**Tax Year 2021 ProConnect Tax Preparation Guide, Whittenburg, Gill**

**Chapter 2**

You will be using Intuit’s ProConnect Tax online software to prepare federal income tax returns. You will not be e-filing the tax returns though! To create an Intuit ProConnect Tax account, go to:

<https://taxeducation.intuit.com>

Note: do **not** use the typical ProConnect commercial site (proconnect.intuit.com) as that site will require payment to print or download the returns.

Google Chrome and Mozilla Firefox browsers best support ProConnect Tax. At the bottom of the educational site, click on *Create an account.* Enter your email address and create a password. Enter your first and last names, your phone number, and for Firm name, enter a company name of your choosing. Each time you log into the software, you will receive a *Welcome* screen with various information that you may browse to learn more about ProConnect Tax. When you are ready to begin completing the federal tax returns for the Group 4 and 5 comprehensive problems in the textbook, select *Tax Returns* in the left margin. Please note that the information you enter into the ProConnect Tax software is saved automatically as you go but is also easily edited as needed.

**Group 4, Problem 1: Hoser, Donna and Chris**

Sign into your ProConnect Tax account and from the *Welcome* screen, select *Tax Returns* in the left margin. You will land on the *Tax Returns 2021* page. Select *Create tax return* in 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 Donna. Note that ProConnect Tax software tracks a married filing jointly client by one taxpayer and so often the primary income earning taxpayer is entered as the default, since many of the input fields will default to that spouse. 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 *Client*, 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.

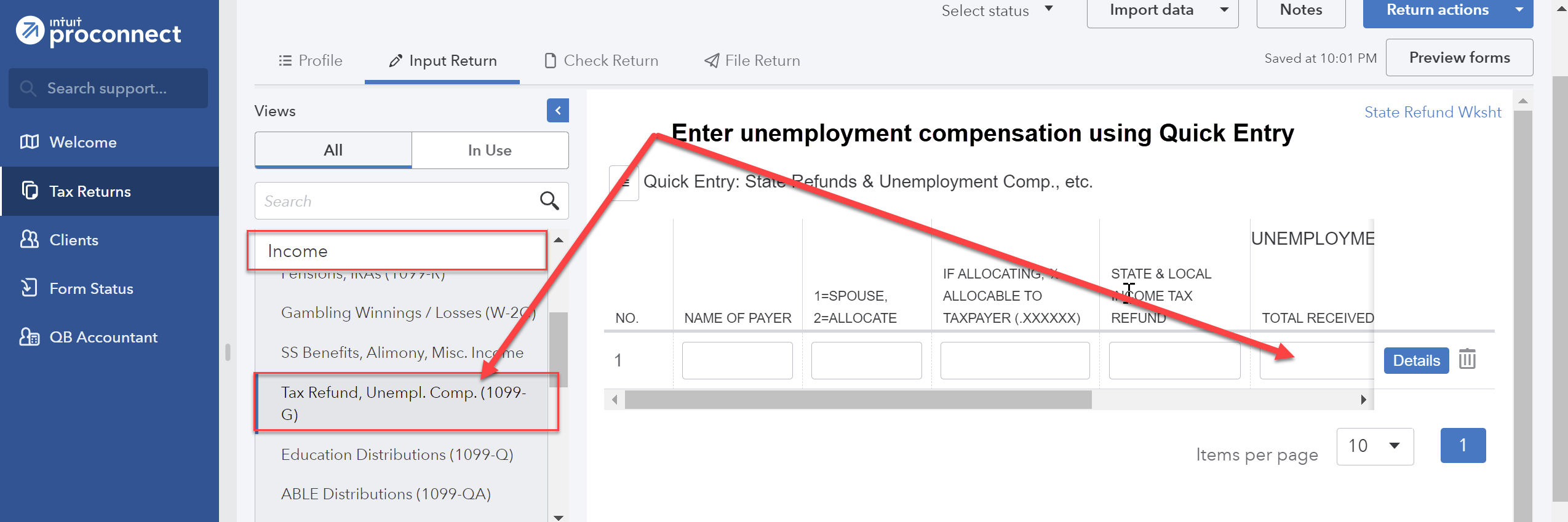
You have now landed on Donna’s 1040 *Profile* page. You may unselect *Select for E-file* for the *Federal* line under *General* since you will not actually be filing the tax return, but it is not required to do so. From the tabs near the top, select *Input Return*. You will now see *Details:* *Client Information.* The *Filing Status* will appear in the main window. Change filing status to the *2 = Married filing jointly*. Check the *Live With Spouse?* box. Scroll down this page and enter the *Occupation* for Donna and the Spouse Information for Chris (first name, Social Security number, occupation and birthdate). Continue to scroll down this page and toward the bottom, under *Miscellaneous Info,* find *Prepared by* andselect *3 = Self-Prepared*.

From the menu at the left, select *Income; Wages, Salaries, Tips (W-2).* See the *New Tab* above and click on the icon that looks like a sheet of paper, to the left of *New Tab*. This action takes you to the *Quick Entry: Wages, Salaries, Tips* screen. Enter the amounts for Donna’s *wages* and *federal income tax withheld*. Do not forget to enter the *state withholding* also. In the second line of the *Quick Entry* screen for *Income; Wages, Salaries, Tips (W-2),* enter Chris’ *wages* and *federal income tax withheld*. Be sure and check the *Spouse* box for Chris on the *Quick Entry* screen.

To enter the interest income, from the menu at the left, select *Income; Interest Income (1099-INT, 1099-OID).* From the *Quick Entry: Interest Income* screen,enter the *name of the payer* and enter the amount for *Banks, S&L, etc.* For the tax-exempt interest, scroll down to line *No. 2* on the same screen, enter the *name of the payer* and enter the amount for *Total Municipal Bonds* (you may enter the information for in-state municipal bonds but it will have no effect since you are not filing a state income tax return).

To enter the dividend income, from the menu at the left, select *Income (1099-DIV)*. Enter the *name of the payer* and enter the same amount under *Dividend Income/Total Ordinary Dividends* and also under *Dividend Income/Qualified Dividends*.

To enter Donna’s unemployment compensation, from the menu at the left, select *Income; Tax Refund, Unempl. Comp./1099-G*. See the *New Tab* above and click on the icon that looks like a sheet of paper, to the left of *New Tab*. This action takes you to the *Quick Entry: State Refunds & Unemployment Comp., etc.* screen.



Enter the *Name of Payer* and indicate which taxpayer is receiving the unemployment compensation by entering a *1=Spouse*, if applicable. If it is the taxpayer receiving the unemployment compensation, leave the box blank. Continue by entering the *Total received* and *Federal Withholding.*

Under the *Credits* menu at the left, scroll down to *Recovery Rebate, EIC, Residential Energy, Oth Credits*. The tabs across the top are used to input the different types of credits. Select the *Recovery Rebate Credit* tab (the first tab and the default) and enter the appropriate amount of the Economic Impact Payment (EIP) received by the taxpayer in the *Economic impact payment 3* box under the *Taxpayer* column and the appropriate amount of the EIP received by the spouse under the *Spouse* column.

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 *Create PDF* button which will result in a *Download Return PDF* blue button that you should click on. The return should open in a new tab. Review the return and if corrections are needed, close out of the tab and you can go back into the return and make the necessary corrections. Once complete, follow the *File Return* instructions again and then download the return by clicking on the *download icon* in the upper right corner, to the left of the *print icon*. Remember where you save the tax return. Close the PDF.

**Group 4, Problem 2A: Gomez, Ray and Maria**

Sign into your ProConnect Tax account and from the *Welcome* screen, select *Tax Returns* in the left margin. You will land on the *Tax Returns 2021* page. Select *Create tax return* in the upper right corner.

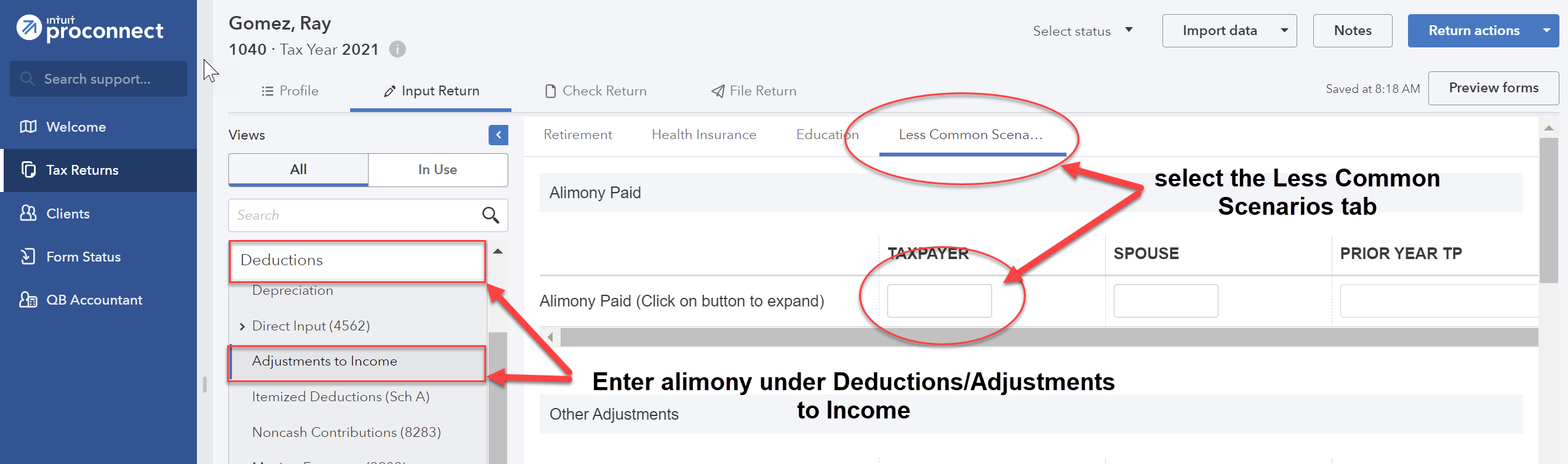
From the *Create tax return* screen, click the [+] for *Add new* and select the *Individual (1040,709)* button (it is selected as the default)*.* Fill out the information for Ray. Note that ProConnect Tax tracks a married filing jointly client by one taxpayer and so often the primary income earning taxpayer is entered as the default since many of the input fields will default to that taxpayer. 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 *Client*, 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 Ray’s 1040 *Profile* page. You may unselect *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 to do so. From the tabs near the top, select *Input Return*. Under *Views* from the top left, click on *All*. You will now see *Details:* *Client Information.* The *Filing Status* will appear on the in the main window. Change filing status to the *2=Married filing jointly*. Check the *Live With Spouse?* box. Scroll down this page and enter the *Occupation* for Ray and the Spouse Information for Maria (first name, Social Security number, occupation and birthdate). Continue to scroll down this page and toward the bottom, under *Miscellaneous Info,* find *Prepared by* andselect *3=Self-Prepared*.

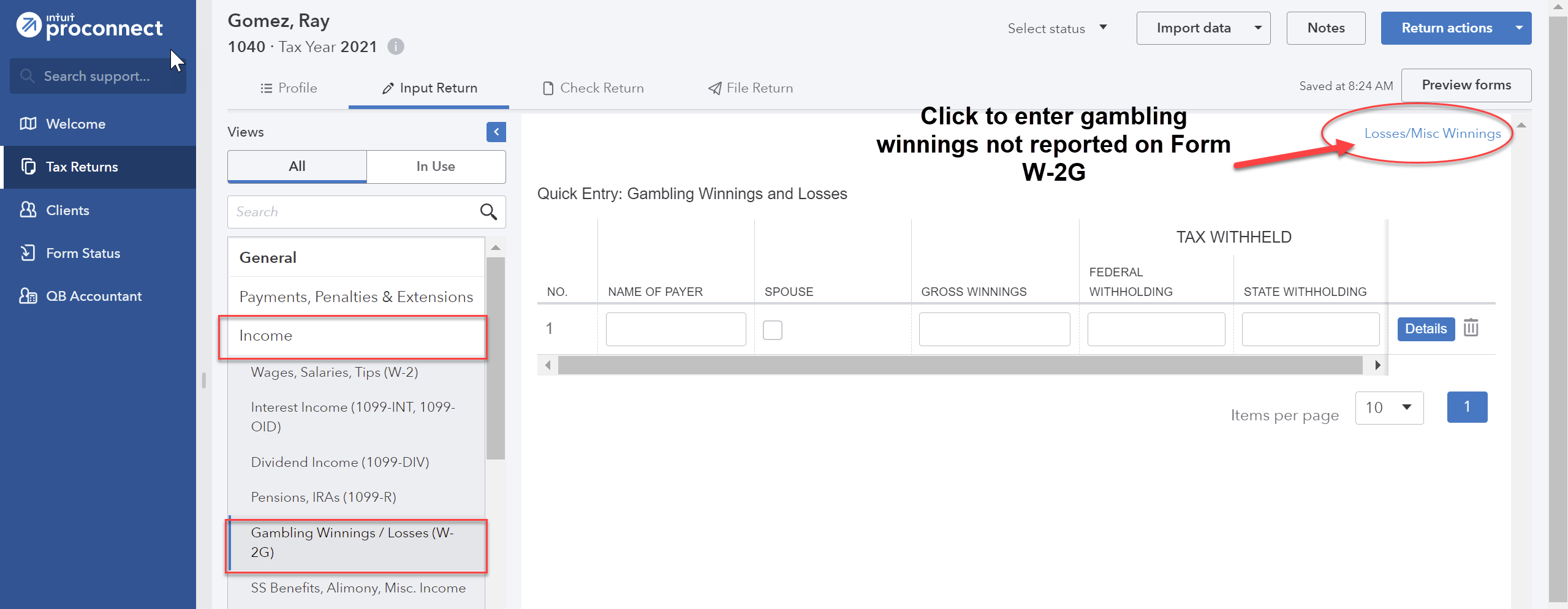
From the menu at the left, select *Income; Wages, Salaries, Tips (W-2).* See the *New Tab* above and click on the icon that looks like a sheet of paper, to the left of *New Tab*. This action takes you to the *Quick Entry: Wages, Salaries, Tips* screen. Enter the amounts for Ray’s *wages* and *federal income tax withheld*. On the next line, enter the amounts for Maria’s *wages* and *federal income tax withheld*. Also check box in the *Spouse* column for Maria.

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

To enter the alimony, from the menu at the left, select *Deductions, Adjustments to Income*. Then select the *Less Common Scena*…tab near the top right. Click on the *Alimony Paid* box under Taxpayer and in the popup box that appears enter the ex-spouse’s information and amount paid for the year.



To enter Maria’s lottery winnings, from the menu at the left, select *Income; Gambling Winnings/Losses (W-2G).* The default screen that pops up 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.*



Under the *Credits* menu at the left, scroll down to *Recovery Rebate, EIC, Residential Energy, Oth Credits*. The tabs across the top are used to input the different types of credits. Select the *Recovery Rebate Credit* tab (the first tab and the default) and enter the appropriate amount of the Economic Impact Payment (EIP) received by the taxpayer in the *Economic impact payment 3* box under the *Taxpayer* column and the appropriate amount of the EIP received by the spouse under the *Spouse* column.

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 *Create PDF* button which will result in a *Download Return PDF* blue button that you should click on. The return should open in a new tab. Review the return and if corrections are needed, close out of the tab and you can go back into the return and make the necessary corrections. Once complete, follow the *File Return* instructions again and then download the return by clicking on the *download icon* in the upper right corner, to the left of the *print icon*. Remember where you save the tax return. Close the PDF.

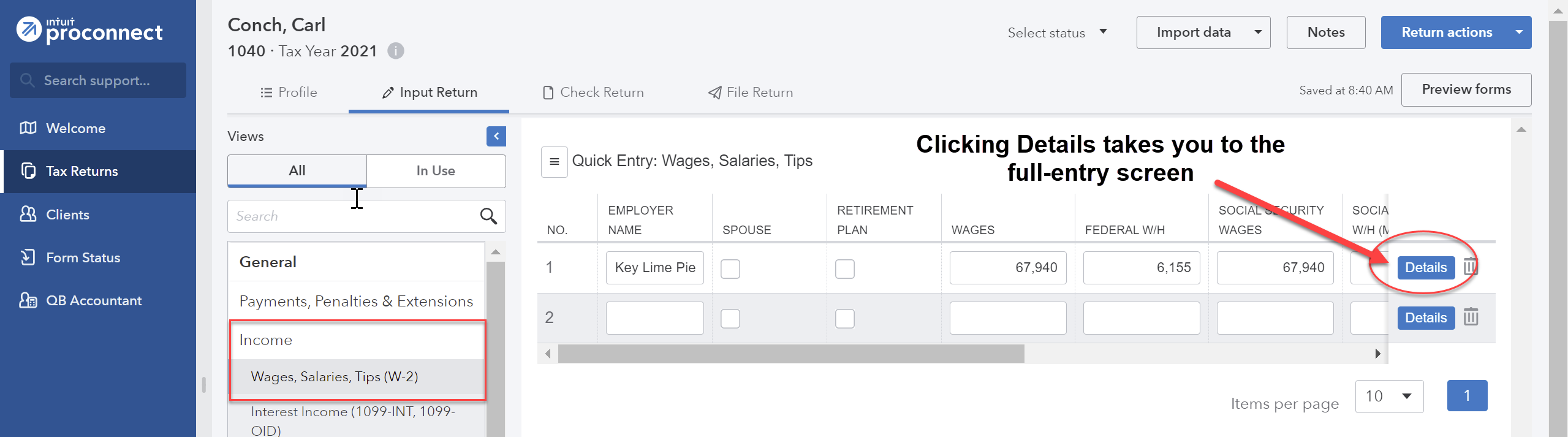
**Group 4, Problem 2b: Conch, Carl and Mary Duval**

Sign into your ProConnect Tax account and from the *Welcome* screen, select *Tax Returns* in the left margin. You will land on the *Tax Returns 2021* page. Select *Create tax return* in the upper right corner.

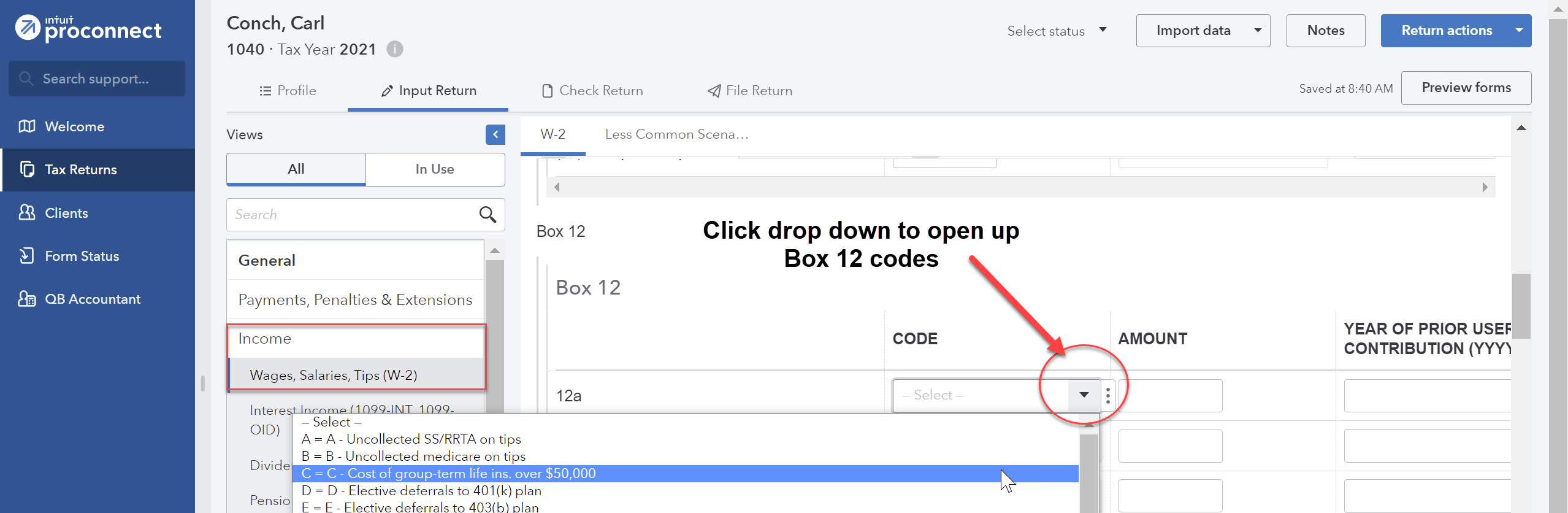
From the *Create tax return* screen, click the [+] for *Add new* and select the *Individual (1040,709)* button (it is selected as the default)*.* Fill out the information for Carl. Note that ProConnect Tax tracks a married filing jointly client by one taxpayer and so often the primary income-earning taxpayer is entered as the default, since many of the input fields will default to that taxpayer. 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 *Client*, 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 Carl’s 1040 *Profile* page. You may unselect *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*. Under *Views* from the top left, click on *All*. You will now see *Details:* *Client Information.* The *Filing Status* will appear on the in the main window. Change filing status to *2=Married filing jointly*. Check the *Live With Spouse?* box. Scroll down this page and enter the *Occupation* for Carl and the Spouse Information for Mary (first name, Social Security number, occupation and birthdate). Continue to scroll down this page and toward the bottom, under *Miscellaneous Info,* find *Prepared by* andselect *3=Self-Prepared*.

From the menu at the left, select *Income; Wages, Salaries, Tips (W-2).* See the *New Tab* above and click on the icon that looks like a sheet of paper, to the left of *New Tab*. This action takes you to the *Quick Entry: Wages, Salaries, Tips* screen. Enter the amounts for Carl’s *wages* and *federal income tax withheld*.



To enter the detail from Boxes 12 and 14 of the Form W-2, click the blue *Details* button on the right hand side and scroll down the page to enter the amount in *Box 12a* by using the dropdown box to select *Code C.*  Enter the *parking amount* in *Other* under *Box 14*.



To enter 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 enter Mary’s unemployment compensation, from the menu at the left, select *Income; Tax Refund, Unempl. Comp./1099-G*. See the *New Tab* above and click on the icon that looks like a sheet of paper, to the left of *New Tab*. This action takes you to the *Quick Entry: State Refunds & Unemployment Comp., etc.* screen. Enter the *Name of Payer* and indicate which taxpayer is receiving the unemployment compensation by entering a *1=Spouse*, if applicable. If it is the taxpayer receiving the unemployment compensation, leave the box blank. Continue by entering the *Total received* and *Federal Withholding.*

To enter Mary’s raffle winnings, from the menu at the left, select *Income; Gambling Winnings/Losses (W-2G).* The default screen that pops up is typically the *Quick Entry:Gambling Winnings and Losses* screen. Click *Losses/Misc Winnings* in the upper right corner. Enter the amount for *Winnings not reported on Form W-2G.*

Under the *Credits* menu at the left, scroll down to *Recovery Rebate, EIC, Residential Energy, Oth Credits*. The tabs across the top are used to input the different types of credits. Select the *Recovery Rebate Credit* tab (the first tab and the default) and enter the appropriate amount of the Economic Impact Payment (EIP) received by the taxpayer in the *Economic impact payment 3* box under the *Taxpayer* column and the appropriate amount of the EIP received by the spouse under the *Spouse* column.

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 *Create PDF* button which will result in a *Download Return PDF* blue button that you should click on. The return should open in a new tab. Review the return and if corrections are needed, close out of the tab and you can go back into the return and make the necessary corrections. Once complete, follow the *File Return* instructions again and then download the return by clicking on the *download icon* in the upper right corner, to the left of the *print icon*. Remember where you save the tax return. Close the PDF.