subscriptions of \$490 (journal subscriptions \$250 + professional dues \$240) and uniforms of \$860 (work clothes); detailed on Part V, page 2].

Courtney's home office deduction of \$4,304 is computed in item 3 below. Net profit from the sole proprietorship totals \$56,601 on line 31 of Schedule C (Form 1040).

Because Courtney is self-employed, she computes self-employment tax of \$7,997 using Schedule SE (Form 1040). Half of the self-employment tax of \$3,999 is deductible on line 14 of Schedule 1 (Form 1040).

Courtney qualifies for a qualified business income deduction of \$10,520 [(net profit \$56,601 – deductible half of self-employment tax \$3,999) \times 20%], which is computed on Form 8995 and reported on line 10 of Form 1040.

3. Courtney computes the deduction for her home office on Form 8829. Computations in Part I show that 12.5% of the home's living area is devoted to business use (300 square feet of office space compared to 2,400 total square feet in the home).

Computations in Part II differentiate between direct costs (painting expense of \$1,250 on line 20) and indirect costs associated with the home, which need to be prorated. Indirect costs include mortgage

interest (\$4,000 on line 10), real estate taxes (\$4,100 on line 11), insurance (\$3,200 on line 18), repairs and maintenance (\$1,800 on line 20), and utilities (\$6,200 on line 21). (Note: Tax software rounds the prorated deduction for real estate taxes related to the home office up to \$513.)

Depreciation on the home of \$641 is computed in Part III on the prorated business use adjusted basis for the house of \$25,000 ($\$200,000 \times 12.5\%$) multiplied by 2.564%, the MACRS depreciation rate for 39-year nonresidential real property for the recovery period of 2–39 years (see Chapter 8).

The total home office deduction of \$4,304 is reported on line 36 of Form 8829 as well as on line 30 of Schedule C (Form 1040).

Courtney deducts the \$800 spent on the file cabinet by electing § 179 expensing. This election is made by completing Form 4562, Part I for this acquisition. The deduction is reported on line 13 of Schedule C (Form 1040).

4. Courtney's exchange of the Lincoln County property for the Minnehaha County property qualifies as a like-kind exchange. She reports this transaction on Form 8824. Information about the exchange is reported in Part I of this form. The realized gain, recognized gain, and basis in the like-kind property received are reported in Part III. Courtney's basis in the Lincoln County property is its fair market value when her uncle passed away (see Chapter 14). Courtney must recognize gain of \$10,000 on the exchange, the lesser of the cash received or the realized gain of \$160,000. This recognized gain is reported on line 23 of Form 8824.
5. The installment sale method of accounting generally applies to gains on dispositions of property if the seller receives at least one part of the purchase price in a year following the year of sale (see Chapter 18). Under this method of accounting, recognition of the realized gain occurs when installment payments are received. Installment sales are reported on Form 6252. The gross profit from the sale is computed in Part I. Courtney's \$30,000 basis in the land was the fair market value of the property when her uncle died (see Chapter 14). Courtney's gross profit percentage from the sale is computed in Part II to be 75% ($\$90,000 \div \$120,000$), which translates into a gain of \$15,000 on the \$20,000 installment collected this year. This recognized gain is reported on line 24 of Form 6252.

The \$15,000 gain from the installment sale is combined with the \$10,000 gain from the like-kind exchange (see item 4 above) to be reported as a long-term capital gain of \$25,000 on line 11 of Part II of Schedule D (Form 1040).
6. Although Mindy was one of Matthew's best servers at the restaurant, the loan to her was a nonbusiness debt since the money was not loaned in connection with business. A nonbusiness bad debt is treated as a short-term capital loss (see Chapter 7). To be deductible, however, nonbusiness bad debts must be *completely worthless*. Under the circumstances, this requirement appears to be satisfied. The \$5,500 should be reported on Form 8949, Part I with Box C checked. This amount is carried over to line 3, Part I of Schedule D (Form 1040).
7. Matthew has a \$16,000 loss from worthless securities. The worthlessness of these securities is deduced from the fact that the corporation's remaining assets were seized by its creditors. Since the investment is a capital asset and was held for more than 1 year (because worthless securities are deemed sold on the last day of the tax year), it is classified as a long-term capital loss. The \$16,000 is reported on Form 8949, Part II with Box F checked. This amount is carried over to line 10, Part II of Schedule D (Form 1040).
8. Interest receipts from the General Motors corporate bonds and the certificate of deposit are reported on Part I of Schedule B (Form 1040) and also on line 2b of Form 1040. Interest on the Sioux Falls bonds is not taxable, but it must still be reported on line 2a of Form 1040. The qualified dividends from MG&E are reported in Part II of Schedule B and also on lines 3a and 3b of Form 1040.

The rebate from HomeStuff is a purchase price adjustment. Since the items were purchased for personal use, their cost is not tax deductible. As such, the tax benefit rule does not come into play (see Chapter 5).

When Matthew receives repayment of the loan made to his sister, the return of the principal is not taxable. However, Matthew must report the interest income on Part I of Schedule B.

The gift from Courtney's parents is a nontaxable exclusion from gross income. The fact that the parents' \$32,000 gift exceeded the combined annual exclusion of \$30,000 for gift splitting (see Chapter 1) could result in gift tax implications to them. The transfer of the funds to a § 529 qualified tuition plan (see Chapter 5) has no current income tax effect to Courtney.

The Federal income tax refund is not taxable because it is a return of a previously nondeductible expenditure (see Chapter 10).

9. Courtney's contribution to her IRA is deducted on line 19 of Schedule 1 (Form 1040).

Gambling gains and losses cannot be netted for reporting purposes. Gambling winnings are reported on line 8 of Schedule 1 (Form 1040), with a notation on the source of the other income. Gambling losses are itemized deductions. Since gambling losses are limited to gains, only \$1,200 can be deducted on line 16 of Schedule A (Form 1040).

Life insurance premiums are not deductible (see Chapter 3).

Medical expenses reported on Schedule A include the \$7,200 in premiums Matthew pays to the group plan at work and the \$16,612 out-of-pocket expenses detailed here. No adjustment is necessary for the 2018 expenses paid in 2019 as the year of payment controls. Only \$13,161 of the \$23,812 of qualified medical expenses are deductible as that is the excess of the qualified expenses over 7.5% of AGI.

Courtney already deducted 12.5% of the property taxes in computing her home office deduction (see item 3 above). The remainder is deducted on line 5b of Schedule A (Form 1040). (Note: Tax software rounds the prorated deduction for personal real estate taxes up to \$3,588.)

South Dakota does not have an income tax, so the Mumfords should claim a sales tax deduction. Many taxpayers do not save their purchase receipts to document the sales tax they paid during the year, so they compute their sales tax deduction using the Optional Sales Tax Tables in the Schedule A instructions. For the Mumfords, this computation yields a sales tax deduction of \$2,048. Since they can substantiate \$2,800 in sales tax paid during 2019, they should deduct \$2,800 on line 5a of Schedule A (Form 1040). Be sure the sales tax box on line 5a is checked.

Like the property taxes, Courtney already deducted 12.5% of the home mortgage interest in computing her home office deduction (see item 3 above). The remainder is deducted on line 8a of Schedule A (Form 1040).

Regardless of any personal benefits derived, contributions to political campaigns are not deductible (see Chapter 6). As a result, the charitable contribution deduction on line 11 of Schedule A (Form 1040) is limited to the cash contribution to Feeding South Dakota. Students can confirm this is a qualified charity by visiting apps.irs.gov/app/eos/ and entering the organization's EIN or locating Feeding South Dakota on the organizations list at irs.gov/charities-non-profits/tax-exempt-organization-search-bulk-data-downloads.

Total itemized deductions total \$25,999 and are claimed on line 9 of Form 1040.

10. Nickolas meets the definition of a *qualifying child* so he is the Mumfords' dependent for tax purposes. As such, they are able to deduct medical and dental expenses incurred for Nickolas's care. In addition, the Mumfords are able to claim a \$2,000 child tax credit because Nickolas is under the age of 17 at year-end.

Kaleigh meets the definition of a *qualifying child* so she is also a dependent for tax purposes. She is considered a full-time student for the year because she was a full-time student from January through May while she finished high school. Because she satisfies the qualified child dependent tests, the gross income test associated with the qualified relative dependent rules does not apply (see Chapter 3). Since Kaleigh is a dependent, the Mumfords are able to deduct medical and dental expenses incurred for Kaleigh's care. In addition, they are able to claim a \$500 other dependent tax credit because Kaleigh is over the age of 16 at year-end.

11. A brief summary of the Mumfords' tax return for 2019 appears below.

Gross income:	
Salary	\$ 85,000
Schedule B	5,710
Schedule D	3,500
Schedule 1 (Schedule C and gambling winnings)	57,801
Schedule 1: Deductions <i>for</i> AGI:	
Deductible self-employment tax	(3,999)
IRA deduction	<u>(6,000)</u>
AGI:	\$142,012
Itemized deductions	(25,999)
Qualified business income deduction	<u>(10,520)</u>
Taxable income	<u>\$105,493</u>

Income tax of \$14,460 is computed using the *Schedule D Tax Worksheet*. To this is added the self-employment tax of \$7,997 from Schedule SE. The child tax credit and credit for other dependents reduce the tax liability by \$2,500, yielding line 16 total tax of \$19,957. Since the Mumfords paid a total of \$20,800, they will receive a refund of \$843.

Form	1040	Department of the Treasury — Internal Revenue Service (99)	2019	OMB No. 1545-0074	IRS Use Only — Do not write or staple in this space.
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Filing Status ☐ Single ☒ Married filing jointly ☐ Married filing separately (MFS) ☐ Head of household (HOH) ☐ Qualifying widow(er) (QW)

Check only one box. If you checked the MFS box, enter the name of spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent. ▶

Your first name and middle initial Matthew B. Mumford	Last name Mumford	Your social security number 123-45-6786
If joint return, spouse's first name and middle initial Courtney S. Mumford		Spouse's social security number 123-45-6787
Home address (number and street). If you have a P.O. box, see instructions. 11426 W. Antelope Drive		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. <input type="checkbox"/> You <input type="checkbox"/> Spouse
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). Sioux Falls, SD 57107		
Foreign country name	Foreign province/state/county	Foreign postal code
If more than four dependents, see instructions and ✓ here <input type="checkbox"/>		

Standard Deduction ☐ Someone can claim: ☐ You as a dependent ☐ Your spouse as a dependent ☐ Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness You: ☐ Were born before January 2, 1955 ☐ Are blind Spouse: ☐ Was born before January 2, 1955 ☐ Is blind

Dependents (see instructions):		(2) Social security number	(3) Relationship to you	(4) ✓ if qualifies for (see instructions):	
(1) First name	Last name			Child tax credit	Credit for other dependents
Kaleigh	Mumford	123-45-6788	Daughter	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Nickolas	Mumford	123-45-6798	Son	<input checked="" type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>

1 Wages, salaries, tips, etc. Attach Form(s) W-2	1	85,000.
2a Tax-exempt interest	2a	1,400.
3a Qualified dividends	3a	3,100.
4a IRA distributions	4a	
c Pensions and annuities	4c	
5a Social security benefits	5a	
6 Capital gain or (loss). Attach Schedule D if required. If not required, check here	6	3,500.
7a Other income from Schedule 1, line 9	7a	57,801.
b Add lines 1, 2b, 3b, 4b, 4d, 5b, 6, and 7a. This is your total income	7b	152,011.
8a Adjustments to income from Schedule 1, line 22	8a	9,999.
b Subtract line 8a from line 7b. This is your adjusted gross income	8b	142,012.
9 Standard deduction or itemized deductions (from Schedule A)	9	25,999.
10 Qualified business income deduction. Attach Form 8995 or Form 8995-A	10	10,520.
11a Add lines 9 and 10	11a	36,519.
b Taxable income. Subtract line 11a from line 8b. If zero or less, enter -0-	11b	105,493.

Standard Deduction for —
 • Single or Married filing separately, \$12,200
 • Married filing jointly or Qualifying widow(er), \$24,400
 • Head of household, \$18,350
 • If you checked any box under *Standard Deduction*, see instructions.

BAA For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Form **1040** (2019)

Form 1040 (2019) Matthew B. and Courtney S. Mumford 123-45-6786 Page 2

12a Tax (see inst.) Check if any from Form(s): <input type="checkbox"/> 1 <input type="checkbox"/> 8814		
2 <input type="checkbox"/> 4972	3 <input type="checkbox"/> _____	12a 14,460.
b Add Schedule 2, line 3, and line 12a and enter the total		12b 14,460.
13a Child tax credit or credit for other dependents		13a 2,500.
b Add Schedule 3, line 7, and line 13a and enter the total		13b 2,500.
14 Subtract line 13b from line 12b. If zero or less, enter -0-		14 11,960.
15 Other taxes, including self-employment tax, from Schedule 2, line 10		15 7,997.
16 Add lines 14 and 15. This is your total tax		16 19,957.
17 Federal income tax withheld from Forms W-2 and 1099		17 15,800.
18 Other payments and refundable credits:		
a Earned income credit (EIC)	18a	
b Additional child tax credit. Attach Schedule 8812	18b	
c American opportunity credit from Form 8863, line 8	18c	
d Schedule 3, line 14	18d	5,000.
e Add lines 18a through 18d. These are your total other payments and refundable credits		18e 5,000.
19 Add lines 17 and 18e. These are your total payments		19 20,800.
20 If line 19 is more than line 16, subtract line 16 from line 19. This is the amount you overpaid		20 843.
21a Amount of line 20 you want refunded to you . If Form 8888 is attached, check here <input type="checkbox"/>		21a 843.
b Routing number: XXXXXXXXXX c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
d Account number: XXXXXXXXXXXXXXXXXXXXXXXXXX		
22 Amount of line 20 you want applied to your 2020 estimated tax		22
23 Amount you owe. Subtract line 19 from line 16. For details on how to pay, see instructions		23
24 Estimated tax penalty (see instructions)		24
Do you want to allow another person (other than your paid preparer) to discuss this return with the IRS? See instructions.		<input type="checkbox"/> Yes. Complete below.
		<input checked="" type="checkbox"/> No
Designee's name		Personal identification number (PIN)
Phone no.		
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
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation
Phone no.	Email address	
Preparer's name		Preparer's signature
Firm's name		Phone no.
Firm's address		Firm's EIN
Date		PTIN
Check if:		
<input type="checkbox"/> 3rd Party Designee		
<input type="checkbox"/> Self-employed		

Go to www.irs.gov/Form1040 for instructions and the latest information.

Form 1040 (2019)

SCHEDULE 1
(Form 1040 or 1040-SR)Department of the Treasury
Internal Revenue Service**Additional Income and Adjustments to Income**

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

OMB No. 1545-0074

2019Attachment
Sequence No. **01**

Name(s) shown on Form 1040 or 1040-SR

Matthew B. and Courtney S. Mumford

Your social security number

123-45-6786

At any time during 2019, did you receive, sell, send, exchange, or otherwise acquire any financial interest in any virtual currency?.....

☐ Yes ☒ No

Part I Additional Income		
1	Taxable refunds, credits, or offsets of state and local income taxes	1
2a	Alimony received	2a
b	Date of original divorce or separation agreement (see instructions) ►	
3	Business income or (loss). Attach Schedule C	3 56,601.
4	Other gains or (losses). Attach Form 4797	4
5	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	5
6	Farm income or (loss). Attach Schedule F	6
7	Unemployment compensation	7
8	Other income. List type and amount ► <u>Gambling Winnings</u>	8 1,200.
9	Combine lines 1 through 8. Enter here and on Form 1040 or 1040-SR, line 7a	9 57,801.
Part II Adjustments to Income		
10	Educator expenses	10
11	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106	11
12	Health savings account deduction. Attach Form 8889	12
13	Moving expenses for members of the Armed Forces. Attach Form 3903	13
14	Deductible part of self-employment tax. Attach Schedule SE	14 3,999.
15	Self-employed SEP, SIMPLE, and qualified plans	15
16	Self-employed health insurance deduction	16
17	Penalty on early withdrawal of savings	17
18a	Alimony paid	18a
b	Recipient's SSN	
c	Date of original divorce or separation agreement (see instructions) ►	
19	IRA deduction	19 6,000.
20	Student loan interest deduction	20
21	Tuition and fees. Attach Form 8917	21
22	Add lines 10 through 21. These are your adjustments to income . Enter here and on Form 1040 or 1040-SR, line 8a	22 9,999.

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

Schedule 1 (Form 1040 or 1040-SR) 2019

SCHEDULE 2
(Form 1040 or 1040-SR)Department of the Treasury
Internal Revenue Service**Additional Taxes**

▶ Attach to Form 1040 or 1040-SR.

▶ Go to www.irs.gov/Form1040 for instructions and the latest information.

OMB No. 1545-0074

2019Attachment
Sequence No. **02**

Name(s) shown on Form 1040 or 1040-SR

Matthew B. and Courtney S. Mumford

Your social security number

123-45-6786

Part I Tax

1	Alternative minimum tax. Attach Form 6251.....	1	0.
2	Excess advance premium tax credit repayment. Attach Form 8962.....	2	
3	Add lines 1 and 2. Enter here and include on Form 1040 or 1040-SR, line 12b.....	3	0.

Part II Other Taxes

4	Self-employment tax. Attach Schedule SE.....	4	7,997.
5	Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919.....	5	
6	Additional tax on IRAs, other qualified retirement plans, and other tax-favored accounts. Attach Form 5329 if required.....	6	
7a	Household employment taxes. Attach Schedule H.....	7a	
b	Repayment of first-time homebuyer credit from Form 5405. Attach Form 5405 if required.....	7b	
8	Taxes from: a <input type="checkbox"/> Form 8959 b <input type="checkbox"/> Form 8960 c <input type="checkbox"/> Instructions; enter code(s).....	8	
9	Section 965 net tax liability installment from Form 965-A.....	9	
10	Add lines 4 through 8. These are your total other taxes . Enter here and on Form 1040 or 1040-SR, line 15.....	10	7,997.

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

Schedule 2 (Form 1040 or 1040-SR) 2019

[DO NOT FILE]

SCHEDULE 3
(Form 1040 or 1040-SR)Department of the Treasury
Internal Revenue Service**Additional Credits and Payments**

▶ Attach to Form 1040 or 1040-SR.

▶ Go to www.irs.gov/Form1040 for instructions and the latest information.

OMB No. 1545-0074

2019Attachment
Sequence No. **03**

Name(s) shown on Form 1040 or 1040-SR

Matthew B. and Courtney S. Mumford

Your social security number

123-45-6786

Part I Nonrefundable Credits

1	Foreign tax credit. Attach Form 1116 if required.	1	
2	Credit for child and dependent care expenses. Attach Form 2441.	2	
3	Education credits from Form 8863, line 19.	3	
4	Retirement savings contributions credit. Attach Form 8880.	4	
5	Residential energy credits. Attach Form 5695.	5	
6	Other credits from Form: a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/>	6	
7	Add lines 1 through 6. Enter here and include on Form 1040 or 1040-SR, line 13b.	7	

Part II Other Payments and Refundable Credits

8	2019 estimated tax payments and amount applied from 2018 return.	8	5,000.
9	Net premium tax credit. Attach Form 8962.	9	
10	Amount paid with request for extension to file (see instructions).	10	
11	Excess social security and tier 1 RRTA tax withheld.	11	
12	Credit for federal tax on fuels. Attach Form 4136.	12	
13	Credits from Form: a <input type="checkbox"/> 2439 b <input checked="" type="checkbox"/> Reserved c <input type="checkbox"/> 8885 d <input type="checkbox"/>	13	
14	Add lines 8 through 13. Enter here and on Form 1040 or 1040-SR, line 18d.	14	5,000.

BAA For Paperwork Reduction Act Notice, see your tax return instructions.**Schedule 3 (Form 1040 or 1040-SR) 2019****[DO NOT FILE]**

SCHEDULE A
(Form 1040 or 1040-SR)
(Rev. January 2020)
Department of the Treasury
Internal Revenue Service (99)

Itemized Deductions

► Go to www.irs.gov/ScheduleA for instructions and the latest information.
► Attach to Form 1040 or 1040-SR.

Caution: If you are claiming a net qualified disaster loss on Form 4684, see the instructions for line 16.

OMB No. 1545-0074

2019

Attachment
Sequence No. **07**

Name(s) shown on Form 1040 or 1040-SR

Your social security number

Matthew B. and Courtney S. Mumford

123-45-6786

Medical and Dental Expenses	Caution: Do not include expenses reimbursed or paid by others.				
	1	Medical and dental expenses (see instructions)	1	23,812.	
	2	Enter amount from Form 1040 or 1040-SR, line 8b	2	142,012.	
	3	Multiply line 2 by 7.5% (0.075)	3	10,651.	
	4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-	4	13,161.	
Taxes You Paid	5	State and local taxes.			
	a	State and local income taxes or general sales taxes. You may include either income taxes or general sales taxes on line 5a, but not both. If you elect to include general sales taxes instead of income taxes, check this box. <input checked="" type="checkbox"/>	5a	2,800.	
	b	State and local real estate taxes (see instructions)	5b	3,588.	
	c	State and local personal property taxes	5c		
	d	Add lines 5a through 5c	5d	6,388.	
	e	Enter the smaller of line 5d or \$10,000 (\$5,000 if married filing separately)	5e	6,388.	
	6	Other taxes. List type and amount ►	6		
	7	Add lines 5e and 6	7	6,388.	
Interest You Paid Caution: Your mortgage interest deduction may be limited (see instructions).	8	Home mortgage interest and points. If you didn't use all of your home mortgage loan(s) to buy, build, or improve your home, see instructions and check this box. <input type="checkbox"/>			
	a	Home mortgage interest and points reported to you on Form 1098. See instructions if limited.	8a	3,500.	
	b	Home mortgage interest not reported to you on Form 1098. See instructions if limited. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying no., and address ►	8b		
	c	Points not reported to you on Form 1098. See instructions for special rules.	8c		
	d	Mortgage insurance premiums (see instructions)	8d		
	e	Add lines 8a through 8d	8e	3,500.	
	9	Investment interest. Attach Form 4952 if required. See instructions.	9		
	10	Add lines 8e and 9	10	3,500.	
	Gifts to Charity Caution: If you made a gift and got a benefit for it, see instructions.	11	Gifts by cash or check. If you made any gift of \$250 or more, see instructions	11	1,750.
		12	Other than by cash or check. If you made any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500.	12	
13		Carryover from prior year	13		
14		Add lines 11 through 13	14	1,750.	
Casualty and Theft Losses		15	Casualty and theft loss(es) from a federally declared disaster (other than net qualified disaster losses). Attach Form 4684 and enter the amount from line 18 of that form. See instructions.	15	0.
Other Itemized Deductions	16	Other—from list in instructions. List type and amount ►			
		Gambling Losses to Extent of Winnings		1,200.	
Total Itemized Deductions	17	Add the amounts in the far right column for lines 4 through 16. Also, enter this amount on Form 1040 or 1040-SR, line 9.	17	25,999.	
	18	If you elect to itemize deductions even though they are less than your standard deduction, check this box. <input type="checkbox"/>			

FDIA0301L 01/15/20

BAA For Paperwork Reduction Act Notice, see the Instructions for Forms 1040 and 1040-SR.

Schedule A (Form 1040 or 1040-SR) 2019