

TAX RETURN PREPARATION ASSIGNMENT

The requirements for this assignment are to prepare on 2018 Federal tax forms

- a U. S. Corporation Income Tax Return (Form 1120)
- a U. S. Income Tax Return for an S Corporation (Form 1120-S)
- a U. S. Return of Partnership Income (Form 1065)
- a U. S. Income Tax Return for Estates and Trusts (Form 1041)

The following data is to be used in preparing all of the tax returns.

Taxpayer:

Crest Consulting Services [for Forms 1120, 1120-S, 1065]
1000 College Avenue
Allentown, PA 18104

Estate of Sarah Crest [for Form 1041]
1000 College Avenue
Allentown, PA 18104

Employer Identification Number: 23-1234567

Owners/Beneficiaries:	AGE AT <u>12/31</u>	SOCIAL SECURITY <u>NUMBER</u>	OWNERSHIP/ BENEFICIARY <u>INTEREST</u>	TIME DEVOTED TO <u>BUSINESS</u>	ANNUAL BUSINESS <u>COMPENSATION</u>
John P. Doe 248 Elmhurst Drive Anywhere, PA 17001-1234	45	123-45-6789	50%	100%	\$100,000.00
Jane E. Doe 248 Elmhurst Drive Anywhere, PA 17001-1234	46	234-56-7891	30%	50%	\$75,000.00
Jill H. Doe 7689 Independence Avenue Freedom, VA 23001-1234	21	345-67-8910	20%	10%	\$25,000.00

The following data applies to the above taxpayers:

The business's only asset transaction involved the purchase of additional office equipment at a cost of \$10,000.

The following cash distributions were made:

March 1, 2018	\$30,000
September 13, 2018	\$20,000

The following estimated tax payments were made:

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April 12, 2018	\$750
June 13, 2018	\$750
September 13, 2018	\$750
December 13, 2018	\$750

Additional data include:

* Sales	\$437,162
* Sales returns	20,000
* Purchases	205,000
Gross Dividends	1,000
Qualified Dividends	750
Interest - City National Bank	2,100
Interest - City of Chicago Bonds	1,500
* Other wages	30,000
* Advertising	16,225
Repairs	800
* Bad debts	2,000
* Rents	15,000
* Taxes	8,000
Contributions	1,400
* Depreciation	20,000
Administrative Expenses	1,875

* Applies only to Forms 1120, 1120-S, 1065

Financial Balance Sheet:

	BEGINNING OF YEAR	END OF YEAR
Cash	\$11,200	\$5,700
Accounts Receivable	65,000	53,062
Inventories	40,000	45,000
Investments	10,000	10,000
Depreciable assets	150,000	160,000
Accumulated Depreciation	-20,000	-40,000
Accounts Payable	30,000	35,000
Contributed capital	150,000	150,000
Retained earnings	76,200	?