



ASSIGNMENT #2

1. Review your prior year's 1040 Tax return and W-2

On the W-2 do you understand how wages were calculated on the W-2 BOX 1?

Do you see how your Box 1 federal taxable wages were transferred to line 1 of your 1040 tax return?

If you have any business income or expenses, look to see if your tax return includes a Schedule C.

2. READ HANDOUT 6.02 and COMPLETE LAST PAGE –

3. 6.31 EXERCISE - COMPLETE Maria's Schedule C –

Read Exercise 6.31 and complete Maria's Schedule C - your goal is to **at least** make it to line 29.

4. 6.32 READ & COMPLETE EXERCISE – MARIA'S SCHEDULE 8829 – HOME OFFICE DEDUCTION.

Remember, there are two ways –

- The simplified method allows you to receive \$5 per square foot of office space in your home (up to 300 sq. ft. or \$1500).
- The more complicated method involves completing Schedule 8829. Give both a try. If you get stuck on Form 8829, look at the IRS instructions at <https://www.irs.gov/instructions/i8829>. Just trying to do this makes you a winner.

See which method gives Maria the larger Maria's Home Office deduction and enter it on Schedule C line 30. Then complete Schedule C through line 31

Email Maria's Schedule C and Schedule 8829 to the instructor and remember, HAVE FUN!

- Email the completed assignment 48 hours before the next live class if you want to receive comments.
- Send it in a new thread – with your name in the subject line – and indicate the assignment number, i.e. Assignment #2 from Mary Jones

These handouts are needed to complete Assignment #2

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| 6.02 | Forms and Information to gather to prepare a 1040 |
| 6.31 | EXERCISE – Calculate Maria's Schedule C |
| 6.31 | Understanding Schedule 8829 and Exercise Calculate Maria's Schedule 8829 |
| IRS form | Schedule C |
| IRS form | 8829 – Home Office Deduction |