

## Federal Income Tax Return Homework 1

1. Complete a 1040 form for Ruth S. Corey, single, filed her income tax return on March 5 of this year. According to her W-2 form, her gross pay was \$35,885.09 and \$4960.44 was deducted from her pay for income tax last year. She earned \$523.82 in taxable interest income. She was not claimed as a dependent on anyone else's tax return. She had health insurance for the entire year.
2. Complete a 1040 form for Mr. Earl F. Bailey and his wife Susan C. Bailey, who are filing a joint return. They live at 10 North Cross Street, Oakdale, Florida 32553. Mr. Bailey is an insurance agent, and Mrs. Bailey is his administrative assistant. They have four children: Andrea S. – 13, Derrick J. – 11, Nikki R. – 5, and Emily A. – 2. The children lived with their parents all year long. Mr. Bailey's W-2 form showed that he had a gross income of \$36,053.12 and \$2704.94 was deducted for income tax. Mrs. Bailey's W-2 form showed that she had a gross income of \$23,369.17 and \$1465.76 was deducted for income tax. Together they had \$457.67 in taxable interest income. They had \$417.19 in taxable dividends. Each of them put \$2000 in an approved IRA. They do not qualify for a credit for child and dependent care expenses or for an earned income credit.