

Hanson (A)

This exercise covers a single senior. Lashaun Hanson supports his mother Serena who lives nearby in their city's subsidized public housing. You need to determine whether he can claim her as his dependent and whether that impacts his filing status. His mother's only income is Social Security and Lashaun pays most of her living expenses. The exercise also explores how to handle after tax contributions in a retirement pension when the taxable amount is unknown.

- His Midwest pension has Box 2a blank taxable amount and Box 9b with an amount (A). You will need to use the Colorado Resource Toolbox (www.Cotaxaide.org/tools) to calculate Box 2a taxable amount.
 - Received his first pension payment 11/1/2022
 - Single annuity
- (A) Lashaun's company offered him an early retirement package. As part of the offer, the company provides health insurance until he is eligible for Medicare. He has a self only insurance plan. Lashaun has an HSA that he uses for medical expenses. Neither he nor the company contributed in TY25. The HSA distribution \$5,050 was used for:
 - \$3,150 dental bills
 - \$350 prescription drugs (Lashaun)
 - \$795 prescription drugs (Serena)
 - \$725 copays
 - \$30 over the counter cold and flu medications
- Lashaun wrote checks to various charities totaling \$450

Lashaun Hanson SSN: 822-00-XXXX

Serena Hanson SSN: 878-00-XXXX BDATE: 5/8/1939

Where does the income from Serena's Social Security statement go?

Lashaun also had a consolidated statement from Alpine Investments, but it included only a 1099-DIV and 1099-INT since he did not make any sales.

Your instructor will teach you about handling of Tax-Exempt Interest Dividends in your state and other state specific issues related to brokerage statements.

Instructor note: In the appendix, you will find Railroad Retirement forms, RRB-1099 and RRB-1099-R. The two Railroad Retirement forms can replace Form SSA-1099 and the 1099-R pension for \$42,757 in this exercise. The amounts on those forms are the same.

Form 13614-C (March 2025)	Department of the Treasury - Internal Revenue Service Intake/Interview and Quality Review Sheet	OMB Number 1545-1964
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- You will need:**
- Tax Information such as Forms W-2, 1099, 1098, 1095.
 - Social Security cards or ITIN letters for all persons on your tax return
 - Picture ID (such as valid driver's license) for you and your spouse
- Complete pages 1-5 of this form.
 - You are responsible for the information on your return. Provide complete and accurate information.
 - If you have questions, ask the IRS-certified volunteer preparer.

Volunteers are trained to provide high quality service and uphold the highest ethical standards. To report unethical behavior to the IRS, email us at ts.voltax@irs.gov

Your first name <i>LESHAUN</i>	M.I.	Last name <i>HANSON</i>	Your date of birth <i>10/6/1962</i>	Your job title <i>RETIRED</i>
Spouse's first name	M.I.	Last name	Spouse's date of birth	Spouse's job title

Mailing address <i>4725 MALLARD DR</i>	Apt #	City <i>YC</i>	State <i>YS</i>	ZIP code <i>YZIP</i>
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Your telephone number <i>617-555-1212</i>	Spouse's telephone number	Email address (optional)	Did you live or work in two or more states in 2024 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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Check if you or your spouse were in 2024:

A U.S. citizen	<input checked="" type="checkbox"/> You	<input type="checkbox"/> Spouse	<input type="checkbox"/> No	Legally blind	<input type="checkbox"/> You	<input type="checkbox"/> Spouse	<input checked="" type="checkbox"/> No
In the U.S. on a visa	<input type="checkbox"/> You	<input type="checkbox"/> Spouse	<input checked="" type="checkbox"/> No	Totally and permanently disabled	<input type="checkbox"/> You	<input type="checkbox"/> Spouse	<input checked="" type="checkbox"/> No
A full-time student	<input type="checkbox"/> You	<input type="checkbox"/> Spouse	<input checked="" type="checkbox"/> No	Issued an identity protection PIN (IPPIN)	<input type="checkbox"/> You	<input type="checkbox"/> Spouse	<input checked="" type="checkbox"/> No
				Owners or holders of any digital assets	<input type="checkbox"/> You	<input type="checkbox"/> Spouse	<input checked="" type="checkbox"/> No

If due a refund, how would you like your refund	If you have a balance due, how would you like to make your payment
<input checked="" type="checkbox"/> Direct deposit	<input checked="" type="checkbox"/> Bank account
<input type="checkbox"/> Split refund between accounts	<input type="checkbox"/> Set up installment agreement
<input type="checkbox"/> Check by mail	<input type="checkbox"/> IRS.gov Direct Pay
<input type="checkbox"/> Other _____	<input type="checkbox"/> Mail payment to IRS

Would you like to receive written communications from the IRS in a language other than English Yes Spouse No

What language _____

Would you, or your spouse if married filing jointly, like \$3 to go to the Presidential Election Campaign Fund Yes Spouse No

As of December 31, 2024, what was your marital status

<input checked="" type="checkbox"/> Never Married	<input type="checkbox"/> Married	If married, were you married for all of 2024 <input type="checkbox"/> Yes <input type="checkbox"/> No
		Did you live with your spouse during any part of the last six months of 2024 <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Divorced	<input type="checkbox"/> Legally Separated but not Divorced	<input type="checkbox"/> Widowed
Date of final decree _____	Date of separate maintenance decree _____	Year of spouse's death _____

To be completed by certified volunteer: Can anyone else claim the taxpayer or spouse on their tax return Yes No

List the names below of everyone who lived with you last year (except your spouse) AND anyone you supported but did not live with you last year.										Answer Yes or No (Y/N)					To be completed by certified volunteer (Yes, No, or N/A)				
Name (first, last)	Date of birth (mm/dd/yy)	Relationship to you (child, parent, none, etc.)	Number of months lived in your home in 2024	Single or Married as of 12/31/2024 (S/M)	U.S. Citizen	Resident of U.S., Canada or Mexico	Full-time student	Totally and permanently disabled	Issued IPPIN	Qualifying child or relative of any other person	This person provided more than 50% of their own support	This person had less than \$5,050 of income	Taxpayer(s) provided more than 50% of support for this person	Taxpayer(s) paid more than half the cost of maintaining a home for this person					

Income: Answer the following questions on the left side of this page. Check only the boxes that apply to you and/or your spouse.

Received money from any of the following in 2024:	(To be completed by certified volunteer) Income to be included	Notes/Comments
<input type="checkbox"/> (B) Wages as a part-time or full-time employee How many jobs _____	<input type="checkbox"/> (B) W-2s # _____	
<input type="checkbox"/> (B/A) Tips	<input type="checkbox"/> (B/A) Tips (Basic when reported on W2)	
<input checked="" type="checkbox"/> (B/A) Retirement account, pension or annuity proceeds	<input type="checkbox"/> (B/A) 1099-R (Basic when taxable amount is reported) # _____ <input type="checkbox"/> (A) Qualified Charitable Distribution From 1099-R \$ _____	
<input type="checkbox"/> (B) Disability benefits (such as payments from insurance and worker's compensation)	<input type="checkbox"/> (B) Disability benefits on 1099-R or W-2 # _____	
<input checked="" type="checkbox"/> (B) Social Security or Railroad Retirement Benefits	<input type="checkbox"/> (B) SSA-1099, RRB-1099 # _____	
<input type="checkbox"/> (B) Unemployment benefits	<input type="checkbox"/> (B) 1099-G # _____	
<input type="checkbox"/> (B) Refund of state or local income tax	<input type="checkbox"/> (B) Refund \$ _____ <input type="checkbox"/> (B) Itemized last year <input type="checkbox"/> Yes <input type="checkbox"/> No	
<input checked="" type="checkbox"/> (B) Interest or dividends (bank account, bonds, etc.)	<input type="checkbox"/> (B) 1099-INT # _____ <input type="checkbox"/> (B) 1099-DIV # _____	
<input type="checkbox"/> (A) Sale of stocks, bonds or real estate Did you report a loss on last year's return <input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> (A) 1099-B (include brokerage statement) # _____ <input type="checkbox"/> Capital loss carryover <input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/> (B) Alimony	<input type="checkbox"/> (B) Alimony \$ _____ Excluded from income <input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/> (A/M) Income from renting out your house or a room in your house If yes, did you use the dwelling unit as a personal residence and rent it for fewer than 15 days <input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> (A/M) Rental income (Advanced when the dwelling is a personal residence and rented for fewer than 15 days) <input type="checkbox"/> Rental expense \$ _____	
<input type="checkbox"/> Income from renting personal property such as a vehicle		
<input type="checkbox"/> (B) Gambling winnings, including lottery	<input type="checkbox"/> (B) W-2G or other gambling winnings (list losses below if taxpayer can itemize deductions) # _____	
<input type="checkbox"/> (A) Payments for contract or self-employment work Did you report a loss on last year's return <input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> (A) Schedule C <input type="checkbox"/> 1099-MISC # _____ <input type="checkbox"/> 1099-NEC # _____ <input type="checkbox"/> 1099-K # _____ <input type="checkbox"/> Other income reported elsewhere <input type="checkbox"/> Schedule C expenses \$ _____	
<input type="checkbox"/> Any other money received during the year? (example: cash payments, jury duty, awards, digital assets, royalties, union strike benefits)	<input type="checkbox"/> Other income (see Pub 4012 for guidance on other income, i.e., scope of service chart)	

Expenses and Tax Related Events: Answer the questions on the left side of this page. Check only the boxes that apply to you and/or your spouse.

Paid any of the following expenses to itemize in 2024?	(To be completed by certified volunteer) Standard or Itemized Deductions	Notes/Comments
<input type="checkbox"/> (A) Mortgage Interest	<input type="checkbox"/> (A) 1098 # _____	
<input type="checkbox"/> (A) Taxes: state, local, real estate, sales, etc.		
<input checked="" type="checkbox"/> (A) Medical, dental, prescription expenses	<input type="checkbox"/> (B) Standard deduction <input type="checkbox"/> (A) Itemized deduction	
<input checked="" type="checkbox"/> (A) Charitable contributions		
Paid any of these expenses in 2024?	(To be completed by certified volunteer) Expenses to report	Notes/Comments
<input type="checkbox"/> (B) Student loan interest	<input type="checkbox"/> (B) 1098-E	
<input type="checkbox"/> (B) Child and dependent care	<input type="checkbox"/> (B) Child and dependent care credit	
<input type="checkbox"/> (B/A) Contributions to a retirement account	<input type="checkbox"/> (B/A) IRA (Basic if a Roth IRA or 401K)	
<input type="checkbox"/> (B) School supplies by a teacher, teacher's aide or other educator	<input type="checkbox"/> (B) Educator expenses deduction \$ _____	
<input type="checkbox"/> (B) Alimony payments (do not include child support)	<input type="checkbox"/> (B) Alimony payments with spouse's SSN \$ _____ Adjustment to income <input type="checkbox"/> Yes <input type="checkbox"/> No	
Did any of the following happen during 2024?	(To be completed by certified volunteer) Information to report	Notes/Comments
<input type="checkbox"/> (B) You or someone in your family took educational classes (technical school, college, job related, etc.)	<input type="checkbox"/> (B) Taxable scholarship income <input type="checkbox"/> (B) 1098-T (itemized statement from school, invoice, etc.) <input type="checkbox"/> (B) Education credit or tuition and fees deduction	
<input type="checkbox"/> (A) Sell a home	<input type="checkbox"/> (A) Sale of home (1099-S)	
<input checked="" type="checkbox"/> (A) Have a health savings account (HSA)	<input type="checkbox"/> (A) HSA contributions <input type="checkbox"/> (A) HSA distributions	
<input type="checkbox"/> (A) Purchase health insurance through the Marketplace (Exchange)	<input type="checkbox"/> (A) 1095-A	
<input type="checkbox"/> (A) Purchase and install energy-efficient home items (example: windows, furnace, insulation, etc.)	<input type="checkbox"/> (A) Energy efficient home improvement credit (Form 5695, Part II only)	
<input type="checkbox"/> (A) Have credit card, mortgage, or other debt cancelled/forgiven by a lender	<input type="checkbox"/> (A) 1099-C	
<input type="checkbox"/> (A) Have a loss related to a declared Federal disaster area	<input type="checkbox"/> (A) 1099-A <input type="checkbox"/> Disaster relief impacts return	
<input type="checkbox"/> (B) Have a tax credit disallowed (example: earned income credit, child tax credit, or American opportunity credit)	<input type="checkbox"/> (B) EITC, CTC, AOTC or HOH disallowed in a previous year Year disallowed Reason	
<input type="checkbox"/> Receive any letter or bill from the IRS	<input type="checkbox"/> Eligible for Low Income Taxpayer Clinic referral	
<input type="checkbox"/> (B) Make estimated tax payments or apply last year's refund to 2024 taxes	<input type="checkbox"/> (B) Estimated tax payments _____ <input type="checkbox"/> (B) Last year's refund applied to this year _____ <input type="checkbox"/> Last year's return available _____	

FORM SSA-1099 - SOCIAL SECURITY BENEFIT STATEMENT			
20XX <input type="checkbox"/> PART OF YOUR SOCIAL SECURITY BENEFITS SHOWN IN BOX 5 MAY BE TAXABLE INCOME. <input type="checkbox"/> SEE THE REVERSE FOR MORE INFORMATION.			
Box 1. Name LESHAUN HANSON		Box 2. Beneficiary's Social Security Number 822-00-XXXX	
Box 3. Benefits Paid in 20XX \$22,500.00	Box 4. Benefits Repaid to SSA in 20XX	Box 5. Net Benefits Paid for 20XX (Box 3 minus Box 4) \$22,500.00	
DESCRIPTION OF AMOUNT IN BOX 3		DESCRIPTION OF AMOUNT IN BOX 4	
Paid by check or direct deposit \$22,500.00 Medicare Part B premiums deducted from your benefits Medicare Prescription Drug premiums (Part D) deducted from your benefits Total Additions Benefits for 20XX \$22,500.00		Box 6. Voluntary Federal Income Tax Withheld	
Benefits for 20XX-1 Benefits for 20XX-2 Benefits for 20XX-3		Box 7. Address LESHAUN HANSON 4725 MALLARD DR YC YS YZIP	
		Box 8. Claim Number (use this number if you need to contact SSA) 822-00-XXXXA	

Form SSA-1099-SM

FORM SSA-1099 - SOCIAL SECURITY BENEFIT STATEMENT			
20XX <input type="checkbox"/> PART OF YOUR SOCIAL SECURITY BENEFITS SHOWN IN BOX 5 MAY BE TAXABLE INCOME. <input type="checkbox"/> SEE THE REVERSE FOR MORE INFORMATION.			
Box 1. Name SERENA HANSON		Box 2. Beneficiary's Social Security Number 878-00-XXXX	
Box 3. Benefits Paid in 20XX \$14,327.00	Box 4. Benefits Repaid to SSA in 20XX	Box 5. Net Benefits Paid for 20XX (Box 3 minus Box 4) \$14,327.00	
DESCRIPTION OF AMOUNT IN BOX 3		DESCRIPTION OF AMOUNT IN BOX 4	
Paid by check or direct deposit \$12,107.00 Medicare Part B premiums deducted from your benefits \$2,220.00 Medicare Prescription Drug premiums (Part D) deducted from your benefits Total Additions \$2,220.00 Benefits for 20XX \$14,327.00		Box 6. Voluntary Federal Income Tax Withheld	
Benefits for 20XX-1 Benefits for 20XX-2 Benefits for 20XX-3		Box 7. Address SERENA HANSON 1560 WAVERLY PLACE APT 309 YC YS YZIP	
		Box 8. Claim Number (use this number if you need to contact SSA) 878-00-XXXXA	

Form SSA-1099-SM

<input type="checkbox"/> CORRECTED (if checked)							
PAYER'S name, street address, city or town, state or province country, ZIP or foreign postal code and phone no. MIDWEST RETIREMENT SVCS 18 VICTORY WAY WOODMERE NY 11598		1 Gross distribution <div style="text-align: right; font-weight: bold;">\$42,757.00</div>		OMB No. 1545-0119 <div style="font-size: 24pt; font-weight: bold; text-align: center;">20XX</div> Form 1099-R			
		2a Taxable amount					
PAYER'S TIN <div style="text-align: center;">37-157XXXX</div>		RECIPIENT'S TIN <div style="text-align: center;">822-00-XXXX</div>		2b Taxable amount not determined. <input checked="" type="checkbox"/>			
				3 Capital gain (included in box 2a).			
RECIPIENT'S name Street address (including apt.no.) City or town, state or province, country, ZIP or foreign postal code LESHAUN HANSON 4725 MALLARD DRIVE YC, YS YZIP		4 Federal income tax withheld <div style="text-align: right; font-weight: bold;">\$4,277.00</div>		Copy B Report this income on your federal tax return. If this form shows federal income tax withheld in box 4, attach this copy to your return. This information is being furnished to the IRS			
		5 Employee contributions/ Designated Roth contributions or insurance premiums				6 Net unrealized appreciation in employer's securities	
		7 Distribution Code(s) <div style="text-align: center; font-weight: bold;">7</div>				8 Other <div style="text-align: center;">%</div>	
		9a Your percentage of total distribution <div style="text-align: center;">%</div>				9b Total Employee Contributions <div style="text-align: right; font-weight: bold;">\$32,850.00</div>	
10 Amount allocable to IRR within 5 years	11 1st year of desig. Roth contrib.	12 FATCA filing requirement <input type="checkbox"/>	14 State tax withheld <div style="text-align: right; font-weight: bold;">\$2,150.00</div>	15 State/Payer's state no. <div style="text-align: center;">YS/37157XXXX</div>	16 State distribution <div style="text-align: right; font-weight: bold;">\$42,757.00</div>		
Account number (see instructions)		13 Date of payment	17 Local tax withheld	18 Name of locality	19 Local distribution		
Form 1099-R (keep for your records) www.irs.gov/Form1099R Department of the Treasury - Internal Revenue Service							

Taxable Amount from Colorado calculator: \$ _____

<input type="checkbox"/> CORRECTED (if checked)							
TRUSTEE'S/PAYER'S name, street address, city or town, state or province country, ZIP or foreign postal code and telephone no. HSA BANK 35 OAK LANE BOSTON MA 02134				OMB No. 1545-1517 Form 1099-SA (Rev. January, 2022) For calendar Year <div style="text-align: center; font-weight: bold;">20XX</div>			
				Distributions From an HSA, Archer MSA, or Medicare Advantage MSA			
PAYER'S TIN <div style="text-align: center;">32-5XXXXXX</div>		RECIPIENT'S TIN <div style="text-align: center;">822-00-XXXX</div>				1 Gross Distribution <div style="text-align: right; font-weight: bold;">\$5,050.00</div>	
RECIPIENT'S name Street address (including apt.no.) City or town, state or province, country, ZIP or foreign postal code LESHAUN HANSON 4725 MALLARD DRIVE YC, YS YZIP		3 Distribution Code <div style="text-align: center; font-weight: bold;">1</div>		4 FMV on date of death		Copy B For Recipient This information is being furnished to the IRS.	
		5 HSA <input checked="" type="checkbox"/> Archer MSA <input type="checkbox"/> MA MSA <input type="checkbox"/>					
		Account number (see instructions)					
Form 1099-SA (Rev. 1-2019) (keep for your records) www.irs.gov/Form1099SA Department of the Treasury - Internal Revenue Service							

Alpine Brokerage LLC 2715 Alpine Lane Boston MA 02110 Account No. 111-227 Payer's TIN: 95-7XXXXXXX		20XX TAX INFORMATION SUMMARY	TAX REPORTING STATEMENT Lashaun Hanson 4725 Mallard Ln YC YS YZIP Recipient ID No: 822-00-XXXX	
Form 1099-DIV Dividends and Distributions Copy B for Recipient (OMB NO: 1545-0110)		Form 1099-INT Interest Income Copy B for Recipient (OMB NO: 1545-0112)		
Box	Amount	Box	Amount	
1a	Total ordinary dividends2248.16	1	Interest income	
1b	Qualified dividends2016.08	2	Early withdrawal penalty	
2a	Total capital gain distributions	3	Interest on US Savings Bonds and Treas obligations	
2b	Unrecaptured Sec 1250 Gain	4	Federal income tax withheld0.00	
2c	Section 1202 gain	5	Investment expenses	
2d	Collectibles (28%) gain	6	Foreign tax paid	
2e	Section 897 ordinary dividends	7	Foreign country or US territory	
2f	Section 897 capital gain	8	Tax-exempt interest850.00	
3	Nondividend distributions	9	Specified private activity bond interest	
4	Federal income tax withheld	10	Market discount	
5	Section 199A dividends	11	Bond premium	
6	Investment expenses	12	Bond premium on Treasury obligations	
7	Foreign tax paid	13	Bond premium on tax-exempt bond	
8	Foreign Country/US possession Various	14	Tax-exempt and tax credit bond CUSIP no	
9	Cash liquidation distributions	15	State	
10	Noncash liquidation distributions	16	State identification no	
11	FATCA filing requirement	17	State tax withheld	
12	Exempt-interest dividends	FATCA filing requirement		
13	Private activity bond interest dividends			
14	State			
15	State identification noXXXX			
16	State tax withheld			

Lashaun Hanson 880
 Your City, YS YZ 15-0000/0000

PAY TO THE ORDER OF: _____

_____ \$

DOLLARS

JP MORGAN CHASE
 Anyplace, YS 00000

For _____

⑆ 3 250 70 7601⑆ 43-2874255⑈ 880