

Test Case for State Tax Add-back, Military Retirement Exclusion, and Motor Fuel Income Tax Credit

Taxpayer Name: BILL NEEDAPPROVAL Taxpayer SSN: 400-00-5116

Taxpayer Birthdate: 13 AUGUST 1950

Spouse Name: MARY NEEDAPPROVAL Spouse SSN: 400-00-5117

Spouse Birthdate: 14 AUGUST 1950

Dependent 1 Name: SHARON NEEDAPPROVAL Dependent 1 SSN: 400-00-5120

Dependent 1 Birthdate: 13 AUGUST 2011 Relationship: GRANDDAUGHTER

Dependent 2 Name: JOHN NEEDAPPROVAL Dependent 2 SSN: 400-00-5140

Dependent 2 Birthdate: 13 AUGUST 2014 Relationship: GRANDSON

Address: 1180 DUTCH FORK ROAD
IRMO SC 29063

County Code: 40 – RICHLAND

Daytime Phone: 803-944-1234

Banking Information for Direct Deposit:

RTN: 053207766

BAN: 20033641234567891

Account Type: Checking

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Bill and Mary file a joint federal return. They are both over age 65 and have federal taxable income of \$85,000. They claim their two grandchildren, age 8 and age 5, as dependents.

They itemized using Schedule A on their federal return. Schedule A reported itemized deductions of:

- line 4 medical expenses: \$1,800
- line 5a state and local income taxes: \$2,500
- 5b state and local real estate taxes: \$6,875
- 5c state and local personal property taxes: \$875
- line 8 home mortgage interest: \$8,600
- line 11 gifts by cash or check: \$10,550

The deduction for state and local taxes was limited to \$10,000. Total itemized deductions are \$30,950

Bill received \$40,000 of military retirement income. Of that, \$16,000 was related to service in the Reserves and is excluded on line v. Mary received surviving spouse retirement income of \$20,000 from her former husband whose date of birth was August 1, 1949.

Bill had \$800 SC withholding from a W-2. Mary had \$700 SC withholding from the 1099R she received as a surviving spouse.

They own a car and a minivan that are both registered in South Carolina. The car is registered in Bill's name and the minivan is registered in both their names. For the car, Bill purchased new tires for \$500 and had oil changes totaling \$250. He also purchased 1,000 gallons of gas in South Carolina. For the minivan, they had regular maintenance of \$600 and oil changes of \$280. They purchased 700 total gallons of gas in South Carolina during the tax year. They want to claim the refundable Motor Fuel Income Tax credit.

They received an EITC on their federal return of \$2,500 and are claiming the South Carolina credit (TC-60).

If they have an overpayment, they wish to receive the refund by direct deposit.