**Interview Notes**

**Single Working Parent (Tara Baker)**

**The following information was revealed in the interview with the taxpayer. It is not necessarily accurately reflected on the Intake/Interview Sheet. Make any necessary corrections and annotations on the Intake Sheet to reflect this data.**

* Tara did not bring her prior year return. She says that things were pretty much the same as last year, except she is now disabled. She did not itemize on last year’s return.
* Tara did not answer the question about legally blind. She says that she is not legally blind. However, she is permanently disabled.
* Tara indicates that she is divorced, and there have not been any changes to the final divorce decree. You note that she is claiming her daughter as a dependent. You ask Tara if the divorce decree might have stated that her ex-spouse would be allowed to claim their daughter. She answers “no” and states that she provides all of her daughter’s support.
* Tara only had one job.
* Tara indicates she received alimony of $150 per month.
* Tara asks you about a form she does not understand. It is a 1099-R which she received as a result of a serious automobile accident which left her permanently disabled. She did not know how to answer the disability question on the Intake Sheet because she didn’t think it was taxable. You tell Tara that it is taxable on the Federal return but not on NJ. You then ask Tara if she is below the minimum retirement age for the company she worked for. She answers “yes.”
* Tara indicates that she had $2,300 in gambling losses and asks if she can deduct those.
* Under expenses on the Intake Sheet, Tara marked NO for contributions to a retirement account. However, you notice that on her W-2 there is an amount in box 12 with the code D. You ask her if she has made payments to her employer’s 401K plan, and she says she has.
* Tara mentions that she purchased new scrubs ($358.14) she had to wear to work and also paid to renew her nurse’s license ($250).
* Her out-of-pocket medical expenses included dental insurance ($1,067), prescription co-pays ($128.17) and an insurance deductible ($200). In addition to these qualified medical expenses, Tara used $1,000 from her FSA to pay an orthodontist. (Looking at her end-of-year pay stub, you notice that Tara contributed $1,001 to her FSA this year).
* Tara gave $750 in charitable donations to various charities… all by check.
* Tara paid $165 in NJ income tax when she filed her State return last year.
* Tara paid for her daughter to attend an after-school program while she works.
* Tara indicated that the debt she owed on her MasterCard charge account was cancelled.
* Tara is unsure if she has been disallowed an EIC in the past. You ask her if she has ever been notified that she needs to complete a form 8862 and she replies NO. Tara has not had her EIC disallowed.
* Tara has health care coverage through the Marketplace for herself and her daughter. She received an Advanced Premiums Tax Credit every month to help pay her premiums (covered in ACA supplement to this problem).
* Tara would like her answers to the following NJ questions to be the same as her Federal:
  + NJ Gubernatorial Election Fund
  + Direct deposit
  + Direct debit
* Tara paid rent of $400 a month for all 12 months of last year.
* Tara did not make any out-of-state purchases.
* Tara did not make any estimated tax payments for either the Federal or state.

**REFUND MONITOR**

After you complete the Personal Information section, TaxSlayer will start a NJ return by asking you some NJ questions. At this point, answer “NO” to the “Do you meet Property Tax Credit or Deduction Eligibility Requirements?” Only answer the rest of the questions up to and including the municipal code. Then select “Continue.” Enter all the Federal data, completing the NJ Checklist as you do so. Then go back to the NJ State section to update the property tax question as needed and to enter all the other NJ items from the Checklist.

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| **Step** |  | **Federal AGI** | **Federal Refund** | **NJ Refund** |
| 1 | W-2 Baptist Medical Center | 31,801 | 5,567 | 998 |
| 2 | Interest – Medical Center Credit Union | 32,355 | 5,414 | 957 |
| 3 | 1099-R Baptist Medical Center | 33,250 | 5,252 | 904 |
| 4 | Alimony | 35,050 | 4,748 | 765 |
| 5 | Gambling Winnings | 37,550 | 4,049 | 617 |
| 6 | Cancellation of Credit Card Debt | 39,225 | 3,587 | 520 |
| 7 | Deductions | 39,225 | 3,587 | 532 |
| 8 | Dependent Care Credit | 39,225 | 3,983 | 651 |
| 9 | Retirement Savings Credit | 39,225 | 3,983 | 651 |
| 10 | Child Tax Credit | 39,225 | 3,983 | 651 |
| 11 | Earned Income Credit | 39,225 | 3,983 | 651 |
| 12 | Health Insurance | 39,225 | 3,983 | 651 |
| 13 | NJ Return – Basic Section | 39,225 | 3,983 | 669 |
| 14 | NJ Return – Income Subject to Tax | 39,225 | 3,983 | 665 |
| 15 | NJ Return – Subtractions from Income | 39,225 | 3,983 | 683 |
| 16 | NJ Return – Credits | 39,225 | 3,983 | 733 |
| 17 | NJ Return – Payments | 39,225 | 3,983 | 733 |
| 18 | E-File | 39,225 | 3,983 | 733 |
| 19 | Health Insurance Supplement | 39,225 | 2,804 | 809 |