

CHECK FIGURES

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|-------|--|-------|--|
| 20. | \$6,350. | 37. | \$4,500. |
| 21. | \$98,646 ($\$105,900 \times 340/365$). | 40. | Include \$0 in gross income. |
| 22. | \$0. | 42.a. | Include \$10 per meal in gross income. |
| 23. | \$0. | 42.b. | Included \$0 in gross income. |
| 24. | \$16,000. | 42.c. | Lodging excluded from gross income. |
| 25. | \$13,500. | 43. | Decrease in disposable income \$15,012. |
| 26. | \$700. | 45.a. | \$11,201; \$12,072. |
| 27. | \$0 although the IRS may challenge exclusion of \$12,000. | 45.b. | \$9,043; \$9,185. |
| 28.a. | Include in gross income. | 45.c. | \$6,750; \$6,750. |
| 28.b. | Include in gross income. | 46.a. | \$240. |
| 28.c. | \$0. | 46.b. | \$760. |
| 28.d. | \$3,500. | 46.d. | Low end. |
| 29.a. | \$15,000 capital gain on stock sale; \$0 gross income if "terminally ill" on insurance policy. | 47.a. | Include \$0. |
| 29.b. | \$15,000 capital gain on stock sale; \$20,000 ordinary income on life insurance policy. | 47.b. | Exclusion allowed for \$3,180; include \$420. |
| 30.a. | The salary of \$50,000 is included in gross income. | 47.c. | Exclusion allowed. |
| 30.b. | \$3,000 as compensation. | 47.d. | Exclusion allowed. |
| 30.c. | \$10,000 as compensation. | 47.e. | Exclusion allowed. |
| 30.d. | \$0. | 47.f. | No exclusion for Polly; plan is discriminatory. |
| 30.e. | \$0. | 48. | \$212,911 (2019); \$194,100 (2020). |
| 31. | Include \$86,000 in gross income. | 49. | \$1,400. |
| 32.a. | Ray has \$0 gross income on the receipt of the \$800,000 life insurance proceeds. | 50.a. | \$1,000. |
| 32.b. | \$16,000 of interest is included in gross income. | 50.b. | \$0 gross income. |
| 32.c. | \$0 gain. | 50.c. | No current deduction; \$1,000 income when shares are sold. |
| 33.a. | Room and board of \$6,000 is includible as is transportation of \$1,200. | 51. | Greater after-tax yield on California bond. |
| 33.b. | Additional compensation to Willy's father. | 53.a. | Exclude \$2,955. |
| 34. | \$4,050 is includible in 2020. | 53.b. | Include \$5,000 for Susie. |
| 35.a. | Leigh must include \$80,000 in gross income. | 54.a. | \$0. |
| 35.b. | Yes. Include \$25,000 in gross income. | 54.b. | \$0. |
| 36.a. | \$150,000. | 54.c. | \$0. |
| 36.b. | \$50,000. | 54.d. | \$22,000. |
| 36.c. | \$50,000. | 55.a. | \$1,000. |
| 36.d. | \$30,000. | 55.b. | \$800. |
| 36.e. | \$300,000. | 55.c. | \$3,000. |
| | | 56.a. | Additional tax \$7,000. |
| | | 56.b. | Fran can defer the tax. |
| | | 57.a. | \$25,000 gross income. |
| | | 57.b. | \$20,000 loss. |
| | | 57.c. | Reduce basis by \$12,000. |
| | | 58. | Refund due for 2018 \$6,267. |
| | | 59. | Refund due for 2019 \$2,619. |