

## Check Figures to Selected Homework Problems

### Essentials of Federal Income Taxation, 2008 Edition

#### Chapter 1

- 10.d. \$2,150  
 17.b. \$11,243  
 17.c. \$4,532  
 18.a. \$6,256  
 18.c. \$4,261  
 19.b. \$1,360  
 20.b. \$5,259  
 27.b. Standard ded. = \$3,450  
 27.e. Maximum GI = \$19,600  
 27.f. Standard ded. = \$6,400  
 27.g. Maximum GI = \$18,550

#### Chapter 2

- 2.b. \$7,612.50  
 2.c. \$7,459  
 3. \$210 refund  
 4.a. Tax = \$3,481  
 4.c. TI = \$119,427  
 4.d. Tax = \$86  
 4.e. Tax = \$26,311.25  
 7.a. \$1,200  
 8.a. \$0  
 8.c. \$600  
 9.a. \$1,350  
 10.b. \$990  
 11.b. \$122  
 12.b. \$1,246  
 13. \$3,500  
 14. \$90  
 15.a. \$500  
 15.b. \$2,950  
 15.d. \$200  
 16.b. \$1,700  
 16.c. \$800  
 17. Refundable CTC, \$1,537  
 18. \$350  
 19. \$5,504  
 20.b. \$4,950  
 21.a. \$7,161  
 22.b. \$384  
 22.c. \$2,853  
 26.a. Line 6, 2,795  
       Line 11a, 177  
 26.b. Line 6, 18,190  
       Line 12, 59  
 27. MFJ Tax, \$12,229  
 28.a. Line 21, 20,317  
       Line 46, 71  
 28.b. Line 21, 45,814

28.b. Line 46, 368

30. \$2,478 refund due

#### Cumulative Prob. 1, Ch. 1-2

TI = \$51,290; \$107 refund due

#### Cumulative Prob. 2, Ch. 1-2

TI = \$9,900; \$3,527 refund due

#### Chapter 3

1. \$50,485  
 2.a. \$933 in 20x2  
 7.b. \$12,000  
 7.c. Alimony = \$1,400  
 8.b. Alimony = \$5,200  
 11. Tax liability = \$12,304  
 15. Current Year GI = \$105.84  
       Next Year GI = \$99.56  
 16. \$800  
 17.b. \$739.58  
 17.c. \$1,529.45  
 24. Imputed interest = \$1,270  
 25. Imputed interest = \$3,691  
 26.a. \$2,500  
 26.b. \$711  
 27.a. \$1,650  
 27.b. \$3,960  
 27.d. (a) GI = \$1,727  
       (b) GI = \$4,144  
 29. Taxpayer A, \$2,200  
       Taxpayer B, \$2,500  
       Taxpayer C, \$0  
       Taxpayer D, \$0  
 30. Taxpayer E, \$6,630  
       Taxpayer F, \$10,965  
       Taxpayer G, \$9,265  
 33. Line 13, 95.63  
 35.a. Return of capital, \$15,000  
 36.a. Line 4, 1,647.50  
 36.b. Line 6, 1,363.75

#### Chapter 4

- 1.a. GI = \$30,031 in 2007  
 2.a. GI = \$54,000 in 2007  
 4. \$30  
 5.a. Udah's = \$193.20  
 6.a. Elk's = \$7,500  
 9. Line 4, 3,750  
       Line 14, 392

10. AGI = \$65,536.20  
 11. Exclusion = \$1,600  
 14. Max. contrib. = \$6,740  
 15. \$3,340  
 18.a. \$2,095  
 20.a. \$5,850  
 22.c. \$6,830  
 26. \$394  
 30. Line 5, 896  
 32. AGI = \$65,798;  
       TI = \$57,048

#### Cumulative Prob. 1, Ch. 1-4

Form 1040A, line 22, 30,450  
 Form 1040A, line 27, 9,000  
 Form 1040A, line 31, 903  
 Form 1040A, line 43, 3,197  
 Form 8863, line 19, 903

#### Cumulative Prob. 2, Ch. 1-4

Form 1040, line 26, 2,530  
 Form 1040, line 37, 75,302  
 Form 1040, line 44, 9,494  
 Form 1040, line 73, 1,956  
 Schedule B, line 4, 4,032  
 Form 8815, line 12, 702  
 Form 8815, line 14, 825

#### Chapter 5

1. \$425  
 2.b. \$199  
 5. \$4,500  
 6.c. \$0  
 9.a. \$640  
 11.b. \$23,443  
 14. \$877.77  
 17.a. \$27,503  
 20. \$5,600  
 21.b. \$72,000  
 22.a. \$14,700  
 22.b. \$3,575  
 23. \$176.10  
 24.a. \$700  
 24.b. \$900 taxable  
 25.b. \$3,100  
 26. \$1,075  
 28. Line 29, 39,463  
 29. Line 29, 46,443  
 33. Line 29, 64,351

34. Line 29, 29,079  
35. Line 29, 26,420

**Chapter 6**

- 3.a. \$2,692  
3.b. \$1,361  
5.b. \$1,455  
6.a. \$2,465  
6.b. \$1,865  
7.a. \$1,340  
7.c. \$2,170  
7.d. \$1,787  
8. \$125  
16.a. \$321.40  
18. Line 10, 12,454  
22. Line 29, 14,070  
23.a. Line 29, 19,007

**Cumulative Prob., Ch. 1-6**

- Form 1040, line 37, 82,015  
Form 1040, line 76, 174  
Sch. A, line 29, 12,651  
Form 2106, line 10, 3,596  
Form 2106, line 22, 7,447  
Form 2441, line 13, 820

**Chapter 7**

4. \$800 in 2008  
5. \$120 in 2007  
7.a. \$1,600 in 2007  
11.a. \$5,001  
11.b. \$2,527  
13.b. \$1,403  
15. \$3,281  
16. \$500  
21. Line 35, 467  
Line 41, 103  
22. Line 42, 86,000  
23. Taxpayer A, \$5,511  
Taxpayer C, \$9,891  
Taxpayer D, \$898  
Taxpayer E, \$424  
25. \$268  
26. Line 12, \$8,752  
27.a. Line 5, 1,978  
27.b. \$2,602  
28.a. \$15,170  
28.b. \$9,765  
32. 1040, line 37, 30,102  
1040, line 46, 1,761  
1040, line 73, 489  
Sch. C, line 31, 30,755  
Sch SE, line 5, 4,346

**Cumulative Prob., Ch. 1-7**

- Form 1040, line 28, 8,701  
Form 1040, line 37, 32,322  
Sch. C., line 31, 46,810  
Sch. SE, line 53, 6,614  
Form 8829, line 35, 1,463  
Form 8829, line 41, 227

**Chapter 8**

- 2.a. \$14,997  
2.b. \$18,577  
3. Furniture in 2007, \$3,430  
4. Computer, \$242  
5. Machine, \$3,415  
Computer, \$2,340  
6.c. Equipment, \$10,289  
Furniture, \$12,004  
7.a. Machine, \$11,808  
7.b. Furniture, \$6,250  
8.b. \$134,878  
9.a. \$146,977  
9.b. \$154,115  
10.a. \$33,919  
10.b. 2008 depreciation, \$4,898  
11.a. \$420  
12. \$1,015  
14. \$2,754  
15. 2007 net deduction, \$3,434  
16. 2009 inclusion = \$344  
17. 2007: Machine, \$3,749  
2007: Office bldg., \$2,019  
2008: Equipment, \$11,571  
18.a. \$4,160  
18.b. Line 19c(g), 308  
Line 19i(g), 792  
Line 26(h), 3,060  
19. Apt. building, \$13,939  
20. \$4,960  
21.a. Warehouse, \$15,972  
21.c. Apt. building, \$4,500  
22. 2007 depreciation, \$469  
27. 1040, line 36, 3,786  
1040, line 37, 41,340  
1040, line 44, 1,771  
1040, line 56, 350  
1040, line 76, 193  
Sch. C., line 31, 11,126  
Form 4562, line 17, 2,362  
Form 4562, line 28, 192

**Chapter 9**

- 3.a. \$4,900  
3.b. \$1,800  
4. \$1,500

8. Line 20, 2,280  
12.b. Activity B, \$7,200  
13. c/o for Activity 2, \$2,357  
14. \$10,000  
15.b. \$6,000  
16. Carryover Y: \$24,000  
17.a. 8582, line 16, 5,170  
Sch. E, line 20, 7,040  
17.b. 8582, line 16, 2,263  
Sch. E, line 20, 3,273  
20. 1040, line 37, 18,069  
1040, line 43, 9,319  
Sch. E, line 19, 3,028  
Sch. E, line 26, 322

**Cumulative Prob., Ch. 1-9**

- Form 1040, line 37, 180,249  
Form 1040, line 43, 138,685  
Form 1040, line 76, 60  
Sch. A, line 9, 12,616  
Sch. A, line 15, 17,075  
Sch. E, line 20, 5,003

**Chapter 10**

- 1.b. \$50,000  
2. \$46,440  
3. \$429,600  
4.a. \$19,000  
4.b. stock bonus, \$160  
5. \$20,000  
7.b. (\$3,000)  
8.b. \$9,000  
9. \$72,000  
10. \$81,600  
11.a. \$30,000  
11.b. \$31,750  
12.a. \$20,000  
12.b. (\$5,000)  
13.a. \$11,500  
13.b. \$500  
14. \$25 basis  
15.a. \$72  
15.b. \$11.11  
16.a. \$640 STCL; \$2,760 basis  
16.b. \$1,800 basis  
16.c. \$700 LTCG  
17.c. \$2,000  
17.d. \$0  
17.e. (\$2,000)  
18.a. \$70,000 basis  
18.b. \$0 recognized gain  
18.c. \$20,000 recognized gain  
19. \$25,000  
22.a. Recognize \$40,000 gain

- 22.b. \$75,000
- 23.a. \$8,000 basis in new asset
- 23.b. \$11,000 basis in net asset
- 23.d. \$8,000 basis in new asset
- 23.f. \$10,000 basis in new asset
- 24. \$130,000 postponed gain
- 25. \$13,000 recognized gain
- 26.a. (\$10,000)
- 27.a. \$200,000
- 27.b. \$1,100,000
- 30.b. \$225,000

**Cumulative Prob., Ch. 8-10**

Recog. gain on the home, \$67,519

**Chapter 11**

- 5.a. \$7,000 taxed at 15%
- 5.b. \$7,000 taxed at 5%
- 6. \$14,418
- 7. \$3,466
- 8. \$21,309
- 9.a. Tax liability = \$4,491
- 9.b. Tax liability = \$4,081
- 10. *STCL carryover for:*  
A: \$2,100; E: \$2,400  
*LTCL carryover for:*  
D: \$1,600; E: \$1,200
- 14.b. \$500 OI, \$37,500 LTCG
- 17.b. \$2,000
- 17.c. (\$1,500)
- 21. \$10,800 Sec. 1245 gain
- 22. \$309,524 taxed at 25%
- 23. \$82,500 taxed at 25%
- 24. Line 9, 15,397  
Line 18b, 4,258
- 25.a. \$1,000
- 26.b. \$21,857
- 28.a. \$20,000 ordinary income
- 29.a. 1040, line 43, 19,220  
1040, line 73, 173  
Sch. D, line 7, (295)  
Sch. D, line 16, (5,815)
- 29.b. 1040, line 32, 1,560  
1040, line 43, 47,804  
1040, line 44, 8,240  
Sch. D, line 15, 1,401  
Sch. D, line 16, 2,571

**Chapter 12**

- 2.b. (\$28,000)
- 2.c. (\$33,350)
- 3. (\$4,700)
- 6.a. \$3,352

- 7. Line 35, 6,086
- 9.b. \$235,000
- 9.c. \$211,000 depreciable basis
- 10.c. \$176,880
- 11. \$13,000
- 12.c. \$5,000
- 13. \$1,100
- 14. \$4,100
- 15. \$3,200
- 18.b. \$73,500 recaptured credits
- 21. 1040X, line 5C, 45,578  
1040X, line 6C, 6,044
- 24. 1040, line 37, 115,600  
1040, line 76, 3,581  
Sch. A, line 29, 20,530  
6251, line 28, 134,080  
6251, line 35, 10,245

**Cumulative Prob., Ch. 8-12**

Building's adj. basis = \$223,326  
Recognized gain = \$36,674  
Unrecap. Sec. 1250 gain = \$18,674

**Cumulative Prob., Ch. 1-12**

- 1040, line 37, 53,314
- 1040, line 44, 3,161
- 1040, line 73, 828
- Sch. A, line 10, 5,625
- Sch. A, line 27, 458
- Sch. C, line 31, 1,212
- Sch. D, line 15, (550)
- Sch. E., line 22, 7,248
- Sch. SE, line 6, 86
- 8829, line 35, 1,555

**Chapter 13**

- 4. Taxpayer C, 9  
Taxpayer D, 7
- 5. W-4, page 2, line 10, 5
- 13. Line 3, 3,117.00  
Line 11, 5,499.21
- 19. Line 13c, 4,601  
Line 17, 419

**Chapter 14**

- 2.b. \$30,000
- 3.c. \$30,000
- 4.c. \$25,000
- 9.c. \$13,000 STCL
- 14.a. \$5,889
- 14.c. \$1,667
- 15.b. \$6,443 in 2007
- 15.c. \$4,333 in 2008

- 17.a. \$2,500
- 17.b. \$20,900
- 18. \$17,500
- 19. \$19,300 c/o
- 20.a. TI = \$83,700
- 20.b. \$2,700 carryover
- 21.a. TI = \$35,000
- 21.c. TI = \$9,000
- 22.a. TI = \$20,000
- 22.b. \$120,000 DRD
- 24.b. \$32,000
- 24.d. \$510,000
- 24.f. \$11,812,500
- 25. TI = \$113,000
- 26.c. \$20,000 div. & \$5,000 CG
- 27.a. TI = \$174,300
- 28. Form 1120, line 19, 9,232  
Form 1120, line 25, 2,263  
Form 1120, line 35, 925  
Sch. L, Line 15(b) 944,340  
Sch. L, Line 15(d) 980,860  
Sch. M-1, Line 10, 80,829  
Sch. M-2, Line 4, 150,434  
Sch. D, Line 11, 7,575

**Chapter 15**

- 7.b. \$25,250
- 9.a. C: \$60,000 OI;  
(\$18,500) P/S loss
- 10. \$152,000
- 11. Form 1065, line 20, 10,315  
Form 1065, line 21, 92,651  
Sch. K, line 1, 24,149  
Sch. K, line 14a, 76,149  
Sch. L, line 14(d), 74,467  
Sch. M-1, line 5, 76,989  
Sch. M-2, line 5, 63,990  
Sch. K-1, line 4, 34,000  
Sch. K-1, line 8, 720  
Form 4562, line 22, 4,001
- 18.a. \$15,370
- 18.b. \$14,712
- 19.a. Suspended loss = \$3,000
- 19.c. Basis = \$5,000
- 20.b. Basis = \$23,000
- 21.c. Charitable cont. c/o = \$270
- 25. Form 1120S, line 21, 22,600  
Schedule A, line 8, 130,900  
Sch. K, line 4, 4,650  
Sch. K, line 18, 25,650  
Sch. M-1, line 4, 32,150  
Sch. M-2, line 8(a), 44,280  
Sch. K-1, line 4, 1,628  
Sch. K-1, line 16, TEI 2,100