

Name: Rebecca Stephens

## CHAPTER 12 TAX RETURN ASSIGNMENT

Using the data for **GREGORY & LULU CLIFDEN** (Comprehensive Problem Two from Appendix D, on page D-6 of your textbook), prepare the **FEDERAL** and **UTAH** tax returns using any method you choose (by hand, using the PDF fill-in forms or using tax prep software – I recommend the tax prep software). Since you will need to prepare the Utah return, please **assume the taxpayer lives in Utah**, rather than California. Using the completed returns answer the following questions:

1. What amount of taxable interest is reported on Schedule B? \$3955
2. What is the net income (loss) from Schedule C? \$76,945
3. What is the total capital gain (loss) reported on Schedule D? \$8,350
4. How much are total **FOR AGI** adjustments (1040, line 36)? \$11,436
5. How much are total itemized deductions on Schedule A? \$14,065
6. How much can be taken in total credits on Form 1040, line 55? \$2,000
7. How much is reported as total payment on Form 1040, line 74? \$24,850
8. What is the Utah taxable income reported on Form TC-40, line 9? \$100,140
9. How much is the Utah income tax reported on the TC-40, line 20? \$745
10. Will the taxpayer have a UT tax refund or tax due? Tax Due \$4262

### SUBMISSION INSTRUCTIONS:

Using this page as a coversheet, please scan/print this page and the completed tax return to a **single PDF file** and upload the return through Canvas for grading on or before the due date noted in Canvas. Late returns will be subject to the late penalty and will only be accepted for 1 week beyond the due date.

# Comprehensive Problem Two

## Gregory and Lulu Clifden's Tax Return

Gregory R. and Lulu B. Clifden live with their family at the Rock Glen House Bed & Breakfast, which Gregory operates. The Bed & Breakfast (B&B) is located at 33333 Fume Blanc Way, Temecula, CA 92591. Gregory's Social Security number is 543-88-9756 and Lulu's is 256-43-8819. Both are in their mid-40s and enjoy good health and eyesight.

1. The Clifdens have three sons, Gerald A. (SS# 466-74-1131), Gary T. (SS# 465-76-8375), and Glenn E. (SS# 475-23-1426). Gerald is 17 years old, Gary is 12 years old, and Glenn is 10 years old.
2. The Rock Glen House Bed & Breakfast is operated as a sole proprietorship and had the following income and expenses for the year:

Room rental income	\$164,250
Vending machine income	2,325
Advertising expense	4,720
Depreciation	18,180
Mortgage interest on the B&B	32,940
Wages of maid	15,450
Taxes and licenses	6,420
Supplies	8,930
Business insurance	6,300
Laundry expenses	4,290
Accounting fees	1,850
Office expenses	2,380
Utilities	6,350

All of the above amounts relate to the business portion of the Bed & Breakfast; the personal portion is accounted for separately. The Rock Glen House Bed & Breakfast uses the cash method of accounting and has no inventory. The employer tax ID number is 95-1234567.

3. The Clifdens made estimated federal income tax payments of \$16,000 and estimated state income tax payments of \$6,000 (all made during 2014).
4. Lulu is a substitute schoolteacher with the local school district. For the current year, Lulu's Form W-2 from the school district showed the following:

Wages	\$10,200
Federal income tax withheld	1,650
State income tax withheld	380
FICA (OASDI & Medicare)	780

5. Gregory is retired from the U.S. Navy. His annual statement from the Navy, Form 1099-R, is below.



CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, and ZIP or foreign postal code  <b>U.S. Navy Retired Benefits Center Cleveland, OH 43267</b>		1 Gross distribution <b>\$ 9,400.00</b> ✓		OMB No. 1545-0119  <b>2014</b>  Form 1099-R	<b>Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.</b>
		2a Taxable amount <b>\$ 9,400.00</b> ✓			
PAYER'S federal identification number  <b>11-4662891</b>		RECIPIENT'S identification number  <b>543-88-9756</b>		3 Capital gain (included in box 2a) \$	
RECIPIENT'S name  <b>Gregory R. Clifden</b>  Street address (including apt. no.) <b>33333 Fume Blanc Way</b>  City or town, state or province, country, and ZIP or foreign postal code <b>Temecula, CA 92591</b>		4 Federal income tax withheld <b>\$ 1,200.00</b> ✓		<b>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.</b>  This information is being furnished to the Internal Revenue Service.	
		5 Employee contributions (Designated Roth contributions or insurance premiums) \$			
		7 Distribution code(s) IRA/SEP/SIMPLE <input 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 State tax withheld <b>\$ 290.00</b> ✓	
				13 State/Payer's state no. <b>CA</b> ✓	
				14 State distribution <b>\$ 9,400.00</b> ✓	
Account number (see instructions) \$		15 Local tax withheld \$		16 Name of locality \$	
				17 Local distribution \$	

Form 1099-R www.irs.gov/form1099r Department of the Treasury - Internal Revenue Service

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.  <b>Morgan Stanley 269 Wall Street New York, NY 10001</b>		Applicable check box on Form 8949 <b>A</b>		OMB No. 1545-0715  <b>2014</b>  Form 1099-B	<b>Proceeds From Broker and Barter Exchange Transactions</b>
		1a Description of property (Example 100 sh. XYZ Co.) <b>Gold Company Stock</b>			
PAYER'S federal identification number  <b>11-4396782</b>		RECIPIENT'S identification number  <b>256-43-8819</b>		1b Date acquired <b>03/27/2014</b>	
				1c Date sold or disposed <b>09/18/2014</b>	
		1d Proceeds <b>\$ 12,100.00</b> ✓		1e Cost or other basis <b>\$ 14,200.00</b> ✓	
		1f Code, if any \$		1g Adjustments \$	
RECIPIENT'S name  <b>Lulu B. Clifden</b>  Street address (including apt. no.) <b>33333 Fume Blanc Way</b>  City or town, state or province, country, and ZIP or foreign postal code <b>Temecula, CA 92591</b>  Account number (see instructions) CUSIP number		2 Type of gain or loss: Short-term <input checked="" type="checkbox"/> Long-term <input type="checkbox"/>		3 If checked, basis reported to IRS <input type="checkbox"/>	
		4 Federal income tax withheld \$		5 If checked, noncovered security <input type="checkbox"/>	
		6 Reported to IRS: Gross proceeds <input type="checkbox"/> Net proceeds <input type="checkbox"/>		7 If checked, loss is not allowed based on amount in 1d <input type="checkbox"/>	
		8 Profit or (loss) realized in 2014 on closed contracts \$		9 Unrealized profit or (loss) on open contracts—12/31/2013 \$	
		10 Unrealized profit or (loss) on open contracts—12/31/2014 \$		11 Aggregate profit or (loss) on contracts \$	
14 State name \$		15 State identification no. \$		16 State tax withheld \$	
				12 Bartering \$	

Form 1099-B www.irs.gov/form1099b Department of the Treasury - Internal Revenue Service

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.  <b>Vintage Bank 6792 Main Street Temecula, CA 92591</b>		Payer's RTN (optional)		OMB No. 1545-0112  <b>2014</b>  Form 1099-INT	<b>Interest Income</b>
		1 Interest income <b>\$ 3,375.00</b> ✓			
PAYER'S federal identification number  <b>96-8724390</b>		RECIPIENT'S identification number  <b>256-43-8819</b>		3 Interest on U.S. Savings Bonds and Treas. obligations \$	
RECIPIENT'S name  <b>Gregory R. Clifden</b>  Street address (including apt. no.) <b>33333 Fume Blanc Way</b>  City or town, state or province, country, and ZIP or foreign postal code <b>Temecula, CA 92591</b>		4 Federal income tax withheld \$		5 Investment expenses \$	
		6 Foreign tax paid \$		7 Foreign country or U.S. possession \$	
		8 Tax-exempt interest \$		9 Specified private activity bond interest \$	
		10 Market discount \$		11 Bond premium \$	

**Copy B For Recipient**  
  
 This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

Account number (see instructions)	12 Tax-exempt bond CUSIP no.	13 State	14 State identification no.	15 State tax withheld
				\$
				\$

Form **1099-INT** (keep for your records) [www.irs.gov/form1099int](http://www.irs.gov/form1099int) Department of the Treasury - Internal Revenue Service

6. Gregory and Lulu paid (and can substantiate) the following amounts during the year:

Mastercard interest	<del>\$1,480</del>
Dental expenses	2,600 ✓
California state income tax (for 2013)	450 ✓
Charitable contributions	1,875 ✓
Mortgage interest on home purchase (personal portion)	6,400 ✓
Real estate taxes (personal portion)	820 ✓
Life insurance premiums	<del>845</del>
Investment interest	4,300 ✓
Automobile registration fees (deductible portion)	<del>450</del>
Tax return preparation fee	475 ✓
Contributions to George Clinton's reelection campaign	<del>1,000</del>

None of the investment interest is related to amounts borrowed to purchase the City of Atlanta tax-exempt bonds.

7. During the year, Gregory and Lulu received the following qualifying dividends and interest:

*Interest:*

Bob's Big Bank	\$ 360 ✓
Bank of Ireland	220 ✓
City of Atlanta Tax Exempt Bonds	1,490 ✓
Vintage Bank	See 1099-INT (Page D-9)
<i>Qualified dividends:</i>	
Southwest Airlines	\$ 110 ✓
Heinz Foods	216 ✓

Also, Lulu owns Series EE U.S. savings bonds. During the year, the bond redemption value increased by \$1,300. Lulu has not elected the accrual method for these bonds. There were no Irish taxes paid on the interest from the Bank of Ireland. All the above stocks, bonds, and bank accounts are community property.

8. Lulu has a stock portfolio. During the year she sold the following stock, shown on her Forms 1099-B as follows:

	Orange Co. ✓	Gold Co. ✓	Green Co. ✓
Sales price	\$8,200	See	\$7,500
Basis	3,800	Form	1,450
Date acquired	02/11/04	1099-B	10/31/04
Date sold	06/19/14	(Page D-9)	10/23/14

9. Lulu paid her ex-husband \$6,000 alimony in the current year, as required under the divorce decree. Her ex-husband's name is Hector Leach and his Social Security number is 566-23-5431.



- ✓10. Gregory does all the significant work in the Bed & Breakfast and therefore he pays self-employment tax on 100 percent of the earnings from the B&B.
- 11. During the year, Gregory's uncle Martin died. Martin had a \$50,000 life insurance policy that named Gregory as the beneficiary. Gregory received the check for the benefits payable under the policy on November 30 of the current year. Martin also left Gregory a small nonoperating farm with an appraised value of \$120,000.
- ✓12. Two years ago, Gary won a contest and received a cash prize. The money is in a savings account in Gary's name. His interest on the savings account in the current year is \$3,400. Instead of having Gary fill out a tax return and pay the "kiddie tax," Gregory and Lulu elect to report the interest income on their joint tax return.

**Required:** Gregory and Lulu have come to you to prepare their 2014 federal income tax return. Do not complete a California state income tax return. Gregory and Lulu have completed a tax organizer and have also given you several IRS forms (see below) that they were not sure what to do with. Make realistic assumptions about any missing data (addresses, etc.) that you need. Do not file a federal Form 4562, Form 4952, or Form 8829 for the Clifdens. The following is a list of the forms and schedules that you will need to complete the tax return:

Form 1040 ✓	Schedule SE ✓
Schedule A ✓	Form 8814 ✓
Schedule B ✓	Form <del>8849</del> 8949
Schedule C ✓	Qualified Dividends and Capital Gain Tax Worksheet
Schedule D ✓	

The circled items are what I'm not sure how to do.

Why did the taxable Income Amount on the worksheet come out different than the taxable amount entered on

1040 Line 44?

For the year Jan. 1–Dec. 31, 2014, or other tax year beginning \_\_\_\_\_, 2014, ending \_\_\_\_\_, 20

Your first name and initial: **Gregory R** Last name: **Clifden** Your social security number: **543-88-9756**

If a joint return, spouse's first name and initial: **Lula B** Last name: **Clifden** Spouse's social security number: **256-43-8819**

Home address (number and street). If you have a P.O. box, see instructions. **33333 Fume Blanc Way** Apt. no. \_\_\_\_\_

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). **Temecula CA 92591**

Foreign country name \_\_\_\_\_ Foreign province/state/county \_\_\_\_\_ Foreign postal code \_\_\_\_\_

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

**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**

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

Check only one box.

**Exemptions**

6a  Yourself. If someone can claim you as a dependent, do not check box 6a

b  Spouse

**Dependents:**

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> if child under age 17 qualifying for child tax credit (see instructions)
Gerald	Clifden	466-74-1131	Son	
Gary	Clifden	465-76-8375	Son	<input checked="" type="checkbox"/>
Glenn	Clifden	475-23-1426	Son	<input checked="" type="checkbox"/>

Boxes checked on 6a and 6b: **2**

No. of children on 6c who:  
• lived with you: **3**  
• did not live with you due to divorce or separation (see instructions): \_\_\_\_\_

Dependents on 6c not entered above: \_\_\_\_\_

Add numbers on lines above: **5**

d Total number of exemptions claimed: **5**

**Income**

7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	10,200
8a	Taxable interest. Attach Schedule B if required	8a	3,955
b	Tax-exempt interest. Do not include on line 8a	8b	1,490
9a	Ordinary dividends. Attach Schedule B if required	9a	326
b	Qualified dividends	9b	326
10	Taxable refunds, credits, or offsets of state and local income taxes	10	0
11	Alimony received	11	
12	Business income or (loss). Attach Schedule C or C-EZ	12	76,945
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	13	8,350
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	9,400
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	
b	Taxable amount	20b	
21	Other income. List type and amount: <b>FORM 8814</b>	21	1,400
22	Combine the amounts in the far right column for lines 7 through 21. This is your total income	22	110,576

**Adjusted Gross Income**

23	Educator expenses	23	0
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	5,436
28	Self-employed SEP, SIMPLE, and qualified plans	28	0
29	Self-employed health insurance deduction	29	0
30	Penalty on early withdrawal of savings	30	0
31a	Alimony paid b Recipient's SSN: <b>566-23-5431</b>	31a	6,000
32	IRA deduction	32	0
33	Student loan interest deduction	33	0
34	Tuition and fees. Attach Form 8917	34	0
35	Domestic production activities deduction. Attach Form 8903	35	0
36	Add lines 23 through 35	36	11,436
37	Subtract line 36 from line 22. This is your adjusted gross income	37	99,140



Tax and Credits

Table with 3 columns: Line number, Description, and Amount. Includes lines 38-56 covering tax and credits such as itemized deductions, exemptions, and total credits.

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, \$6,200

Married filing jointly or Qualifying widow(er), \$12,400

Head of household, \$9,100

Other Taxes

Table with 3 columns: Line number, Description, and Amount. Includes lines 57-63 covering self-employment tax, unreported social security and Medicare tax, and total tax.

Payments

If you have a qualifying child, attach Schedule EIC.

Table with 3 columns: Line number, Description, and Amount. Includes lines 64-74 covering federal income tax withheld, estimated tax payments, and total payments.

Refund

Direct deposit? See instructions.

Table with 3 columns: Line number, Description, and Amount. Includes lines 75-77 covering overpaid amount, routing and account numbers, and amount applied to 2015 estimated tax.

Amount You Owe

Table with 3 columns: Line number, Description, and Amount. Includes lines 78-79 covering amount you owe and estimated tax penalty.

Third Party Designee

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

Sign Here

Joint return? See instructions. 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.

Paid Preparer Use Only

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



**SCHEDULE A  
(Form 1040)**

**Itemized Deductions**

OMB No. 1545-0074

**2014**  
Attachment  
Sequence No. **07**

Department of the Treasury  
Internal Revenue Service (99)

▶ Information about Schedule A and its separate instructions is at [www.irs.gov/schedulea](http://www.irs.gov/schedulea).

▶ Attach to Form 1040.

Name(s) shown on Form 1040  
Gregory R Clifden

Your social security number  
543-88-9756

<b>Medical and Dental Expenses</b>	<b>Caution.</b> Do not include expenses reimbursed or paid by others.				
	1	Medical and dental expenses (see instructions) . . . . .	1	2,600	
	2	Enter amount from Form 1040, line 38 . . .   2   99,140			
	3	Multiply line 2 by 10% (.10). But if either you or your spouse was born before January 2, 1950, multiply line 2 by 7.5% (.075) instead	3	9,914	
	4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-	4	0	
<b>Taxes You Paid</b>	5 State and local (check only one box):				
	a.	<input checked="" type="checkbox"/> Income taxes, or	5	670	
	b.	<input type="checkbox"/> General sales taxes			
	6	Real estate taxes (see instructions) . . . . .	6	820	
	7	Personal property taxes . . . . .	7	0	
	8	Other taxes. List type and amount ▶ -----	8	0	
	9	Add lines 5 through 8 . . . . .	9	1,490	
	<b>Interest You Paid</b>	10	Home mortgage interest and points reported to you on Form 1098 . . . . .	10	6,400
		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	4,300	
15		Add lines 10 through 14 . . . . .	15	10,700	
<b>Gifts to Charity</b>	16	Gifts by cash or check. If you made any gift of \$250 or more, see instructions . . . . .	16	1,875	
	17	Other than by cash or check. If any gift of \$250 or more, see instructions. You <b>must</b> attach Form 8283 if over \$500 . . . . .	17	0	
	18	Carryover from prior year . . . . .	18	0	
	19	Add lines 16 through 18 . . . . .	19	1,875	
<b>Casualty and Theft Losses</b>	20	Casualty or theft loss(es). Attach Form 4684. (See instructions.) . . . . .	20	0	
<b>Job Expenses and Certain Miscellaneous Deductions</b>	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	475	
	23	Other expenses—investment, safe deposit box, etc. List type and amount ▶ -----	23	0	
	24	Add lines 21 through 23 . . . . .	24	475	
	25	Enter amount from Form 1040, line 38 . . .   25   99,140			
	26	Multiply line 25 by 2% (.02) . . . . .	26	1,983	
	27	Subtract line 26 from line 24. If line 26 is more than line 24, enter -0-	27	0	
<b>Other Miscellaneous Deductions</b>	28	Other—from list in instructions. List type and amount ▶ -----	28	0	
<b>Total Itemized Deductions</b>	29	Is Form 1040, line 38, over \$152,525? <input checked="" type="checkbox"/> 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. <input type="checkbox"/> Yes. Your deduction may be limited. See the Itemized Deductions Worksheet in the instructions to figure the amount to enter.	29	14,065	
	30	If you elect to itemize deductions even though they are less than your standard deduction, check here <input type="checkbox"/>			



**SCHEDULE B**  
(Form 1040A or 1040)

**Interest and Ordinary Dividends**

OMB No. 1545-0074

**2014**

Attachment  
Sequence No. **08**

Department of the Treasury  
Internal Revenue Service (99)

▶ Attach to Form 1040A or 1040.  
▶ Information about Schedule B and its instructions is a [www.irs.gov/scheduleb](http://www.irs.gov/scheduleb).

Name(s) shown on return: Gregory R Clifden Your social security number: 543-88-9756

<b>Part I</b>		<b>Amount</b>
<b>Interest</b>	<b>1</b> List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see instructions and list this interest first. Also, show that buyer's social security number and address. <u>Vintage Bank</u> ▶	3,375
	<u>Bob's Big Bank</u>	360
	<u>Bank of Ireland</u>	220
	<u>City of Atlanta Tax Exempt Bonds</u>	0
<b>2</b> Add the amounts on line 1		<b>2</b> 3,955
<b>3</b> Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815		<b>3</b>
<b>4</b> Subtract line 3 from line 2. Enter the result here and on Form 1040A, or Form 1040, line 8a ▶		<b>4</b> 3,955
<b>Note:</b> If line 4 is over \$1,500, you must complete Part III.		

<b>Part II</b>		<b>Amount</b>
<b>Ordinary Dividends</b>	<b>5</b> List name of payer ▶ <u>Southwest Airlines</u>	110
	<u>Heinz Food</u>	216
<b>6</b> Add the amounts on line 5. Enter the total here and on Form 1040A, or Form 1040, line 9a ▶		<b>6</b> 326
<b>Note:</b> If line 6 is over \$1,500, you must complete Part III.		

<b>Part III</b>		<b>Yes</b>	<b>No</b>
<b>Foreign Accounts and Trusts</b> (See instructions.)			
<b>7a</b>	At any time during 2014, did you have a financial interest in or signature authority over a financial account (such as a bank account, securities account, or brokerage account) located in a foreign country? See instructions.		X
	If "Yes," are you required to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR), to report that financial interest or signature authority? See FinCEN Form 114 and its instructions for filing requirements and exceptions to those requirements		X
<b>b</b>	If you are required to file FinCEN Form 114, enter the name of the foreign country where the financial account is located ▶		
<b>8</b>	During 2014, 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 instructions.		X



**SCHEDULE C  
(Form 1040)**

Department of the Treasury  
Internal Revenue Service (99)

**Profit or Loss From Business**

(Sole Proprietorship)

▶ Information about Schedule C and its separate instructions is at [www.irs.gov/schedulec](http://www.irs.gov/schedulec).  
▶ Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

OMB No. 1545-0074

**2014**  
Attachment  
Sequence No. **09**

Name of proprietor Gregory R Clifden		Social security number (SSN) 543-88-9756
A Principal business or profession, including product or service (see instructions) Bed and Breakfast	B Enter code from instructions 721310	
C Business name. If no separate business name, leave blank. Rock Glen House Bed & Breakfast	D Employer ID number (EIN), (see instr.) 95-1234567	
E Business address (including suite or room no.) ▶ 33333 Fume Blanc Way City, town or post office, state, and ZIP code Temecula CA 92591		
F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) _____		
G Did you "materially participate" in the operation of this business during 2014? If "No," see instructions for limit on losses . . .		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
H If you started or acquired this business during 2014, check here . . .		<input type="checkbox"/> Yes <input type="checkbox"/> No
I Did you make any payments in 2014 that would require you to file Form(s) 1099? (see instructions) . . .		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
J If "Yes," did you or will you file required Forms 1099? . . .		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part I Income			
1	Gross receipts or sales. See instructions for line 1 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. . . . .	<input type="checkbox"/>	164,250
2	Returns and allowances . . . . .		
3	Subtract line 2 from line 1 . . . . .		164,250
4	Cost of goods sold (from line 42) . . . . .		0
5	<b>Gross profit.</b> Subtract line 4 from line 3 . . . . .		164,250
6	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions) . . . . .		2,325
7	<b>Gross income.</b> Add lines 5 and 6 . . . . .		166,575

Part II Expenses. Enter expenses for business use of your home only on line 30.				
8	Advertising . . . . .	4,720	18 Office expense (see instructions) . . . . .	2,380
9	Car and truck expenses (see instructions) . . . . .	0	19 Pension and profit-sharing plans . . . . .	
10	Commissions and fees . . . . .	1,850	20 Rent or lease (see instructions):	
11	Contract labor (see instructions) . . . . .		a Vehicles, machinery, and equipment . . . . .	0
12	Depletion . . . . .		b Other business property . . . . .	
13	Depreciation and section 179 expense deduction (not included in Part III) (see instructions) . . . . .	0	21 Repairs and maintenance . . . . .	
14	Employee benefit programs (other than on line 19) . . . . .		22 Supplies (not included in Part III) . . . . .	8,930
15	Insurance (other than health) . . . . .	6,300	23 Taxes and licenses . . . . .	6,420
16	Interest:		24 Travel, meals, and entertainment:	
a	Mortgage (paid to banks, etc.) . . . . .	32,940	a Travel . . . . .	
b	Other . . . . .		b Deductible meals and entertainment (see instructions) . . . . .	0
17	Legal and professional services . . . . .		25 Utilities . . . . .	6,350
28	<b>Total expenses</b> before expenses for business use of home. Add lines 8 through 27a . . . . .		26 Wages (less employment credits) . . . . .	15,450
29	Tentative profit or (loss). Subtract line 28 from line 7 . . . . .		27a Other expenses (from line 48) . . . . .	4,290
30	Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). <b>Simplified method filers only:</b> enter the total square footage of: (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30 . . . . .		27b Reserved for future use . . . . .	
31	<b>Net profit or (loss).</b> Subtract line 30 from line 29. • If a profit, enter on both Form 1040, line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2. (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3. • If a loss, you must go to line 32.		28	89,630
32	If you have a loss, check the box that describes your investment in this activity (see instructions). • If you checked 32a, enter the loss on both Form 1040, line 12, (or Form 1040NR, line 13) and on Schedule SE, line 2. (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3. • If you checked 32b, you must attach Form 6198. Your loss may be limited.		29	76,945
			30	0
			31	76,945
			32a	<input checked="" type="checkbox"/> All investment is at risk.
			32b	<input type="checkbox"/> Some investment is not at risk.



**Part III Cost of Goods Sold** (see instructions)

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	0
41 Inventory at end of year . . . . .	41	
42 Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on line 4 . . . . .	42	0

**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 to find out if you must file Form 4562.

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

44 Of the total number of miles you drove your vehicle during 2014, 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.

Laundry Expenses	4,290
-----	
-----	
-----	
-----	
-----	
-----	
-----	
-----	
-----	
-----	
48 Total other expenses. Enter here and on line 27a . . . . .	48 4,290



**SCHEDULE D  
(Form 1040)**

**Capital Gains and Losses**

OMB No. 1545-0074

**2014**

Department of the Treasury  
Internal Revenue Service (99)

▶ Attach to Form 1040 or Form 1040NR.  
▶ Information about Schedule D and its separate instructions is at [www.irs.gov/scheduled](http://www.irs.gov/scheduled).  
▶ Use Form 8949 to list your transactions for lines 1b, 2, 3, 8b, 9, and 10.

Attachment  
Sequence No. **12**

Name(s) shown on return

Gregory R Clifden

Your social security number

543-88-9756

**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)
<b>1a</b> 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
<b>1b</b> Totals for all transactions reported on Form(s) 8949 with <b>Box A</b> checked	0	0	0	0
<b>2</b> Totals for all transactions reported on Form(s) 8949 with <b>Box B</b> checked	12,100	14,200	0	-2,100
<b>3</b> Totals for all transactions reported on Form(s) 8949 with <b>Box C</b> checked	0	0	0	0
<b>4</b> Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824				0
<b>5</b> Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				
<b>6</b> Short-term capital loss carryover. Enter the amount, if any, from line 8 of your <b>Capital Loss Carryover Worksheet</b> in the instructions.				( 0 )
<b>7</b> <b>Net short-term capital gain or (loss)</b> . 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 the next page				-2,100

**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)
<b>8a</b> 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
<b>8b</b> Totals for all transactions reported on Form(s) 8949 with <b>Box D</b> checked	0	0	0	0
<b>9</b> Totals for all transactions reported on Form(s) 8949 with <b>Box E</b> checked	15,700	5,250	0	10,450
<b>10</b> Totals for all transactions reported on Form(s) 8949 with <b>Box F</b> checked	0	0	0	0
<b>11</b> 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				0
<b>12</b> Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				
<b>13</b> Capital gain distributions. See the instructions				0
<b>14</b> Long-term capital loss carryover. Enter the amount, if any, from line 13 of your <b>Capital Loss Carryover Worksheet</b> in the instructions				( 0 )
<b>15</b> <b>Net long-term capital gain or (loss)</b> . Combine lines 8a through 14 in column (h). Then go to Part III on page 2				10,450

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

Schedule D (Form 1040) 2014



**Part III Summary**

<p><b>16</b> Combine lines 7 and 15 and enter the result . . . . .</p>	<p><b>16</b></p>	<p>8,350</p>
<ul style="list-style-type: none"> <li>• If line 16 is a <b>gain</b>, enter the amount from line 16 on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 17 below.</li> <li>• If line 16 is a <b>loss</b>, skip lines 17 through 20 below. Then go to line 21. Also be sure to complete line 22.</li> <li>• If line 16 is <b>zero</b>, skip lines 17 through 21 below and enter -0- on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 22.</li> </ul>		
<p><b>17</b> Are lines 15 and 16 <b>both</b> gains?  <input checked="" type="checkbox"/> <b>Yes.</b> Go to line 18.  <input type="checkbox"/> <b>No.</b> Skip lines 18 through 21, and go to line 22.</p>		
<p><b>18</b> Enter the amount, if any, from line 7 of the <b>28% Rate Gain Worksheet</b> in the instructions . . . . . ▶</p>	<p><b>18</b></p>	<p>0</p>
<p><b>19</b> Enter the amount, if any, from line 18 of the <b>Unrecaptured Section 1250 Gain Worksheet</b> in the instructions . . . . . ▶</p>	<p><b>19</b></p>	<p>0</p>
<p><b>20</b> Are lines 18 and 19 <b>both</b> zero or blank?  <input checked="" type="checkbox"/> <b>Yes.</b> Complete the <b>Qualified Dividends and Capital Gain Tax Worksheet</b> in the instructions for Form 1040, line 44 (or in the instructions for Form 1040NR, line 42). <b>Do not</b> complete lines 21 and 22 below.  <input type="checkbox"/> <b>No.</b> Complete the <b>Schedule D Tax Worksheet</b> in the instructions. <b>Do not</b> complete lines 21 and 22 below.</p>		
<p><b>21</b> If line 16 is a loss, enter here and on Form 1040, line 13, or Form 1040NR, line 14, the <b>smaller</b> of:  <ul style="list-style-type: none"> <li>• The loss on line 16 or</li> <li>• (\$3,000), or if married filing separately, (\$1,500) } . . . . .</li> </ul> </p>	<p><b>21</b></p>	<p>( )</p>
<p><b>Note.</b> When figuring which amount is smaller, treat both amounts as positive numbers.</p>		
<p><b>22</b> Do you have qualified dividends on Form 1040, line 9b, or Form 1040NR, line 10b?  <input type="checkbox"/> <b>Yes.</b> Complete the <b>Qualified Dividends and Capital Gain Tax Worksheet</b> in the instructions for Form 1040, line 44 (or in the instructions for Form 1040NR, line 42).  <input type="checkbox"/> <b>No.</b> Complete the rest of Form 1040 and Form 1040NR.</p>		

# Sales and Other Dispositions of Capital Assets

► Information about Form 8949 and its separate instructions is at [www.irs.gov/form8949](http://www.irs.gov/form8949)  
► File with your Schedule D to list your transactions for lines 1b, 2, 3, 8b, 9, and 10 of Schedule D.

Name(s) shown on return Gregory R Clifden	Social security number or taxpayer identification number 543-88-9756
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Before you check Box A, B, or C 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 may show your basis (usually your cost) even if your broker did not report it to the IRS. Brokers must report basis to the IRS for most stock you bought in 2011 or later (and for certain debt instruments you bought in 2014 or later).

**Part I Short-Term.** Transactions involving capital assets you held 1 year or less are short-term. For long-term transactions, see page 2.

**Note.** You may aggregate all short-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 total directly on Schedule D, line 1a; you are not required to report these transactions on Form 8949 (see instructions).

**You must check Box A, B, or C below. Check only one box.** If more than one box applies for your short-term transactions, complete a separate Form 8949, page 1, for each applicable box. If you have more short-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.

- (A) Short-term transactions reported on Form(s) 1099-B showing basis was reported to the IRS (see Note above)
- (B) Short-term transactions reported on Form(s) 1099-B showing basis was not reported to the IRS
- (C) Short-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 (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.		(h) Gain or (loss). Subtract column (e) from column (d) and combine the result with column (g)
						(f) Code(s) from instructions	(g) Amount of adjustment	
	Gold Co	03/27/14	09/18/14	12,100	14,200		0	-2,100
							0	0
							0	0
							0	0
							0	0
							0	0
							0	0
							0	0
							0	0
							0	0
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							0	0
							0	0
							0	0
							0	0
							0	0
							0	0
							0	0

<b>2 Totals.</b> Add the amounts in columns (d), (e), (g), and (h) (subtract negative amounts). Enter each total here and include on your Schedule D, line 1b (if Box A above is checked), line 2 (if Box B above is checked), or line 3 (if Box C above is checked) .	12,100	14,200		0	-2,100
--	--------	--------	--	---	--------

**Note.** If you checked Box A 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.







**SCHEDULE SE  
(Form 1040)**

Department of the Treasury  
Internal Revenue Service (99)

**Self-Employment Tax**

Information about Schedule SE and its separate instructions is at [www.irs.gov/schedulese](http://www.irs.gov/schedulese).  
Attach to Form 1040 or Form 1040NR.

OMB No. 1545-0074

**2014**

Attachment  
Sequence No. 17

Name of person with self-employment income (as shown on Form 1040 or Form 1040NR)

Gregory R Clifden

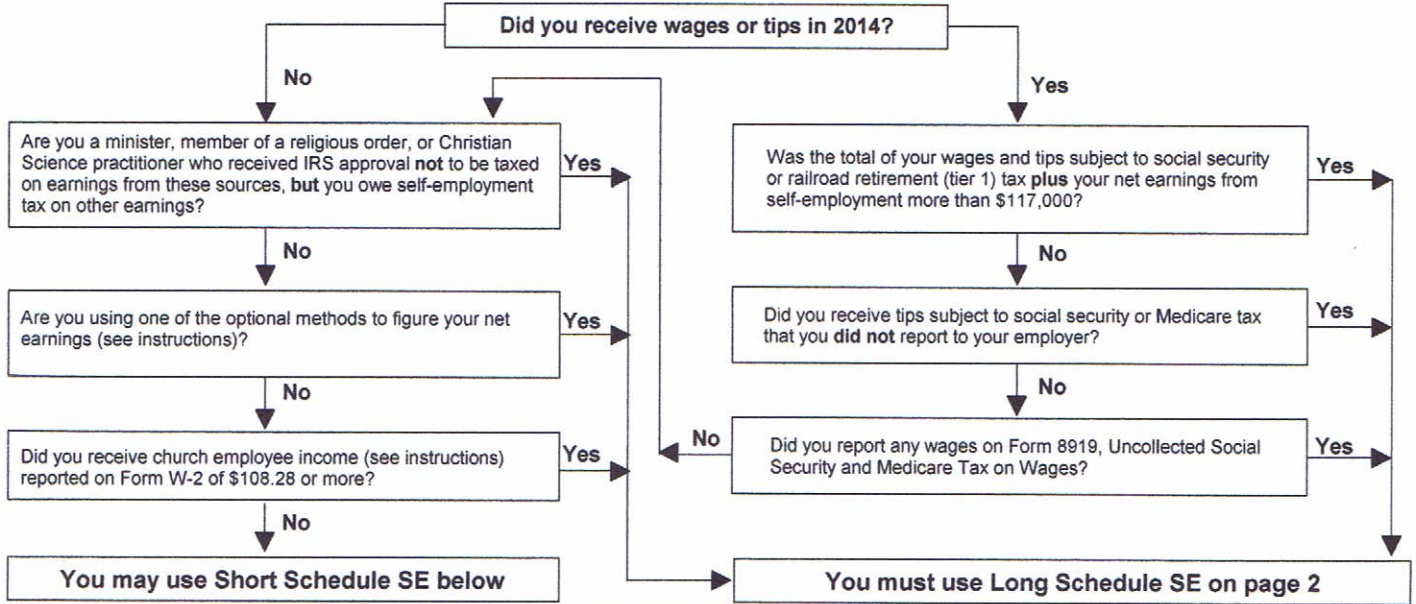
Social security number of person  
with self-employment income

543-88-9756

**Before you begin:** To determine if you must file Schedule SE, see the instructions.

**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 in the instructions*.



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

<b>1a</b> Net farm profit or (loss) from Schedule F, line 34, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A. . . . .	<b>1a</b>	0
<b>b</b> If you received social security retirement or disability benefits, enter the amount of Conservation Reserve Program payments included on Schedule F, line 4b, or listed on Schedule K-1 (Form 1065), box 20, code Z . . . . .	<b>1b</b>	( 0 )
<b>2</b> 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 instructions for types of income to report on this line. See instructions for other income to report . . . . .	<b>2</b>	76,945
<b>3</b> Combine lines 1a, 1b, and 2. . . . .	<b>3</b>	76,945
<b>4</b> Multiply line 3 by 92.35% (.9235). If less than \$400, you do not owe self-employment tax; do not file this schedule unless you have an amount on line 1b . . . . .	<b>4</b>	71,059
<b>Note.</b> If line 4 is less than \$400 due to Conservation Reserve Program payments on line 1b, see instructions.		
<b>5 Self-employment tax.</b> If the amount on line 4 is: • \$117,000 or less, multiply line 4 by 15.3% (.153). Enter the result here and on Form 1040, line 57, or Form 1040NR, line 55. • More than \$117,000, multiply line 4 by 2.9% (.029). Then, add \$14,508 to the result. Enter the total here and on Form 1040, line 57, or Form 1040NR, line 55. . . . .	<b>5</b>	10,872
<b>6 Deduction for one-half of self-employment tax.</b> Multiply line 5 by 50% (.50). Enter the result here and on Form 1040, line 27, or Form 1040NR, line 27 . . . . .	<b>6</b>	5,436



# Parents' Election To Report Child's Interest and Dividends

Department of the Treasury  
Internal Revenue Service (99)

▶ Information about Form 8814 and its instructions is at [www.irs.gov/form8814](http://www.irs.gov/form8814).  
▶ Attach to parents' Form 1040 or Form 1040NR.

Name(s) shown on your return Gregory R Clifden	Your social security number 543-88-9756
---	--

**Caution:** The federal income tax on your child's income, including qualified dividends and capital gain distributions, may be less if you file a separate tax return for the child instead of making this election. This is because you cannot take certain tax benefits that your child could take on his or her own return. For details, see **Tax benefits you cannot take** in the instructions.

A Child's name (first, initial, and last) Gary T Clifden	B Child's social security number 465-76-8375
---	---

C If more than one Form 8814 is attached, check here

## Part I Child's Interest and Dividends To Report on Your Return

1a Enter your child's <b>taxable</b> interest. If this amount is different from the amounts shown on the child's Forms 1099-INT and 1099-OID, see the instructions	<b>1a</b>	3,400
b Enter your child's <b>tax-exempt</b> interest. Do not include this amount on line 1a	<b>1b</b>	0
2a Enter your child's ordinary dividends, including any Alaska Permanent Fund dividends. If your child received any ordinary dividends as a nominee, see the instructions	<b>2a</b>	0
b Enter your child's qualified dividends included on line 2a. See the instructions	<b>2b</b>	
3 Enter your child's capital gain distributions. If your child received any capital gain distributions as a nominee, see the instructions	<b>3</b>	
4 Add lines 1a, 2a, and 3. If the total is \$2,000 or less, skip lines 5 through 12 and go to line 13. If the total is \$10,000 or more, do not file this form. Your child <b>must</b> file his or her own return to report the income	<b>4</b>	3,400
5 Base amount	<b>5</b>	2,000
6 Subtract line 5 from line 4	<b>6</b>	1,400
If both lines 2b and 3 are zero or blank, skip lines 7 through 10, enter -0- on line 11, and go to line 12. Otherwise, go to line 7.		
7 Divide line 2b by line 4. Enter the result as a decimal (rounded to at least three places)	<b>7</b>	
8 Divide line 3 by line 4. Enter the result as a decimal (rounded to at least three places)	<b>8</b>	
9 Multiply line 6 by line 7. Enter the result here. See the instructions for where to report this amount on your return	<b>9</b>	
10 Multiply line 6 by line 8. Enter the result here. See the instructions for where to report this amount on your return	<b>10</b>	
11 Add lines 9 and 10	<b>11</b>	0
12 Subtract line 11 from line 6. Include this amount in the total on Form 1040, line 21, or Form 1040NR, line 21. In the space next to line 21, enter "Form 8814" and show the amount. If you checked the box on line C above, see the instructions. Go to line 13 below	<b>12</b>	1,400

## Part II Tax on the First \$2,000 of Child's Interest and Dividends

13 Amount not taxed	<b>13</b>	1,000
14 Subtract line 13 from line 4. If the result is zero or less, enter -0-	<b>14</b>	2,400
15 <b>Tax.</b> Is the amount on line 14 less than \$1,000? <input type="checkbox"/> No. Enter \$100 here and see the Note below. <input checked="" type="checkbox"/> Yes. Multiply line 14 by 10% (.10). Enter the result here and see the Note below.	<b>15</b>	100

**Note:** If you checked the box on line C above, see the instructions. Otherwise, include the amount from line 15 in the tax you enter on Form 1040, line 44, or Form 1040NR, line 42. Be sure to check box a on Form 1040, line 44, or Form 1040NR, line 42.



# Qualified Dividends and Capital Gain Tax Worksheet—Line 44

Keep for Your Records



**Before you begin:** ✓ See the earlier instructions for line 44 to see if you can use this worksheet to figure your tax.  
 ✓ Before completing this worksheet, complete Form 1040 through line 43.  
 ✓ If you do not have to file Schedule D and you received capital gain distributions, be sure you checked the box on line 13 of Form 1040.

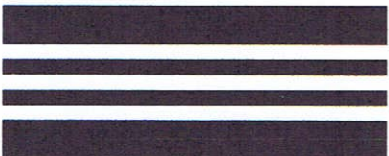
1.	Enter the amount from Form 1040, line 43. However, if you are filing Form 2555 or 2555-EZ (relating to foreign earned income), enter the amount from line 3 of the Foreign Earned Income Tax Worksheet	1.	<u>65,325</u>
2.	Enter the amount from Form 1040, line 9b*	2.	<u>326</u>
3.	Are you filing Schedule D?*		
	<input checked="" type="checkbox"/> Yes. Enter the <b>smaller</b> of line 15 or 16 of Schedule D. If either line 15 or line 16 is blank or a loss, enter -0-	3.	<u>8850</u>
	<input type="checkbox"/> No. Enter the amount from Form 1040, line 13		
4.	Add lines 2 and 3	4.	<u>8676</u>
5.	If filing Form 4952 (used to figure investment interest expense deduction), enter any amount from line 4g of that form. Otherwise, enter -0-	5.	<u>0</u>
6.	Subtract line 5 from line 4. If zero or less, enter -0-	6.	<u>8676</u>
7.	Subtract line 6 from line 1. If zero or less, enter -0-	7.	<u>56,649</u>
8.	Enter: \$36,900 if single or married filing separately, \$73,800 if married filing jointly or qualifying widow(er), \$49,400 if head of household.	8.	<u>73,800</u>
9.	Enter the smaller of line 1 or line 8	9.	<u>25,325</u>
10.	Enter the smaller of line 7 or line 9	10.	<u>56,649</u>
11.	Subtract line 10 from line 9. This amount is taxed at 0%	11.	<u>8676</u>
12.	Enter the smaller of line 1 or line 6	12.	<u>8676</u>
13.	Enter the amount from line 11	13.	<u>8676</u>
14.	Subtract line 13 from line 12	14.	<u>0</u>
15.	Enter: \$406,750 if single, \$228,800 if married filing separately, \$457,600 if married filing jointly or qualifying widow(er), \$432,200 if head of household.	15.	<u>457,600</u>
16.	Enter the smaller of line 1 or line 15	16.	<u>65,325</u>
17.	Add lines 7 and 11	17.	<u>65,325</u>
18.	Subtract line 17 from line 16. If zero or less, enter -0-	18.	<u>0</u>
19.	Enter the smaller of line 14 or line 18	19.	<u>0</u>
20.	Multiply line 19 by 15% (.15)	20.	<u>0</u>
21.	Add lines 11 and 19	21.	<u>8676</u>
22.	Subtract line 21 from line 12	22.	<u>0</u>
23.	Multiply line 22 by 20% (.20)	23.	<u>0</u>
24.	Figure the tax on the amount on line 7. If the amount on line 7 is less than \$100,000, use the Tax Table to figure the tax. If the amount on line 7 is \$100,000 or more, use the Tax Computation Worksheet	24.	<u>7586</u>
25.	Add lines 20, 23, and 24	25.	<u>7586</u>
26.	Figure the tax on the amount on line 1. If the amount on line 1 is less than \$100,000, use the Tax Table to figure the tax. If the amount on line 1 is \$100,000 or more, use the Tax Computation Worksheet	26.	<u>8891</u>
27.	<b>Tax on all taxable income.</b> Enter the <b>smaller</b> of line 25 or line 26. Also include this amount on Form 1040, line 44. If you are filing Form 2555 or 2555-EZ, do not enter this amount on Form 1040, line 44. Instead, enter it on line 4 of the Foreign Earned Income Tax Worksheet	27.	<u>7586</u>

\*If you are filing Form 2555 or 2555-EZ, see the footnote in the Foreign Earned Income Tax Worksheet before completing this line.



40401

1017



Utah State Tax Commission  
**Utah Individual Income Tax Return**  
 All State Income Tax Dollars Fund Education

**2014  
TC-40**

• Amended Return - enter code (code 1 - 5 from instructions)

Your Social Security No. 543889756  
 Spouse's Soc. Sec. No. 256438819  
 Your first name GREGORY R  
 Spouse's first name LULA B  
 Your last name CLIFDEN  
 Spouse's last name CLIFDEN  
 Address 33333 FUME BLANC WAY  
 City TEMECULA State CA ZIP + 4 92591

Telephone number 5555555555  
 Foreign country (if not U.S.)

If deceased  
 complete  
 page 3,  
 Part 1

<b>1 Filing Status - enter code</b> 1 = Single • 2 = Married filing jointly 3 = Married filing separately 4 = Head of household 5 = Qualifying widow(er) <small>If using code 2 or 3, enter spouse's name and SSN above</small>	<b>• 2 Exemptions - enter number</b> a 1 Yourself* b 1 Spouse* c 3 Dependents* d 0 Dependents with a disability e 5 Total exemptions (add a through d) <small>*from federal return</small>	<b>3 Election Campaign Fund - enter code</b> <small>Does not increase your tax or reduce your refund</small> C = Constitution D = Democratic Yourself Spouse M = Independent American • N • N L = Libertarian R = Republican N = No contribution
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4 Federal adjusted gross income from federal return	• 4	99140.
5 Additions to income from TC-40A, Part 1 (attach TC-40A, page 1)	• 5	1000.
6 Total income - add line 4 and line 5	6	100140.
7 State tax refund included on federal form 1040, line 10, if any	• 7	0.
8 Subtractions from income from TC-40A, Part 2 (attach TC-40A, page 1)	• 8	0.
9 Utah taxable income (loss) - subtract the sum of lines 7 and 8 from line 6	• 9	100140.
10 Utah tax - multiply line 9 by 5% (.05) (not less than zero)	• 10	5007.
11 Exemption amount - multiply line 2e by \$2,963 (if line 4 over \$152,525, see instr.)	• 11	14815.
12 Federal standard or itemized deductions	• 12	14065.
13 Add line 11 and line 12	13	28880.
14 State income tax deducted on federal Schedule A, line 5, if any	• 14	670.
15 Subtract line 14 from line 13	15	28210.
16 Initial credit before phase-out - multiply line 15 by 6% (.06)	• 16	1693.
17 Enter: \$13,590 (if single or married filing separately), \$20,385 (if head of household); or \$27,180 (if married filing jointly or qualifying widower)	• 17	27180.
18 Income subject to phase-out - subtract line 17 from line 9 (not less than zero)	18	72960.
19 Phase-out amount - multiply line 18 by 1.3% (.013)	• 19	948.
20 Taxpayer tax credit - subtract line 19 from line 16 (not less than zero)	• 20	745.
21 If you are a qualified exempt taxpayer, enter "X" (complete worksheet in instr.)	• 21	
22 Utah income tax - subtract line 20 from line 10 (not less than zero)	• 22	4262.

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**Utah Individual Income Tax Return (continued)**  
**40402** SSN 543-88-9756 Last name

**TC-40  
2014**

23	Enter tax from TC-40, page 1, line 22	23	4262.
24	Apportionable nonrefundable credits from TC-40A, Part 3 (attach TC-40A, page 1)	• 24	0.
25	Full-year resident, subtract line 24 from line 23 (not less than zero) Non or Part-year resident, enter tax from TC-40B line 38	• 25	4262.
26	Nonapportionable nonrefundable credits from TC-40A, Part 4 (attach TC-40A, page 1)	• 26	0.
27	Subtract line 26 from line 25 (not less than zero)	27	4262.
28	Voluntary contributions from TC-40, page 3, Part 4 (attach TC-40, page 3)	• 28	0.
29	AMENDED RETURN ONLY - previous refund	• 29	
30	Recapture of low-income housing credit	• 30	
31	Utah use tax	• 31	0.
32	<b>Total tax, use tax and additions to tax</b> (add lines 27 through 31)	32	4262.
33	Utah income tax withheld shown on TC-40W, Part 1 (attach TC-40W, page 1)	• 33	0.
34	Credit for Utah income taxes prepaid from TC-546 and 2013 refund applied to 2014	• 34	0.
35	Pass-through entity withholding tax shown on TC-40W, Part 3 (attach TC-40W, page 2)	• 35	0.
36	Mineral production withholding tax shown on TC-40W, Part 2 (attach TC-40W, page 2)	• 36	0.
37	AMENDED RETURN ONLY - previous payments	• 37	
38	Refundable credits from TC-40A, Part 5 (attach TC-40A, page 2)	• 38	0.
39	Total withholding and refundable credits - add lines 33 through 38	39	0.
40	<b>TAX DUE</b> - subtract line 39 from line 32 (not less than zero)	• 40	4262.
41	Penalty and interest (see instructions)	41	
42	<b>TOTAL DUE - PAY THIS AMOUNT</b> - add line 40 and line 41	• 42	4262.
43	<b>REFUND</b> - subtract line 32 from line 39 (not less than zero)	• 43	
44	Amount of refund on line 43 to be applied to your 2015 taxes	• 44	
45	<b>DIRECT DEPOSIT YOUR REFUND</b> - provide account information (see instructions for foreign accounts)		
	• Routing number	• Account number	Account type: • checking • savings

Under penalties of perjury, I declare to the best of my knowledge and belief, this return and accompanying schedules are true, correct and complete.

SIGN Your signature \_\_\_\_\_ Date \_\_\_\_\_ Spouse's signature (if filing jointly) \_\_\_\_\_ Date \_\_\_\_\_  
 HERE

Third Party Designee	Name of designee (if any) you authorize to discuss this return	Designee's telephone number	Designee PTIN
Paid Preparer's Section	Preparer's signature	Preparer's telephone number	Preparer's PTIN
	Firm's name and address		Preparer's EIN

Attach TC-40 page 3 if you are filing for a deceased taxpayer, filing a fiscal year return, filed IRS form 8886, are making voluntary contributions, requesting a direct deposit to be sent to your Utah Educational Savings Plan, requesting a direct deposit to be sent to a foreign account, or are no longer entitled to a homeowner's exemption.



**Income Tax Supplemental Schedule**  
**40404** SSN 543-88-9756 Last name CLIFDEN

**TC-40A**  
**2014**

Part 1 - Additions to Income (write the code and amount of each addition to income)		Code	Amount
<b>Code</b>	<b>Code</b>	• 56	1000.
51 Lump sum distributions	57 Municipal bond interest	•	
53 Medical Savings Account (MSA) addback *	60 Untaxed income of a resident trust	•	
54 Utah Educational Savings Plan (UESP) addback *	61 Untaxed income of a nonresident trust	•	
56 Child's income excluded from parent's return	69 Equitable adjustments	•	
* to the extent previously deducted or credited on Utah return			
•			
•			
Total additions to income (add all additions to income and enter total here and on TC-40, line 5)			1000.

Part 2 - Subtractions from Income (write the code and amount of each subtraction from income)		Code	Amount
<b>Code</b>	<b>Code</b>	•	
71 Interest from U.S. Government Obligations	78 Railroad retirement income	•	
77 Native American income: Tribe	79 Equitable adjustments	•	
Enrollment number Code	82 Nonresident active duty military pay	•	
Yours •	85 State tax refund distributed to beneficiary	•	
Spouse's •	88 Nonresident military spouse income	•	
•			
•			
Total subtractions from income (add all subtractions from income and enter total here and on TC-40, line 8)			0.

Part 3 - Apportionable Nonrefundable Credits (write the code and amount of each credit)		Code	Amount
<b>Code</b>	<b>Code</b>	•	
04 Capital gain transactions credit	22 Medical Care Savings Account (MSA) credit	•	
18 Retirement tax credit (attach TC-40C)	23 Health benefit plan credit	•	
20 Utah Educational Savings Plan (UESP) credit	24 Qualifying solar project credit	•	
	26 Gold and silver coin sale credit	•	
•			
•			
Total apportionable nonrefundable credits (add all Part 3 credits and enter total here and on TC-40, line 24)			0.

Part 4 - Nonapportionable Nonrefundable Credits (write the code and amount of each credit)		Code	Amount
<b>Code</b>	<b>Code</b>	•	
01 At-home parent credit	12 Research activities credit	•	
02 Qualified sheltered workshop credit - name:	13 Carryover of mach./equip. research credit	•	
	17 Tax paid to another state (attach TC-40S)	•	
05 Clean fuel vehicle credit	19 Live organ donation expenses credit	•	
06 Historic preservation credit	21 Renewable residential energy systems credit	•	
07 Enterprise zone credit	25 Combat related death credit	•	
08 Low-income housing credit	27 Veteran employment tax credit	•	
10 Recycling market dev. zone credit		•	
Total nonapportionable nonrefundable credits (add all Part 4 credits and enter total here and on TC-40, line 26)			0.



# Individual Income Tax Return Payment Coupon

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## Individual Income Tax Return Payment Coupon

Mail to: Utah State Tax Commission, 210 N 1950 W, SLC UT 84134-0266

TC-547  
Rev. 12/11

Tax year ending <b>2014</b>
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Primary taxpayer name Gregory R Clifden	Social Security no. 543-88-9756
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Secondary taxpayer name Lula B Clifden	Social Security no. 256-43-8819
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USTC Use Only
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Address 33333 Fume Blanc Way	
City TEMECULA	State Zip code CA 92591

<b>Payment amount enclosed</b>	\$ 4,262 <b>00</b>
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Make check or money order payable to the Utah State Tax Commission.  
Do not send cash. Do not staple check to coupon. Detach check stub.

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