

Homework Solutions

Chapter 2

Chapter 2 Homework 1

- Robert R. (SSN 211-22-3344) and Shirley M. Peters (SSN 210-21-2121) have three children who live with them, Keith, Martha, and Jude. Robert's mother, Lucy Peters (SSN 045-66-5465), also lives with them at 45 Deer Park Run, Allen Park, MI 48101. Robert and Shirley are filing jointly.
- Keith (born 4/2/2010, SSN 377-41-6857) is their youngest. He was adopted in 2012 from a legal agency in Columbia. Martha (SSN 318-22-9857) is 18 years old and worked at a department store where she earned \$3,400.
- Jude (SSN 379-37-5964) is 22 years old and a full-time college student. He works part-time during school and full-time during the summer and lives at home. He earned \$4,000 in 2013 which he used for food and entertainment.
- Jude did not provide more than half of his own support. Lucy Peters is a widow. She received \$5,100 in social security payments in 2013. Her savings account earned \$3,920 of interest, which she left in the account.
- The fair rental value of their house is \$1,050 per month. The Peters paid \$850 per month for food and \$300 per month for utilities and phone.
- **(1) Which, if any, of the Peters' children can be claimed as dependents? Keith, Martha and Jude**
- **(2) Can Lucy Peters be claimed as a dependent? No, her gross income is not less than \$3,900**
- **(3) Fill in the heading and exemption sections of Form 1040 for Robert and Shirley. September 1, 2014 3**

CHAPTER 2 HOMEWORK 1 QUESTION 3

Form

1040

Department of the Treasury—Internal Revenue Service (99)
U.S. Individual Income Tax Return

2013

OMB No. 1545-0074

IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2013, or other tax year beginning _____, 2013, ending _____, 20 _____ See separate instructions.

Your first name and initial ROBERT R	Last name PETERS	Your social security number 211 22 3344
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If a joint return, spouse's first name and initial SHIRLEY M	Last name PETERS	Spouse's social security number 210 21 2121
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Home address (number and street). If you have a P.O. box, see instructions. 45 DEER PARK RUN	Apt. no.	▲ Make sure the SSN(s) above and on line 6c are correct.
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City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). ALLEN PARK, MI 48101	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
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Foreign country name	Foreign province/state/county	Foreign postal code
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Filing Status

Check only one box.

<p>1 <input type="checkbox"/> Single</p> <p>2 <input checked="" type="checkbox"/> Married filing jointly (even if only one had income)</p> <p>3 <input type="checkbox"/> Married filing separately. Enter spouse's SSN above and full name here. ▶</p>	<p>4 <input type="checkbox"/> Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶</p> <p>5 <input type="checkbox"/> Qualifying widow(er) with dependent child</p>
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Exemptions

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

b Spouse

c Dependents:	(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)
(1) First name Last name			
KEITH R PETERS	377 41 6857	SON	<input checked="" type="checkbox"/>
MARTHA PETERS	318 22 9857	DAUGHTER	<input type="checkbox"/>
JUDE PETERS	379 37 5964	SON	<input type="checkbox"/>
			<input type="checkbox"/>

d Total number of exemptions claimed

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**

If more than four dependents, see instructions and check here