

Case Study 2

Gina Labovskiy

General Instructions

BlockWorks Shell Return Information

Using BlockWorks in the PRACTICE ENVIRONMENT, access and use the BlockWorks shell return for Gina Labovskiy prior to answering the test questions relating to their return. The personal information and details relating to her wages and health care coverage has been pre-entered for you, but you will need to enter the information shown below to complete the return.

Access and use the BlockWorks shell return by entering the four-digit code **0782**. A unique SSN will be generated by the software. Although the return can be accessed again by selecting the taxpayer's name in the BlockWorks Client folder, be sure to note this unique shell SSN.

New SSN:

Save Your Work!

It is recommended that you SAVE the work you have done so far on this test before accessing BlockWorks. If you fail to do so and you are automatically timed out, you will lose your work and have to start over. After entering the required information, you should either save a copy of the completed return or keep the shell return open. You will need to refer to the completed return to answer the test questions about this taxpayer.

Introduction

Gina, age 38, is single. Gina has never married. She works full-time, and her only income is from wages. She has one dependent son, Kellen (11).

Scenario

Kellen attends middle school. Gina pays the after-school care program at the middle school to watch Kellen until she gets off work. Her childcare summary is shown below.

Gina sold a couple of stocks during 2022. Her information documents for the stock sales are also shown below.

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You will need to make the necessary entries required to report the childcare expenses and the stock sales in the BlockWorks shell return.

2022 Child Care Expense Summary

Part I Child Care Provider's Identification:

Name: **YOUR CITY MIDDLE SCHOOL AFTER CARE PROGRAM**

Address: **111 EDUCATION ROAD**

City, state, and ZIP code: **Your City, YS XXXXX**

Telephone: **(XXX)555-1234**

EIN **0 9 - 4 1 3 0 2 0 2** TAX EXEMPT

Part II Child Care Expense Information:

Child(ren) Names:	Fees Charged	Amount Paid
KELLEN LABOVSKIY	\$7,100.00	\$7,100.00

“You may be able to claim a tax credit for child care expenses. Please consult your tax professional.”

Total Charged	Total Paid
\$7,100.00	\$7,100.00

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<input type="checkbox"/> CORRECTED (if checked)			Applicable checkbox on Form 8949		OMB No. 1545-0715 2022 Form 1099-B		Proceeds From Broker and Barter Exchange Transactions										
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. FUTURE FINANCIAL 1010 FINANCIAL WAY YOUR CITY, YS XXXXX (XXX)555-XXXX			1a Description of property (Example: 100 sh. XYZ Co.) 100 SH ABC STOCK		1b Date acquired 01-01-2022		1c Date sold or disposed 05-05-2022		Copy B For Recipient This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.								
										PAYER'S TIN 09-4130203			RECIPIENT'S TIN 413-00-0787			1d Proceeds \$ 10,550.00	
RECIPIENT'S name GINA LABOVSKIY			2 Short-term gain or loss <input checked="" type="checkbox"/> Long-term gain or loss <input type="checkbox"/> Ordinary <input type="checkbox"/>		3 If checked, proceeds from: Collectibles <input type="checkbox"/> QOF <input type="checkbox"/>		1f Accrued market discount \$			1g Wash sale loss disallowed \$							
							Street address (including apt. no.) 1545 EAST BEND ROAD			4 Federal income tax withheld \$		5 If checked, noncovered security <input type="checkbox"/>		6 Reported to IRS: Gross proceeds <input type="checkbox"/> Net proceeds <input type="checkbox"/>		7 If checked, loss is not allowed based on amount in 1d <input type="checkbox"/>	
City or town, state or province, country, and ZIP or foreign postal code YOUR CITY, YS XXXXX			8 Profit or (loss) realized in 2022 on closed contracts \$		9 Unrealized profit or (loss) on open contracts—12/31/2021 \$		10 Unrealized profit or (loss) on open contracts—12/31/2022 \$			11 Aggregate profit or (loss) on contracts \$							
Account number (see instructions) 123456			12 If checked, basis reported to IRS <input type="checkbox"/>		13 Bartering \$					14 State name YS			15 State identification no. \$		16 State tax withheld \$		
CUSIP number			FATCA filing requirement <input type="checkbox"/>		Form 1099-B			(Keep for your records)					www.irs.gov/Form1099B			Department of the Treasury - Internal Revenue Service	

<input type="checkbox"/> CORRECTED (if checked)			Applicable checkbox on Form 8949		OMB No. 1545-0715 2022 Form 1099-B		Proceeds From Broker and Barter Exchange Transactions										
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. FUTURE FINANCIAL 1010 FINANCIAL WAY YOUR CITY, YS XXXXX (XXX)555-XXXX			1a Description of property (Example: 100 sh. XYZ Co.) 100 SH XYZ STOCK		1b Date acquired 01-01-2021		1c Date sold or disposed 05-05-2022		Copy B For Recipient This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.								
										PAYER'S TIN 09-4130203			RECIPIENT'S TIN 413-00-0787			1d Proceeds \$ 1,025.00	
RECIPIENT'S name GINA LABOVSKIY			2 Short-term gain or loss <input type="checkbox"/> Long-term gain or loss <input checked="" type="checkbox"/> Ordinary <input type="checkbox"/>		3 If checked, proceeds from: Collectibles <input type="checkbox"/> QOF <input type="checkbox"/>		1f Accrued market discount \$			1g Wash sale loss disallowed \$							
							Street address (including apt. no.) 1545 EAST BEND ROAD			4 Federal income tax withheld \$		5 If checked, noncovered security <input type="checkbox"/>		6 Reported to IRS: Gross proceeds <input type="checkbox"/> Net proceeds <input type="checkbox"/>		7 If checked, loss is not allowed based on amount in 1d <input type="checkbox"/>	
City or town, state or province, country, and ZIP or foreign postal code YOUR CITY, YS XXXXX			8 Profit or (loss) realized in 2022 on closed contracts \$		9 Unrealized profit or (loss) on open contracts—12/31/2021 \$		10 Unrealized profit or (loss) on open contracts—12/31/2022 \$			11 Aggregate profit or (loss) on contracts \$							
Account number (see instructions) 123456			12 If checked, basis reported to IRS <input type="checkbox"/>		13 Bartering \$					14 State name YS			15 State identification no. \$		16 State tax withheld \$		
CUSIP number			FATCA filing requirement <input type="checkbox"/>		Form 1099-B			(Keep for your records)					www.irs.gov/Form1099B			Department of the Treasury - Internal Revenue Service	

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Test Questions

After you have made the required entries and completed the couple's tax return in BlockWorks, return to the test in Block Academy and answer the corresponding questions about this taxpayer.