**Interview Notes**

**Senior Married Couple (Davenport)**

**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.**

* Michael Davenport brought his prior year return that was prepared by a paid preparer. You determine:
	+ The Davenports itemized last year and took a property tax deduction. After some discussion, you determined that they have been itemizing and taking property tax deductions for the past 3 years.
	+ Line 13 (Capital Gain or Loss) on page 1 of the TY 2017 1040 is -3,000. Looking through the return, you find a copy of a “Capital Loss Carryover Worksheet,” and you see that Michael had a short-term capital loss carryover from TY2017 on line 8 of $1,309.
* 1040 Values based on the TY 2017 return: Line 8b (Tax Exempt Interest) = 100, Line 16a (Pensions & Annuities) = 53,300, Line 16b (Pensions & Annuities Taxable) = 47,295, Line 20a (Social Security Benefits) = 21,300, Line 20b (Social Security Benefits Taxable) = 18,105, AGI = 65,400, Line 41(AGI less Itemized/Standard Deductions) = 48,200, Line 42 (Exemptions) = 8,100
	+ Sch A Values: Line 5a (State Income Tax Deduction) = 975, Line 5b Real Estate Tax = 7,000, Total Itemized Deductions = 17,200
* Only Michael is present at the tax site; his wife is not present. She is legally blind. Michael tells you that they have a certified statement from an optometrist stating that she cannot see better than 20/200 in the better eye with glasses or contacts. You explain to Michael that you can complete their return but cannot e-file it until we see his wife’s driver license, and she signs a form 8879 and the consent forms.
* Michael marked on the Intake/Interview sheet that they were a victim of identity theft. He indicates that their tax return e-file was rejected last year, and they had to paper file. He provides a letter from the IRS showing an IP PIN of 697329 for Michael.
* The Davenports got a refund of $467 from NJ in 2018. You confirmed this online.
* As you review the Davenports’ documents, there is a 1099-B for IBM shares that has no acquisition date or cost basis. Michael tells you that he inherited the shares from his uncle in 2014 and that the value per share was $105 at the time of his uncle’s death.
* Michael retired from the Calvert County Sheriff’s Dept. on May 1, 2013 and elected a joint and survivor pension. He also has a letter from the sheriff’s department indicating that $1,500 of his pension pays for a supplemental health insurance policy.
* Michael shows you a Form 1099-MISC for rent. He reports that they own a small piece of land, and they rent it to a local bee keeper for his hives. It is land only with no buildings or improvements. Their only expense is $450 for property taxes. The land the Davenports rent is located at 10 Honey St., Seaside Park, NJ 08752.
* The Davenports did not make any estimated tax payments to the Federal government. They did, however, make two estimated tax payments to NJ of $50 each on 4/17/18 and 6/15/18.
	+ Michael tells you they would prefer to make estimated tax payments to NJ in 2019 of $25/quarter.
* The Davenports had Medicare for the entire year.
* Both Davenports would like their NJ Gubernatorial Election Campaign Fund contribution choice to be the same as their Federal choice.
* The Davenports want their NJ direct deposit/direct debit choices to be the same as their Federal.
* The Davenports received a Homestead Benefit credit from NJ of $425 in 2018.
* They also received a PTR check of $1,150 in 2018.
* The Davenports’ PTR application book shows a base year amount of $5,000. It also shows that the Block # for the home is 2345. The lot number is 7.
* Michael is a Veteran; he receives the $250 Veterans Deduction from his property tax.
* The Davenports did not make any out-of-state purchases.

**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 | SSA-1099 Social Security | 0 | 1,300 | 0 |
| 2 | 1099-R Defense Finance & Accounting Services  | 13,567 | 2,690 | 0 |
| 3 | 1099-R Calvert County Sheriff’s Department | 70,259 | 1,486 | 500 |
| 4 | 1099-MISC | 70,259 | 1,486 | 500 |
| 8 | Schedule E | 70,959 | 1,402 | 500 |
| 6 | State Tax Refund/PTR Recovery | 71,709 | 1,312 | 500 |
| 7 | Recoveries Homestead Benefit | 72,134 | 1,264 | 500 |
| 8 | Itemized Deductions | 72,134 | 2,458 | 500 |
| 9 | State Estimated Payments | 72,134 | 2,458 | 600 |
| 10 | IRS Identification PIN | 72,134 | 2,458 | 600 |
| 11 | Capital Loss Carryover | 70,825 | 2,626 | 600 |
| 12 | 1099-B Lincoln Investment Services | 71,770 | 2,506 | 600 |
| 13 | Brokerage Statement – Sonic Brokerage Services LLC 1099-DIV Taxable | 75,552 | 2,416 | 600 |
| 14 | Broker’s Statement – Sonic Brokerage Services LLC 1099-INT Taxable | 75,595 | 2,410 | 600 |
| 15 | Broker’s Statement – Sonic Brokerage Services LLC 1099-B | 69,447 | 2,818 | 600 |
| 16  | K-1 ACME Holdings | 69,535 | 2,812 | 600 |
| 17 | Health Insurance | 69,535 | 2,812 | 600 |
| 18 | NJ Return | 69,535 | 2,812 | 600 |
| 19 | E-File | 69,535 | 2,812 | 600 |