**2020 ProConnect Tax Online Lab Instructions, Whittenburg, Gill**

**Chapter 3**

**Group 4, Problem 1: Booth, Ken and Amy**

Sign into your Intuit account and from the Welcome screen, select *Tax Returns* in the lefthand margin. You will have landed on the Tax Returns 2019 page and you should select *Create tax return* on the upper right corner.

From the Create tax return screen, click the [+] for *Add new* and select the *Individual (1040, 709)* button (it is selected as the default). Fill out the information for Ken. Email and phone numbers are not required but you may enter assumed data if you wish. Click on *Save* at the lower right. On the next screen, you may review the information you input, make any corrections necessary through the *Edit* button on the upper right, and once satisfied, click on *Save* at the lower right.

You have now landed on Ken’s 1040 *Profile* page. You may unselect the *Select for E-file* for the *Federal* line under *General* since you will not actually be filing the tax return, but it is not required. From the tabs near the top, select *Input Return*. From the menu at the left, select *General; Client Information. The Filing Status* will appear on the right. Change filing status to *Married filing jointly*. Check the *Live With Spouse* box. Scroll down this page and enter the *Occupation* for Ken and the Spouse Information for Amy. Continue to scroll down through this page and toward the bottom, under *Miscellaneous Info,* find *Prepared by and* select 3 for *Self-Prepared*.

From the menu at the left, select *General; Dependents; General Information.* Enter the information you have for Rod. Use a birthday appropriate for Ken’s father. Select *3=Dependent other than child* for *Type*. You may leave *Earned Income Credit* and *Child Tax Credit* at *1=When applicable*.

To add Mary as an additional dependent, click the [+] tab next to Rod near the top of the page. Enter Mary’s information similar to Rod.

From the menu at the left, select *Income; Wages, Salaries, Tips (W-2); Wages.* Enter the amounts for Ken’s wages and federal income tax withheld. You will need to create fake company names and addresses for Ken and Amy since the problem does not include a Form W-2.

Select the tab with the + sign at the top, for a new Form W-2. Scroll down to *Wages*. Check the box for *Spouse W-2* and enter the amounts for Amy’s wages and federal income tax withheld.

For the interest income, from the menu at the left, select *Income; Interest Income (1099-INT, 1099-OID).* For the taxable interest, enter the name of the payer and enter the amount for *Banks, S&L, etc.*

For Amy’s bookstore, from the menu at the left, select *Income; Business Income (Sch C); Business Income (Schedule C)*, and enter the information you have. Enter the business address, city, state and zip code. From the menu at the left select *General Information* and for *Accounting method* enter *1* for *cash*. For *Inventory method* enter 1 for *cost*. Click on the radio button for *Spouse*. From the tabs at the top select *Income Statement* and enter the sales amountas *Gross receipts or sales* in the *Federal* column. Enter Cost of Goods Sold as *Materials and Supplies*. Enter other deductions as you scroll down the page (expenses are listed in alphabetical order). Select *OK*.

For the bad debt, from the menu at the left, select *Income; Schedule D/4797/etc.; Dispositions (Schedule D, 4797, etc.).* For *Description of Property*, enter *Non-Business Bad Debt*. For the *Date Acquired* enter *01/01/2019* and for the *Date Sold* enter *12/31/2019*. For *Sales Price* enter *0* and for *Cost or Basis* enter the amount of the loan. Click the *Schedule D* tab near the top and enter *2* for form other then Form 1099-B (Form 8949) and click the *Nonbusiness bad debt* box.

To enter Ken’s casino winnings, from the menu at the left, select *Income; Gambling Winnings/Losses (W-2G).* The default screen is typically the quick entry screen. Click *Losses/Misc Winnings* in the upper right corner. Enter the amount for *Winnings not reported on Form W-2G.*

From the menu at the top, select *File Return*. From the menu at the left, under *Print*, select *View/Print Return PDF.* Click the blue *View Return PDF* button. The return should open in a new tab. Review the return and then download it – remember where you save it. Close the PDF.

**Group 4, Problem 2A: Long, Russell and Linda**

Sign into your Intuit account and from the Welcome screen, select *Tax Returns* in the lefthand margin. You will have landed on the Tax Returns 2019 page and you should select *Create tax return* on the upper right corner.

From the Create tax return screen, click the [+] for *Add new* and select the *Individual (1040, 709)* button (it is selected as the default). Fill out the information for Russell. Email and phone numbers are not required but you may enter assumed data if you wish. Click on *Save* at the lower right. On the next screen, you may review the information you input, make any corrections necessary through the *Edit* button on the upper right, and once satisfied, click on *Save* at the lower right.

You have now landed on Russell’s 1040 *Profile* page. You may unselect the *Select for E-file* for the *Federal* line under *General* since you will not actually be filing the tax return, but it is not required. From the tabs near the top, select *Input Return*. From the menu at the left, select *General; Client Information. The Filing Status* will appear on the right. Change filing status to *Married filing jointly*. Check the *Live With Spouse* box. Scroll down this page and enter the *Occupation* for Russell and the Spouse Information for Linda. Continue to scroll down through this page and toward the bottom, under *Miscellaneous Info,* find *Prepared by and* select 3 for *Self-Prepared*.

From the menu at the left, select *General; Dependents; General Information.* Enter the information you have for Bill. Use a birthday appropriate for Bill. You may leave *Earned Income Credit* and *Child Tax Credit* at *1=When applicable*.

To add Martha as an additional dependent, click the [+] tab next to Bill near the top of the page. Enter Martha’s information similar to Bill.

From the Menu at the left, select *Payments, Penalties & Extensions* and then *2019 Estimated Payments* will appear on the left underneath. In the fourth quarter payment area enter the estimated *amount paid* and *date* the payment was made.

For Russell’s business, from the menu at the left, select *Income; Business Income (Sch C); Business Income (Sch C)*, and enter the information you have. There is no need to enter the business address because it is the same as their home address. From the menu at the left select *General Information* and for *Accounting method* enter 1 for *cash* and *Inventory method* enter 1 for *cost*. Select the *Taxpayer* radio button. In the *If required to file Form(s) 1099, did you or will you file all required Form(s) 1099* enter 1. From the tabs at the top select *Income Statement* and enter the 2019 total revenues amountas *Gross receipts or sales* in the *Federal* column. Continue down the page and enter the expenses in the *Federal* column. To enter the *Other expenses*, click in the *Federal* column for *Other expenses* and enter a *Description* and the *Amount* for each. Select *OK*.

For the home office, from the menu at the left, select *Deductions; Business Use of Home (8829); General Information.* For *Form*, select 3 for *Schedule C* and for *Activity name,* select what you entered for the Principal business or profession for Schedule C. Scroll down to *Business Use of Home (8829)* and enter the amount of the *Business use area* in the *Federal* column. Enter the amount of the *Total area of home* in the *Federal* column. Scroll down the page and under *Indirect Expenses* enter the rent and utilities amounts.

For the interest income, from the menu at the left, select *Income; Interest Income (1099-INT, 1099-OID).* For the taxable interest, enter the name of the payer and enter the amount for *Banks, S&L, etc.*

To eliminate the 2020 estimated payments, from the menu at the left, select *Penalties & Extensions; 2020 Estimated Tax/W-4/W-4P* and then select *Estimated Payments (1040-ES.* For *Estimate options,* select *9* for *Suppress estimates and ES Worksheets*.

To eliminate the underpayment penalty, from the menu at the left, select *Payments, Penalties & Extensions; Penalties and Interest (2210); Underpayment Penalty (2210).* For *Form 2210 options,* select *2* for *Suppress.*

From the menu at the top, select *File Return*. From the menu at the left, under *Print*, select *View/Print Return PDF.* Click the blue *View Return PDF* button. The return should open in a new tab. Review the return and then download it – remember where you save it. Close the PDF.

**Group 4, Problem 2B: Crosphit, Christopher**

Sign into your Intuit account and from the Welcome screen, select *Tax Returns* in the lefthand margin. You will have landed on the Tax Returns 2019 page and you should select *Create tax return* on the upper right corner.

From the Create tax return screen, click the [+] for *Add new* and select the *Individual (1040, 709)* button (it is selected as the default). Fill out the information for Christopher. Email and phone numbers are not required but you may enter assumed data if you wish. Click on *Save* at the lower right. On the next screen, you may review the information you input, make any corrections necessary through the *Edit* button on the upper right, and once satisfied, click on *Save* at the lower right.

You have now landed on Christopher’s 1040 *Profile* page. You may unselect the *Select for E-file* for the *Federal* line under *General* since you will not actually be filing the tax return, but it is not required. From the tabs near the top, select *Input Return*. From the menu at the left, select *General; Client Information. The Filing Status* will appear on the right. Change filing status to *Head of household*. Scroll down this page and enter the *Occupation* for Chris. Continue to scroll down through this page and toward the bottom, under *Miscellaneous Info,* find *Prepared by and* select 3 for *Self-Prepared*.

From the menu at the left, select *General; Dependents; General Information.* Enter the information you have for Arnold. You may leave *Earned Income Credit* and *Child Tax Credit* at *1=When applicable*.

For Christopher’s business, from the menu at the left, select *Income; Business Income (Sch C); Business Income (Sch C)*, and enter the information you have. The business address is not the same as their home address. From the menu at the left select *General Information* and for *Accounting method* enter 1 for *cash*. Select the *Taxpayer* radio button. In the *If required to file Form(s) 1099, did you or will you file all required Form(s) 1099* enter 1. From the tabs at the top select *Income Statement* and enter the 2019 total revenues amountas *Gross receipts or sales* in the *Federal* column. Continue down the page and enter the expenses in the *Federal* column. To enter the *Other expenses*, click in the *Federal* column for *Other expenses* and enter a *Description* and the *Amount* for each. Select *OK*.

For the home office, from the menu at the left, select *Deductions; Business Use of Home (8829); General Information.* For *Form*, select 3 for *Schedule C* and for *Activity name,* select what you entered for the Principal business or profession for Schedule C. Scroll down to *Business Use of Home (8829)* and enter the amount of the *Business use area* in the *Federal* column. Enter the amount of the *Total area of home* in the *Federal* column. Scroll down the page and under *Indirect Expenses* enter the rent and utilities amounts.

For the interest income, from the menu at the left, select *Income; Interest Income (1099-INT, 1099-OID).* For the taxable interest, enter the name of the payer and enter the amount for *Banks, S&L, etc.*

Christopher’s hobby generates income of $500 (the sales less then cost of goods sold). Hobby expenses other than cost of goods sold are generally no longer deductible due to the suspension of the miscellaneous expenses subject to 2% deduction. To enter the hobby income select *Income* and then *SS Benefits, Alimony, Misc. Income*. Scroll down to *Other Income* and enter the amount as “Hobby Income.”

From the Menu at the left, select *Payments, Penalties & Extensions* and then *2019 Estimated Payments* will appear on the left underneath. In the fourth quarter payment area enter the estimated *amount paid* and *date* the payment was made.

From the menu at the top, select *File Return*. From the menu at the left, under *Print*, select *View/Print Return PDF.* Click the blue *View Return PDF* button. The return should open in a new tab. Review the return and then download it – remember where you save it. Close the PDF.