

**ATS Test Scenario 12**  
**Taxpayer: Sam Gardenia**  
**SSN: 400-00-1212**

**Test Scenario 12 includes the following forms:**

- **Form 1040**
- **Schedule 1**
- **Schedule 2**
- **Schedule C**
- **Schedule SE**
- **Form 7206**
- **Form 7217 (attach as PDF/Binary Attachment)**
- **Form W-2**

For the year Jan. 1–Dec. 31, 2024, or other tax year beginning 01/01, 2024, ending 12/31, 20 24 See separate instructions.

Your first name and middle initial SAM Last name GARDENIA Your social security number 4 0 0 0 0 1 2 1 2

If joint return, spouse's first name and middle initial Last name Spouse's social security number

Home address (number and street). If you have a P.O. box, see instructions. 231 RED RUN STREET Apt. no. Presidential Election Campaign

City, town, or post office. If you have a foreign address, also complete spaces below. ANYTOWN State KY ZIP code 41011 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.

Foreign country name Foreign province/state/county Foreign postal code You Spouse

Filing Status [X] Single [ ] Married filing jointly (even if only one had income) [ ] Married filing separately (MFS) [ ] Head of household (HOH) [ ] Qualifying surviving spouse (QSS) If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QSS box, enter the child's name if the qualifying person is a child but not your dependent: [ ] If treating a nonresident alien or dual-status alien spouse as a U.S. resident for the entire tax year, check the box and enter their name (see instructions and attach statement if required):

Digital Assets At any time during 2024, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.) [ ] Yes [X] 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, 1960 [ ] Are blind Spouse: [ ] Was born before January 2, 1960 [ ] Is blind

Table with 6 columns: (1) First name, Last name, (2) Social security number, (3) Relationship to you, (4) Child tax credit, Credit for other dependents. Includes header 'Dependents (see instructions):' and a note 'If more than four dependents, see instructions and check here [ ]'.

Income section table with columns 1a-1z and 1a-1z. Rows include: 1a Total amount from Form(s) W-2, box 1 (see instructions) 100,836; 1b Household employee wages not reported on Form(s) W-2; 1c Tip income not reported on line 1a (see instructions); 1d Medicaid waiver payments not reported on Form(s) W-2 (see instructions); 1e Taxable dependent care benefits from Form 2441, line 26; 1f Employer-provided adoption benefits from Form 8839, line 29; 1g Wages from Form 8919, line 6; 1h Other earned income (see instructions); 1i Nontaxable combat pay election (see instructions) 1i; 1z Add lines 1a through 1h 100,836.

Table with columns 2a-2b, 3a-3b, 4a-4b, 5a-5b, 6a-6b. Rows include: 2a Tax-exempt interest; 2b Taxable interest; 3a Qualified dividends; 3b Ordinary dividends; 4a IRA distributions; 4b Taxable amount; 5a Pensions and annuities; 5b Taxable amount; 6a Social security benefits; 6b Taxable amount.

Standard Deduction for— • Single or Married filing separately, \$14,600 • Married filing jointly or Qualifying surviving spouse, \$29,200 • Head of household, \$21,900 • If you checked any box under Standard Deduction, see instructions.

Table with columns 7-15 and 7-15. Rows include: 7 Capital gain or (loss). Attach Schedule D if required. If not required, check here [ ]; 8 Additional income from Schedule 1, line 10 24,328; 9 Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income 125,164; 10 Adjustments to income from Schedule 1, line 26 2,719; 11 Subtract line 10 from line 9. This is your adjusted gross income 122,445; 12 Standard deduction or itemized deductions (from Schedule A) 14,600; 13 Qualified business income deduction from Form 8995 or Form 8995-A; 14 Add lines 12 and 13 14,600; 15 Subtract line 14 from line 11. If zero or less, enter -0-. This is your taxable income 107,845.

Tax and Credits

Table with 2 columns: Line number and Amount. Rows 16-24 include Tax, Amount from Schedule 2, Add lines 16 and 17, Child tax credit, Amount from Schedule 3, Add lines 19 and 20, Subtract line 21 from line 18, and Other taxes.

Payments

Table with 2 columns: Line number and Amount. Rows 25-33 include Federal income tax withheld (25a-25d), 2024 estimated tax payments (26), Earned income credit (27), Additional child tax credit (28), American opportunity credit (29), Reserved for future use (30), Amount from Schedule 3 (31), and Total other payments and refundable credits (32).

Refund

Table with 2 columns: Line number and Amount. Rows 34-36 include overpaid amount (34), routing and account numbers (35a-35d), and amount applied to 2025 estimated tax (36).

Amount You Owe

Table with 2 columns: Line number and Amount. Rows 37-38 include amount you owe (37) and estimated tax penalty (38).

Third Party Designee

Form section for Third Party Designee with checkboxes for Yes/No and fields for name, phone number, and PIN.

Sign Here

Signature area with fields for Your signature, Date, Your occupation (DESIGNER), Spouse's signature, Date, Spouse's occupation, and Identity Protection PIN.

Paid Preparer Use Only

Form section for Paid Preparer Use Only with fields for Preparer's name, signature, date, PTIN, firm's name, address, phone number, and EIN.

**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](http://www.irs.gov/Form1040) for instructions and the latest information.

OMB No. 1545-0074

**2024**  
Attachment  
Sequence No. **01**

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

Your social security number  
400-00-1212

For 2024, enter the amount reported to you on Form(s) 1099-K that was included in error or for personal items sold at a loss.

**Note:** The remaining amounts reported to you on Form(s) 1099-K should be reported elsewhere on your return depending on the nature of the transaction. See [www.irs.gov/1099k](http://www.irs.gov/1099k).

**Part I Additional Income**

<b>1</b>	Taxable refunds, credits, or offsets of state and local income taxes	<b>1</b>	
<b>2a</b>	Alimony received	<b>2a</b>	
<b>b</b>	Date of original divorce or separation agreement (see instructions):		
<b>3</b>	Business income or (loss). Attach Schedule C	<b>3</b>	24,328
<b>4</b>	Other gains or (losses). Attach Form 4797	<b>4</b>	
<b>5</b>	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	<b>5</b>	
<b>6</b>	Farm income or (loss). Attach Schedule F	<b>6</b>	
<b>7</b>	Unemployment compensation	<b>7</b>	
<b>8</b>	Other income:		
<b>a</b>	Net operating loss	<b>8a</b>	( )
<b>b</b>	Gambling	<b>8b</b>	
<b>c</b>	Cancellation of debt	<b>8c</b>	
<b>d</b>	Foreign earned income exclusion from Form 2555	<b>8d</b>	( )
<b>e</b>	Income from Form 8853	<b>8e</b>	
<b>f</b>	Income from Form 8889	<b>8f</b>	
<b>g</b>	Alaska Permanent Fund dividends	<b>8g</b>	
<b>h</b>	Jury duty pay	<b>8h</b>	
<b>i</b>	Prizes and awards	<b>8i</b>	
<b>j</b>	Activity not engaged in for profit income	<b>8j</b>	
<b>k</b>	Stock options	<b>8k</b>	
<b>l</b>	Income from the rental of personal property if you engaged in the rental for profit but were not in the business of renting such property	<b>8l</b>	
<b>m</b>	Olympic and Paralympic medals and USOC prize money (see instructions)	<b>8m</b>	
<b>n</b>	Section 951(a) inclusion (see instructions)	<b>8n</b>	
<b>o</b>	Section 951A(a) inclusion (see instructions)	<b>8o</b>	
<b>p</b>	Section 461(l) excess business loss adjustment	<b>8p</b>	
<b>q</b>	Taxable distributions from an ABL account (see instructions)	<b>8q</b>	
<b>r</b>	Scholarship and fellowship grants not reported on Form W-2	<b>8r</b>	
<b>s</b>	Nontaxable amount of Medicaid waiver payments included on Form 1040, line 1a or 1d	<b>8s</b>	( )
<b>t</b>	Pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan	<b>8t</b>	
<b>u</b>	Wages earned while incarcerated	<b>8u</b>	
<b>v</b>	Digital assets received as ordinary income not reported elsewhere. See instructions	<b>8v</b>	
<b>z</b>	Other income. List type and amount:	<b>8z</b>	
<b>9</b>	Total other income. Add lines 8a through 8z	<b>9</b>	
<b>10</b>	Combine lines 1 through 7 and 9. This is your <b>additional income</b> . Enter here and on Form 1040, 1040-SR, or 1040-NR, line 8	<b>10</b>	24,328

**Part II Adjustments to Income**

<b>11</b>	Educator expenses		<b>11</b>	
<b>12</b>	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106		<b>12</b>	
<b>13</b>	Health savings account deduction. Attach Form 8889		<b>13</b>	
<b>14</b>	Moving expenses for members of the Armed Forces. Attach Form 3903		<b>14</b>	
<b>15</b>	Deductible part of self-employment tax. Attach Schedule SE		<b>15</b>	1,719
<b>16</b>	Self-employed SEP, SIMPLE, and qualified plans		<b>16</b>	
<b>17</b>	Self-employed health insurance deduction		<b>17</b>	1,000
<b>18</b>	Penalty on early withdrawal of savings		<b>18</b>	
<b>19a</b>	Alimony paid		<b>19a</b>	
<b>b</b>	Recipient's SSN			
<b>c</b>	Date of original divorce or separation agreement (see instructions):			
<b>20</b>	IRA deduction		<b>20</b>	
<b>21</b>	Student loan interest deduction		<b>21</b>	
<b>22</b>	Reserved for future use		<b>22</b>	
<b>23</b>	Archer MSA deduction		<b>23</b>	
<b>24</b>	Other adjustments:			
<b>a</b>	Jury duty pay (see instructions)	<b>24a</b>		
<b>b</b>	Deductible expenses related to income reported on line 8l from the rental of personal property engaged in for profit	<b>24b</b>		
<b>c</b>	Nontaxable amount of the value of Olympic and Paralympic medals and USOC prize money reported on line 8m	<b>24c</b>		
<b>d</b>	Reforestation amortization and expenses	<b>24d</b>		
<b>e</b>	Repayment of supplemental unemployment benefits under the Trade Act of 1974	<b>24e</b>		
<b>f</b>	Contributions to section 501(c)(18)(D) pension plans	<b>24f</b>		
<b>g</b>	Contributions by certain chaplains to section 403(b) plans	<b>24g</b>		
<b>h</b>	Attorney fees and court costs for actions involving certain unlawful discrimination claims (see instructions)	<b>24h</b>		
<b>i</b>	Attorney fees and court costs you paid in connection with an award from the IRS for information you provided that helped the IRS detect tax law violations	<b>24i</b>		
<b>j</b>	Housing deduction from Form 2555	<b>24j</b>		
<b>k</b>	Excess deductions of section 67(e) expenses from Schedule K-1 (Form 1041)	<b>24k</b>		
<b>z</b>	Other adjustments. List type and amount: _____	<b>24z</b>		
<b>25</b>	Total other adjustments. Add lines 24a through 24z		<b>25</b>	
<b>26</b>	Add lines 11 through 23 and 25. These are your <b>adjustments to income</b> . Enter here and on Form 1040, 1040-SR, or 1040-NR, line 10		<b>26</b>	2,719

**SCHEDULE 2  
(Form 1040)**

Department of the Treasury  
Internal Revenue Service

**Additional Taxes**

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

Go to [www.irs.gov/Form1040](http://www.irs.gov/Form1040) for instructions and the latest information.

OMB No. 1545-0074

**2024**  
Attachment  
Sequence No. **02**

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

SAM GARDENIA

Your social security number

400-00-1212

**Part I Tax**

<b>1</b>	Additions to tax:		
<b>a</b>	Excess advance premium tax credit repayment. Attach Form 8962 . . . . .	<b>1a</b>	
<b>b</b>	Repayment of new clean vehicle credit(s) transferred to a registered dealer from Schedule A (Form 8936), Part II. Attach Form 8936 and Schedule A (Form 8936) . . . . .	<b>1b</b>	
<b>c</b>	Repayment of previously owned clean vehicle credit(s) transferred to a registered dealer from Schedule A (Form 8936), Part IV. Attach Form 8936 and Schedule A (Form 8936) . . . . .	<b>1c</b>	
<b>d</b>	Recapture of net EPE from Form 4255, line 2a, column (l) . . . . .	<b>1d</b>	
<b>e</b>	Excessive payments (EP) from Form 4255. Check applicable box and enter amount. <b>(i)</b> <input type="checkbox"/> Line 1a, column (n) <b>(ii)</b> <input type="checkbox"/> Line 1c, column (n) <b>(iii)</b> <input type="checkbox"/> Line 1d, column (n) <b>(iv)</b> <input type="checkbox"/> Line 2a, column (n) . . . . .	<b>1e</b>	
<b>f</b>	20% EP from Form 4255. Check applicable box and enter amount. See instructions. <b>(i)</b> <input type="checkbox"/> Line 1a, column (o) <b>(ii)</b> <input type="checkbox"/> Line 1c, column (o) <b>(iii)</b> <input type="checkbox"/> Line 1d, column (o) <b>(iv)</b> <input type="checkbox"/> Line 2a, column (o) . . . . .	<b>1f</b>	
<b>y</b>	Other additions to tax (see instructions): _____	<b>1y</b>	
<b>z</b>	Add lines 1a through 1y . . . . .	<b>1z</b>	
<b>2</b>	Alternative minimum tax. Attach Form 6251 . . . . .	<b>2</b>	
<b>3</b>	Add lines 1z and 2. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 17 . . . . .	<b>3</b>	

**Part II Other Taxes**

<b>4</b>	Self-employment tax. Attach Schedule SE . . . . .	<b>4</b>	3,438
<b>5</b>	Social security and Medicare tax on unreported tip income. Attach Form 4137 . . . . .	<b>5</b>	
<b>6</b>	Uncollected social security and Medicare tax on wages. Attach Form 8919 . . . . .	<b>6</b>	
<b>7</b>	Total additional social security and Medicare tax. Add lines 5 and 6 . . . . .	<b>7</b>	
<b>8</b>	Additional tax on IRAs or other tax-favored accounts. Attach Form 5329 if required. If not required, check here . . . . . <input type="checkbox"/>	<b>8</b>	
<b>9</b>	Household employment taxes. Attach Schedule H . . . . .	<b>9</b>	
<b>10</b>	Repayment of first-time homebuyer credit. Attach Form 5405 if required . . . . .	<b>10</b>	
<b>11</b>	Additional Medicare Tax. Attach Form 8959 . . . . .	<b>11</b>	
<b>12</b>	Net investment income tax. Attach Form 8960 . . . . .	<b>12</b>	
<b>13</b>	Uncollected social security and Medicare or RRTA tax on tips or group-term life insurance from Form W-2, box 12 . . . . .	<b>13</b>	
<b>14</b>	Interest on tax due on installment income from the sale of certain residential lots and timeshares . . . . .	<b>14</b>	
<b>15</b>	Interest on the deferred tax on gain from certain installment sales with a sales price over \$150,000 . . . . .	<b>15</b>	
<b>16</b>	Recapture of low-income housing credit. Attach Form 8611 . . . . .	<b>16</b>	

(continued on page 2)

**Part II Other Taxes** (continued)

<b>17</b>	Other additional taxes:		
<b>a</b>	Recapture of other credits. List type, form number, and amount:	<b>17a</b>	
<b>b</b>	Recapture of federal mortgage subsidy, if you sold your home see instructions	<b>17b</b>	
<b>c</b>	Additional tax on HSA distributions. Attach Form 8889	<b>17c</b>	
<b>d</b>	Additional tax on an HSA because you didn't remain an eligible individual. Attach Form 8889	<b>17d</b>	
<b>e</b>	Additional tax on Archer MSA distributions. Attach Form 8853	<b>17e</b>	
<b>f</b>	Additional tax on Medicare Advantage MSA distributions. Attach Form 8853	<b>17f</b>	
<b>g</b>	Recapture of a charitable contribution deduction related to a fractional interest in tangible personal property	<b>17g</b>	
<b>h</b>	Income you received from a nonqualified deferred compensation plan that fails to meet the requirements of section 409A	<b>17h</b>	
<b>i</b>	Compensation you received from a nonqualified deferred compensation plan described in section 457A	<b>17i</b>	
<b>j</b>	Section 72(m)(5) excess benefits tax	<b>17j</b>	
<b>k</b>	Golden parachute payments	<b>17k</b>	
<b>l</b>	Tax on accumulation distribution of trusts	<b>17l</b>	
<b>m</b>	Excise tax on insider stock compensation from an expatriated corporation	<b>17m</b>	
<b>n</b>	Look-back interest under section 167(g) or 460(b) from Form 8697 or 8866	<b>17n</b>	
<b>o</b>	Tax on non-effectively connected income for any part of the year you were a nonresident alien from Form 1040-NR	<b>17o</b>	
<b>p</b>	Any interest from Form 8621, line 16f, relating to distributions from, and dispositions of, stock of a section 1291 fund	<b>17p</b>	
<b>q</b>	Any interest from Form 8621, line 24	<b>17q</b>	
<b>z</b>	Any other taxes. List type and amount:	<b>17z</b>	
<b>18</b>	Total additional taxes. Add lines 17a through 17z	<b>18</b>	
<b>19</b>	Recapture of net EPE from Form 4255, line 1d, column (l)	<b>19</b>	
<b>20</b>	Section 965 net tax liability installment from Form 965-A	<b>20</b>	
<b>21</b>	Add lines 4, 7 through 16, and 18. These are your <b>total other taxes</b> . Enter here and on Form 1040 or 1040-SR, line 23, or Form 1040-NR, line 23b	<b>21</b>	3,438

SCHEDULE C (Form 1040)

Profit or Loss From Business (Sole Proprietorship)

OMB No. 1545-0074

2024

Attachment Sequence No. 09

Department of the Treasury Internal Revenue Service

Attach to Form 1040, 1040-SR, 1040-SS, 1040-NR, or 1041; partnerships must generally file Form 1065. Go to www.irs.gov/ScheduleC for instructions and the latest information.

Name of proprietor: SAM GARDENIA. Social security number (SSN): 400-00-1212. Principal business: DESIGNER. Business name: ENERGY BUILD. Business address: 654 W 3RD ST, ANYTOWN, KY 41011. Accounting method: Cash. Did you materially participate? Yes. Did you start/acquire business in 2024? No. Did you make payments for 1099? No. Did you file 1099? No.

Part I Income

Table with 7 rows for income calculation. Line 1: 35,235. Line 2: 0. Line 3: 35,235. Line 4: 0. Line 5: 35,235. Line 6: 0. Line 7: 35,235.

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

Table with 31 rows for expense calculation. Lines 8-27b: 1,000. Line 28: 10,907. Line 29: 24,328. Line 30: 24,328. Line 31: 24,328. Includes instructions for simplified method filers and net profit/loss.



**Part III** Cost of Goods Sold (see instructions)

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

**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 2024, 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? . . . . .     **Yes**     **No**

**46** Do you (or your spouse) have another vehicle available for personal use? . . . . .     **Yes**     **No**

**47a** Do you have evidence to support your deduction? . . . . .     **Yes**     **No**

**b** If "Yes," is the evidence written? . . . . .     **Yes**     **No**

**Part V** Other Expenses. List below business expenses not included on lines 8–26, line 27b, or line 30.

<b>48</b>	<b>Total other expenses.</b> Enter here and on line 27a . . . . .	<b>48</b>

**SCHEDULE SE  
(Form 1040)**

**Self-Employment Tax**

OMB No. 1545-0074

**2024**  
Attachment  
Sequence No. **17**

Department of the Treasury  
Internal Revenue Service

**Attach to Form 1040, 1040-SR, 1040-SS, or 1040-NR.**  
**Go to [www.irs.gov/ScheduleSE](http://www.irs.gov/ScheduleSE) for instructions and the latest information.**

Name of person with self-employment income (as shown on Form 1040, 1040-SR, 1040-SS, or 1040-NR)  
**SAM GARDENIA**

Social security number of person with self-employment income  
**400-00-1212**

**Part I Self-Employment Tax**

**Note:** If your only income subject to self-employment tax is **church employee income**, see instructions for how to report your income and the definition of church employee income.

**A** If you are a minister, member of a religious order, or Christian Science practitioner **and** you filed Form 4361, but you had \$400 or more of **other** net earnings from self-employment, check here and continue with Part I

Skip lines 1a and 1b if you use the farm optional method in Part II. See instructions.

**1a** Net farm profit or (loss) from Schedule F, line 34, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A **1a**

**b** If you received social security retirement or disability benefits, enter the amount of Conservation Reserve Program payments included on Schedule F, line 4b, or listed on Schedule K-1 (Form 1065), box 20, code AQ **1b** ( )

Skip line 2 if you use the nonfarm optional method in Part II. See instructions.

**2** Net profit or (loss) from Schedule C, line 31; and Schedule K-1 (Form 1065), box 14, code A (other than farming). See instructions for other income to report or if you are a minister or member of a religious order **2** 24,328

**3** Combine lines 1a, 1b, and 2 **3** 24,328

**4a** If line 3 is more than zero, multiply line 3 by 92.35% (0.9235). Otherwise, enter amount from line 3 **4a** 22,467

**Note:** If line 4a is less than \$400 due to Conservation Reserve Program payments on line 1b, see instructions.

**b** If you elect one or both of the optional methods, enter the total of lines 15 and 17 here **4b**

**c** Combine lines 4a and 4b. If less than \$400, **stop**; you don't owe self-employment tax. **Exception:** If less than \$400 and you had **church employee income**, enter -0- and continue **4c** 22,467

**5a** Enter your **church employee income** from Form W-2. See instructions for definition of church employee income **5a**

**b** Multiply line 5a by 92.35% (0.9235). If less than \$100, enter -0- **5b**

**6** Add lines 4c and 5b **6** 22,467

**7** Maximum amount of combined wages and self-employment earnings subject to social security tax or the 6.2% portion of the 7.65% railroad retirement (tier 1) tax for 2024 **7** 168,600

**8a** Total social security wages and tips (total of boxes 3 and 7 on Form(s) W-2) and railroad retirement (tier 1) compensation. If \$168,600 or more, skip lines 8b through 10, and go to line 11 **8a** 105,878

**b** Unreported tips subject to social security tax from Form 4137, line 10 **8b**

**c** Wages subject to social security tax from Form 8919, line 10 **8c**

**d** Add lines 8a, 8b, and 8c **8d** 105,878

**9** Subtract line 8d from line 7. If zero or less, enter -0- here and on line 10 and go to line 11 **9** 62,722

**10** Multiply the **smaller** of line 6 or line 9 by 12.4% (0.124) **10** 2,786

**11** Multiply line 6 by 2.9% (0.029) **11** 652

**12 Self-employment tax.** Add lines 10 and 11. Enter here and on **Schedule 2 (Form 1040), line 4, or Form 1040-SS, Part I, line 3** **12** 3,438

**13 Deduction for one-half of self-employment tax.** Multiply line 12 by 50% (0.50). Enter here and on **Schedule 1 (Form 1040), line 15** **13** 1,719

**Part II** Optional Methods To Figure Net Earnings (see instructions)

**Farm Optional Method.** You may use this method **only** if **(a)** your gross farm income<sup>1</sup> wasn't more than \$10,380, **or (b)** your net farm profits<sup>2</sup> were less than \$7,493.

<b>14</b> Maximum income for optional methods . . . . .	<b>14</b>	6,920
<b>15</b> Enter the <b>smaller</b> of: two-thirds ( <sup>2</sup> / <sub>3</sub> ) of gross farm income <sup>1</sup> (not less than zero) <b>or</b> \$6,920. Also, include this amount on line 4b above . . . . .	<b>15</b>	

**Nonfarm Optional Method.** You may use this method **only** if **(a)** your net nonfarm profits<sup>3</sup> were less than \$7,493 and also less than 72.189% of your gross nonfarm income,<sup>4</sup> **and (b)** you had net earnings from self-employment of at least \$400 in 2 of the prior 3 years. **Caution:** You may use this method no more than five times.

<b>16</b> Subtract line 15 from line 14 . . . . .	<b>16</b>	
<b>17</b> Enter the <b>smaller</b> of: two-thirds ( <sup>2</sup> / <sub>3</sub> ) of gross nonfarm income <sup>4</sup> (not less than zero) <b>or</b> the amount on line 16. Also, include this amount on line 4b above . . . . .	<b>17</b>	

<sup>1</sup> From Sch. F, line 9; and Sch. K-1 (Form 1065), box 14, code B.

<sup>2</sup> From Sch. F, line 34; and Sch. K-1 (Form 1065), box 14, code A—minus the amount you would have entered on line 1b had you not used the optional method.

<sup>3</sup> From Sch. C, line 31; and Sch. K-1 (Form 1065), box 14, code A.

<sup>4</sup> From Sch. C, line 7; and Sch. K-1 (Form 1065), box 14, code C.

ONLY DRAFT  
May 17, 2024  
DO NOT FILE

## Self-Employed Health Insurance Deduction

Attach to Form 1040, 1040-SR, or 1040-NR.  
 Go to [www.irs.gov/Form7206](http://www.irs.gov/Form7206) for instructions and the latest information.

Name(s) shown on return  
 SAM GARDENIA

Your taxpayer identification number  
 400-00-1212

**Note:** Use a separate Form 7206 for each trade or business under which an insurance plan is established.

<p><b>1</b> Enter the total amount paid in 2024 for health insurance coverage established under your business (or the S corporation in which you were a more-than-2% shareholder) for 2024 for you, your spouse, and your dependents. But <b>don't</b> include the following. See instructions . . . . .</p> <ul style="list-style-type: none"> <li>• Amounts for any month you were eligible to participate in a health plan subsidized by your employer or your spouse's employer or the employer of either your dependent or your child who was under the age of 27 at the end of 2024.</li> <li>• Any amounts paid, not to exceed \$3,000, from retirement plan distributions that were <b>nontaxable</b> because you are a retired public safety officer. See instructions.</li> <li>• Any payments for qualified long-term care insurance (see line 2).</li> </ul> <p><b>2</b> For coverage under a qualified long-term care insurance contract, enter for each person covered the <b>smaller</b> of (a) or (b).</p> <p><b>(a)</b> Total payments made for that person during the year.</p> <p><b>(b)</b> The amount shown below. Use the person's age at the end of the tax year.</p> <p style="padding-left: 20px;">\$470— if that person is age 40 or younger          \$880— if age 41 to 50          \$1,760— if age 51 to 60          \$4,710— if age 61 to 70          \$5,880— if age 71 or older</p> <p><b>Note:</b> The amount of long-term care premiums that can be included as a medical expense is limited by the person's age. <b>Don't</b> include payments for any month you were eligible to participate in a long-term care insurance plan subsidized by your employer or your spouse's employer, or the employer of either your dependent or your child who was under the age of 27 at the end of 2024. If more than one person is covered, figure separately the amount to enter for each person. Then enter the total of those amounts . . . . .</p> <p><b>3</b> Add lines 1 and 2 . . . . .</p> <p><b>4</b> Enter your net profit* and any other earned income** from the trade or business under which the insurance plan is established. Don't include Conservation Reserve Program payments exempt from self-employment tax. If the business is an S corporation, skip to line 11 . . . . .</p> <p><b>5</b> Enter the total of all net profits* from Schedule C (Form 1040), line 31; Schedule F (Form 1040), line 34; or Schedule K-1 (Form 1065), box 14, code A, plus any other income allocable to the profitable businesses. Don't include Conservation Reserve Program payments exempt from self-employment tax. See the Instructions for Schedule SE (Form 1040). <b>Don't</b> include any net losses shown on these schedules . . . . .</p> <p><b>6</b> Divide line 4 by line 5 . . . . .</p> <p><b>7</b> Multiply Schedule 1 (Form 1040), line 15, deductible part of self-employment tax, by the percentage on line 6 . . . . .</p> <p><b>8</b> Subtract line 7 from line 4 . . . . .</p> <p><b>9</b> Enter the amount, if any, from Schedule 1 (Form 1040), line 16, self-employed SEP, SIMPLE, and qualified plans, attributable to the same trade or business in which the insurance plan is established . . . . .</p> <p><b>10</b> Subtract line 9 from line 8 . . . . .</p> <p><b>11</b> Enter your Medicare wages (box 5 of Form W-2) from an S corporation in which you are a more-than-2% shareholder and in which the insurance plan is established . . . . .</p> <p><b>12</b> Enter any amount from Form 2555, line 45, attributable to the amount entered on line 4 or 11 above . . . . .</p> <p><b>13</b> Subtract line 12 from line 10 or 11, whichever applies . . . . .</p> <p><b>14 Self-employed health insurance deduction.</b> Enter the <b>smaller</b> of line 3 or line 13 here and on Schedule 1 (Form 1040), line 17. <b>Don't</b> include this amount when figuring any medical expense deduction on Schedule A (Form 1040) . . . . .</p>	<p><b>1</b> 1,000</p> <hr/> <p><b>2</b></p> <hr/> <p><b>3</b> 1,000</p> <hr/> <p><b>4</b> 14,328</p> <hr/> <p><b>5</b> 14,328</p> <hr/> <p><b>6</b> 1.00000</p> <hr/> <p><b>7</b> 1,719</p> <hr/> <p><b>8</b> 12,609</p> <hr/> <p><b>9</b></p> <hr/> <p><b>10</b> 12,609</p> <hr/> <p><b>11</b></p> <hr/> <p><b>12</b></p> <hr/> <p><b>13</b> 12,609</p> <hr/> <p><b>14</b> 1,000</p>
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\*If you used either optional method to figure your net earnings from self-employment from any business, don't enter your net profit from the business. Instead, enter the amount attributable to that business from Schedule SE (Form 1040), Part I, line 4b.

\*\* **Earned income** includes net earnings and gains from the sale, transfer, or licensing of property you created. However, it doesn't include capital gain income.

Form **7217**

(December 2024)

Department of the Treasury  
Internal Revenue Service

# Partner's Report of Property Distributed by a Partnership

OMB No. 1545-0123

Attach to your tax return.

Go to [www.irs.gov/Form7217](http://www.irs.gov/Form7217) for instructions and the latest information.

Attachment  
Sequence No. **217**

Partner's name

SAM GARDENIA

Partner's TIN

400-00-1212

Distributing partnership's name

ENERGY BUILD

Distributing partnership's EIN

00-1040012

Date property was distributed to partner

3/1/2024

**Part I Aggregate Basis of Distributed Property on Distribution Date.** File a separate form for each date a partner received distributed property.

<b>1</b>	Was this distribution in complete liquidation of the partner's entire interest in the partnership? . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>2</b>	Was any part of the distribution treated as a sale or exchange under section 751(b)? . . . . .	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>3</b>	Partnership's aggregate basis in distributed property (taking into account any basis adjustments under section 732(d), 734(b), or 743(b)) immediately before the distribution. This line should equal the total of Part II, line B, column (b) . . . . .	\$ 32,507
<b>4</b>	Adjusted basis of the partner's interest in the partnership immediately before the distribution . . . . .	\$ 10,000
<b>5</b>	Cash and marketable securities (as defined in section 731(c)) received in the distribution . . . . .	\$ 4,000
<b>6</b>	Enter the smaller of line 4 or line 5 . . . . .	\$ 4,000
<b>7</b>	Gain recognized. Subtract line 6 from line 5. If zero, enter -0- and go to line 9 . . . . .	\$ 0
<b>8</b>	Is U.S. tax required to be paid on the gain entered on line 7? . . . . .	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>9</b>	Partner's basis in partnership interest reduced by cash and marketable securities (as defined in section 731(c)) received in the distribution. Subtract line 6 from line 4 . . . . .	\$ 6,000
<b>10</b>	Aggregate basis to be allocated to the distributed property. For a non-liquidating distribution, enter the smaller of line 3 or line 9. For a liquidating distribution, enter the amount from line 9. Line 10 should equal the total of Part II, line B, column (e) . . . . .	\$ 6,000

For Paperwork Reduction Act Notice, see the Instructions for Form 1065.

Cat. No. 94479B


Form **7217** (12-2024)

DO NOT FILE

**Part II Allocation of Basis of Distributed Property**

	(a) Description of distributed property (If applicable, include property code. See Pub. 946, Appendix B.)	(b) Partnership's basis in distributed property immediately before the distribution	(c) Check applicable box(es) below. See instructions.					(d) FMV of distributed property	(e) Partner's basis in distributed property after application of section 732
			(i) 732(d)	(ii) 732(f)	(iii) 734(b)	(iv) 743(b)	(v) Reserved for future use		
1	CASH	\$ 32,507	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$ 4,000
2		\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
3		\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
4		\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
5		\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
6		\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
7		\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
8		\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
9		\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
10		\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
11		\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
12		\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
13		\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
14		\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
15		\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
16		\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
17		\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
18		\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
19		\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
20		\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
21		\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
22		\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
23		\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
24		\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
25		\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
26		\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
27		\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
28		\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
29		\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
30		\$	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
<b>A</b> If applicable, enter any totals from any attached Parts II. See instructions . . . . .		\$						\$	\$
<b>B</b> Totals for all items . . . . .		\$ 32,507						\$	\$ 4,000

TREASURY/IRS  
AND OMB USE  
ONLY DRAFT  
August 28, 2024  
DO NOT FILE

<b>a</b> Employee's social security number 400-00-1212		Safe, accurate, FAST! Use				Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a> .	
<b>b</b> Employer identification number (EIN) 00-000011				<b>1</b> Wages, tips, other compensation 100,836		<b>2</b> Federal income tax withheld 14,444	
<b>c</b> Employer's name, address, and ZIP code DESIGN LLC 426 BUILD ST ANYTOWN, KY 41011				<b>3</b> Social security wages 105,878		<b>4</b> Social security tax withheld 6,564	
				<b>5</b> Medicare wages and tips 105,878		<b>6</b> Medicare tax withheld 1,535	
				<b>7</b> Social security tips		<b>8</b> Allocated tips	
<b>d</b> Control number				<b>9</b>		<b>10</b> Dependent care benefits	
<b>e</b> Employee's first name and initial SAM		Last name GARDENIA		Suff.		<b>11</b> Nonqualified plans	
231 RED RUN STREET ANYTOWN, KY 41011				<b>12a</b> See instructions for box 12 DD   10,315		<b>12b</b>	
				<b>13</b> Statutory employee <input type="checkbox"/> Retirement plan <input checked="" type="checkbox"/> Third-party sick pay <input type="checkbox"/>		<b>12c</b>	
				<b>14</b> Other		<b>12d</b>	
<b>f</b> Employee's address and ZIP code							
<b>15</b> State KY	Employer's state ID number 00-0000056	<b>16</b> State wages, tips, etc. 100,836	<b>17</b> State income tax 3,420	<b>18</b> Local wages, tips, etc.	<b>19</b> Local income tax	<b>20</b> Locality name	

Form **W-2** Wage and Tax Statement

2024

Department of the Treasury—Internal Revenue Service

Copy B—To Be Filed With Employee's FEDERAL Tax Return.  
This information is being furnished to the Internal Revenue Service.