



CASE STUDY

Analysis of the Self Employed Borrower

Genworth Mortgage Insurance Customer Training

YOU-CENTRIC SOLUTIONS THAT MATTER

01006.0220 ©2020 Genworth Financial, Inc. All rights reserved.
Genworth Mortgage Insurance underwriters include: Genworth Mortgage Insurance Corporation and Genworth Mortgage Insurance Corporation of North Carolina

Genworth 
Mortgage Insurance

a Employee's SSN XXX-XX-XXXX		b Employer ID No. (EIN) 12-1234567		OMB No. 1545-0008		
c Employer's name, address, and ZIP code LIGHT IT UP, LLC 350 BROAD STREET RED BANK NJ 07755		This information is being furnished to the IRS. If you are required to file a tax return, a negligence penalty or other sanction may be imposed on you if this income is taxable and you fail to report it.				
d Control No.		1 Wgs, tips, other compn 63400.00	2 Fed inc tax withheld 8970.56	3 Social security wages 67600.00	Form W-2 Wage and Tax Statement 2020 Copy C For EMPLOYEE'S RECORDS (see Notice to Employee.)	
		4 SS tax withheld 4191.20	5 Medicare wages & tips 67600.00	6 Medicare tax withheld 980.20		
		7 Social security tips	8 Allocated tips	9		
		10 Depndt care benefits	11 Nonqualified plans	12a S 4200.00		
		13 Statutory employee <input type="checkbox"/>	14 Other	12b 		
e Employee's name, address, and ZIP code Suff. MARY HOMEOWNER 7 GALLOPING HILL ROAD COLTS NECK NJ 07708		Retirement plan <input checked="" type="checkbox"/>		12c 		
		Third-party sick pay <input type="checkbox"/>		12d 		
15 State NJ	Employer's state ID No. 1234567	16 State wages, tips, etc 63400.00	17 State income tax 4647.32	18 Local wages, tips, etc	19 Local income tax	20 Locality name

Instructions for Employee (Also see Notice to Employee)

Box 1. Enter this amount on the wages line of your tax return.

Box 2. Enter this amount on the federal income tax withheld line of your tax return.

Box 5. You may be required to report this amount on Form 8959, Additional Medicare Tax. See the Instructions for Forms 1040 and 1040-SR to determine if you are required to complete Form 8959.

Box 6. This amount includes the 1.45% Medicare Tax withheld on all Medicare wages and tips shown in box 5, as well as the 0.9% Additional Medicare Tax on any of those Medicare wages and tips above \$200,000.

Box 8. This amount is **not** included in box 1, 3, 5, or 7. For information on how to report tips on your tax return, see the Instructions for Forms 1040 and 1040-SR. You must file Form 4137, Social Security and Medicare Tax on Unreported Tip Income, with your income tax return to report at least the allocated tip amount unless you can prove with adequate records that you received a smaller amount. If you have records that show the actual amount of tips you received, report that amount even if it is more or less than the allocated tips. Use Form 4137 to figure the social security and Medicare tax owed on tips you didn't report to your employer. Enter this amount on the wages line of your tax return. By filing Form 4137, your social security tips will be credited to your social security record (used to figure your benefits).

Box 10. This amount includes the total dependent care benefits that your employer paid to you or incurred on your behalf (including amounts from a section 125 (cafeteria) plan). Any amount over \$5,000 is also included in box 1. Complete Form 2441, Child and Dependent Care Expenses, to compute any taxable and nontaxable amounts.

Box 11. This amount is (a) reported in box 1 if it is a distribution made to you from a nonqualified deferred compensation or nongovernmental section 457(b) plan, or (b) included in box 3 and/or 5 if it is a prior year deferral under a nonqualified or section 457(b) plan that became taxable for social security and Medicare taxes this year because there is no longer a substantial risk of forfeiture of your right to the deferred amount. This box shouldn't be used if you had a deferral and a distribution in the same calendar year. If you made a deferral and received a distribution in the same calendar year, and you are or will be age 52 by the end of the calendar year, your employer should file Form SSA-131, Employer Report of Special Wage Payments, with the Social Security Administration and give you a copy.

Box 12. The following list explains the codes shown in box 12. You may need this information to complete your tax return. Elective deferrals (codes D, E, F, and S) and designated Roth contributions (codes AA, BB, and EE) under all plans are generally limited to a total of \$19,500 (\$13,500 if you only have SIMPLE plans; \$22,500 for section 403(b) plans if you qualify for the 15-year rule explained in Pub. 571). Deferrals under code G are limited to \$19,500. Deferrals under code H are limited to \$7,000. However, if you were at least age 50 in 2020, your employer may have allowed an additional deferral of up to \$6,500 (\$3,000 for section 401(k)(11) and 408(p) SIMPLE plans). This additional deferral amount is not subject to the overall limit on elective deferrals. For code G, the limit on elective deferrals may be higher for the last 3 years before you reach retirement age. Contact your plan administrator for more information. Amounts in excess of the overall elective deferral limit must be included in income. See the Instructions for Forms 1040 and 1040-SR.

Note: If a year follows code D through H, S, Y, AA, BB, or EE, you made a make-up pension contribution for a prior year(s) when you were in military service. To figure whether you made excess deferrals, consider these amounts for the year shown, not the current year. If no year is shown, the contributions are for the current year.

A — Uncollected social security or RRTA tax on tips. Include this tax on Form 1040 or 1040-SR. See the Instructions for Forms 1040 and 1040-SR.

B — Uncollected Medicare tax on tips. Include this tax on Form 1040 or 1040-SR. See the Instructions for Forms 1040 and 1040-SR.

C — Taxable cost of group-term life insurance over \$50,000 (included in boxes 1, 3 (up to social security wage base), and 5)

D — Elective deferrals to a section 401(k) cash or deferred arrangement. Also includes deferrals under a SIMPLE retirement account that is part of a section 401(k) arrangement.

E — Elective deferrals under a section 403(b) salary reduction agreement

F — Elective deferrals under a section 408(k)(6) salary reduction SEP

G — Elective deferrals and employer contributions (including nonselective deferrals) to a section 457(b) deferred compensation plan

H — Elective deferrals to a section 501(c)(18)(D) tax-exempt organization plan. See the Instructions for Forms 1040 and 1040-SR for how to deduct.

J — Nontaxable sick pay (information only, not included in boxes 1, 3, or 5)

K — 20% excise tax on excess golden parachute payments. See the Instructions for Forms 1040 and 1040-SR.

L — Substantiated employee business expense reimbursements (nontaxable)

M — Uncollected social security or RRTA tax on taxable cost of group-term life insurance over \$50,000 (former employees only). See the Instructions for Forms 1040 and 1040-SR.

N — Uncollected Medicare tax on taxable cost of group-term life insurance over \$50,000 (former employees only). See the Instructions for Forms 1040 and 1040-SR.

P — Excludable moving expense reimbursements paid directly to a member of the U.S. Armed Forces (not included in box 1, 3, or 5)

Q — Nontaxable combat pay. See the Instructions for Forms 1040 and 1040-SR for details on reporting this amount.

R — Employer contributions to your Archer MSA. Report on Form 8853, Archer MSAs and Long-Term Care Insurance Contracts.

S — Employee salary reduction contributions under a section 408(p) SIMPLE Plan (not included in box 1)

T — Adoption benefits (not included in box 1). Complete Form 8839, Qualified Adoption Expenses, to compute any taxable and nontaxable amounts.

V — Income from exercise of nonstatutory stock option(s) (included in boxes 1, 3 (up to social security wage base), and 5). See Pub. 525, Taxable and Nontaxable Income, for reporting requirements.

W — Employer contributions (including amounts the employee elected to contribute using a section 125 (cafeteria) plan) to your health savings account. Report on Form 8889, Health Savings Accounts (HSAs).

Y — Deferrals under a section 409A nonqualified deferred compensation plan.

Z — Income under a nonqualified deferred compensation plan that fails to satisfy section 409A. This amount is also included in box 1. It is subject to an additional 20% tax plus interest. See the Instructions for Forms 1040 and 1040-SR.

AA — Designated Roth contributions under a section 401(k) plan

BB — Designated Roth contributions under a section 403(b) plan

DD — Cost of employer-sponsored health coverage. **The amount reported with Code DD is not taxable.**

EE — Designated Roth contributions under a governmental section 457(b) plan. This amount does not apply to contributions under a tax-exempt organization section 457(b) plan.

FF — Permitted benefits under a qualified small employer health reimbursement arrangement.

GG — Income from qualified equity grants under section 83(i)

HH — Aggregate deferrals under section 83(j) elections as of the close of the calendar year

Box 13. If the Retirement plan box is checked, special limits may apply to the amount of traditional IRA contributions you may deduct. See Pub. 590-A, Contributions to Individual Retirement Arrangements (IRAs).

Box 14. Employers may use this box to report information such as state disability insurance taxes withheld, union dues, uniform payments, health insurance premiums deducted, nontaxable income, educational assistance payments, or a member of the clergy's parsonage allowance and utilities. Railroad employers use this box to report railroad retirement (RRTA) compensation, Tier 1 tax, Tier 2 tax, Medicare tax, and Additional Medicare Tax. Include tips reported by the employee to the employer in railroad retirement (RRTA) compensation.

Note: Keep Copy C of Form W-2 for at least 3 years after the due date for filing your income tax return. However, to help protect your social security benefits, keep Copy C until you begin receiving social security benefits, just in case there is a question about your work record and/or earnings in a particular year.

Notice to Employee

Do you have to file? Refer to the Instructions for Forms 1040 and 1040-SR to determine if you are required to file a tax return. Even if you don't have to file a tax return, you may be eligible for a refund if box 2 shows an amount or if you are eligible for any credit.

Earned income credit (EIC). You may be able to take the EIC for 2020 if your adjusted gross income (AGI) is less than a certain amount. The amount of the credit is based on income and family size. Workers without children could qualify for a smaller credit. You and any qualifying children must have valid social security numbers (SSNs). You can't take the EIC if your investment income is more than the specified amount for 2020 or if income is earned for services provided while you were an inmate at a penal institution. For 2020 income limits and more information, visit www.irs.gov/EITC. See also Pub. 596, Earned Income Credit. **Any EIC that is more than your tax liability is refunded to you, but only if you file a tax return.**

Clergy and religious workers. If you aren't subject to social security and Medicare taxes, see Pub. 517, Social Security and Other Information for Members of the Clergy and Religious Workers. **Corrections.** If your name, SSN, or address is incorrect, correct Copies B, C, and 2 and ask your employer to correct your employment record. Be sure to ask the employer to file Form W-2c, Corrected Wage and Tax Statement, with the Social Security Administration (SSA)

to correct any name, SSN, or money amount error reported to the SSA on Form W-2. Be sure to get your copies of Form W-2c from your employer for all corrections made so you may file them with your tax return. If your name and SSN are correct but aren't the same as shown on your social security card, you should ask for a new card that displays your correct name at any SSA office or by calling 800-772-1213. You may also visit the SSA website at www.SSA.gov.

Cost of employer-sponsored health coverage (if such cost is provided by the employer). The reporting in Box 12, using Code DD, of the cost of employer-sponsored health coverage is for your information only. **The amount reported with Code DD is not taxable.**

Credit for excess taxes. If you had more than one employer in 2020 and more than \$8,537.40 in social security and/or Tier 1 railroad retirement (RRTA) taxes were withheld, you may be able to claim a credit for the excess against your federal income tax. If you had more than one railroad employer and more than \$5,012.70 in Tier 2 RRTA tax was withheld, you may also be able to claim a credit. See the Instructions for Forms 1040 and 1040-SR and Pub. 505, Tax Withholding and Estimated Tax.

1 (Also see Instructions for Employee.)

Filing Status ☐ Single ☒ Married filing jointly ☐ Married filing separately (MFS) ☐ Head of household (HOH) ☐ Qualifying widow(er) (QW)
 Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent ▶

Your first name and middle initial John		Last name Homeowner		Your social security number XXX-XX-XXXX	
If joint return, spouse's first name and middle initial Mary		Last name Homeowner		Spouse's social security number XXX-XX-XXXX	
Home address (number and street). If you have a P.O. box, see instructions. 7 Galloping Hill Road				Apt. no.	
City, town, or post office. If you have a foreign address, also complete spaces below. Colts Neck			State NJ	ZIP code 07708	
Foreign country name		Foreign province/state/county		Foreign postal code	
Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund. <input type="checkbox"/> You <input type="checkbox"/> Spouse					

At any time during 2020, did you receive, sell, send, exchange, or otherwise acquire any financial interest in any virtual currency? ☐ Yes ☒ No

Standard Deduction **Someone can claim:** ☐ You as a dependent ☐ Your spouse as a dependent
☐ Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness **You:** ☐ Were born before January 2, 1956 ☐ Are blind **Spouse:** ☐ Was born before January 2, 1956 ☐ Is blind

Dependents (see instructions):		(2) Social security number	(3) Relationship to you	(4) <input checked="" type="checkbox"/> If qualifies for (see instructions):	
(1) First name	Last name			Child tax credit	Credit for other dependents
If more than four dependents, see instructions and check here ▶ <input type="checkbox"/>				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>

Attach Sch. B if required.	1	Wages, salaries, tips, etc. Attach Form(s) W-2	1	63,400.
	2a	Tax-exempt interest	2b	1,568.
Standard Deduction for— • Single or Married filing separately, \$12,400 • Married filing jointly or Qualifying widow(er), \$24,800 • Head of household, \$18,650 • If you checked any box under Standard Deduction, see instructions.	3a	Qualified dividends	3b	
	4a	IRA distributions	4b	
	5a	Pensions and annuities	5b	
	6a	Social security benefits	6b	
	7	Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ <input type="checkbox"/>	7	-3,000.
	8	Other income from Schedule 1, line 9	8	57,267.
	9	Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income ▶	9	119,235.
	10	Adjustments to income:		
	a	From Schedule 1, line 22	10a	4,741.
	b	Charitable contributions if you take the standard deduction. See instructions	10b	
	c	Add lines 10a and 10b. These are your total adjustments to income ▶	10c	4,741.
	11	Subtract line 10c from line 9. This is your adjusted gross income ▶	11	114,494.
	12	Standard deduction or itemized deductions (from Schedule A)	12	40,503.
	13	Qualified business income deduction. Attach Form 8995 or Form 8995-A	13	10,384.
	14	Add lines 12 and 13	14	50,887.
	15	Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-	15	63,607.

16	Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/> _____	16	7,240.
17	Amount from Schedule 2, line 3	17	0.
18	Add lines 16 and 17	18	7,240.
19	Child tax credit or credit for other dependents	19	
20	Amount from Schedule 3, line 7	20	
21	Add lines 19 and 20	21	
22	Subtract line 21 from line 18. If zero or less, enter -0-	22	7,240.
23	Other taxes, including self-employment tax, from Schedule 2, line 10	23	9,481.
24	Add lines 22 and 23. This is your total tax	24	16,721.
25	Federal income tax withheld from:		
a	Form(s) W-2	25a	8,971.
b	Form(s) 1099	25b	
c	Other forms (see instructions)	25c	
d	Add lines 25a through 25c	25d	8,971.
26	2020 estimated tax payments and amount applied from 2019 return	26	
27	Earned income credit (EIC) No	27	
28	Additional child tax credit. Attach Schedule 8812	28	
29	American opportunity credit from Form 8863, line 8	29	
30	Recovery rebate credit. See instructions	30	3,600.
31	Amount from Schedule 3, line 13	31	11.
32	Add lines 27 through 31. These are your total other payments and refundable credits	32	3,611.
33	Add lines 25d, 26, and 32. These are your total payments	33	12,582.
Refund	34 If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you overpaid	34	
	35a Amount of line 34 you want refunded to you . If Form 8888 is attached, check here <input type="checkbox"/>	35a	
Direct deposit? See instructions.	b Routing number <u>XXXX XXXX XXXX XXXX</u> c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
	d Account number <u>XXXXXXXXXXXXXXXXXXXX</u>		
	36 Amount of line 34 you want applied to your 2021 estimated tax	36	
Amount You Owe	37 Subtract line 33 from line 24. This is the amount you owe now	37	4,139.
For details on how to pay, see instructions.	Note: Schedule H and Schedule SE filers, line 37 may not represent all of the taxes you owe for 2020. See Schedule 3, line 12e, and its instructions for details.		
	38 Estimated tax penalty (see instructions)	38	
Third Party Designee	Do you want to allow another person to discuss this return with the IRS? See instructions <input type="checkbox"/> Yes. Complete below. <input checked="" type="checkbox"/> No		
	Designee's name <input type="text"/>	Phone no. <input type="text"/>	Personal identification number (PIN) <input type="text"/>
Sign Here	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.		
	Your signature <input type="text"/>	Date <input type="text"/>	Your occupation <input type="text"/>
	Spouse's signature. If a joint return, both must sign. <input type="text"/>	Date <input type="text"/>	Spouse's occupation <input type="text"/>
			owner
			owner
	Phone no. <input type="text"/>	Email address <input type="text"/>	
Paid Preparer Use Only	Preparer's name <input type="text"/>	Preparer's signature <input type="text"/>	Date <input type="text"/>
	Firm's name <input type="text"/>	PTIN <input type="text"/>	Check if: <input type="checkbox"/> Self-employed
	Firm's address <input type="text"/>	Phone no. <input type="text"/>	
		Firm's EIN <input type="text"/>	

SCHEDULE 1
(Form 1040)

Department of the Treasury
Internal Revenue Service

Additional Income and Adjustments to Income

▶ Attach to Form 1040, 1040-SR, or 1040-NR.
▶ Go to www.irs.gov/Form1040 for instructions and the latest information.

OMB No. 1545-0074

2020
Attachment
Sequence No. **01**

Name(s) shown on Form 1040, 1040-SR, or 1040-NR

John & Mary Homeowner

Your social security number

XXX-XX-XXXX

Part I Additional Income

1	Taxable refunds, credits, or offsets of state and local income taxes	1	
2a	Alimony received	2a	
b	Date of original divorce or separation agreement (see instructions) ▶		
3	Business income or (loss). Attach Schedule C	3	67,105.
4	Other gains or (losses). Attach Form 4797	4	
5	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	5	-9,838.
6	Farm income or (loss). Attach Schedule F	6	
7	Unemployment compensation	7	
8	Other income. List type and amount ▶	8	
9	Combine lines 1 through 8. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 8	9	57,267.

Part II Adjustments to Income

10	Educator expenses	10	
11	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106	11	
12	Health savings account deduction. Attach Form 8889	12	
13	Moving expenses for members of the Armed Forces. Attach Form 3903	13	
14	Deductible part of self-employment tax. Attach Schedule SE	14	4,741.
15	Self-employed SEP, SIMPLE, and qualified plans	15	
16	Self-employed health insurance deduction	16	
17	Penalty on early withdrawal of savings	17	
18a	Alimony paid	18a	
b	Recipient's SSN ▶		
c	Date of original divorce or separation agreement (see instructions) ▶		
19	IRA deduction	19	
20	Student loan interest deduction	20	
21	Tuition and fees deduction. Attach Form 8917	21	
22	Add lines 10 through 21. These are your adjustments to income . Enter here and on Form 1040, 1040-SR, or 1040-NR, line 10a	22	4,741.

For Paperwork Reduction Act Notice, see your tax return instructions.

BAA

REV 02/15/21 TTW

Schedule 1 (Form 1040) 2020

SCHEDULE A
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Itemized Deductions

► Go to www.irs.gov/ScheduleA for instructions and the latest information.
► Attach to Form 1040 or 1040-SR.

Caution: If you are claiming a net qualified disaster loss on Form 4684, see the instructions for line 16.

OMB No. 1545-0074

2020

Attachment
Sequence No. **07**

Name(s) shown on Form 1040 or 1040-SR

John & Mary Homeowner

Your social security number

XXX-XX-XXXX

**Medical
and
Dental
Expenses**

Caution: Do not include expenses reimbursed or paid by others.

- 1** Medical and dental expenses (see instructions) **1** 0.
- 2** Enter amount from Form 1040 or 1040-SR, line 11 **2** 114,494.
- 3** Multiply line 2 by 7.5% (0.075) **3** 8,587.
- 4** Subtract line 3 from line 1. If line 3 is more than line 1, enter -0- **4**

**Taxes You
Paid**

- 5** State and local taxes.
- a** State and local income taxes or general sales taxes. You may include either income taxes or general sales taxes on line 5a, but not both. If you elect to include general sales taxes instead of income taxes, check this box ☐ **5a** 4,647.
- b** State and local real estate taxes (see instructions) **5b** 16,271.
- c** State and local personal property taxes **5c**
- d** Add lines 5a through 5c **5d** 20,918.
- e** Enter the smaller of line 5d or \$10,000 (\$5,000 if married filing separately) **5e** 10,000.
- 6** Other taxes. List type and amount ► **6**
- 7** Add lines 5e and 6 **7** 10,000.

**Interest
You Paid**

Caution: Your mortgage interest deduction may be limited (see instructions).

- 8** Home mortgage interest and points. If you didn't use all of your home mortgage loan(s) to buy, build, or improve your home, see instructions and check this box ☐
- a** Home mortgage interest and points reported to you on Form 1098. See instructions if limited **8a** 24,720.
- b** Home mortgage interest not reported to you on Form 1098. See instructions if limited. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying no., and address **8b**
- c** Points not reported to you on Form 1098. See instructions for special rules **8c**
- d** Mortgage insurance premiums (see instructions) **8d**
- e** Add lines 8a through 8d **8e** 24,720.
- 9** Investment interest. Attach Form 4952 if required. See instructions . **9**
- 10** Add lines 8e and 9 **10** 24,720.

**Gifts to
Charity**

Caution: If you made a gift and got a benefit for it, see instructions.

- 11** Gifts by cash or check. If you made any gift of \$250 or more, see instructions **11** 5,783.
- 12** Other than by cash or check. If you made any gift of \$250 or more, see instructions. You **must** attach Form 8283 if over \$500. **12**
- 13** Carryover from prior year **13**
- 14** Add lines 11 through 13 **14** 5,783.

**Casualty and
Theft Losses**

- 15** Casualty and theft loss(es) from a federally declared disaster (other than net qualified disaster losses). Attach Form 4684 and enter the amount from line 18 of that form. See instructions **15**

**Other
Itemized
Deductions**

- 16** Other—from list in instructions. List type and amount ► **16**

**Total
Itemized
Deductions**

- 17** Add the amounts in the far right column for lines 4 through 16. Also, enter this amount on Form 1040 or 1040-SR, line 12 **17** 40,503.
- 18** If you elect to itemize deductions even though they are less than your standard deduction, check this box ☐

SCHEDULE B
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Interest and Ordinary Dividends

► Go to www.irs.gov/ScheduleB for instructions and the latest information.
► Attach to Form 1040 or 1040-SR.

OMB No. 1545-0074

2020
Attachment
Sequence No. **08**

Name(s) shown on return

John & Mary Homeowner

Your social security number

XXX-XX-XXXX

Part I

Interest

(See instructions and the instructions for Forms 1040 and 1040-SR, line 2b.)

Note: If you received a Form 1099-INT, Form 1099-OID, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

- 1** List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see the instructions and list this interest first. Also, show that buyer's social security number and address ►

Community Bank

American Credit Union

Designing the Future, Inc

Amount

786.

780.

2.

1

- 2** Add the amounts on line 1

- 3** Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815

- 4** Subtract line 3 from line 2. Enter the result here and on Form 1040 or 1040-SR, line 2b ►

1,568.

1,568.

Note: If line 4 is over \$1,500, you must complete Part III.

Amount

Part II

Ordinary Dividends

(See instructions and the instructions for Forms 1040 and 1040-SR, line 3b.)

Note: If you received a Form 1099-DIV or substitute statement from a brokerage firm, list the firm's name as the payer and enter the ordinary dividends shown on that form.

- 5** List name of payer ►

- 6** Add the amounts on line 5. Enter the total here and on Form 1040 or 1040-SR, line 3b ►

5

6

Note: If line 6 is over \$1,500, you must complete Part III.

Part III

Foreign Accounts and Trusts

Caution: If required, failure to file FinCEN Form 114 may result in substantial penalties. See instructions.

You must complete this part if you **(a)** had over \$1,500 of taxable interest or ordinary dividends; **(b)** had a foreign account; or **(c)** received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

- 7a** At any time during 2020, did you have a financial interest in or signature authority over a financial account (such as a bank account, securities account, or brokerage account) located in a foreign country? See instructions

If "Yes," are you required to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR), to report that financial interest or signature authority? See FinCEN Form 114 and its instructions for filing requirements and exceptions to those requirements

- b** If you are required to file FinCEN Form 114, enter the name of the foreign country where the financial account is located ►

- 8** During 2020, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See instructions

Yes No

X

X

SCHEDULE C
(Form 1040)

Profit or Loss From Business
(Sole Proprietorship)

OMB No. 1545-0074

2020
Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service (99)

Go to www.irs.gov/ScheduleC for instructions and the latest information.

Attach to Form 1040, 1040-SR, 1040-NR, or 1041; partnerships generally must file Form 1065.

Name of proprietor John Homeowner		Social security number (SSN) XXX-XX-XXXX
A Principal business or profession, including product or service (see instructions) Photographer	B Enter code from instructions 5 6 1 6 0 0	
C Business name. If no separate business name, leave blank. Impressive Images	D Employer ID number (EIN) (see instr.) 	
E Business address (including suite or room no.) 7 Galloping Hill Road City, town or post office, state, and ZIP code Colts Neck, NJ 07708		
F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) 		
G Did you "materially participate" in the operation of this business during 2020? If "No," see instructions for limit on losses <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
H If you started or acquired this business during 2020, check here <input type="checkbox"/>		
I Did you make any payments in 2020 that would require you to file Form(s) 1099? See instructions <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
J If "Yes," did you or will you file required Form(s) 1099? <input type="checkbox"/> Yes <input type="checkbox"/> No		

Part I Income

1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked <input type="checkbox"/>	1	157,866.
2 Returns and allowances	2	
3 Subtract line 2 from line 1	3	157,866.
4 Cost of goods sold (from line 42)	4	
5 Gross profit. Subtract line 4 from line 3	5	157,866.
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	6,755.
7 Gross income. Add lines 5 and 6	7	164,621.

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8 Advertising	8	10,877.	18 Office expense (see instructions)	18	
9 Car and truck expenses (see instructions)	9	18,964.	19 Pension and profit-sharing plans	19	
10 Commissions and fees	10		20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11		a Vehicles, machinery, and equipment	20a	
12 Depletion	12		b Other business property	20b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	4,829.	21 Repairs and maintenance	21	
14 Employee benefit programs (other than on line 19)	14		22 Supplies (not included in Part III)	22	6,690.
15 Insurance (other than health)	15		23 Taxes and licenses	23	
16 Interest (see instructions):			24 Travel and meals:		
a Mortgage (paid to banks, etc.)	16a		a Travel	24a	1,200.
b Other	16b		b Deductible meals (see instructions)	24b	2,327.
17 Legal and professional services	17	2,211.	25 Utilities	25	7,211.
			26 Wages (less employment credits)	26	
			27a Other expenses (from line 48)	27a	22,356.
			b Reserved for future use	27b	
28 Total expenses before expenses for business use of home. Add lines 8 through 27a	28	76,665.			
29 Tentative profit or (loss). Subtract line 28 from line 7	29	87,956.			
30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method. See instructions. Simplified method filers only: Enter the total square footage of (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30	30	20,851.			
31 Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Schedule 1 (Form 1040), line 3 , and on Schedule SE, line 2 . (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3 . • If a loss, you must go to line 32.	31	67,105.			
32 If you have a loss, check the box that describes your investment in this activity. See instructions. • If you checked 32a, enter the loss on both Schedule 1 (Form 1040), line 3 , and on Schedule SE, line 2 . (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3 . • If you checked 32b, you must attach Form 6198 . Your loss may be limited.					

32a ☐ All investment is at risk.
32b ☐ Some investment is not at risk.

Part III Cost of Goods Sold (see instructions)

33	Method(s) used to value closing inventory: a <input type="checkbox"/> Cost b <input type="checkbox"/> Lower of cost or market c <input type="checkbox"/> Other (attach explanation)	
34	Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation	<input type="checkbox"/> Yes <input type="checkbox"/> No
35	Inventory at beginning of year. If different from last year's closing inventory, attach explanation	35
36	Purchases less cost of items withdrawn for personal use	36
37	Cost of labor. Do not include any amounts paid to yourself	37
38	Materials and supplies	38
39	Other costs	39
40	Add lines 35 through 39	40
41	Inventory at end of year	41
42	Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on line 4	42

Part IV Information on Your Vehicle. Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43	When did you place your vehicle in service for business purposes? (month/day/year) ▶	
44	Of the total number of miles you drove your vehicle during 2020, enter the number of miles you used your vehicle for:	
a	Business	b Commuting (see instructions)
c	Other	
45	Was your vehicle available for personal use during off-duty hours?	<input type="checkbox"/> Yes <input type="checkbox"/> No
46	Do you (or your spouse) have another vehicle available for personal use?	<input type="checkbox"/> Yes <input type="checkbox"/> No
47a	Do you have evidence to support your deduction?	<input type="checkbox"/> Yes <input type="checkbox"/> No
b	If "Yes," is the evidence written?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Part V Other Expenses. List below business expenses not included on lines 8–26 or line 30.

Shipping & Postage	4,399.
Outside Services	15,000.
Amortization	2,007.
Printing	150.
Casualty Loss/Theft Claim	800.
48 Total other expenses. Enter here and on line 27a	48 22,356.

SCHEDULE D
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Capital Gains and Losses

- ▶ Attach to Form 1040, 1040-SR, or 1040-NR.
▶ Go to www.irs.gov/ScheduleD for instructions and the latest information.
▶ Use Form 8949 to list your transactions for lines 1b, 2, 3, 8b, 9, and 10.

OMB No. 1545-0074

2020

Attachment
Sequence No. **12**

Name(s) shown on return

John & Mary Homeowner

Your social security number

XXX-XX-XXXX

Did you dispose of any investment(s) in a qualified opportunity fund during the tax year? ☐ Yes ☐ No

If "Yes," attach Form 8949 and see its instructions for additional requirements for reporting your gain or loss.

Part I Short-Term Capital Gains and Losses—Generally Assets Held One Year or Less (see instructions)

See instructions for how to figure the amounts to enter on the lines below.

This form may be easier to complete if you round off cents to whole dollars.

	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part I, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
1a Totals for all short-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 1b				
1b Totals for all transactions reported on Form(s) 8949 with Box A checked				
2 Totals for all transactions reported on Form(s) 8949 with Box B checked				
3 Totals for all transactions reported on Form(s) 8949 with Box C checked				
4 Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824				4
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				5
6 Short-term capital loss carryover. Enter the amount, if any, from line 8 of your Capital Loss Carryover Worksheet in the instructions				6 (7,554.)
7 Net short-term capital gain or (loss). Combine lines 1a through 6 in column (h). If you have any long-term capital gains or losses, go to Part II below. Otherwise, go to Part III on the back				7 -7,554.

Part II Long-Term Capital Gains and Losses—Generally Assets Held More Than One Year (see instructions)

See instructions for how to figure the amounts to enter on the lines below.

This form may be easier to complete if you round off cents to whole dollars.

	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part II, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
8a Totals for all long-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 8b				
8b Totals for all transactions reported on Form(s) 8949 with Box D checked				
9 Totals for all transactions reported on Form(s) 8949 with Box E checked				
10 Totals for all transactions reported on Form(s) 8949 with Box F checked				
11 Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824				11
12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				12
13 Capital gain distributions. See the instructions				13
14 Long-term capital loss carryover. Enter the amount, if any, from line 13 of your Capital Loss Carryover Worksheet in the instructions				14 ()
15 Net long-term capital gain or (loss). Combine lines 8a through 14 in column (h). Then, go to Part III on the back				15

For Paperwork Reduction Act Notice, see your tax return instructions.

BAA REV 02/15/21 TTW

Schedule D (Form 1040) 2020

Part III Summary

16 Combine lines 7 and 15 and enter the result	16	-7,554.
<ul style="list-style-type: none"> • If line 16 is a gain, enter the amount from line 16 on Form 1040, 1040-SR, or 1040-NR, line 7. Then, go to line 17 below. • If line 16 is a loss, skip lines 17 through 20 below. Then, go to line 21. Also be sure to complete line 22. • If line 16 is zero, skip lines 17 through 21 below and enter -0- on Form 1040, 1040-SR, or 1040-NR, line 7. Then, go to line 22. 		
17 Are lines 15 and 16 both gains? <input type="checkbox"/> Yes. Go to line 18. <input type="checkbox"/> No. Skip lines 18 through 21, and go to line 22.		
18 If you are required to complete the 28% Rate Gain Worksheet (see instructions), enter the amount, if any, from line 7 of that worksheet	18	
19 If you are required to complete the Unrecaptured Section 1250 Gain Worksheet (see instructions), enter the amount, if any, from line 18 of that worksheet	19	
20 Are lines 18 and 19 both zero or blank and are you not filing Form 4952? <input type="checkbox"/> Yes. Complete the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Forms 1040 and 1040-SR, line 16. Don't complete lines 21 and 22 below. <input type="checkbox"/> No. Complete the Schedule D Tax Worksheet in the instructions. Don't complete lines 21 and 22 below.		
21 If line 16 is a loss, enter here and on Form 1040, 1040-SR, or 1040-NR, line 7, the smaller of: <ul style="list-style-type: none"> • The loss on line 16; or • (\$3,000), or if married filing separately, (\$1,500) 	21	(3,000.)
Note: When figuring which amount is smaller, treat both amounts as positive numbers.		
22 Do you have qualified dividends on Form 1040, 1040-SR, or 1040-NR, line 3a? <input type="checkbox"/> Yes. Complete the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Forms 1040 and 1040-SR, line 16. <input checked="" type="checkbox"/> No. Complete the rest of Form 1040, 1040-SR, or 1040-NR.		

SCHEDULE E
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Supplemental Income and Loss

(From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)

▶ Attach to Form 1040, 1040-SR, 1040-NR, or 1041.

▶ Go to www.irs.gov/ScheduleE for instructions and the latest information.

OMB No. 1545-0074

2020

Attachment
Sequence No. **13**

Name(s) shown on return

John & Mary Homeowner

Your social security number

XXX-XX-XXXX

Part I **Income or Loss From Rental Real Estate and Royalties** **Note:** If you are in the business of renting personal property, use **Schedule C**. See instructions. If you are an individual, report farm rental income or loss from **Form 4835** on page 2, line 40.

A Did you make any payments in 2020 that would require you to file Form(s) 1099? See instructions ☐ Yes ☒ No

B If "Yes," did you or will you file required Form(s) 1099? ☐ Yes ☐ No

1a Physical address of each property (street, city, state, ZIP code)

A 234C Condo Court Sea Bright NJ 07772

B

C

1b	Type of Property (from list below)	2	Fair Rental Days	Personal Use Days	QJV
A	1	For each rental real estate property listed above, report the number of fair rental and personal use days. Check the QJV box only if you meet the requirements to file as a qualified joint venture. See instructions.	366	0	<input type="checkbox"/>
B					<input type="checkbox"/>
C					<input type="checkbox"/>

Type of Property:

- 1 Single Family Residence 3 Vacation/Short-Term Rental 5 Land 7 Self-Rental
2 Multi-Family Residence 4 Commercial 6 Royalties 8 Other (describe)

Income:	Properties:	A	B	C
3 Rents received	3	35,440.		
4 Royalties received	4			
Expenses:				
5 Advertising	5			
6 Auto and travel (see instructions)	6			
7 Cleaning and maintenance	7	1,980.		
8 Commissions.	8			
9 Insurance	9	2,299.		
10 Legal and other professional fees	10	550.		
11 Management fees	11	850.		
12 Mortgage interest paid to banks, etc. (see instructions)	12	7,996.		
13 Other interest.	13			
14 Repairs.	14	4,500.		
15 Supplies	15	2,199.		
16 Taxes	16	11,211.		
17 Utilities.	17	2,697.		
18 Depreciation expense or depletion	18	7,127.		
19 Other (list) ▶ Association Dues	19	1,800.		
20 Total expenses. Add lines 5 through 19	20	43,209.		
21 Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6198	21	-7,769.		
22 Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)	22	(-10,255.)		
23a Total of all amounts reported on line 3 for all rental properties	23a	35,440.		
b Total of all amounts reported on line 4 for all royalty properties	23b			
c Total of all amounts reported on line 12 for all properties	23c	7,996.		
d Total of all amounts reported on line 18 for all properties	23d	7,127.		
e Total of all amounts reported on line 20 for all properties	23e	43,209.		
24 Income. Add positive amounts shown on line 21. Do not include any losses	24			
25 Losses. Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here	25	(10,255.)		
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Schedule 1 (Form 1040), line 5. Otherwise, include this amount in the total on line 41 on page 2	26	-10,255.		

For Paperwork Reduction Act Notice, see the separate instructions.

Schedule E (Form 1040) 2020

Name(s) shown on return. Do not enter name and social security number if shown on other side.

John & Mary Homeowner

Your social security number

XXX-XX-XXXX

Caution: The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

Part II **Income or Loss From Partnerships and S Corporations** – **Note:** If you report a loss, receive a distribution, dispose of stock, or receive a loan repayment from an S corporation, you **must** check the box in column (e) on line 28 and attach the required basis computation. If you report a loss from an at-risk activity for which **any** amount is **not** at risk, you **must** check the box in column (f) on line 28 and attach **Form 6198**. See instructions.

27 Are you reporting any loss not allowed in a prior year due to the at-risk or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? If you answered "Yes," see instructions before completing this section. ☐ Yes ☒ No

28	(a) Name	(b) Enter P for partnership; S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if basis computation is required	(f) Check if any amount is not at risk
A	Light It Up, LLC	P	<input type="checkbox"/>	12-1234567	<input type="checkbox"/>	<input type="checkbox"/>
B	Designing the Future, Inc	S	<input type="checkbox"/>	33-1234567	<input type="checkbox"/>	<input type="checkbox"/>
C			<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
D			<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

Passive Income and Loss			Nonpassive Income and Loss		
(g) Passive loss allowed (attach Form 8582 if required)	(h) Passive income from Schedule K-1	(i) Nonpassive loss allowed (see Schedule K-1)	(j) Section 179 expense deduction from Form 4562	(k) Nonpassive income from Schedule K-1	
A		3,954.			
B			9,732.	14,103.	
C					
D					
29a Totals				14,103.	
b Totals		3,954.	9,732.		
30 Add columns (h) and (k) of line 29a.			30	14,103.	
31 Add columns (g), (i), and (j) of line 29b.			31	(13,686.)	
32 Total partnership and S corporation income or (loss). Combine lines 30 and 31			32	417.	

Part III **Income or Loss From Estates and Trusts**

33	(a) Name	(b) Employer identification number
A		
B		

Passive Income and Loss			Nonpassive Income and Loss	
(c) Passive deduction or loss allowed (attach Form 8582 if required)	(d) Passive income from Schedule K-1	(e) Deduction or loss from Schedule K-1	(f) Other income from Schedule K-1	
A				
B				
34a Totals				
b Totals				
35 Add columns (d) and (f) of line 34a			35	
36 Add columns (c) and (e) of line 34b			36	()
37 Total estate and trust income or (loss). Combine lines 35 and 36			37	

Part IV **Income or Loss From Real Estate Mortgage Investment Conduits (REMICs) – Residual Holder**

38	(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c (see instructions)	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b
39	Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below				39

Part V **Summary**

40	Net farm rental income or (loss) from Form 4835. Also, complete line 42 below	40	
41	Total income or (loss). Combine lines 26, 32, 37, 39, and 40. Enter the result here and on Schedule 1 (Form 1040), line 5▶	41	-9,838.
42	Reconciliation of farming and fishing income. Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120-S), box 17, code AD; and Schedule K-1 (Form 1041), box 14, code F. See instructions.	42	
43	Reconciliation for real estate professionals. If you were a real estate professional (see instructions), enter the net income or (loss) you reported anywhere on Form 1040, Form 1040-SR, or Form 1040-NR from all rental real estate activities in which you materially participated under the passive activity loss rules	43	

Expenses for Business Use of Your Home

► **File only with Schedule C (Form 1040). Use a separate Form 8829 for each home you used for business during the year.**
 ► **Go to www.irs.gov/Form8829 for instructions and the latest information.**

OMB No. 1545-0074

2020Attachment
Sequence No. **176**

Name(s) of proprietor(s)

John Homeowner

Your social security number

XXX-XX-XXXX

Part I Part of Your Home Used for Business

Photographer

1	Area used regularly and exclusively for business, regularly for daycare, or for storage of inventory or product samples (see instructions)	1	725
2	Total area of home	2	4,200
3	Divide line 1 by line 2. Enter the result as a percentage	3	17.26 %
For daycare facilities not used exclusively for business, go to line 4. All others, go to line 7.			
4	Multiply days used for daycare during year by hours used per day	4	hr.
5	If you started or stopped using your home for daycare during the year, see instructions; otherwise, enter 8,784	5	8,784 hr.
6	Divide line 4 by line 5. Enter the result as a decimal amount	6	
7	Business percentage. For daycare facilities not used exclusively for business, multiply line 6 by line 3 (enter the result as a percentage). All others, enter the amount from line 3	7	17.26 %

Part II Figure Your Allowable Deduction

8	Enter the amount from Schedule C, line 29, plus any gain derived from the business use of your home, minus any loss from the trade or business not derived from the business use of your home. See instructions.	8	87,956.
See instructions for columns (a) and (b) before completing lines 9-22.			
		(a) Direct expenses	(b) Indirect expenses
9	Casualty losses (see instructions)	9	2,200.
10	Deductible mortgage interest (see instructions)	10	32,775.
11	Real estate taxes (see instructions)	11	19,665.
12	Add lines 9, 10, and 11	12	54,640.
13	Multiply line 12, column (b), by line 7	13	9,431.
14	Add line 12, column (a), and line 13	14	9,431.
15	Subtract line 14 from line 8. If zero or less, enter -0-	15	78,525.
16	Excess mortgage interest (see instructions)	16	
17	Excess real estate taxes (see instructions)	17	
18	Insurance	18	2,244.
19	Rent	19	
20	Repairs and maintenance	20	4,788.
21	Utilities	21	600.
22	Other expenses (see instructions)	22	1,580.
23	Add lines 16 through 22	23	9,212.
24	Multiply line 23, column (b), by line 7	24	1,590.
25	Carryover of prior year operating expenses (see instructions)	25	3,488.
26	Add line 23, column (a), line 24, and line 25	26	5,078.
27	Allowable operating expenses. Enter the smaller of line 15 or line 26	27	5,078.
28	Limit on excess casualty losses and depreciation. Subtract line 27 from line 15	28	73,447.
29	Excess casualty losses (see instructions)	29	
30	Depreciation of your home from line 42 below	30	3,094.
31	Carryover of prior year excess casualty losses and depreciation (see instructions)	31	3,628.
32	Add lines 29 through 31	32	6,722.
33	Allowable excess casualty losses and depreciation. Enter the smaller of line 28 or line 32	33	6,722.
34	Add lines 14, 27, and 33	34	21,231.
35	Casualty loss portion, if any, from lines 14 and 33. Carry amount to Form 4684 . See instructions	35	380.
36	Allowable expenses for business use of your home. Subtract line 35 from line 34. Enter here and on Schedule C, line 30. If your home was used for more than one business, see instructions. ►	36	20,851.

Part III Depreciation of Your Home

37	Enter the smaller of your home's adjusted basis or its fair market value. See instructions	37	699,000.
38	Value of land included on line 37	38	
39	Basis of building. Subtract line 38 from line 37	39	699,000.
40	Business basis of building. Multiply line 39 by line 7	40	120,647.
41	Depreciation percentage (see instructions)	41	2.5641 %
42	Depreciation allowable (see instructions). Multiply line 40 by line 41. Enter here and on line 30 above	42	3,094.

Part IV Carryover of Unallowed Expenses to 2021

43	Operating expenses. Subtract line 27 from line 26. If less than zero, enter -0-	43	0.
44	Excess casualty losses and depreciation. Subtract line 33 from line 32. If less than zero, enter -0-	44	0.

Depreciation and Amortization
(Including Information on Listed Property)

OMB No. 1545-0172

Department of the Treasury
Internal Revenue Service (99)▶ Go to www.irs.gov/Form4562 for instructions and the latest information.**2020**Attachment
Sequence No. **179**

Name(s) shown on return

John & Mary Homeowner

Business or activity to which this form relates

Section 179 Summary

Identifying number

XXX-XX-XXXX

Part I Election To Expense Certain Property Under Section 179**Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	1,040,000.
2	Total cost of section 179 property placed in service (see instructions)	2	2,399.
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,590,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	0.
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	1,040,000.
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
	Camera lens	2,399.	2,399.
	from Schedule K-1		9,732.
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	12,131.
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	12,131.
10	Carryover of disallowed deduction from line 13 of your 2019 Form 4562	10	0.
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5. See instructions	11	143,053.
12	Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11	12	12,131.
13	Carryover of disallowed deduction to 2021. Add lines 9 and 10, less line 12 ▶	13	0.

Note: Don't use Part II or Part III below for listed property. Instead, use Part V.**Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property. See instructions.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year. See instructions.	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Don't include listed property. See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2020	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B—Assets Placed in Service During 2020 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			27.5 yrs.	MM	S/L	
			39 yrs.	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2020 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 30-year			30 yrs.	MM	S/L	
d 40-year			40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions	22	
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Depreciation and Amortization
(Including Information on Listed Property)

OMB No. 1545-0172

Department of the Treasury
Internal Revenue Service (99)▶ Go to www.irs.gov/Form4562 for instructions and the latest information.**2020**Attachment
Sequence No. **179**

Name(s) shown on return

John & Mary Homeowner

Business or activity to which this form relates

Sch C Photographer

Identifying number

XXX-XX-XXXX

Part I Election To Expense Certain Property Under Section 179**Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2019 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5. See instructions	11	
12	Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11	12	2,399.
13	Carryover of disallowed deduction to 2021. Add lines 9 and 10, less line 12 ▶	13	

Note: Don't use Part II or Part III below for listed property. Instead, use Part V.**Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property. See instructions.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year. See instructions.	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Don't include listed property. See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2020	17	5,524.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B—Assets Placed in Service During 2020 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	

Section C—Assets Placed in Service During 2020 Tax Year Using the Alternative Depreciation System

20a Class life						
b 12-year			12 yrs.		S/L	
c 30-year			30 yrs.	MM	S/L	
d 40-year			40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions	22	7,923.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, certain aircraft, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A—Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? ☒ **Yes** ☐ **No** **24b** If "Yes," is the evidence written? ☒ **Yes** ☐ **No**

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use. See instructions .							25	

26 Property used more than 50% in a qualified business use:

Range Rover	01/03/2015	61.47 %						
		%						
		%						

27 Property used 50% or less in a qualified business use:

		%			S/L -			
		%			S/L -			
		%			S/L -			

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 .

28

29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 .

29**Section B—Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
30 Total business/investment miles driven during the year (don't include commuting miles) .	8,244					
31 Total commuting miles driven during the year						
32 Total other personal (noncommuting) miles driven	5,167					
33 Total miles driven during the year. Add lines 30 through 32	13,411					
34 Was the vehicle available for personal use during off-duty hours?	Yes No	Yes No	Yes No	Yes No	Yes No	Yes No
35 Was the vehicle used primarily by a more than 5% owner or related person? . . .	X					
36 Is another vehicle available for personal use?	X					

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **aren't** more than 5% owners or related persons. See instructions.

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners . . .		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? See instructions.		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," don't complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2020 tax year (see instructions):					
43 Amortization of costs that began before your 2020 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report					44

**Schedule K-1
(Form 1065)**Department of the Treasury
Internal Revenue Service**2020**

For calendar year 2020, or tax year

beginning / / 2020 ending / / **Partner's Share of Income, Deductions,
Credits, etc.**

▶ See separate instructions.

Part I Information About the Partnership**A** Partnership's employer identification number

12-1234567

B Partnership's name, address, city, state, and ZIP codeLight It Up, LLC
350 Broad St
Red Bank, NJ 07755**C** IRS Center where partnership filed return ▶ e file**D** ☐ Check if this is a publicly traded partnership (PTP)**Part II Information About the Partner****E** Partner's SSN or TIN (Do not use TIN of a disregarded entity. See instructions.)

XXX-XX-XXXX

F Name, address, city, state, and ZIP code for partner entered in E. See instructions.Mary Homeowner
7 Galloping Hill Road, Colts Neck, NJ 07708**G** ☐ General partner or LLC member-manager ☒ Limited partner or other LLC member**H1** ☐ Domestic partner ☐ Foreign partner**H2** ☐ If the partner is a disregarded entity (DE), enter the partner's:

TIN _____ Name _____

I1 What type of entity is this partner? Individual**I2** If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here ☐**J** Partner's share of profit, loss, and capital (see instructions):

Beginning Ending

Profit 50.00000 % 50.00000 %

Loss 50.00000 % 50.00000 %

Capital 50.00000 % 50.00000 %

Check if decrease is due to sale or exchange of partnership interest ☐**K** Partner's share of liabilities:

Beginning

Ending

Nonrecourse \$ \$

Qualified nonrecourse financing \$ \$

Recourse \$ \$

☐ Check this box if Item K includes liability amounts from lower tier partnerships.**L Partner's Capital Account Analysis**

Beginning capital account \$ 54,191

Capital contributed during the year \$

Current year net income (loss) \$ -3,954

Other increase (decrease) (attach explanation) \$

Withdrawals & distributions \$ ()

Ending capital account \$ 50,237

M Did the partner contribute property with a built-in gain or loss?☐ Yes ☒ No If "Yes," attach statement. See instructions.**N** Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)

Beginning \$

Ending \$

☐ Final K-1☐ Amended K-1**Part III Partner's Share of Current Year Income,
Deductions, Credits, and Other Items**

1	Ordinary business income (loss)	15	Credits
	-3,954		
2	Net rental real estate income (loss)		
3	Other net rental income (loss)	16	Foreign transactions
4a	Guaranteed payments for services		
4b	Guaranteed payments for capital		
4c	Total guaranteed payments		
5	Interest income		
6a	Ordinary dividends		
6b	Qualified dividends		
6c	Dividend equivalents	17	Alternative minimum tax (AMT) items
7	Royalties	A	-118
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	18	Tax-exempt income and nondeductible expenses
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)		
11	Other income (loss)	19	Distributions
		20	Other information
12	Section 179 deduction		
13	Other deductions		
14	Self-employment earnings (loss)		
21	<input type="checkbox"/> More than one activity for at-risk purposes*		
22	<input type="checkbox"/> More than one activity for passive activity purposes*		
*See attached statement for additional information.			

For IRS Use Only

Form 1065 Department of the Treasury Internal Revenue Service	U.S. Return of Partnership Income For calendar year 2020, or tax year beginning _____, 2020, ending _____, 20____. ► Go to www.irs.gov/Form1065 for instructions and the latest information.	OMB No. 1545-0123 <div style="font-size: 2em; font-weight: bold;">2020</div>
A Principal business activity Retail B Principal product or service product C Business code number <div style="text-align: right;">123456</div>	<div style="display: flex;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg); font-weight: bold; margin-right: 5px;">Type or Print</div> <div> Name of partnership Light It Up, LLC Number, street, and room or suite no. If a P.O. box, see instructions. 350 Broad Street City or town, state or province, country, and ZIP or foreign postal code Red Bank, NJ 07755 </div> </div>	D Employer identification number <div style="text-align: right;">12-1234567</div> E Date business started <div style="text-align: right;">10/01/2015</div> F Total assets (see instructions) <div style="text-align: right;">\$ 45,206</div>
G Check applicable boxes: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change (5) <input type="checkbox"/> Amended return H Check accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) _____ I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ► 2 J Check if Schedules C and M-3 are attached _____ ► <input type="checkbox"/> K Check if partnership: (1) <input type="checkbox"/> Aggregated activities for section 465 at-risk purposes (2) <input type="checkbox"/> Grouped activities for section 469 passive activity purposes Caution: Include only trade or business income and expenses on lines 1a through 22 below. See instructions for more information.		
Income	1a Gross receipts or sales 1b Returns and allowances 1c Balance. Subtract line 1b from line 1a 2 Cost of goods sold (attach Form 1125-A) 3 Gross profit. Subtract line 2 from line 1c 4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement) 5 Net farm profit (loss) (attach Schedule F (Form 1040)) 6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797) 7 Other income (loss) (attach statement) 8 Total income (loss). Combine lines 3 through 7	<div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">753,953</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;"></div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">753,953</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">384,447</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">369,506</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;"></div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;"></div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">1,485</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">370,991</div>
Deductions (see instructions for limitations)	9 Salaries and wages (other than to partners) (less employment credits) 10 Guaranteed payments to partners 11 Repairs and maintenance 12 Bad debts 13 Rent 14 Taxes and licenses 15 Interest (see instructions) 16a Depreciation (if required, attach Form 4562) 16b Less depreciation reported on Form 1125-A and elsewhere on return 16c Less depreciation reported on Form 1125-A and elsewhere on return 17 Depletion (Do not deduct oil and gas depletion.) 18 Retirement plans, etc. 19 Employee benefit programs 20 Other deductions (attach statement) 21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20 22 Ordinary business income (loss). Subtract line 21 from line 8	<div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">220,414</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">1,815</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">46,795</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">18,780</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;"></div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">2,407</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">2,407</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">2,499</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;"></div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">86,190</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">378,900</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">-7,909</div>
Tax and Payment	23 Interest due under the look-back method—completed long-term contracts (attach Form 8697) 24 Interest due under the look-back method—income forecast method (attach Form 8866) 25 BBA AAR imputed underpayment (see instructions) 26 Other taxes (see instructions) 27 Total balance due. Add lines 23 through 26 28 Payment (see instructions) 29 Amount owed. If line 28 is smaller than line 27, enter amount owed 30 Overpayment. If line 28 is larger than line 27, enter overpayment	<div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;"></div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;"></div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;"></div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;"></div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;"></div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">0</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;"></div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">0</div>
Sign Here <div style="display: flex; justify-content: space-between;"> <div> Signature of partner or limited liability company member _____ </div> <div> Date _____ </div> </div>	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than partner or limited liability company member) is based on all information of which preparer has any knowledge. <div style="border: 1px solid black; padding: 5px; text-align: right;"> May the IRS discuss this return with the preparer shown below? See instructions. <input type="checkbox"/> Yes <input type="checkbox"/> No </div>	
Paid Preparer Use Only Print/Type preparer's name Tommy Saprano Firm's name ► Tommy's Tax Firm's address ► 120 Main Street, Hoboken, NJ 07718	Preparer's signature _____ Date _____	Check <input type="checkbox"/> if self-employed PTIN P12345678 Firm's EIN ► 22-1234567 Phone no. _____

Schedule B Other Information

1 What type of entity is filing this return? Check the applicable box:				Yes	No
a <input type="checkbox"/> Domestic general partnership	b <input type="checkbox"/> Domestic limited partnership				
c <input checked="" type="checkbox"/> Domestic limited liability company	d <input type="checkbox"/> Domestic limited liability partnership				
e <input type="checkbox"/> Foreign partnership	f <input type="checkbox"/> Other ▶				
2 At the end of the tax year:					
a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization, or any foreign government own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership					✓
b Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership				✓	
3 At the end of the tax year, did the partnership:					
a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below					✓
(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock		
b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below					✓
(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital	
4 Does the partnership satisfy all four of the following conditions?				Yes	No
a The partnership's total receipts for the tax year were less than \$250,000.					
b The partnership's total assets at the end of the tax year were less than \$1 million.					
c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.					
d The partnership is not filing and is not required to file Schedule M-3 If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; item F on page 1 of Form 1065; or item L on Schedule K-1.				✓	
5 Is this partnership a publicly traded partnership, as defined in section 469(k)(2)?					✓
6 During the tax year, did the partnership have any debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?					✓
7 Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?					✓
8 At any time during calendar year 2020, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). If "Yes," enter the name of the foreign country ▶					✓
9 At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions					✓
10a Is the partnership making, or had it previously made (and not revoked), a section 754 election? See instructions for details regarding a section 754 election.					✓
b Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions					✓

Schedule B Other Information (continued)

	Yes	No
c Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions		✓
11 Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than disregarded entities wholly owned by the partnership throughout the tax year) <input type="checkbox"/>		
12 At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?		✓
13 If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities (FDEs) and Foreign Branches (FBs), enter the number of Forms 8858 attached. See instructions ▶		
14 Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership ▶		✓
15 Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return ▶		
16a Did you make any payments in 2020 that would require you to file Form(s) 1099? See instructions		✓
b If "Yes," did you or will you file required Form(s) 1099?		✓
17 Enter the number of Forms 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations, attached to this return ▶		
18 Enter the number of partners that are foreign governments under section 892 ▶		
19 During the partnership's tax year, did the partnership make any payments that would require it to file Form 1042 and 1042-S under chapter 3 (sections 1441 through 1464) or chapter 4 (sections 1471 through 1474)?		✓
20 Was the partnership a specified domestic entity required to file Form 8938 for the tax year? See the Instructions for Form 8938		✓
21 Is the partnership a section 721(c) partnership, as defined in Regulations section 1.721(c)-1(b)(14)?		✓
22 During the tax year, did the partnership pay or accrue any interest or royalty for which one or more partners are not allowed a deduction under section 267A? See instructions If "Yes," enter the total amount of the disallowed deductions ▶ \$		✓
23 Did the partnership have an election under section 163(j) for any real property trade or business or any farming business in effect during the tax year? See instructions		✓
24 Does the partnership satisfy one or more of the following? See instructions a The partnership owns a pass-through entity with current, or prior year carryover, excess business interest expense. b The partnership's aggregate average annual gross receipts (determined under section 448(c)) for the 3 tax years preceding the current tax year are more than \$26 million and the partnership has business interest. c The partnership is a tax shelter (see instructions) and the partnership has business interest expense. If "Yes" to any, complete and attach Form 8990.		✓
25 Is the partnership electing out of the centralized partnership audit regime under section 6221(b)? See instructions. If "Yes," the partnership must complete Schedule B-2 (Form 1065). Enter the total from Schedule B-2, Part III, line 3 ▶ If "No," complete Designation of Partnership Representative below.		✓

Designation of Partnership Representative (see instructions)

Enter below the information for the partnership representative (PR) for the tax year covered by this return.

Name of PR ▶

U.S. address of PR ▶

U.S. phone number of PR ▶

If the PR is an entity, name of the designated individual for the PR ▶

U.S. address of designated individual ▶

U.S. phone number of designated individual ▶

26 Is the partnership attaching Form 8996 to certify as a Qualified Opportunity Fund? If "Yes," enter the amount from Form 8996, line 16 ▶ \$		✓
27 Enter the number of foreign partners subject to section 864(c)(8) as a result of transferring all or a portion of an interest in the partnership or of receiving a distribution from the partnership ▶		
28 At any time during the tax year, were there any transfers between the partnership and its partners subject to the disclosure requirements of Regulations section 1.707-8?		✓
29 Since December 22, 2017, did a foreign corporation directly or indirectly acquire substantially all of the properties constituting a trade or business of your partnership, and was the ownership percentage (by vote or value) for purposes of section 7874 greater than 50% (for example, the partners held more than 50% of the stock of the foreign corporation)? If "Yes," list the ownership percentage by vote and by value. See instructions. Percentage: By Vote By Value		✓

Schedule K Partners' Distributive Share Items		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22)	1	-7,909
	2 Net rental real estate income (loss) (attach Form 8825)	2	
	3a Other gross rental income (loss)	3a	
	b Expenses from other rental activities (attach statement)	3b	
	c Other net rental income (loss). Subtract line 3b from line 3a	3c	
	4 Guaranteed payments: a Services 4a b Capital 4b	4b	
	c Total. Add lines 4a and 4b	4c	
	5 Interest income	5	
	6 Dividends and dividend equivalents: a Ordinary dividends	6a	
	b Qualified dividends 6b c Dividend equivalents 6c	6c	
	7 Royalties	7	
8 Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8		
9a Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a		
b Collectibles (28%) gain (loss)	9b		
c Unrecaptured section 1250 gain (attach statement)	9c		
10 Net section 1231 gain (loss) (attach Form 4797)	10		
11 Other income (loss) (see instructions) Type ▶	11		
Deductions	12 Section 179 deduction (attach Form 4562)	12	
	13a Contributions	13a	
	b Investment interest expense	13b	
	c Section 59(e)(2) expenditures: (1) Type ▶ (2) Amount ▶	13c(2)	
d Other deductions (see instructions) Type ▶	13d		
Self-Employment	14a Net earnings (loss) from self-employment	14a	0
	b Gross farming or fishing income	14b	
	c Gross nonfarm income	14c	370,991
Credits	15a Low-income housing credit (section 42(j)(5))	15a	
	b Low-income housing credit (other)	15b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable)	15c	
	d Other rental real estate credits (see instructions) Type ▶	15d	
	e Other rental credits (see instructions) Type ▶	15e	
	f Other credits (see instructions) Type ▶	15f	
Foreign Transactions	16a Name of country or U.S. possession ▶		
	b Gross income from all sources	16b	
	c Gross income sourced at partner level	16c	
	Foreign gross income sourced at partnership level		
	d Reserved for future use ▶ e Foreign branch category ▶	16e	
	f Passive category ▶ g General category ▶ h Other (attach statement) ▶	16h	
	Deductions allocated and apportioned at partner level		
	i Interest expense ▶ j Other ▶	16j	
	Deductions allocated and apportioned at partnership level to foreign source income		
	k Reserved for future use ▶ l Foreign branch category ▶	16l	
	m Passive category ▶ n General category ▶ o Other (attach statement) ▶	16o	
	p Total foreign taxes (check one): ▶ Paid <input type="checkbox"/> Accrued <input type="checkbox"/>	16p	
q Reduction in taxes available for credit (attach statement)	16q		
r Other foreign tax information (attach statement)			
Alternative Minimum Tax (AMT) Items	17a Post-1986 depreciation adjustment	17a	-237
	b Adjusted gain or loss	17b	
	c Depletion (other than oil and gas)	17c	
	d Oil, gas, and geothermal properties—gross income	17d	
	e Oil, gas, and geothermal properties—deductions	17e	
	f Other AMT items (attach statement)	17f	
Other Information	18a Tax-exempt interest income	18a	
	b Other tax-exempt income	18b	
	c Nondeductible expenses	18c	
	19a Distributions of cash and marketable securities	19a	3,074
	b Distributions of other property	19b	
	20a Investment income	20a	
b Investment expenses	20b		
c Other items and amounts (attach statement)			

Analysis of Net Income (Loss)

1 Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16p		1	-7,909			
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt Organization	(vi) Nominee/Other
a General partners						
b Limited partners		-7,909				

Schedule L Balance Sheets per Books

		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash		5,896		5,419
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts				
3	Inventories		39,214		34,370
4	U.S. government obligations				
5	Tax-exempt securities				
6	Other current assets (attach statement)				
7a	Loans to partners (or persons related to partners)				
b	Mortgage and real estate loans				
8	Other investments (attach statement)				
9a	Buildings and other depreciable assets	22,558		22,558	
b	Less accumulated depreciation	14,734	7,824	17,141	5,417
10a	Depletable assets				
b	Less accumulated depletion				
11	Land (net of any amortization)				
12a	Intangible assets (amortizable only)				
b	Less accumulated amortization				
13	Other assets (attach statement)				
14	Total assets		52,934		45,206
Liabilities and Capital					
15	Accounts payable				
16	Mortgages, notes, bonds payable in less than 1 year				
17	Other current liabilities (attach statement)		Stmt #3 12,917		Stmt #3 16,172
18	All nonrecourse loans				
19a	Loans from partners (or persons related to partners)				
b	Mortgages, notes, bonds payable in 1 year or more				
20	Other liabilities (attach statement)				
21	Partners' capital accounts		40,017		29,034
22	Total liabilities and capital		52,934		45,206

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return**Note:** The partnership may be required to file Schedule M-3. See instructions.

1	Net income (loss) per books	-7,909	6	Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
2	Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		a	Tax-exempt interest \$	
3	Guaranteed payments (other than health insurance)		7	Deductions included on Schedule K, lines 1 through 13d, and 16p, not charged against book income this year (itemize):	
4	Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16p (itemize):		a	Depreciation \$	
a	Depreciation \$		8	Add lines 6 and 7	
b	Travel and entertainment \$		9	Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	-7,909
5	Add lines 1 through 4	-7,909			

Schedule M-2 Analysis of Partners' Capital Accounts

1	Balance at beginning of year	40,017	6	Distributions: a Cash	3,074
2	Capital contributed: a Cash		b Property		
	b Property		7	Other decreases (itemize):	
3	Net income (loss) per books	-7,909	8	Add lines 6 and 7	3,074
4	Other increases (itemize):		9	Balance at end of year. Subtract line 8 from line 5	29,034
5	Add lines 1 through 4	32,108			

Cost of Goods Sold

OMB No. 1545-0123

▶ **Attach to Form 1120, 1120-C, 1120-F, 1120S, or 1065.**
▶ **Go to www.irs.gov/Form1125A for the latest information.**

Name

Light It Up, LLC

Employer identification number

12-1234567

1	Inventory at beginning of year	1	39,214
2	Purchases	2	339,670
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	39,933
6	Total. Add lines 1 through 5	6	418,817
7	Inventory at end of year	7	34,370
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return. See instructions	8	384,447

9a Check all methods used for valuing closing inventory:

(i) ☐ Cost

(ii) ☐ Lower of cost or market

(iii) ☐ Other (Specify method used and attach explanation.) ▶ _____

b Check if there was a writedown of subnormal goods ▶ ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶ ☐

d If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO **9d** _____

e If property is produced or acquired for resale, do the rules of section 263A apply to the entity? See instructions . . . ☐ Yes ☒ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation ☐ Yes ☒ No

Section references are to the Internal Revenue Code unless otherwise noted.

What's New**Small business taxpayers.** For tax years beginning after December 31, 2017, the following apply.

- A small business taxpayer (defined below), may use a method of accounting for inventories that either: (1) treats inventories as nonincidental materials and supplies, or (2) conforms to the taxpayer's financial accounting treatment of inventories.
- A small business taxpayer is not required to capitalize costs under section 263A.

General Instructions**Purpose of Form**

Use Form 1125-A to calculate and deduct cost of goods sold for certain entities.

Who Must File

Filers of Form 1120, 1120-C, 1120-F, 1120S, or 1065, must complete and attach Form 1125-A if the applicable entity reports a deduction for cost of goods sold.

Inventories

Generally, inventories are required at the beginning and end of each tax year if the production, purchase, or sale of

merchandise is an income-producing factor. See Regulations section 1.471-1. If inventories are required, you generally must use an accrual method of accounting for sales and purchases of inventory items.

Exception for certain taxpayers. A small business taxpayer (defined below), can adopt or change its accounting method to account for inventories in the same manner as material and supplies that are non-incidental, or conform to its treatment of inventories in an applicable financial statement (as defined in section 451(b)(3)), or if it does not have an applicable financial statement, the method of accounting used in its books and records prepared in accordance with its accounting procedures. See section 471(c)(3).

A small business taxpayer claiming exemption from the requirement to keep inventories is changing its method of accounting for purposes of section 481. For additional guidance on this method of accounting, see Pub. 538, Accounting Periods and Methods. For guidance on changing to this method of accounting, see Form 3115 and the Instructions for Form 3115.

Small business taxpayer. A small business taxpayer is a taxpayer that (a) has average annual gross receipts of \$25 million or less (indexed for inflation) for the 3 prior tax years, and (b) is not a tax shelter (as defined in section 448(d)(3)). See Pub. 538.**Uniform capitalization rules.** The uniform capitalization rules of section 263A generally require you to capitalize, or include in inventory, certain costs incurred in connection with the following.

- The production of real property and tangible personal property held in inventory or held for sale in the ordinary course of business.
- Real property or personal property (tangible and intangible) acquired for resale.
- The production of real property and tangible personal property for use in its trade or business or in an activity engaged in for profit.

A small business taxpayer (defined above) is not required to capitalize costs under section 263A. See section 263A(i).

See the discussion on section 263A uniform capitalization rules in the instructions for your tax return before completing Form 1125-A. Also see Regulations sections 1.263A-1 through 1.263A-3. See Regulations section 1.263A-4 for rules for property produced in a farming business.

FORM 1065

OTHER DEDUCTIONS

STATEMENT 2

DESCRIPTION	AMOUNT
ADVERTISING	11,946
AUTOMOBILE	726
BANK SERVICE CHARGES	4,799
DELIVERY AND FREIGHT	1,169
DUES AND SUBSCRIPTIONS	6,688
INSURANCE	17,047
MISCELLANEOUS	188
OFFICE EXPENSE	11,000
OUTSIDE SERVICES	308
PERMITS AND FEES	4,795
SECURITY	1,761
TELEPHONE AND INTERNET	2,936
TRAVEL	4,752
UTILITIES	5,680
PAYROLL PROCESSING FEES	3,594
STORAGE EXPENSE	2,790
WEBSITE	2,858
ASSOCIATION FEES	3,153
<u>TOTAL TO FORM 1065, LINE 20</u>	<u>86,190</u>

**Schedule K-1
(Form 1120-S)**

Department of the Treasury
Internal Revenue Service

2020

For calendar year 2020, or tax year

beginning / / 2020 ending / /

Shareholder's Share of Income, Deductions, Credits, etc.

► See separate instructions.

Part I Information About the Corporation

A	Corporation's employer identification number 33-1234567
B	Corporation's name, address, city, state, and ZIP code Designing The Future, Inc 109 River Road Red Bank, NJ 07755
C	IRS Center where corporation filed return e-file

Part II Information About the Shareholder

D	Shareholder's identifying number XXX-XX-XXXX
E	Shareholder's name, address, city, state, and ZIP code John Homeowner 7 Galloping Hill Road Colts Neck, NJ 07708
F	Current year allocation percentage . . . 33.33333 %
G	Shareholder's number of shares Beginning of tax year 33 End of tax year 33
H	Loans from shareholder Beginning of tax year \$ 10,366.6667 End of tax year \$ 20,103.6667

For IRS Use Only

☐ Final K-1

☐ Amended K-1

671120
OMB No. 1545-0123

Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss) 14,103	13	Credits
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income 2		
5a	Ordinary dividends		
5b	Qualified dividends	14	Foreign transactions
6	Royalties		
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss)		
10	Other income (loss)	15 A	Alternative minimum tax (AMT) items -987
11	Section 179 deduction 9,732	16 C	Items affecting shareholder basis 456
12 A	Other deductions 283		
		17 A	Other information 2
18	<input type="checkbox"/> More than one activity for at-risk purposes*		
19	<input type="checkbox"/> More than one activity for passive activity purposes*		
* See attached statement for additional information.			

Department of the Treasury
Internal Revenue Service

▶ Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.
▶ Go to www.irs.gov/Form1120S for instructions and the latest information.

2020

For calendar year 2020 or tax year beginning , 2020, ending , 20

A S election effective date 01/01/14	TYPE OR PRINT	Name Designing The Future, Inc	D Employer identification number 33-1234567
B Business activity code number (see instructions) 123456		Number, street, and room or suite no. If a P.O. box, see instructions. 109 River Road	E Date incorporated 01/01/2014
C Check if Sch. M-3 attached <input type="checkbox"/>		City or town, state or province, country, and ZIP or foreign postal code Red Bank, NJ 07755	F Total assets (see instructions) \$ 383,525

G Is the corporation electing to be an S corporation beginning with this tax year? ☐ Yes ☒ No If "Yes," attach Form 2553 if not already filed
H Check if: (1) ☐ Final return (2) ☐ Name change (3) ☐ Address change (4) ☐ Amended return (5) ☐ S election termination or revocation
I Enter the number of shareholders who were shareholders during any part of the tax year 3
J Check if corporation: (1) ☐ Aggregated activities for section 465 at-risk purposes (2) ☐ Grouped activities for section 469 passive activity purposes

Caution: Include **only** trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Income	1a Gross receipts or sales	1a	2,562,228	
	b Returns and allowances	1b		
	c Balance. Subtract line 1b from line 1a	1c		2,562,228
	2 Cost of goods sold (attach Form 1125-A)	2		1,772,161
	3 Gross profit. Subtract line 2 from line 1c	3		790,067
	4 Net gain (loss) from Form 4797, line 17 (attach Form 4797)	4		
Deductions (see instructions for limitations)	5 Other income (loss) (see instructions—attach statement)	5		
	6 Total income (loss). Add lines 3 through 5 ▶	6		790,067
	7 Compensation of officers (see instructions—attach Form 1125-E)	7		
	8 Salaries and wages (less employment credits)	8		468,388
	9 Repairs and maintenance	9		6,912
	10 Bad debts	10		1,838
	11 Rents	11		26,400
	12 Taxes and licenses	12		36,199
	13 Interest (see instructions)	13		5,539
	14 Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	14		9,061
	15 Depletion (Do not deduct oil and gas depletion.)	15		
	16 Advertising	16		35,875
	17 Pension, profit-sharing, etc., plans	17		8,946
	18 Employee benefit programs	18		22,206
	19 Other deductions (attach statement)	19	Stmt #1	126,395
20 Total deductions. Add lines 7 through 19 ▶	20		747,759	
21 Ordinary business income (loss). Subtract line 20 from line 6	21		42,308	
Tax and Payments	22a Excess net passive income or LIFO recapture tax (see instructions)	22a		
	b Tax from Schedule D (Form 1120-S)	22b		
	c Add lines 22a and 22b (see instructions for additional taxes)	22c		
	23a 2020 estimated tax payments and 2019 overpayment credited to 2020	23a		
	b Tax deposited with Form 7004	23b		
	c Credit for federal tax paid on fuels (attach Form 4136)	23c		
	d Reserved for future use	23d		
	e Add lines 23a through 23d	23e		
	24 Estimated tax penalty (see instructions). Check if Form 2220 is attached ▶ <input type="checkbox"/>	24		
	25 Amount owed. If line 23e is smaller than the total of lines 22c and 24, enter amount owed	25		
	26 Overpayment. If line 23e is larger than the total of lines 22c and 24, enter amount overpaid	26		
27 Enter amount from line 26: Credited to 2021 estimated tax ▶ Refunded ▶	27			

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer _____ Date _____ Title _____

May the IRS discuss this return with the preparer shown below? See instructions. ☒ Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name Tommy Soprano	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN P1234567
Firm's name ▶ Tommy's Tax	Firm's EIN ▶ 22-1234567		Phone no.	
Firm's address ▶ 120 Main st, Hoboken, NJ 07718				

		Yes	No
1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶ _____		
2	See the instructions and enter the: a Business activity ▶ Construction _____ b Product or service ▶ General Contractor _____		
3	At any time during the tax year, was any shareholder of the corporation a disregarded entity, a trust, an estate, or a nominee or similar person? If "Yes," attach Schedule B-1, Information on Certain Shareholders of an S Corporation . . .		✓
4	At the end of the tax year, did the corporation: a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total stock issued and outstanding of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below		✓

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage of Stock Owned	(v) If Percentage in (iv) Is 100%, Enter the Date (if any) a Qualified Subchapter S Subsidiary Election Was Made

- | | | |
|---|--|---|
| <p>b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below</p> | | |
| | | ✓ |

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

- Form
- 1120-S**
- (2020)

Schedule B Other Information (see instructions) (continued)		Yes	No
12	During the tax year, did the corporation have any non-shareholder debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?		✓
	If "Yes," enter the amount of principal reduction ▶ \$		
13	During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions		
14a	Did the corporation make any payments in 2020 that would require it to file Form(s) 1099?		✓
b	If "Yes," did the corporation file or will it file required Form(s) 1099?		✓
15	Is the corporation attaching Form 8996 to certify as a Qualified Opportunity Fund?		✓
	If "Yes," enter the amount from Form 8996, line 15 ▶ \$		

Schedule K Shareholders' Pro Rata Share Items		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 21)	1	42,308
	2 Net rental real estate income (loss) (attach Form 8825)	2	
	3a Other gross rental income (loss) 3a		
	b Expenses from other rental activities (attach statement) 3b		
	c Other net rental income (loss). Subtract line 3b from line 3a 3c		
	4 Interest income 4		6
	5 Dividends: a Ordinary dividends 5a		
	b Qualified dividends 5b		
	6 Royalties 6		
	7 Net short-term capital gain (loss) (attach Schedule D (Form 1120-S)) 7		
8a Net long-term capital gain (loss) (attach Schedule D (Form 1120-S)) 8a			
b Collectibles (28%) gain (loss) 8b			
c Unrecaptured section 1250 gain (attach statement) 8c			
9 Net section 1231 gain (loss) (attach Form 4797) 9			
10 Other income (loss) (see instructions) Type ▶ 10			
Deductions	11 Section 179 deduction (attach Form 4562) 11		29,196
	12a Charitable contributions 12a		Stmt #2 850
	b Investment interest expense 12b		
	c Section 59(e)(2) expenditures Type ▶ 12c		
d Other deductions (see instructions) Type ▶ 12d			
Credits	13a Low-income housing credit (section 42(j)(5)) 13a		
	b Low-income housing credit (other) 13b		
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable) 13c		
	d Other rental real estate credits (see instructions) Type ▶ 13d		
	e Other rental credits (see instructions) Type ▶ 13e		
	f Biofuel producer credit (attach Form 6478) 13f		
	g Other credits (see instructions) Type ▶ 13g		
Foreign Transactions	14a Name of country or U.S. possession ▶ 14a		
	b Gross income from all sources 14b		
	c Gross income sourced at shareholder level 14c		
	Foreign gross income sourced at corporate level 14d		
	d Reserved for future use 14d		
	e Foreign branch category 14e		
	f Passive category 14f		
	g General category 14g		
	h Other (attach statement) 14h		
	Deductions allocated and apportioned at shareholder level 14i		
	i Interest expense 14i		
	j Other 14j		
	Deductions allocated and apportioned at corporate level to foreign source income 14k		
	k Reserved for future use 14k		
	l Foreign branch category 14l		
	m Passive category 14m		
	n General category 14n		
	o Other (attach statement) 14o		
Other information 14p			
p Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued ▶ 14p			
q Reduction in taxes available for credit (attach statement) 14q			
r Other foreign tax information (attach statement) 14r			

Schedule K Shareholders' Pro Rata Share Items <i>(continued)</i>		Total amount	
Alternative Minimum Tax (AMT) Items	15a Post-1986 depreciation adjustment	15a	-2,961
	b Adjusted gain or loss	15b	
	c Depletion (other than oil and gas)	15c	
	d Oil, gas, and geothermal properties—gross income	15d	
	e Oil, gas, and geothermal properties—deductions	15e	
	f Other AMT items (attach statement)	15f	
Items Affecting Shareholder Basis	16a Tax-exempt interest income	16a	
	b Other tax-exempt income	16b	
	c Nondeductible expenses	16c	1,367
	d Distributions (attach statement if required) (see instructions)	16d	
	e Repayment of loans from shareholders	16e	
Other Information	17a Investment income	17a	6
	b Investment expenses	17b	
	c Dividend distributions paid from accumulated earnings and profits	17c	
	d Other items and amounts (attach statement)		
Reconciliation	18 Income (loss) reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14p	18	12,268

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash		42,256		39,590
2a	Trade notes and accounts receivable	129,383		261,900	
b	Less allowance for bad debts	()	129,383	()	261,900
3	Inventories		13,291		14,436
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach statement)		Stmt #3 3,066		9,413
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach statement)				
10a	Buildings and other depreciable assets	150,229		125,825	
b	Less accumulated depreciation	(79,462)	70,767	(67,639)	58,186
11a	Depletable assets				
b	Less accumulated depletion	()		()	
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization	()		()	
14	Other assets (attach statement)				
15	Total assets		261,763		383,525
Liabilities and Shareholders' Equity					
16	Accounts payable		171,515		239,870
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach statement)		Stmt #4 239,783		276,142
19	Loans from shareholders		31,100		60,311
20	Mortgages, notes, bonds payable in 1 year or more		76,456		53,086
21	Other liabilities (attach statement)				
22	Capital stock				
23	Additional paid-in capital				
24	Retained earnings		-257,091		-245,884
25	Adjustments to shareholders' equity (attach statement)				
26	Less cost of treasury stock		()		()
27	Total liabilities and shareholders' equity		261,763		383,525

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return**Note:** The corporation may be required to file Schedule M-3. See instructions.

1	Net income (loss) per books	15,846	5	Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
2	Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize) Stmt #5	9,027	a	Tax-exempt interest \$	
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14p (itemize):		6	Deductions included on Schedule K, lines 1 through 12 and 14p, not charged against book income this year (itemize):	
a	Depreciation \$		a	Depreciation \$	13,972
b	Travel and entertainment \$	1,367	7	Add lines 5 and 6	13,972
		1,367	8	Income (loss) (Schedule K, line 18). Subtract line 7 from line 4	12,268
4	Add lines 1 through 3	26,240			

Schedule M-2 Analysis of Accumulated Adjustments Account, Shareholders' Undistributed Taxable Income Previously Taxed, Accumulated Earnings and Profits, and Other Adjustments Account
(see instructions)

	(a) Accumulated adjustments account	(b) Shareholders' undistributed taxable income previously taxed	(c) Accumulated earnings and profits	(d) Other adjustments account
1	Balance at beginning of tax year	-257,091		
2	Ordinary income from page 1, line 21	42,308		
3	Other additions	Stmt #6 13,978		
4	Loss from page 1, line 21	()		
5	Other reductions	(Stmt #7 45,079)		()
6	Combine lines 1 through 5	-245,884		
7	Distributions			
8	Balance at end of tax year. Subtract line 7 from line 6	-245,884		

Form **1120-S** (2020)

FORM 1120S

OTHER DEDUCTIONS

STATEMENT 1

DESCRIPTION	AMOUNT
AUTO AND TRUCK EXPENSES	47,168
BANK SERVICE CHARGES	3,548
COMMUNICATION EXPENSE	12,615
COMPUTER SERVICES	2,194
DUES	2,295
INSURANCE	7,174
JOB MEETINGS	13,166
OFFICE SUPPLIES	15,043
PROFESSIONAL FEES	4,083
SERVER EXPENSE	2,374
SHOWROOM	2,827
SUPPLIES	1,645
TRAINING	1,420
UTILITIES	9,475
50% OF MEALS	1,368
<u>TOTAL TO FORM 1120S, LINE 19</u>	<u>126,395</u>