

I. Form 1040 – Individual Federal Income Tax Return

	YEAR I _____		YEAR II _____
1. W2 Income From Self Employment <i>W2s - Box 5</i>	_____	+	_____
★ 2. Tax Exempt Interest <i>Line 8b</i>	_____	+	_____
★ 3. Alimony <i>Line 11</i>	_____	+	_____
★ 4. IRA Distributions <i>Line (15a-15b) x 125% + 15b</i>	_____	+	_____
★ 5. Pensions <i>Line (16a - 16b) x 125% + 16b</i>	_____	+	_____
★ 6. Unemployment <i>Line 19</i>	_____	+	_____
★ 7. Social Security <i>Line (20a - 20b) x 125% + 20b</i>	_____	+	_____
★ 8. Other Income <i>Line 21</i>	_____	+	_____

II. Form 2106 – Employee Business Expenses

1. Total Unreimbursed Expenses <i>Line 8a + 8b</i>	(_____)	-	(_____)
◆ 2. Depreciation <i>Based on Standard Mileage OR Actual Expenses</i>	_____	+	_____

III. Schedule B – Interest and Dividends

★ 1. Interest Income <i>Line 1 (as itemized)</i>	_____	+	_____
★ 2. Dividend Income <i>Line 5 (as itemized)</i>	_____	+	_____

IV. Schedule C – Sole Proprietorship

1. Net Profit or (Loss) <i>Line 31</i>	_____	(+/-)	_____
2. Nonrecurring Other (Income) / Loss <i>Line 6</i>	_____	(+/-)	_____
3. Depletion <i>Line 12</i>	_____	+	_____
4. Depreciation <i>Line 13</i>	_____	+	_____
5. Meal & Entertainment Exclusion <i>Line 24b</i>	(_____)	-	(_____)
6. Business Use of Home <i>Line 30</i>	_____	+	_____
▲ 7. Amortization/Casualty Loss/One Time <i>Page 2, Part V (as itemized)</i>	_____	+	_____
◆ 8. Mileage Depreciation <i>Line 44a x IRS Depreciation Rate</i>	_____	+	_____

V. Schedule D – Capital Gains and Losses

★ 1. Capital Gains (Losses) <i>Parts I & II (as itemized)</i>	_____	(+/-)	_____
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VI. Schedule E – Rental Income, Investment Properties (for 2-4 primary, use schedule analysis)

1. Gross Rents & Royalties <i>Line 3 (applicable columns) [Line 4(2011)]</i>	_____		_____
2. Total Expenses <i>Line 20</i>	(_____)	-	(_____)
3. Depreciation Expenses <i>Line 18</i>	_____	+	_____
4. Amortization/Casualty Loss/One Time <i>Line 19 (as itemized), Line 14 (if applicable)</i>	_____	+	_____
5. Insurance/Mortgage Interest/Taxes <i>Lines 9, 12 & 16 (only add items escrowed – those amounts included in Line 3 entry above)</i>	_____	+	_____
▲ 6. Annualized Mortgage Payments <i>Monthly Mortgage Payments x 12</i>	(_____)	-	(_____)
7. Subtotal (This Section Only) <i>If positive, include in income on this Worksheet. If it is negative, exclude from Worksheet and count as a liability</i>	_____	=	_____

VII. Schedule F – Profit or Loss from Farming

1. Net Profit or (Loss)	Line 34	(+/-)	_____
★ 2. Non-Taxable Portion of Coop & CCC	Lines (3a-3b)+(4a-4b)+(5b-5c)+(6a-6b)	+	_____
3. Nonrecurring Other (Income) / Loss	Line 8 [Lines 8a+8b (2011)]	(+/-)	_____
4. Depreciation	Line 14	+	_____
▲ 5. Amortization/Casualty Loss/Depletion	Line 32 (as itemized)	+	_____
6. Business Use of Home/One Time	Line 32 (as itemized)	+	_____

VIII. Partners Share of Income – Schedule K-1 (Form 1065)

1. Ordinary Income (Loss)	<i>Be sure to refer to Hints & Tips</i>	(+/-)	_____
2. Net Income (Loss)	Lines 2 & 3	(+/-)	_____
★ 3. Guaranteed Payments to Partners	Line 4	+	_____

IX. Shareholders Share of Income – Schedule K-1 (Form 1120S)

1. Ordinary Income (Loss)	<i>Be sure to refer to Hints & Tips</i>	(+/-)	_____
2. Net Income (Loss)	Lines 2 & 3	(+/-)	_____

X. Partnership (Form 1065)

1. Pass-Through (Income) or Loss	Line 4	(+/-)	_____
2. Nonrecurring Other (Income) / Loss	Lines 5, 6 & 7	(+/-)	_____
3. Depreciation	Line 16a	+	_____
4. Depletion	Line 17	+	_____
▲ 5. Amortization/Casualty Loss/One Time	Line 20 (as itemized)	+	_____
6. Mortgage/Notes Payable <1 Year	Schedule L, Line 16, Column D	() - ()	_____
7. Meals & Entertainment Exclusion	Schedule M1, Line 4b	() - ()	_____
8. Subtotal	Combine Lines 1 – 8, Section X	=	_____
Ownership % _____			
9. Total Partnership Income	Multiply subtotal by ownership %	=	_____

XI. S-Corporation (Form 1120S)

1. Nonrecurring Other (Income) / Loss	Lines 4 & 5	(+/-)	_____
2. Depreciation	Line 14	+	_____
3. Depletion	Line 15	+	_____
▲ 4. Amortization/Casualty Loss/One Time	Line 19 (as itemized)	+	_____
5. Mortgages/Notes Payable <1 Year	Schedule L, Line 17, Column D	() - ()	_____
6. Meals & Entertainment Exclusion	Schedule M1, Line 3b	() - ()	_____
7. Subtotal	Combine Lines 1 – 7, Section XI	=	_____
Ownership % _____			
8. Total S-Corporation Income	Multiply subtotal by ownership %	=	_____

XII. Corporation (Form 1120)

1. Taxable Income	Line 30		(+/-)	
2. Total Tax	Line 31	(-)
3. Nonrecurring (Gains) or Losses	Lines 8 & 9		(+/-)	
4. Nonrecurring Other (Income) / Loss	Lines 10		(+/-)	
5. Depreciation	Line 20		+	
6. Depletion	Line 21		+	
▲ 7. Amortization/Casualty Loss/One Time	Line 26 (as itemized)		+	
8. Net Operating Loss/Special Deductions	Line 29c		+	
9. Mortgages/Notes Payable <1 Year	Schedule L, Line 17, Column D	(-)
10. Meals & Entertainment Exclusion	Schedule M1, Line 5c	(-)
11. Subtotal	Combine Lines 1 - 10, Section XII		=	
Ownership % _____				
12. Adjusted Subtotal	Multiply subtotal by ownership %		=	
13. Enter Corporate Dividends Paid	From Schedule B, Form 1040, This Corp		-	
14. Total Corporate Income	Subtract Dividends from Subtotal		=	

WORKSHEET TOTALS

Personal Tax Returns	Combine All Lines Sections I - IX		(+/-)	
● Partnership Return	Enter Amount from Section X, Line 9		(+/-)	
● S-Corporation Return	Enter Amount from Section XI, Line 8		(+/-)	
● Corporation Return	Enter Amount from Section XII, Line 14		(+/-)	
Total Income from Tax Returns	Combine Personal & Business Incomes		=	

Total Income _____ ÷ # months _____ = _____ Monthly Income

TIPS & HINTS - NOTE: WORKSHEET UPDATED MARCH 2014 - no changes in line numbers on 2013 tax forms

- ★ - Adjust for Recurring Income/Loss ONLY. Proper documentation must be in the file to include Income, which must be documented as stable and likely to continue for at least 3 more years (if applicable).
- ◆ - Review Line 22 of Form 2106 to determine whether the **Standard Mileage Rate** OR **Actual Expenses** have been claimed (**Standard** if complete, **Actual** if blank or \$0):
 - If the **Standard Mileage Rate** has been claimed – Add the amounts on Line 13, then multiply the sum by the IRS Depreciation Rate
 - If **Actual Expenses** have been claimed – Add amounts on Line 28
- ▲ - Do NOT automatically add the documented amount on the Line # indicated – add only the itemized amount of the specific allowable add back
- - Enter ordinary income only if: The borrower has a documented, consistent, and stable history of withdrawals or cash distributions of income from the business and the business has positive sales and earnings trends and the business has adequate liquidity to support the withdrawal of earnings and the borrower can document ownership and access to the income by a partnership agreement or corporate resolution. If the amount on Line 1 is a negative number, enter the entire amount as a negative number. For Partnerships, review Line 19 (A) for distributions; for S-Corporations, review Line 16 (D) for distributions..
- - For FNMA, Corporate Income may only be used if Borrower has 100% ownership
- - Use Caution when considering this income. The Borrower must have a legal right to draw this additional income and the Business must CLEARLY be capable of providing additional income to the Borrower, without severe negative effects.

IRS Depreciation Rates	
2013 - \$.23	2012 - \$.23
	2011 - \$.22