What are Vanessa's sources of income?

Let's determine Vanessa's sources of income by reviewing Form 13614-C Part III, Income. Before beginning the interview, review the Income section in Publication 4012 (Tab D) for examples of income sources not listed in Part III that may be mentioned during the interview.

Vanessa answered "Yes" to income from wages and salary, self-employment, and she checked "Unsure" for Alimony Income. In an earlier part of the interview, you learned that what she thought might be alimony was actually child support and is not included as taxable income. To correct Form 13614-C, cross out the unsure box and check "No" to Alimony Income, noting that Vanessa received child support.

Section A. Please complete – check Yes, No or Unsure to all questions below. Please ask if you need help.				
Part III. Income – In 2011, did you (or your spouse) receive:				
Yes No X X X X X X X X	Unsure 1. Wages or Salary? (Form W-2) Wages \$31,000 2. Tip Income? 3. Scholarships? (Forms W-2, 1098-T) 4. Interest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT,			
	 1099-DIV) 5. Refund of state/local income taxes? (Form 1099-G) 6. Alimony Income? <i>Cwild support income, not alimony</i> 7. Self-Employment payments (such as cash received for services, small business)? (Form 1099-MISC) 8. Income (or loss) from the sale of Stocks, Bonds or Real Estate (including your home)? 			
	 (Forms 1099-S, 1099-B) 9. Disability Income (such as payments from insurance or workers compensation)? (Forms 1099-R, W-2 10. Distributions from Pensions, Annuities, and/or IRA? (Form 1099-R) 11. Unemployment Compensation? (Form 1099-G) 12. Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099) 13. Income (or loss) from Rental Property? 14. Other Income: (gambling, lottery, prizes, awards, jury duty, etc.) Specify:			

Sample Interview Clarifying Income

You ask some probing questions to learn more about her income.

SAMPLE INTERVIEW			
VOLUNTEER SAYS	VANESSA RESPONDS		
Now that we have determined your filing status and who	Yes, I've been working for the same store		
you can claim as a dependent on your return, let's talk	for years and I have my own cosmetics		
about your income. Earlier, you told me that you did work	business.		
last year and were also self-employed. Is that correct?			
I see, based on your Form W-2, that's Bob's Depart-	No, just myself.		
ment Store. Did you work for anyone else last year?			
Great! I wish I could work for myself! So, this is your	Yes.		
only Form W-2?			
-			

SAMPLE INTERVIEW (continued)			
VOLUNTEER SAYS	VANESSA RESPONDS		
We've identified your total wages as \$31,000.	What about my cosmetics business?		
We will account for those earnings later. I see you answered no to receiving tip and scholarship income.	That's right.		
Did you have any interest income, such as interest from a checking account, savings account, or certificate of deposit?	No, I went with a couple of free checking accounts that don't pay interest, one for personal use and one for my cosmetics business.		
Interest income is reported on Form 1099-INT. Did you receive any of those forms?	No, I'm sure you have everything		
Did you cash in any U.S. savings bonds?	No		
Did you receive a state tax refund in 2011?	No.		

The volunteer and Vanessa continued reviewing the entries on Vanessa's Form 13614-C, as well as Publication 4012 (Tab D), Tables A and B. Vanessa's responses during the interview did not change any of her answers.

So far you have learned that Vanessa was employed as a sales associate in a retail department store for the entire tax year. You verified all the answers on Form 13614-C, Part III. She stated that she owns a cosmetics business, but you will ask her questions about that when you explore her self-employment income.

