

CLERGY TAX LAW SHORT-COURSE



CLERGY FINANCIAL RESOURCES

A New Generation of Services for Today's Religious Professional

22222		a Employee's social security number 011-00-2222		Safe, accurate, FAST! Use				Visit the IRS website at www.irs.gov/efile .		
b Employer identification number (EIN) 00-0246810				1 Wages, tips, other compensation 31000.00		2 Federal income tax withheld				
c Employer's name, address, and ZIP code First United Church 1042 Main Street Hometown, TX 77099				3 Social security wages		4 Social security tax withheld				
				5 Medicare wages and tips		6 Medicare tax withheld				
				7 Social security tips		8 Allocated tips				
d Control number				9 Advance EIC payment		10 Dependent care benefits				
e Employee's first name and initial		Last name		Suff.		11 Nonqualified plans		12a See instructions for box 12		
John E. White		1040 Main Street		Hometown, TX 77099		13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		12b		
f Employee's address and ZIP code						14 Other Parsonage Allowance 3600.00 Utilities Allowance 1200.00		12c		
								12d		
15 State Employer's state ID number		16 State wages, tips, etc.		17 State income tax		18 Local wages, tips, etc.		19 Local income tax		20 Locality name

Form **W-2 Wage and Tax Statement** **2009** 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.

22222		a Employee's social security number 011-00-2222		Safe, accurate, FAST! Use				Visit the IRS website at www.irs.gov/efile .		
b Employer identification number (EIN) 00-1357913				1 Wages, tips, other compensation 3400.00		2 Federal income tax withheld 272.00				
c Employer's name, address, and ZIP code Hometown College 40 Honor Road Hometown, TX 77099				3 Social security wages 3400.00		4 Social security tax withheld 210.80				
				5 Medicare wages and tips 3400.00		6 Medicare tax withheld 49.30				
				7 Social security tips		8 Allocated tips				
d Control number				9 Advance EIC payment		10 Dependent care benefits				
e Employee's first name and initial		Last name		Suff.		11 Nonqualified plans		12a See instructions for box 12		
John E. White		1040 Main Street		Hometown, TX 77099		13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		12b		
f Employee's address and ZIP code						14 Other		12c		
								12d		
15 State Employer's state ID number		16 State wages, tips, etc.		17 State income tax		18 Local wages, tips, etc.		19 Local income tax		20 Locality name

Form **W-2 Wage and Tax Statement** **2009** 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.

Label

(See instructions on page 14.) Use the IRS label. Otherwise, please print or type.

Form fields for name, address, and social security numbers. Includes fields for first name, last name, joint return spouse name, home address, and city/ZIP code.

Form fields for social security numbers and checkboxes for entering SSN. Includes fields for taxpayer and spouse SSN, and checkboxes for 'You' and 'Spouse'.

Presidential Election Campaign checkbox and label. Includes checkbox for 'You' and 'Spouse'.

Filing Status

Check only one box.

Filing status options: 1 Single, 2 Married filing jointly, 3 Married filing separately, 4 Head of household, 5 Qualifying widow(er).

Exemptions

If more than four dependents, see page 17 and check here

Exemption section including checkboxes for 'Yourself' and 'Spouse', a table for dependents with columns for name, SSN, relationship, and child tax credit, and a summary of total exemptions.

Income

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a W-2, see page 22.

Enclose, but do not attach, any payment. Also, please use Form 1040-V.

Income section with rows 7 through 22. Includes wages, interest, dividends, business income, capital gains, IRA distributions, pensions, rental income, farm income, unemployment, and social security benefits.

Adjusted Gross Income

Adjusted Gross Income section with rows 23 through 37. Includes educator expenses, business expenses, health savings account deduction, moving expenses, self-employment tax, and other deductions.

Tax and Credits

Standard Deduction for—

- People who check any box on line 39a, 39b, or 40b or who can be claimed as a dependent, see page 35.
- All others:
 - Single or Married filing separately, \$5,700
 - Married filing jointly or Qualifying widow(er), \$11,400
 - Head of household, \$8,350

38	Amount from line 37 (adjusted gross income)	38	35,286
39a	Check <input type="checkbox"/> You were born before January 2, 1945, <input type="checkbox"/> Blind. <input type="checkbox"/> Spouse was born before January 2, 1945, <input type="checkbox"/> Blind. Total boxes checked ▶ 39a <input type="checkbox"/>		
b	If your spouse itemizes on a separate return or you were a dual-status alien, see page 35 and check here ▶ 39b <input type="checkbox"/>		
40a	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	40a	13,434
b	If you are increasing your standard deduction by certain real estate taxes, new motor vehicle taxes, or a net disaster loss, attach Schedule L and check here (see page 35) . ▶ 40b <input type="checkbox"/>		
41	Subtract line 40a from line 38	41	21,852
42	Exemptions. If line 38 is \$125,100 or less and you did not provide housing to a Midwestern displaced individual, multiply \$3,650 by the number on line 6d. Otherwise, see page 37	42	10,950
43	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	10,902
44	Tax (see page 37). Check if any tax is from: a <input type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972.	44	1,093
45	Alternative minimum tax (see page 40). Attach Form 6251	45	
46	Add lines 44 and 45	46	1,093
47	Foreign tax credit. Attach Form 1116 if required	47	
48	Credit for child and dependent care expenses. Attach Form 2441	48	
49	Education credits from Form 8863, line 29	49	
50	Retirement savings contributions credit. Attach Form 8880	50	
51	Child tax credit (see page 42)	51	1,000
52	Credits from Form: a <input type="checkbox"/> 8396 b <input type="checkbox"/> 8839 c <input type="checkbox"/> 5695	52	
53	Other credits from Form: a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/>	53	
54	Add lines 47 through 53. These are your total credits	54	1,000
55	Subtract line 54 from line 46. If line 54 is more than line 46, enter -0-	55	93

Other Taxes

56	Self-employment tax. Attach Schedule SE	56	6,196
57	Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919	57	
58	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	58	
59	Additional taxes: a <input type="checkbox"/> AEIC payments b <input type="checkbox"/> Household employment taxes. Attach Schedule H	59	
60	Add lines 55 through 59. This is your total tax	60	6,289

Payments

If you have a qualifying child, attach Schedule EIC.

61	Federal income tax withheld from Forms W-2 and 1099	61	272
62	2009 estimated tax payments and amount applied from 2008 return	62	7,000
63	Making work pay and government retiree credits. Attach Schedule M	63	800
64a	Earned income credit (EIC)	64a	
b	Nontaxable combat pay election 64b		
65	Additional child tax credit. Attach Form 8812	65	
66	Refundable education credit from Form 8863, line 16	66	
67	First-time homebuyer credit. Attach Form 5405	67	
68	Amount paid with request for extension to file (see page 72)	68	
69	Excess social security and tier 1 RRTA tax withheld (see page 72)	69	
70	Credits from Form: a <input type="checkbox"/> 2439 b <input type="checkbox"/> 4136 c <input type="checkbox"/> 8801 d <input type="checkbox"/> 8885	70	
71	Add lines 61, 62, 63, 64a, and 65 through 70. These are your total payments	71	8,072

Refund

Direct deposit? See page 73 and fill in 73b, 73c, and 73d, or Form 8888.

72	If line 71 is more than line 60, subtract line 60 from line 71. This is the amount you overpaid	72	1,783
73a	Amount of line 72 you want refunded to you . If Form 8888 is attached, check here ▶ <input type="checkbox"/>	73a	
b	Routing number	c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings	
d	Account number		
74	Amount of line 72 you want applied to your 2010 estimated tax ▶	74	1,783

Amount You Owe

75	Amount you owe. Subtract line 71 from line 60. For details on how to pay, see page 74 . ▶	75	
76	Estimated tax penalty (see page 74)	76	

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see page 75)? **Yes.** Complete the following. **No**

Designee's name ▶	Phone no. ▶	Personal identification number (PIN) ▶
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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.

Joint return? See page 15. Keep a copy for your records.	Your signature <i>John E. White</i>	Date <i>3/1/2010</i>	Your occupation Minister	Daytime phone number
	Spouse's signature. If a joint return, both must sign. <i>Susan R. White</i>	Date <i>3/1/2010</i>	Spouse's occupation Homemaker	

Paid Preparer's Use Only

Preparer's signature ▶	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
Firm's name (or yours if self-employed), address, and ZIP code ▶	EIN	Phone no.	

**SCHEDULE A
(Form 1040)**

Itemized Deductions

OMB No. 1545-0074

2009

Department of the Treasury
Internal Revenue Service (99)

▶ **Attach to Form 1040.**

▶ **See Instructions for Schedule A (Form 1040).**

Attachment
Sequence No. **07**

Name(s) shown on Form 1040

Your social security number

John E. White and Susan R. White

011-00-2222

Medical and Dental Expenses	Caution. Do not include expenses reimbursed or paid by others.					
	1	Medical and dental expenses (see page A-1)				
	2	Enter amount from Form 1040, line 38 2				
	3	Multiply line 2 by 7.5% (.075)				
	4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-			4	
Taxes You Paid <small>(See page A-2.)</small>	5 State and local (check only one box):					
	a	<input type="checkbox"/> Income taxes, or		722		
	b	<input checked="" type="checkbox"/> General sales taxes				
	6	Real estate taxes (see page A-5)		1,800		
	7	New motor vehicle taxes from line 11 of the worksheet on back. Skip this line if you checked box 5b				
	8	Other taxes. List type and amount ▶				
	9	Add lines 5 through 8				9
						2,522
Interest You Paid <small>(See page A-6.)</small>	10	Home mortgage interest and points reported to you on Form 1098	10	5,572		
	11	Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see page A-7 and show that person's name, identifying no., and address ▶				
	12	Points not reported to you on Form 1098. See page A-7 for special rules				
	13	Qualified mortgage insurance premiums (see page A-7)				
	14	Investment interest. Attach Form 4952 if required. (See page A-8.)				
	15	Add lines 10 through 14				15
					5,572	
Gifts to Charity <small>If you made a gift and got a benefit for it, see page A-8.</small>	16	Gifts by cash or check. If you made any gift of \$250 or more, see page A-8	16	4,800		
	17	Other than by cash or check. If any gift of \$250 or more, see page A-8. You must attach Form 8283 if over \$500	17			
	18	Carryover from prior year	18			
	19	Add lines 16 through 18				19
					4,800	
Casualty and Theft Losses	20	Casualty or theft loss(es). Attach Form 4684. (See page A-10.)				20
Job Expenses and Certain Miscellaneous Deductions <small>(See page A-10.)</small>	21	Unreimbursed employee expenses—job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See page A-10.) ▶	21	1,246		
	22	Tax preparation fees	22			
	23	Other expenses—investment, safe deposit box, etc. List type and amount ▶	23			
	24	Add lines 21 through 23	24	1,246		
	25	Enter amount from Form 1040, line 38 25 <u>35,286</u>	25			
	26	Multiply line 25 by 2% (.02)	26	706		
27	Subtract line 26 from line 24. If line 26 is more than line 24, enter -0-				27	
					540	
Other Miscellaneous Deductions	28	Other—from list on page A-11. List type and amount ▶				28
Total Itemized Deductions	29	Is Form 1040, line 38, over \$166,800 (over \$83,400 if married filing separately)? <input checked="" type="checkbox"/> No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 28. Also, enter this amount on Form 1040, line 40a. <input type="checkbox"/> Yes. Your deduction may be limited. See page A-11 for the amount to enter.				29
						13,434
	30	If you elect to itemize deductions even though they are less than your standard deduction, check here <input type="checkbox"/>				

**SCHEDULE C-EZ
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

Net Profit From Business
(Sole Proprietorship)

▶ Partnerships, joint ventures, etc., generally must file Form 1065 or 1065-B.
▶ Attach to Form 1040, 1040NR, or 1041. ▶ See instructions on page 2.

OMB No. 1545-0074

2009

Attachment
Sequence No. **09A**

Name of proprietor

John E. White

Social security number (SSN)

011-00-2222

Part I General Information

**You May Use
Schedule C-EZ
Instead of
Schedule C
Only If You:**

- Had business expenses of \$5,000 or less.
- Use the cash method of accounting.
- Did not have an inventory at any time during the year.
- Did not have a net loss from your business.
- Had only one business as either a sole proprietor, qualified joint venture, or statutory employee.

And You:

- Had no employees during the year.
- Are not required to file **Form 4562**, Depreciation and Amortization, for this business. See the instructions for Schedule C, line 13, on page C-5 to find out if you must file.
- Do not deduct expenses for business use of your home.
- Do not have prior year unallowed passive activity losses from this business.

A Principal business or profession, including product or service

Minister

B Enter business code (see page 2)

5 4 1 9 9 0

C Business name. If no separate business name, leave blank.

D Enter your EIN (see page 2)

E Business address (including suite or room no.). Address not required if same as on page 1 of your tax return.

1042 Main Street

City, town or post office, state, and ZIP code

Hometown, TX 77099

Part II Figure Your Net Profit

1 Gross receipts. Caution. See the instructions for Schedule C, line 1, on page C-4 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, or
- You are a member of a qualified joint venture reporting only rental real estate income not subject to self-employment tax.

1 4,000

2 Total expenses (see page 2). If more than \$5,000, you **must** use Schedule C

2 256*

3 Net profit. Subtract line 2 from line 1. If less than zero, you **must** use Schedule C. Enter on both **Form 1040, line 12**, and **Schedule SE, line 2**, or on **Form 1040NR, line 13**. (If you checked the box on line 1, **do not** report the amount from line 3 on Schedule SE, line 2.) Estates and trusts, enter on **Form 1041, line 3**

3 3,744

Part III Information on Your Vehicle. Complete this part **only** if you are claiming car or truck expenses on line 2.

4 When did you place your vehicle in service for business purposes? (month, day, year) ▶ 7/15/2006

5 Of the total number of miles you drove your vehicle during 2009, enter the number of miles you used your vehicle for:

a Business 445 **b** Commuting (see page 2) -0- **c** Other 7,247

6 Was your vehicle available for personal use during off-duty hours? **Yes** **No**

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

8a Do you have evidence to support your deduction? **Yes** **No**

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

*See attached statement.

**SCHEDULE SE
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

Self-Employment Tax

▶ **Attach to Form 1040.**

▶ **See Instructions for Schedule SE (Form 1040).**

OMB No. 1545-0074

2009

Attachment
Sequence No. **17**

Name of person with **self-employment** income (as shown on Form 1040)

John E. White

Social security number of person
with **self-employment** income ▶

011-00-2222

Who Must File Schedule SE

You must file Schedule SE if:

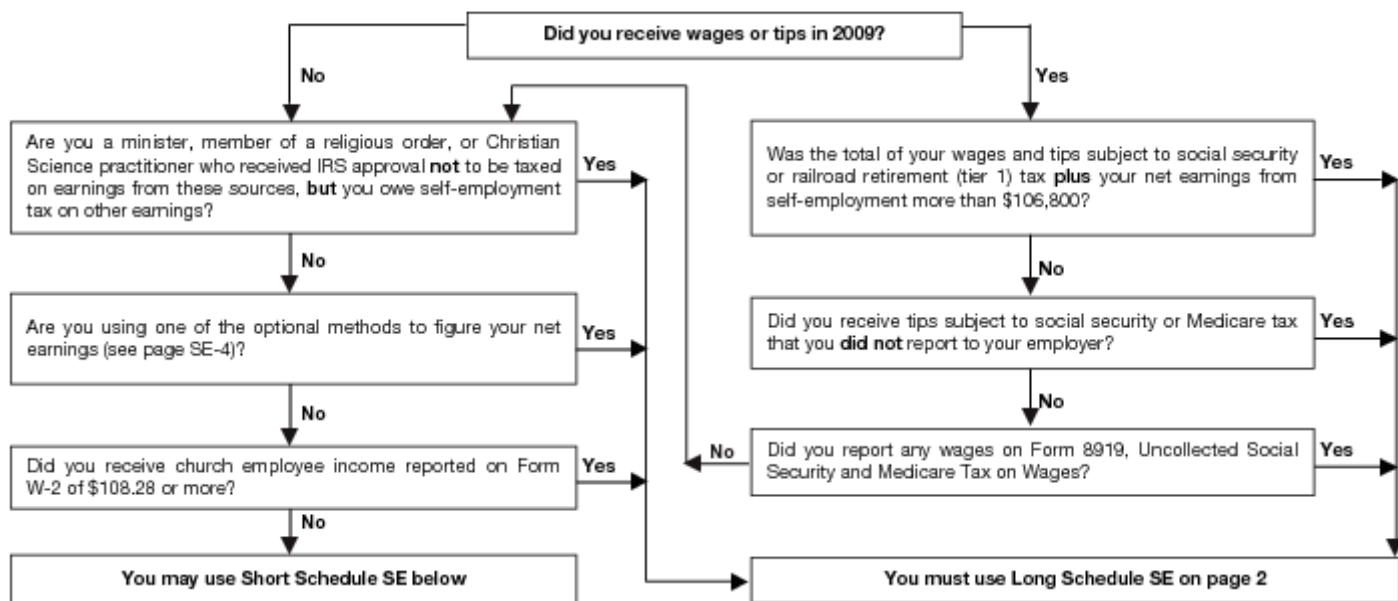
- You had net earnings from self-employment from **other than** church employee income (line 4 of Short Schedule SE or line 4c of Long Schedule SE) of \$400 or more, **or**
- You had church employee income of \$108.28 or more. Income from services you performed as a minister or a member of a religious order **is not** church employee income (see page SE-1).

Note. Even if you had a loss or a small amount of income from self-employment, it may be to your benefit to file Schedule SE and use either "optional method" in Part II of Long Schedule SE (see page SE-4).

Exception. If your only self-employment income was from earnings as a minister, member of a religious order, or Christian Science practitioner **and** you filed Form 4361 and received IRS approval not to be taxed on those earnings, **do not** file Schedule SE. Instead, write "Exempt—Form 4361" on Form 1040, line 56.

May I Use Short Schedule SE or Must I Use Long Schedule SE?

Note. Use this flowchart **only if** you must file Schedule SE. If unsure, see *Who Must File Schedule SE*, above.



Section A—Short Schedule SE. Caution. Read above to see if you can use Short Schedule SE.

1a Net farm profit or (loss) from Schedule F, line 36, 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 6b, or listed on Schedule K-1 (Form 1065), box 20, code Y	1b	()
2 Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), box 14, code A (other than farming); and Schedule K-1 (Form 1065-B), box 9, code J1. Ministers and members of religious orders, see page SE-1 for types of income to report on this line. See page SE-3 for other income to report	2	43,850*	
3 Combine lines 1a, 1b, and 2	3	43,850	
4 Net earnings from self-employment. Multiply line 3 by 92.35% (.9235). If less than \$400, do not file this schedule; you do not owe self-employment tax ▶	4	40,495	
5 Self-employment tax. If the amount on line 4 is: • \$106,800 or less, multiply line 4 by 15.3% (.153). Enter the result here and on Form 1040, line 56. • More than \$106,800, multiply line 4 by 2.9% (.029). Then, add \$13,243.20 to the result. Enter the total here and on Form 1040, line 56.	5	6,196	
6 Deduction for one-half of self-employment tax. Multiply line 5 by 50% (.50). Enter the result here and on Form 1040, line 27	6	3,098	

*See attached statement.

Unreimbursed Employee Business Expenses

Department of the Treasury
Internal Revenue Service (99)

▶ **Attach to Form 1040 or Form 1040NR.**

Your name <i>John E. White</i>	Occupation in which you incurred expenses <i>Minister</i>	Social security number <i>011-00-2222</i>
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You Can Use This Form Only if All of the Following Apply.

- You are an employee deducting ordinary and necessary expenses attributable to your job. An ordinary expense is one that is common and accepted in your field of trade, business, or profession. A necessary expense is one that is helpful and appropriate for your business. An expense does not have to be required to be considered necessary.
- You **do not** get reimbursed by your employer for any expenses (amounts your employer included in box 1 of your Form W-2 are not considered reimbursements for this purpose).
- If you are claiming vehicle expense, you are using the standard mileage rate for 2009.

Caution: You can use the standard mileage rate for 2009 **only if:** (a) you owned the vehicle and used the standard mileage rate for the first year you placed the vehicle in service, **or** (b) you leased the vehicle and used the standard mileage rate for the portion of the lease period after 1997.

Part I Figure Your Expenses

1 Vehicle expense using the standard mileage rate. Complete Part II and multiply line 8a by 55¢ (.55)	1	<i>1,387</i>	
2 Parking fees, tolls, and transportation, including train, bus, etc., that did not involve overnight travel or commuting to and from work	2		
3 Travel expense while away from home overnight, including lodging, airplane, car rental, etc. Do not include meals and entertainment	3		
4 Business expenses not included on lines 1 through 3. Do not include meals and entertainment	4	<i>231</i>	
5 Meals and entertainment expenses: \$ _____ × 50% (.50). (Employees subject to Department of Transportation (DOT) hours of service limits: Multiply meal expenses incurred while away from home on business by 80% (.80) instead of 50%. For details, see instructions.)	5		
6 Total expenses. Add lines 1 through 5. Enter here and on Schedule A (Form 1040), line 21 (or on Schedule A (Form 1040NR), line 9). (Armed Forces reservists, fee-basis state or local government officials, qualified performing artists, and individuals with disabilities: See the instructions for special rules on where to enter this amount.)	6	<i>1,246*</i>	

Part II Information on Your Vehicle. Complete this part **only** if you are claiming vehicle expense on line 1.

- 7 When did you place your vehicle in service for business use? (month, day, year) ▶ 7/15/2006
- 8 Of the total number of miles you drove your vehicle during 2009, enter the number of miles you used your vehicle for:
- a Business 2,521 b Commuting (see instructions) -0- c Other 5,171
- 9 Was your vehicle available for personal use during off-duty hours? **Yes** **No**
- 10 Do you (or your spouse) have another vehicle available for personal use? **Yes** **No**
- 11a Do you have evidence to support your deduction? **Yes** **No**
- b If "Yes," is the evidence written? **Yes** **No**

*See attached statement.



CLERGY FINANCIAL RESOURCES

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