

PAYROLL & PERSONAL TAXES MODULE • PRACTICAL EXAMINATION

Question 2 — Form 1040, Married Filing Separately

One return only, a side business with mixed documentation, and two dependants

#AkofenaCohort 2026 | Module 2 of 3 | Tax year 2025 | Suggested time: 75 minutes

Your instruction

Prepare the 2025 federal individual income tax return for **Victor L. Ramsey** only. Mrs Ramsey has engaged a different preparer and will file her own separate return. You have been given the household's documents as the client handed them over; deciding what belongs on this return is part of the exercise.

1. Client profile

Taxpayer (your client)	Victor L. Ramsey • SSN 318-52-9047 • DOB 3 September 1981 • IT Support Specialist
Spouse	Danielle M. Ramsey • SSN 447-19-6620 • DOB 17 January 1983 • Dental Hygienist
Address	3145 Peachtree Ridge Way, Apt 7C, Atlanta, GA 30341
Filing status	Married Filing Separately
Marital situation	Married and living together for all of 2025
Phone	(470) 555-0311

2. Source documents supplied

About the documents that follow. These are training specimens. They reproduce the box layout and numbering of the official IRS forms so that you practise reading a real document, but every payer, recipient, identification number and amount is fictitious. They are not valid tax documents and must not be filed or used for any purpose outside this examination.

Document 1 — Form W-2

a Employee's social security number 318-52-9047		OMB No. 1545-0008		Safe, accurate, FAST! Use e-file · Visit www.irs.gov/efile		
b Employer identification number (EIN) 58-3120774		1 Wages, tips, other compensation \$ 58,900.00		2 Federal income tax withheld \$ 5,410.00		
c Employer's name, address, and ZIP code Sentinel IT Services Inc. 2200 Ashford Dunwoody Rd, Atlanta, GA 30319		3 Social security wages \$ 58,900.00		4 Social security tax withheld \$ 3,651.80		
		5 Medicare wages and tips \$ 58,900.00		6 Medicare tax withheld \$ 854.05		
d Control number SIT-2025-3390		7 Social security tips \$ 0.00		8 Allocated tips \$ 0.00		
e Employee's first name and initial Last name Suff. Victor L. Ramsey		11 Nonqualified plans \$ 0.00		10 Dependent care benefits \$ 0.00		
				12a See instructions for box 12		
f Employee's address and ZIP code 3145 Peachtree Ridge Way, Apt 7C, Atlanta, GA 30341		13 ☐ Statutory employee ☐ Retirement plan ☐ Third-party sick pay		12b		
				12c		
		14 Other —		12d		
15 State GA	Employer's state ID number GA-2298471	16 State wages, tips, etc. \$ 58,900.00	17 State income tax \$ 2,062.00	18 Local wages, tips, etc.	19 Local income tax	20 Locality name
Form W-2 Wage and Tax Statement		2025		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.		

Document 2 — Form W-2

a Employee's social security number 447-19-6620		OMB No. 1545-0008		Safe, accurate, FAST! Use e-file · Visit www.irs.gov/efile		
b Employer identification number (EIN) 58-4409231		1 Wages, tips, other compensation \$ 51,300.00		2 Federal income tax withheld \$ 4,180.00		
c Employer's name, address, and ZIP code Brightsmile Dental Group PC 770 Chamblee Tucker Rd, Atlanta, GA 30341		3 Social security wages \$ 51,300.00		4 Social security tax withheld \$ 3,180.60		
		5 Medicare wages and tips \$ 51,300.00		6 Medicare tax withheld \$ 743.85		
d Control number BDG-25-0071		7 Social security tips \$ 0.00		8 Allocated tips \$ 0.00		
e Employee's first name and initial Last name Suff. Danielle M. Ramsey		11 Nonqualified plans \$ 0.00		10 Dependent care benefits \$ 0.00		
				12a See instructions for box 12		
f Employee's address and ZIP code 3145 Peachtree Ridge Way, Apt 7C, Atlanta, GA 30341		13 ☐ Statutory employee ☐ Retirement plan ☐ Third-party sick pay		12b		
				12c		
		14 Other —		12d		
15 State GA	Employer's state ID number GA-5583106	16 State wages, tips, etc. \$ 51,300.00	17 State income tax \$ 1,796.00	18 Local wages, tips, etc.	19 Local income tax	20 Locality name
Form W-2 Wage and Tax Statement		2025		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.		

Document 3 — Form 1099-NEC

☐ CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.
Halcyon Systems Group
1500 Perimeter Park Dr, Atlanta, GA 30341 (470) 555-0122

PAYER'S TIN
47-2298615

RECIPIENT'S TIN
318-52-9047

RECIPIENT'S name
Victor L. Ramsey

Street address (including apt. no.)
3145 Peachtree Ridge Way, Apt 7C

City or town, state or province, country, and ZIP or foreign postal code
Atlanta, GA 30341

Account number (see instructions)
HSG-4471

1 Nonemployee compensation
\$ 1,450.00

2 ☐ Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale

3

4 Federal income tax withheld
\$ 0.00

5 State tax withheld

6 State/Payer's state no. | 7 State income

OMB No. 1545-0116
Form 1099-NEC
(Rev. January 2024)
Nonemployee Compensation
Copy B
For Recipient
Department of the Treasury
Internal Revenue Service

Form 1099-NEC (Rev. January 2024) | www.irs.gov/Form1099NEC | Department of the Treasury — Internal Revenue Service

Document 4 — Form 1099-NEC

☐ CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.
Trellis Cloud Solutions LLC
990 Hammond Dr NE, Suite 300, Atlanta, GA 30328 (470) 555-0655

PAYER'S TIN
84-5107723

RECIPIENT'S TIN
318-52-9047

RECIPIENT'S name
Victor L. Ramsey

Street address (including apt. no.)
3145 Peachtree Ridge Way, Apt 7C

City or town, state or province, country, and ZIP or foreign postal code
Atlanta, GA 30341

Account number (see instructions)
TCS-2025-88

1 Nonemployee compensation
\$ 780.00

2 ☐ Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale

3

4 Federal income tax withheld
\$ 0.00

5 State tax withheld

6 State/Payer's state no. | 7 State income

OMB No. 1545-0116
Form 1099-NEC
(Rev. January 2024)
Nonemployee Compensation
Copy B
For Recipient
Department of the Treasury
Internal Revenue Service

Form 1099-NEC (Rev. January 2024) | www.irs.gov/Form1099NEC | Department of the Treasury — Internal Revenue Service

JOEST US CONSULT | #AkofenaCohort | joestusconsult.com

Page 4 of 8

3. Child Tax Credit questionnaire (completed by the client)

Prepared for	Victor L. Ramsey
Filing status	Married Filing Separately
Estimated AGI	Between \$60,000 and \$65,000
Date completed	2 March 2026

Question	Child 1	Child 2
Full legal name	Talia R. Ramsey	Jerome K. Ramsey
Date of birth	8 June 2011	19 September 2004
Social Security number	612-33-8871	612-33-8872
SSN valid for employment in the US?	Yes	Yes
Relationship to taxpayer	Daughter	Son
Months lived with the taxpayer in 2025	12	9 — at university otherwise
Did the child provide more than half of their own support?	No	No
Full-time student?	No — Grade 8	Yes — Georgia State University, full-time all year
Will the spouse claim this child on her separate return?	No	No
Supporting documents held	School enrolment record	University enrolment letter

Further notes taken at intake. Victor paid \$4,200 of Jerome's university tuition during 2025. He has not been given a Form 1098-T. He also states that his wife "has not decided yet" whether she will itemise her deductions on her own separate return.

What you must submit

1. **The completed Form 1040**, printed to PDF from the simulator, with all schedules the return generates.
2. **A source-document index** listing every document supplied and, for each one, the screen and box you entered it on.
3. **An exclusions note.** If you did *not* enter a document, say which one and state the reason. A correct exclusion, properly explained, counts in your favour.
4. **A client follow-up list.** Anything you could not complete because information is missing or questionable, with the question you would put to the client.

Read every box before you type. Not every document supplied belongs on this return, and not every figure is what it first appears to be. A figure that looks odd is not automatically an error — decide, then justify your decision in writing.

Statutory reference figures — tax year 2025

Item	2025 amount
Standard deduction — Married Filing Jointly	\$31,500
Standard deduction — Married Filing Separately	\$15,750
Social Security wage base	\$176,100
Maximum Social Security withheld, per employer	\$10,918.20
Social Security rate / Medicare rate (each side)	6.2% / 1.45%
Additional Medicare Tax (employee only, wages over \$200,000)	0.9%
Child Tax Credit, per qualifying child under 17	\$2,200
Refundable Additional Child Tax Credit (maximum)	\$1,700
Credit for Other Dependents	\$500
Standard business mileage rate	\$0.700 per mile
Backup withholding rate	24%
Self-employment tax rate / net earnings factor	15.3% / 92.35%
Business meals limitation	50%

These are the only figures you need to look up. Everything else must come from the source documents. Round all entries to whole dollars.

JOEST US CONSULT | #AkofenaCohort 2026 | Confidential examination material. Do not distribute. All names, identification numbers and figures in this paper are fictitious and are for training use only.