

Problem #2

Taxpayer: Charles P Greene SSN: 000-00-0002 DOB: April 2, 1942
Janet E Greene 000-00-0003 October 7, 1941
Address: 22 Leonard St Filing Status: MFJ Exemptions: 2
Barre City, VT 05641

AGI: \$65,031 Federal taxable: \$49,431 VT Withholding: \$2,079 VT Estimated Payments: \$300
SS Tax WH: \$730 Charles Medicare Tax WH: \$164 Charles

Only Schedule D filed: \$53,250 long term \$25,250 occurred first half \$28,000 occurred second half

- Charles established a VT Higher Education Fund through VSAC for his grandson Jason. In 2009, Charles contributed \$2,500. Janet contributed \$2,000 to the same account. Taxpayers provide appropriate documentation.
- Taxpayer needs to report use tax on books and other small purchases made on internet. They did not keep track of the amount.
- Taxpayer wants to make a \$25 contribution to the Children's Trust Fund.
- Taxpayer wants \$300 of refund, if any, credited to 2010 estimated tax payment
- Taxpayer wants balance of refund, if any, to be credited towards 2010 property taxes
- Taxpayer owns a home valued at \$250,000 with one-half acre. SPAN 036-011-00000 Property taxes are \$2,585 education; \$3,514 municipal. Income: \$11,781 wages Charles; \$12,000 SS Charles; \$10,500 SS Janet; \$500 dividend Charles; \$800 interest Janet; \$53,250 capital gains.
- Taxpayers have lived in VT all last year. They are not claimed as dependents by another taxpayer. They do not anticipate selling their home before April 1. There is no business or rental use of their property. They have 100% ownership.
- Assume all returns filed by April 15.

ANSWER CHECKPOINTS
CAPITAL GAIN EXCLUSION = \$12,600
VT CREDIT (VT HIGHER ED) = \$450
OVERPAYMENT = \$1,451
REFUND = 0

Taxpayer: Rita Renter SSN: 000-00-0005 DOB: Mar 21, 1980
 Address: 16 Water St Filing Status: HH Exemptions: 2
 Bennington, VT 05201

AGI: \$19,500 Federal taxable: \$550 Federal EITC: \$2,312
 Federal Child Care Cr: \$453 (75% of care by VT accredited care provider)

VT Withholding: \$650 Estimated Payments: 0 SS Tax WH: \$1,209 Medicare Tax WH: \$273

Other income: \$4,500 cash public assistance; \$2,500 child support

- Taxpayer rents. Rita's sister moves with her on June 1 and resides there for the rest of the year. The sister's income for the year is \$12,000 wages. SS Tax WH: \$744 Medicare Tax WH: \$168
- Rita was a VT resident all of last year and is not claimed as a dependent by another taxpayer.
- There is no business use of her apartment.
- Assume all returns filed by April 15.

ANSWER CHECKPOINTS

VT EITC = \$740
 HOUSEHOLD INCOME = \$31,486
 RENTER REBATE = \$176
 OVERPAYMENT = \$1,503

VT Landlord's Certificate FORM LC-142



CLAIMANT: Remember to enter your Social Security Number when you file the rebate claim. See Instructions on back of certificate.

Claimant's Last Name: Renter First Name: Rita Initial: Claimant's Social Security Number: 000-00-0005

Section A: Landlord and Rental Unit Information	1. Name of owner or landlord Landlord's Full Mailing Address		Larry Landlord 00 State St Anytown, VT 05000		
	2. Location of rental unit	16 Water St Bennington, VT		3. SPAN Number 051-015-00000	
	4. Enter the number of rental units in this building 2	5. RENTAL UNIT IS (check type) <input checked="" type="checkbox"/> Apartment <input type="checkbox"/> Lot for mobile home <input type="checkbox"/> Boarding home <input type="checkbox"/> House <input type="checkbox"/> Mobile home <input type="checkbox"/> Nursing home/ community care		6. ITEMS INCLUDED IN RENT (Check all that apply) <input checked="" type="checkbox"/> Heat <input type="checkbox"/> Electricity <input type="checkbox"/> Other Services <input type="checkbox"/> Furnishings <input type="checkbox"/> Personal Care	
	7. List name(s) of renters for this rental unit during this period Rita Renter				

Section B: Allocable Rent Method	8. During calendar year 8a. 2008 Number of months rented 8b. 12
	9. Monthly rental amount paid 9. 807.00, 4 @ 725
	10. Total Rent Paid for calendar year listed on Line 9a. 10. 8500.00
	11. Less items checked in (6) above that were included in rent (heat, electricity, etc.) 11. 1409.00
	12. Adjusted rent paid for calendar year listed on Line 9a (Line 10 minus Line 11) 12. 7091.00
	13. For government subsidized rent, enter percent tenant pays. For nonsubsidized rent, enter 100.00% 13. 100.00%
14. Rent Paid during calendar year solely for the right of occupancy (Multiply Line 12 by Line 13) 14. 7091.00	
15. Rental Adjustment 15. 21.00%	
16. Allocable Rent (Multiply Line 14 by Line 15) Enter here and on Form PR-141, Line 3 if Section C of this certificate is not completed. ... 16. 1489.00	

Section C: Allocable Property Tax Method Landlord: Complete this section ONLY if requested by renter(s)	Check the property tax allocation method you used for this rental. You must use the same method for every unit within the rental building.			
	a. Number of rooms available	b. <input checked="" type="checkbox"/> Percentage of square footage	c. Percentage of rent charged	d. Separate appraisal
	17. Calendar year property tax for unit occupied by above tenant. 17.	1750 .00		
	18. For government subsidized rent, enter percent tenant pays. For nonsubsidized rent, enter 100.00% ... 18.	100.00 %		
	19. Property tax allocated to rental unit for calendar year (Multiply Line 17 by Line 18) 19.	1750 .00		
	20. Monthly property tax: (Divide Line 19 by 12 months) 20.	146 .00		
	21. Allocable property tax: (Multiply Line 20 by Line 8b) 21.	1750 .00		
22. Enter the LESSER of Line 14 or Line 21 22.	1750 .00			
23. Rent Constituting Property Taxes: Enter the GREATER of Line 16 or Line 22 here and on Form PR-141, Line 3. 23.	1750 .00			

