

# Federal Tax Law Update Test for Circular 230 Professionals

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## Directions

The first three scenarios do not require you to prepare a tax return. Read the interview notes for each scenario carefully and **use the Important Changes lesson in Publication 4491, VITA/TCE Training Guide, or in Link & Learn Taxes to answer the questions after the scenarios.** All questions are based on calendar year 2023 tax law.

## Scenario 1: Herb and Alice Freeman

### Interview Notes

- Herb and Alice are married and file a joint return. Herb is 74 years old and Alice turns 72 in February 2023. Neither are blind.
- Both Herb and Alice are retired. Herb works part time as a greeter.
- Alice is confused about the Required Minimum Distribution rules, and wants to know when she should take her first distribution from her IRA.
- Herb earned \$12,000 in wages and has fully taxable pension income of \$4,800. The couple also received Social Security benefits of \$46,000. They received no other income in 2023.
- Herb and Alice's grandson, Stuart, lives with them while he attends the local university. Stuart is 20, a full-time student, and is claimed as a dependent by his parents.
- Herb, Alice and Stuart are U.S. citizens, lived in the United States all year, and have valid Social Security numbers.

## Scenario 1: Test Questions

1. What is Herb and Alice's standard deduction?
  - a. \$27,700
  - b. \$29,200
  - c. \$29,550
  - d. \$30,700
2. When does Alice need to take her first Required Minimum Distribution (RMD)?
  - a. Alice is late. She was required to take her first RMD by April 1 of the year after the year she turned 70 ½.
  - b. By April 1, 2023.
  - c. By April 1, 2024.
  - d. By April 1, 2025.
3. Herb and Alice qualify for the earned income credit (EIC).
  - a. True, because Stuart is their qualifying child.
  - b. True, because they have earned income and adjusted gross income under the EIC threshold for a married couple without a qualifying child.
  - c. False, because they are over the age limit for taxpayers who do not have a qualifying child.
  - d. False, because their income is too high.

## Scenario 2: Chloe Carlow

### Interview Notes

- Chloe is single, a U.S. citizen, and has a valid Social Security number. No one else lives in the household with her. She turned 50 in 2023.
- Chloe worked full time. Her total income from wages is \$53,000. She has no other income. She is covered by a retirement plan at work.
- Chloe contributed \$6,000 to her traditional IRA in 2023.
- Chloe owns her home in the U.S. where she lived as her principal residence all year. She made the following energy efficient improvements to her home in 2023. These purchases meet the energy efficiency and other requirements to claim the energy efficient home improvement credit:
  - \$300 on a home energy audit
  - \$2,500 on new windows
  - \$6,000 on a new natural gas hot water boiler

### Scenario 2: Test Questions

4. Chloe visits your site in February 2024 and says she wants to make the maximum IRA contribution for 2023. How much more can she contribute?
  - a. \$0 because it is after December 31 and too late to make a 2023 contribution
  - b. \$0 because she has already contributed the maximum allowed
  - c. \$1,000
  - d. \$1,500
5. What is the maximum amount of qualified expenses for the energy efficient home improvement credit that Chloe can claim for her home improvements?
  - a. \$1,200
  - b. \$1,290
  - c. \$2,640
  - d. \$8,500

## Scenario 3: Luther and Lexi Lincoln

### Interview Notes

- Luther, age 54, and Lexi, age 56, are married and file a joint return.
- Lexi has family coverage through her High Deductible Health Plan (HDHP) at work. In 2023, Lexi contributed \$2,350 to her Health Savings Account (HSA). Luther made contributions totaling \$3,000 to his HSA in 2023.
- Luther's Form 1099-SA shows a distribution from his HSA of \$3,000. They have receipts showing they paid:
  - \$300 for new eyeglasses for Lexi,
  - \$2,200 in copays for doctor visits and tests,
  - \$400 for over the counter medication, and
  - \$100 for Personal Protective Equipment (PPE) to prevent the spread of COVID-19 and home COVID-19 tests
- In April 2023, Luther was diagnosed by his physician with a terminal illness. In May, Luther and Lexi decided to take a luxury vacation before his health deteriorated. They used a distribution from Luther's IRA to pay for it. They received a Form 1099-R showing \$15,000 in Box 1, and code 1 in Box 7.
- Lexi sold a used handbag on an online marketplace. She received a Form 1099-K reporting the \$700 sale. She originally paid \$1,000 for the bag.
- Luther and Lexi are U.S. citizens with valid Social Security numbers.

### Scenario 3: Test Questions

6. Lexi and Luther want to maximize their HSA deduction. Combined, how much more can they contribute to their individual HSAs before the tax filing deadline?
  - a. \$2,400
  - b. \$3,400
  - c. \$4,400
  - d. \$4,700
7. How much of Luther's Form 1099-SA amount is taxable?
  - a. \$0 because they had qualified medical expenses of \$3,000
  - b. \$100 because PPE is not a qualified expense for 2023
  - c. \$300 because Luther can't use money from his HSA to pay for Lexi's medical expenses
  - d. \$400 because over the counter medicine is not a qualified medical expense

8. How much additional tax on early distributions is Luther required to pay?
- a. \$0
  - b. \$1,000
  - c. \$1,500
  - d. \$3,000
9. According to the **Form 1099-K FAQs** on IRS.gov, how should Lexi report the form she received?
- a. She should not report the transaction because a personal loss is not deductible.
  - b. On Form 1040, Schedule 1, she should report \$700 on the Other Income line and \$700 on the Other Adjustments line, labeling both entries as "Form 1099-K Personal Item Sold at a Loss \$700"
  - c. On Form 1040, Schedule 1, she should report \$700 on the Other Income line and \$1,000 on the Other Adjustments line, labeling both entries as "Form 1099-K Personal Item Sold at a Loss"

## Scenario 4: Siena King

### Directions

Using the tax software, complete the tax return, including Form 1040 and all appropriate forms, schedules, and worksheets. Answer the questions following the scenario.



*When entering Social Security numbers (SSNs) or Employer Identification Numbers (EINs), replace the Xs as directed, or with any four digits of your choice.*

### Interview Notes

- Siena is married to Kendall, but they have lived separately since Kendall moved out of the home in April 2023. Siena does not want to file a joint return.
- Siena and Kendall have a 3 year old daughter, Kenna. Kenna lives with Siena and visits Kendall on weekends. Siena received a \$3,000 qualified birth distribution from her IRA on March 31, 2020.
- Siena's mother, Stacy, moved in with Siena in April. She watches Kenna while Siena works. Stacy receives \$12,000 per year from Social Security, and a taxable pension of \$500 per month. Stacy is widowed. Siena calculated that Siena paid more than half of her mother's support for the year.
- Siena is a full-time science teacher at a local public middle school. She spent \$400 of her own money to purchase supplies for labs she conducted with her students. She did not receive any reimbursement for these expenses.
- On weekends and during the summer, Siena works part-time as a driver for Delicious Deliveries. She provided a statement from the food delivery service that indicated the number of miles driven and fees paid for the year. These fees are considered ordinary and necessary for the food delivery business:
  - 5,700 miles driven while delivering food
  - Insulated box rental: \$300
  - GPS device fee: \$200
- Siena's record keeping application shows she also drove 1,100 miles between deliveries and 560 miles driven between home and the first and last delivery point of the day. She also drove 10,000 miles for personal purposes. Siena does not have a separate car for personal use. She started using her car for business on May 17, 2023.
- Siena also kept receipts for the following out-of-pocket expenses:
  - \$100 on tolls
  - \$50 for parking
  - \$48 for parking tickets
  - \$150 for snacks and lunches Siena consumed while working
- Siena provided the Form 1099-K that she received from Delicious Deliveries.
- Siena contributed \$6,000 to her traditional IRA. She also contributed to her retirement plan at work.
- Siena, Kenna, and Stacy are U.S. citizens, have valid Social Security numbers, and lived in the United States all year.



Form **13614-C**  
(October 2023)

Department of the Treasury - Internal Revenue Service

OMB Number  
1545-1964

**Intake/Interview and Quality Review Sheet**

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.

• Please complete pages 1-4 of this form.

- You are responsible for the information on your return. Please provide complete and accurate information.
- If you have questions, please 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 [wi.voltax@irs.gov](mailto:wi.voltax@irs.gov)

**Part I – Your Personal Information** (If you are filing a joint return, enter your names in the same order as last year's return)

1. Your first name  
SIENA

M.I.  
A

Last name  
KING

2. Your spouse's first name

M.I.

Last name

Best contact number  
YOUR PHONE #

Are you a U.S. citizen?  
☒ Yes ☐ No

Best contact number

Is your spouse a U.S. citizen?  
☐ Yes ☐ No

3. Mailing address  
1551 CONCORD CIRCLE

4. Your Date of Birth  
06/07/1982

5. Your job title  
TEACHER

6. Last year, were you:  
a. Fully and permanently disabled ☐ Yes ☒ No  
b. Legally blind ☐ Yes ☒ No

7. Your spouse's Date of Birth

8. Your spouse's job title

9. Last year, was your spouse:  
a. Fully and permanently disabled ☐ Yes ☐ No  
b. Legally blind ☐ Yes ☒ No

10. Can anyone claim you or your spouse as a dependent?  
☐ Yes ☒ No ☐ Unsure

11. Have you, your spouse, or dependents been a victim of tax related identity theft or been issued an Identity Protection PIN?  
☐ Yes ☒ No

12. Provide an email address (optional) (this email address will not be used for contacts from the Internal Revenue Service)

**Part II – Marital Status and Household Information**

1. As of December 31, 2023, what was your marital status?  
☐ Never Married ☒ Married  
☐ Divorced  
☐ Legally Separated  
☐ Widowed

(This includes registered domestic partnerships, civil unions, or other formal relationships under state law)  
a. If Yes, Did you get married in 2023?  
☐ Yes ☒ No  
b. Did you live with your spouse during any part of the last six months of 2023?  
☐ Yes ☒ No

Date of final decree  
Date of separate maintenance decree  
Year of spouse's death

2. List the names below of:  
• **everyone** who lived with you last year (other than your spouse)  
• **anyone** you supported but did not live with you last year

If additional space is needed check here ☐ and list on page 3

To be completed by a Certified Volunteer Preparer												
Name (first, last) Do not enter your name or spouse's name below	Date of Birth (mm/dd/yy)	Relationship to you (for example: son, daughter, parent, none, etc)	Number of months lived in your home last year	US Citizen (yes/no)	Resident of US, Canada, or Mexico last year (yes/no)	Single or Married as of 12/31/23 (S/M)	Full-time Student last year (yes/no)	Totally and Permanently Disabled (yes/no)	Is this person a qualifying child/relative of any other person? (yes/no)	Did this person provide more than 50% of his/her own support? (yes,no,n/a)	Did this person have less than \$4,700 of income? (yes,no,n/a)	Did the taxpayer(s) provide more than 50% of support for this person? (yes/no)
(a) KENNA KING	(b) 03/01/2020	(c) DAUGH	(d) 12	(e) Y	(f) Y	(g) S	(h) N	(i) N				
STACY CHAMBERS	08/10/1956	PARENT	8	Y	Y	S	N	N				

Catalog Number 52121E

www.irs.gov

Form **13614-C** (Rev. 10-2023)

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**Check appropriate box for each question in each section**

Yes	No	Unsure	Part III – Income – Last Year, Did You (or Your Spouse) Receive
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. (B) Wages or Salary? (Form W-2) If yes, how many jobs did you have last year? 1 _____
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2. (A) Tip Income?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. (B) Scholarships? (Forms W-2, 1098-T)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (B) Interest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. (B) Refund of state/local income taxes? (Form 1099-G)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. (B) Alimony income or separate maintenance payments?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. (A) Self-Employment income? (Forms 1099-MISC, 1099-NEC, 1099-K, cash, digital assets, or other property or services)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. (A) Cash/check/digital assets, or other property or services for any work performed not reported on Forms W-2 or 1099?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	9. (A) Income (or loss) from the sale or exchange of stocks, bonds, digital assets or real estate? (including your home) (Forms 1099-S, 1099-B)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	10. (B) Disability income? (such as payments from insurance, or workers compensation) (Forms 1099-R, W-2)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	11. (A) Retirement income or payments from pensions, annuities, and or IRA? (Form 1099-R)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	12. (B) Unemployment Compensation? (Form 1099-G)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	13. (B) Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	14. (M) Income (or loss) from rental property?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	15. (B) Other income? (gambling, lottery, prizes, awards, jury duty, digital assets, Sch K-1, royalties, foreign income, etc.)

Yes	No	Unsure	Part IV – Expenses – Last Year, Did You (or Your Spouse) Pay
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. (B) Alimony or separate maintenance payments? If yes, do you have the recipient's SSN? <input type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2. Contributions or repayments to a retirement account? <input checked="" type="checkbox"/> IRA (A) <input type="checkbox"/> Roth IRA (B) <input type="checkbox"/> 401K (B) <input type="checkbox"/> Other
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. (B) College or post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. Any of the following? <input type="checkbox"/> (A) Medical & Dental (including insurance premiums) <input type="checkbox"/> (A) Mortgage Interest (Form 1098) <input type="checkbox"/> (A) Taxes (State, Real Estate, Personal Property, Sales) <input type="checkbox"/> (B) Charitable Contributions
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. (B) Child or dependent care expenses such as daycare?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6. (B) For supplies used as an eligible educator such as a teacher, teacher's aide, counselor, etc.?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. (A) Expenses related to self-employment income or any other income you received?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. (B) Student loan interest? (Form 1098-E)

Yes	No	Unsure	Part V – Life Events – Last Year, Did You (or Your Spouse)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. (A) Have a Health Savings Account? (Forms 5498-SA, 1099-SA, W-2 with code W in box 12)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. (A) Have credit card, student loan or mortgage debt cancelled/forgiven by a lender or have a home foreclosure? (Forms 1099-C, 1099-A)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. (A) Adopt a child?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. (B) Have Earned Income Credit, Child Tax Credit or American Opportunity Credit disallowed in a prior year? If yes, for which tax year?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. (A) Purchase and install energy-efficient home items? (such as windows, furnace, insulation, etc.)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. (A) Receive the First Time Homebuyers Credit in 2008?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. (B) Make estimated tax payments or apply last year's refund to this year's tax? If so how much?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. (A) File a federal return last year containing a "capital loss carryover" on Form 1040 Schedule D?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	9. (A) Have health coverage through the Marketplace (Exchange)? [Provide Form 1095-A]



**Additional Information and Questions Related to the Preparation of Your Return**

1. Would you like to receive written communications from the IRS in a language other than English? ☐ Yes ☒ No If yes, which language? \_\_\_\_\_
2. Presidential Election Campaign Fund (If you check a box, your tax or refund will not change)  
Check here if you, or your spouse if filing jointly, want \$3 to go to this fund ☐ You ☐ Spouse
3. If you are due a refund, would you like: a. Direct deposit ☐ Yes ☒ No b. To purchase U.S. Savings Bonds ☐ Yes ☒ No c. To split your refund between different accounts ☐ Yes ☒ No
4. If you have a balance due, would you like to make a payment directly from your bank account? ☐ Yes ☒ No
5. Did you live in an area that was declared a Federal disaster area? ☐ Yes ☒ No If yes, where? \_\_\_\_\_
6. Did you, or your spouse if filing jointly, receive a letter from the IRS? ☐ Yes ☒ No
7. Would you like information on how to vote and/or how to register to vote? ☐ Yes ☒ No

**Many free tax preparation sites operate by receiving grant money or other federal financial assistance. The data from the following questions may be used by this site to apply for these grants or to support continued receipt of financial funding. Your answer will be used only for statistical purposes. These questions are optional.**

8. Would you say you can carry on a conversation in English, both understanding & speaking? ☐ Very well ☐ Well ☐ Not well ☒ Not at all ☒ Prefer not to answer
9. Would you say you can read a newspaper or book in English? ☐ Very well ☐ Well ☐ Not well ☐ Not at all ☒ Prefer not to answer
10. Do you or any member of your household have a disability? ☐ Yes ☐ No ☒ Prefer not to answer
11. Are you or your spouse a Veteran from the U.S. Armed Forces? ☐ Yes ☐ No ☒ Prefer not to answer
12. Your race?  
☐ American Indian or Alaska Native ☐ Asian ☐ Black or African American ☐ Native Hawaiian or other Pacific Islander ☐ White ☒ Prefer not to answer
13. Your spouse's race?  
☐ American Indian or Alaska Native ☐ Asian ☐ Black or African American ☐ Native Hawaiian or other Pacific Islander ☐ White ☒ Prefer not to answer
- ☐ No spouse
14. Your ethnicity?  
☐ Hispanic or Latino ☐ Not Hispanic or Latino ☒ Prefer not to answer
15. Your spouse's ethnicity?  
☐ Hispanic or Latino ☐ Not Hispanic or Latino ☒ Prefer not to answer ☐ No spouse

Additional comments

**Privacy Act and Paperwork Reduction Act Notice**

The Privacy Act of 1974 requires that when we ask for information we tell you our legal right to ask for the information, why we are asking for it, and how it will be used. We must also tell you what could happen if we do not receive it, and whether your response is voluntary, required to obtain a benefit, or mandatory. Our legal right to ask for information is 5 U.S.C. 301. We are asking for this information to assist us in contacting you relative to your interest and/or participation in the IRS volunteer income tax preparation and outreach programs. The information you provide may be furnished to others who coordinate activities and staffing at volunteer return preparation sites or outreach activities. The information may also be used to establish effective controls, send correspondence and recognize volunteers. Your response is voluntary. However, if you do not provide the requested information, the IRS may not be able to use your assistance in these programs. The Paperwork Reduction Act requires that the IRS display an OMB control number on all public information requests. The OMB Control Number for this study is 1545-1964. Also, if you have any comments regarding the time estimates associated with this study or suggestion on making this process simpler, please write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, Washington, DC 20224

Catalog Number 52121E

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Form **13614-C** (Rev. 10-2023)

a Employee's social security number 601-00-XXXX		Safe, accurate, FAST! Use		Visit the IRS website at www.irs.gov/efile	
b Employer identification number (EIN) 20-900XXXX		1 Wages, tips, other compensation 42,000.00		2 Federal income tax withheld 4,200.00	
c Employer's name, address, and ZIP code DILLARD COUNTY SCHOOL DISTRICT 143 ROCK ROAD YOUR CITY, YOUR STATE ZIP		3 Social security wages 45,000.00		4 Social security tax withheld 2,790.00	
		5 Medicare wages and tips 45,000.00		6 Medicare tax withheld 652.50	
		7 Social security tips		8 Allocated tips	
d Control number		9		10 Dependent care benefits	
e Employee's first name and initial      Last name      Suff. SIENA KING 1551 CONCORD CIRCLE YOUR CITY, YOUR STATE ZIP		11 Nonqualified plans		12a See instructions for box 12 E      3,000	
		13 Statutory employee      Retirement plan      Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b	
		14 Other		12c	
				12d	
f Employee's address and ZIP code					
15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax
YS	1234567-89	42,000.00	1,260.00	42,000.00	420.00

Form **W-2** Wage and Tax Statement      2023      Department of the Treasury—Internal Revenue Service

Copy B—To Be Filed With Employee's FEDERAL Tax Return.

☐ CORRECTED (if checked)

FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.  <b>DELICIOUS DELIVERIES</b> 567 ALVIN AVENUE YOUR CITY, YOUR STATE ZIP		FILER'S TIN <b>20-400XXXX</b>	OMB No. 1545-2205		<b>Payment Card and Third Party Network Transactions</b>  <b>Copy B For Payee</b>  This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if taxable income results from this transaction and the IRS determines that it has not been reported.
		PAYEE'S TIN <b>601-00-XXX</b>	Form <b>1099-K</b> (Rev. January 2022)		
		1a Gross amount of payment card/third party network transactions \$ <b>17,200.00</b>	For calendar year <b>20 23</b>		
		1b Card Not Present transactions \$	2 Merchant category code		
Check to indicate if FILER is a (an): Payment settlement entity (PSE) <input checked="" type="checkbox"/> Electronic Payment Facilitator (EPF)/Other third party <input type="checkbox"/>	Check to indicate transactions reported are: Payment card <input type="checkbox"/> Third party network <input checked="" type="checkbox"/>	3 Number of payment transactions <b>700</b>	4 Federal income tax withheld \$		
PAYEE'S name  <b>SIENA KING</b>  Street address (including apt. no.)  <b>1551 CONCORD CIRCLE</b>  City or town, state or province, country, and ZIP or foreign postal code <b>YOUR CITY, YOUR STATE ZIP</b>  PSE'S name and telephone number		5a January \$	5b February \$		
		5c March \$	5d April \$		
		5e May \$ <b>500.00</b>	5f June \$ <b>3,500.00</b>		
		5g July \$ <b>3,500.00</b>	5h August \$ <b>3,700.00</b>		
		5i September \$ <b>2,000.00</b>	5j October \$ <b>1,500.00</b>		
		5k November \$ <b>1,500.00</b>	5l December \$ <b>1,000.00</b>		
		6 State	7 State identification no.		8 State income tax withheld \$
		Account number (see instructions)			\$

Form **1099-K** (Rev. 1-2022)

(Keep for your records)

www.irs.gov/Form1099K

Department of the Treasury - Internal Revenue Service

## Scenario 4: Test Questions

10. Since Siena refuses to file jointly with Kendall, what is her most advantageous allowable filing status?
- a. Single
  - b. Qualifying Surviving Spouse
  - c. Married Filing Separately
  - d. Head of Household
11. Siena can claim her mother, Stacy, as a dependent.
- a. True, because Siena provided over half of Stacy's support.
  - b. True, because Stacy lived with Siena for more than half the year.
  - c. False, because Stacy did not live with Siena as a member of her household all year.
  - d. False, because Stacy's gross income is over the threshold amount for 2023.
12. How many miles can Siena claim for the business mileage expense?
- a. 1,100
  - b. 5,700
  - c. 6,800
  - d. 7,360
13. For 2023, how much can Siena take as an educator expense deduction for the lab supplies she purchased for her students?
- a. \$250
  - b. \$300
  - c. \$350
  - d. \$400
14. What is the amount of Siena's retirement savings contributions credit? \$\_\_\_\_\_
15. Siena wants to recontribute the amount she took as a qualified birth distribution from her IRA. She must make the repayment:
- a. Before April 1, 2023
  - b. Before Kenna's third birthday
  - c. Before January 1, 2024
  - d. Before January 1, 2026