

CHECK FIGURES

- 26.a. \$8,400.
 26.b. \$3,150.
 27.a. \$500,000.
 27.b. \$545,000.
 28. \$120,000.
 29. \$291,400.
 30.a. \$10,000.
 30.b. \$ 0.
 31. \$4,522.
 32. \$17,500.
 33. AGI reduced by \$4,850.
 34.a. AGI is \$62,500.
 34.b. Select itemized deductions of \$13,500.
 35. With IRA contribution \$12,850; without
 IRA contribution \$12,650.
 36. Deduct \$4,000.
 37.a. \$30,000.
 37.b. \$45,000.
 38.a. \$85,000.
 39. \$500.
 40.a. Increase AGI by \$31,000.
 40.b. Increase taxable income by \$31,000.
 41. Continue the performance-based compensation
 program without any changes.
 42. \$38,133.32.
 43.a. \$52,000.
 43.b. \$52,000.
 43.c. \$0.
 43.d. \$3,817.
 44.a. Decrease AGI by \$1,940 loss.
 44.b. \$20,000 revenue reported.
 45. Revenue of \$18,000 reported and \$3,000 of
 property taxes.
- 46.a. Exclude rent income from AGI.
 46.b. Deduct \$11,500 from AGI.
 47. No impact on AGI.
 48.a. Net rental income \$0; itemized deduction
 \$10,555.
 48.b. Net rental income \$0; itemized deduction
 \$4,600.
 49. Net rental loss \$12,488; deduction \$325.
 50. \$23,507.
 51.a. \$17,000.
 51.b. \$0.
 51.c. Chelsie should give or loan \$1,000 to
 Elisa and Clyde, who then pay \$1,000 to
 Boyd.
 52.a. Loss of \$24,000 is not deductible.
 52.b. Gain \$6,000; loss \$8,000; \$0.
 53. Robin may deduct \$2,800 in 2019 for
 loan from Peter but cannot deduct \$2,800
 for Isabelle's loan until 2020; Isabelle
 and Peter each have interest income of
 \$2,800 in 2020.
 54.a. \$0.
 54.b. \$15,000 loss.
 54.c. \$0.
 54.d. \$1,500 loss.
 54.e. \$45,000 gain.
 56.a. \$172,000.
 56.b. \$112,000.
 57. Tax payable: \$424.
 58. Refund due: \$1,547.