2018

Form **1040** Department of the Treasury-Internal Revenue Service (99) **U.S. Individual Income Tax Return** **2018** OMB No. 1545-0074 IRS Use Only-Do not write or staple in this space.

Filing status: ☐ Single ☒ Married filing jointly ☐ Married filing separately ☐ Head of household ☐ Qualifying widow(er)

Your first name and initial	Last name	Your social security number
ROBERT C	NEWMAN II	[redacted]

Your standard deduction: ☐ Someone can claim you as a dependent ☒ You were born before January 2, 1954 ☐ You are blind

If joint return, spouse's first name and initial	Last name	Spouse's social security number
MARY A	NEWMAN	[redacted]

Spouse standard deduction: ☐ Someone can claim your spouse as a dependent ☒ Spouse was born before January 2, 1954 ☒ Full-year health care coverage or exempt (see inst.)
☐ Spouse is blind ☐ Spouse itemizes on a separate return or you were dual-status alien

Home address (number and street). [redacted] Apt. no. Presidential Election Campaign (see inst.) ☐ You ☐ Spouse

City, town or post office, state, and ZIP code. If you have a foreign address, attach Schedule 6. [redacted] If more than four dependents, see inst. and check here ▶ ☐

Dependents (see instructions):

(1) First name Last name	(2) Social security number	(3) Relationship to you	(4) Check if qualifies for (see inst.): Child tax credit	Credit for other dependents
			☐	☐
			☐	☐
			☐	☐
			☐	☐

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Joint return? See instructions. Keep a copy for your records.

Your signature	Date	Your occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)
[redacted]	04-08-2019	RETIRED/FARMER	
Spouse's signature. If a joint return, **both** must sign.	Date	Spouse's occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)
[redacted]	04-08-2019	FARMER	

Paid Preparer Use Only

Preparer's signature [redacted] PTIN [redacted] Firm's EIN Check if: ☐ 3rd Party Designee
Preparer's name Kim Lee Phone no. [redacted] ☒ Self-employed
Firm's name ▶ KL Tax Professional
Firm's address ▶ [redacted]

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Form **1040** (2018)

Attach Form(s) W-2. Also attach Form(s) W-2G and 1099-R if tax was withheld.

1	Wages, salaries, tips, etc. Attach Form(s) W-2				1	
2a	Tax-exempt interest	2a		b Taxable interest	2b	
3a	Qualified dividends	3a		b Ordinary dividends	3b	
4a	IRAs, pensions, and annuities	4a		b Taxable amount	4b	36,614
5a	Social security benefits	5a	30,048	b Taxable amount	5b	0
6	Total income. Add lines 1 through 5. Add any amount from Schedule 1, line 22 (23,327)				6	13,287
7	Adjusted gross income. If you have no adjustments to income, enter the amount from line 6; otherwise, subtract Schedule 1, line 36, from line 6				7	10,107
8	**Standard deduction or itemized deductions** (from Schedule A)				8	26,600
9	Qualified business income deduction (see instructions)				9	
10	Taxable income. Subtract lines 8 and 9 from line 7. If zero or less, enter -0-				10	0
11	a Tax (see inst) 0 (check if any from: 1 ☐ Form(s) 8814 2 ☐ Form 4972 3 ☐)					
	b **Add** any amount from Schedule 2 and check here ▶ ☐				11	0
12	a Child tax credit/credit for other dependents b **Add** any amount from Schedule 3 & check here ▶ ☐				12	0
13	Subtract line 12 from line 11. If zero or less, enter -0-				13	0
14	Other taxes. Attach Schedule 4				14	0
15	Total tax. Add lines 13 and 14				15	0
16	Federal income tax withheld from Forms W-2 and 1099				16	2,313
17	Refundable credits: a EIC (see inst.) b Sch 8812 c Form 8863					
	Add any amount from Schedule 5				17	
18	Add lines 16 and 17. These are your total payments				18	2,313
19	If line 18 is more than line 15, subtract line 15 from line 18. This is the amount you **overpaid**				19	2,313
20a	Amount of line 19 you want **refunded to you.** If Form 8888 is attached, check here ▶ ☐				20a	2,313
b	Routing number [redacted] c Type: ☒ Checking ☐ Savings					
d	Account number [redacted]					
21	Amount of line 19 you want **applied to your 2019 estimated tax** ▶	21				
22	**Amount you owe.** Subtract line 18 from line 15. For details on how to pay, see instructions ▶				22	
23	Estimated tax penalty (see instructions) ▶	23				

Standard Deduction for-
- Single or married filing separately, $12,000
- Married filing jointly or Qualifying widow(er), $24,000
- Head of household, $18,000
- If you checked any box under Standard deduction, see instructions.

Refund

Direct deposit? See instructions.

Amount You Owe

SCHEDULE C (Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Profit or Loss From Business

(Sole Proprietorship)

▶ Go to *www.irs.gov/ScheduleC* for instructions and the latest information.

▶ Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

OMB No. 1545-0074

2018

Attachment Sequence No. 09

Name of proprietor: ROBERT C NEWMAN II

Social security number (SSN): [redacted]

A Principal business or profession, including product or service (see instructions): RAISING LIVESTOCK &

B Enter code from instructions ▶ 115210

C Business name. If no separate business name, leave blank.: ROBERT C NEWMAN II

D Employer ID number (EIN) (see instr.)

E Business address (including suite or room no.) ▶ [redacted]
City, town or post office, state, and ZIP code

F Accounting method: (1) [ ] Cash (2) [X] Accrual (3) [ ] Other (specify) ▶

G Did you "materially participate" in the operation of this business during 2018? If "No," see instructions for limit on losses . . . [ ] Yes [X] No

H If you started or acquired this business during 2018, check here . . . ▶ [ ]

I Did you make any payments in 2018 that would require you to file Form(s) 1099? (see instructions) . . . [ ] Yes [X] No

J If "Yes," did you or will you file required Forms 1099? . . . [ ] Yes [X] No

Part I Income

1	Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked ▶ [ ]	1	23,846
2	Returns and allowances	2	0
3	Subtract line 2 from line 1	3	23,846
4	Cost of goods sold (from line 42)	4	
5	**Gross profit.** Subtract line 4 from line 3	5	23,846
6	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	495
7	**Gross income.** Add lines 5 and 6 ▶	7	24,341

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8	Advertising	8		18	Office expense (see instructions)	18	
9	Car and truck expenses (see instructions)	9		19	Pension and profit-sharing plans	19	
10	Commissions and fees	10		20	Rent or lease (see instructions):		
11	Contract labor (see instructions)	11		a	Vehicles, machinery, and equipment	20a	388
12	Depletion	12		b	Other business property	20b	
13	Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13		21	Repairs and maintenance	21	14,159
14	Employee benefit programs (other than on line 19)	14		22	Supplies (not included in Part III)	22	
15	Insurance (other than health)	15	1,918	23	Taxes and licenses	23	6,163
16	Interest (see instructions):			24	Travel and meals:		
a	Mortgage (paid to banks, etc.)	16a		a	Travel	24a	
b	Other	16b		b	Deductible meals (see instructions)	24b	
17	Legal and professional services	17	295	25	Utilities	25	1,596
				26	Wages (less employment credits)	26	
				27a	Other expenses (from line 48)	27a	2,613
				b	**Reserved for future use**	27b	

28	**Total expenses** before expenses for business use of home. Add lines 8 through 27a ▶	28	27,132
29	Tentative profit or (loss). Subtract line 28 from line 7	29	(2,791)
30	Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). **Simplified method filers only:** enter the total square footage of: (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30	30	
31	**Net profit or (loss).** Subtract line 30 from line 29. PAL • If a profit, enter on both **Schedule 1 (Form 1040), line 12** (or **Form 1040NR, line 13**) and on **Schedule SE, line 2.** (If you checked the box on line 1, see instructions). Estates and trusts, enter on **Form 1041, line 3.** • If a loss, you **must** go to line 32. ▶	31	(2,791)

32 If you have a loss, check the box that describes your investment in this activity (see instructions).

- If you checked 32a, enter the loss on both **Schedule 1 (Form 1040), line 12,** (or **Form 1040NR, line 13**) and on **Schedule SE, line 2.** (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on **Form 1041, line 3.**
- If you checked 32b, you **must** attach **Form 6198.** Your loss may be limited.

▶ 32a [X] All investment is at risk.
32b [ ] Some investment is not at risk.

For Paperwork Reduction Act Notice, see the separate instructions.

Schedule C (Form 1040) 2018

EEA

Name(s) ROBERT C NEWMAN II

SSN [redacted]

Part III **Cost of Goods Sold** (see instructions)

33 Method(s) used to value closing inventory: a ☐ Cost b ☐ Lower of cost or market c ☐ Other (attach explanation)

34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation ☐ Yes ☐ No

35	Inventory at beginning of year. If different from last year's closing inventory, attach explanation	35	
36	Purchases less cost of items withdrawn for personal use	36	
37	Cost of labor. Do not include any amounts paid to yourself	37	
38	Materials and supplies	38	
39	Other costs	39	
40	Add lines 35 through 39	40	
41	Inventory at end of year	41	
42	**Cost of goods sold.** Subtract line 41 from line 40. Enter the result here and on line 4	42	

Part IV **Information on Your Vehicle.** Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) ▶

44 Of the total number of miles you drove your vehicle during 2018, enter the number of miles you used your vehicle for:

a Business b Commuting (see instructions) c Other

45 Was your vehicle available for personal use during off-duty hours? ☐ Yes ☐ No

46 Do you (or your spouse) have another vehicle available for personal use? ☐ Yes ☐ No

47a Do you have evidence to support your deduction? ☐ Yes ☐ No

b If "Yes," is the evidence written? ☐ Yes ☐ No

Part V **Other Expenses.** List below business expenses not included on lines 8-26 or line 30.

Printing and publishing	739
Health expenses Optometrist, Helthnet Ins premium	1,874

48 **Total other expenses.** Enter here and on line 27a 48 2,613

SCHEDULE E (Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Supplemental Income and Loss

(From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)

▶ Attach to Form 1040, 1040NR, or Form 1041.

▶ Go to *www.irs.gov/ScheduleE* for instructions and the latest information.

OMB No. 1545-0074

2018

Attachment Sequence No. **13**

Name(s) shown on return: ROBERT C & MARY A NEWMAN II

Your social security number: [redacted]

Part I **Income or Loss From Rental Real Estate and Royalties** **Note:** If you are in the business of renting personal property, use **Schedule C** or **C-EZ** (see instructions). If you are an individual, report farm rental income or loss from **Form 4835** on page 2, line 40.

A Did you make any payments in 2018 that would require you to file Form(s) 1099? (see instructions) . . . . . ☐ Yes ☒ No

B If "Yes," did you or will you file required Forms 1099? . . . . . ☐ Yes ☒ No

1a	Physical address of each property (street, city, state, ZIP code)
A	[redacted]
B	
C	

1b	Type of Property (from list below)	2 For each rental real estate property listed above, report the number of fair rental and personal use days. Check the **QJV** box only if you meet the requirements to file as a qualified joint venture. See instructions.		Fair Rental Days	Personal Use Days	QJV
A	1		A	365	0	☐
B			B			☐
C			C			☐

Type of Property:

1 Single Family Residence
2 Multi-Family Residence
3 Vacation/Short-Term Rental
4 Commercial
5 Land
6 Royalties
7 Self-Rental
8 Other (describe)

Income:	**Properties:**		A	B	C
3	Rents received	3	12,000		
4	Royalties received	4			
Expenses:					
5	Advertising	5			
6	Auto and travel (see instructions)	6			
7	Cleaning and maintenance	7			
8	Commissions	8			
9	Insurance	9			
10	Legal and other professional fees	10			
11	Management fees	11			
12	Mortgage interest paid to banks, etc. (see instructions)	12			
13	Other interest	13			
14	Repairs	14	5,810		
15	Supplies	15			
16	Taxes	16	2,457		
17	Utilities	17			
18	Depreciation expense or depletion	18			
19	Other (list) ▶	19			
20	Total expenses. Add lines 5 through 19	20	8,267		
21	Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file **Form 6198**	21	3,733		
22	Deductible rental real estate loss after limitation, if any, on **Form 8582** (see instructions)	22	( )	( )	( )

23a	Total of all amounts reported on line 3 for all rental properties	23a	12,000
b	Total of all amounts reported on line 4 for all royalty properties	23b	0
c	Total of all amounts reported on line 12 for all properties	23c	0
d	Total of all amounts reported on line 18 for all properties	23d	0
e	Total of all amounts reported on line 20 for all properties	23e	8,267
24	**Income.** Add positive amounts shown on line 21. **Do not** include any losses	24	3,733
25	**Losses.** Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here	25	(0)
26	**Total rental real estate and royalty income or (loss).** Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Schedule 1 (Form 1040), line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2	26	3,733

For Paperwork Reduction Act Notice, see the separate instructions.

SCHEDULE F (Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Profit or Loss From Farming

▶ Attach to Form 1040, Form 1040NR, Form 1041, or Form 1065.
▶ Go to *www.irs.gov/ScheduleF* for instructions and the latest information.

OMB No. 1545-0074

2018

Attachment Sequence No. **14**

Name of proprietor: ROBERT C NEWMAN II

Social security number (SSN): [redacted]

A Principal crop or activity: RAISING LIVESTOCK & CIT

B Enter code from Part IV ▶ 112400

C Accounting method: [X] Cash [ ] Accrual

D Employer ID number (EIN), (see instr)

E Did you "materially participate" in the operation of this business during 2018? If "No," see instructions for limit on passive losses . . [X] Yes [ ] No

F Did you make any payments in 2018 that would require you to file Form(s) 1099 (see instructions)? . . . . . [ ] Yes [X] No

G If "Yes," did you or will you file required Forms 1099? . . . . . [ ] Yes [X] No

Part I Farm Income - Cash Method.

Complete Parts I and II (Accrual method. Complete Parts II and III, and Part I, line 9.)

1a	Sales of livestock and other resale items (see instructions)	1a	3,446		
b	Cost or other basis of livestock or other items reported on line 1a	1b			
c	Subtract line 1b from line 1a			1c	3,446
2	Sales of livestock, produce, grains, and other products you raised			2	
3a	Cooperative distributions (Form(s) 1099-PATR)	3a		3b Taxable amount	3b
4a	Agricultural program payments (see instructions)	4a		4b Taxable amount	4b
5a	Commodity Credit Corporation (CCC) loans reported under election				5a
b	CCC loans forfeited	5b		5c Taxable amount	5c
6	Crop insurance proceeds and federal crop disaster payments (see instructions)				
a	Amount received in 2018	6a		6b Taxable amount	6b
c	If election to defer to 2019 is attached, check here ▶ [ ]			6d Amount deferred from 2017	6d
7	Custom hire (machine work) income				7
8	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)				8 8,400
9	**Gross income.** Add amounts in the right column (lines 1c, 2, 3b, 4b, 5a, 5c, 6b, 6d, 7, and 8). If you use the accrual method, enter the amount from Part III, line 50. See instructions ▶				9 11,846

Part II Farm Expenses - Cash and Accrual Method.

Do not include personal or living expenses. See instructions.

10	Car and truck expenses (see instructions). Also attach Form 4562	10	13,616	23	Pension and profit-sharing plans	23
11	Chemicals	11		24	Rent or lease (see instructions):	
12	Conservation expenses (see instructions)	12		a	Vehicles, machinery, equipment	24a 388
13	Custom hire (machine work)	13		b	Other (land, animals, etc.)	24b
14	Depreciation and section 179 expense (see instructions)	14		25	Repairs and maintenance	25 8,349
				26	Seeds and plants	26
				27	Storage and warehousing	27
15	Employee benefit programs other than on line 23	15		28	Supplies	28 1,548
				29	Taxes	29 3,706
16	Feed	16	3,212	30	Utilities	30 1,596
17	Fertilizers and lime	17		31	Veterinary, breeding, and medicine	31
18	Freight and trucking	18		32	Other expenses (specify):	
19	Gasoline, fuel, and oil	19		a		32a
20	Insurance (other than health)	20		b		32b
21	Interest (see instructions)			c		32c
a	Mortgage (paid to banks, etc.)	21a		d		32d
b	Other	21b		e		32e
22	Labor hired (less employment credits)	22	3,700	f		32f

33	**Total expenses.** Add lines 10 through 32f. If line 32f is negative, see instructions ▶	33	36,115
34	**Net farm profit or (loss).** Subtract line 33 from line 9	34	(24,269)

If a profit, stop here and see instructions for where to report. If a loss, complete lines 35 and 36.

35 Reserved for future use.

36 Check the box that describes your investment in this activity and see instructions for where to report your loss.

a [X] All investment is at risk. b [ ] Some investment is not at risk.

For Paperwork Reduction Act Notice, see the separate instructions.

EEA

Form **8959**

Department of the Treasury
Internal Revenue Service

Additional Medicare Tax

▶ If any line does not apply to you, leave it blank. See separate instructions.
▶ Attach to Form 1040, 1040NR, 1040-PR, or 1040-SS.
▶ Go to *www.irs.gov/Form8959* for instructions and the latest information.

OMB No. 1545-0074

2018

Attachment Sequence No. **71**

Name(s) shown on return: ROBERT C & MARY A NEWMAN II

Your social security number: [redacted]

Part I Additional Medicare Tax on Medicare Wages

1	Medicare wages and tips from Form W-2, box 5. If you have more than one Form W-2, enter the total of the amounts from box 5		1		
2	Unreported tips from Form 4137, line 6		2		
3	Wages from Form 8919, line 6		3		
4	Add lines 1 through 3		4		
5	Enter the following amount for your filing status:				
	Married filing jointly	$250,000			
	Married filing separately	$125,000			
	Single, Head of household, or Qualifying widow(er)	$200,000	5	250,000	
6	Subtract line 5 from line 4. If zero or less, enter -0-			6	
7	Additional Medicare Tax on Medicare wages. Multiply line 6 by 0.9% (0.009). Enter here and go to Part II			7	

Part II Additional Medicare Tax on Self-Employment Income

8	Self-employment income from Schedule SE (Form 1040), Section A, line 4, or Section B, line 6. If you had a loss, enter -0- (Form 1040-PR and Form 1040-SS filers, see instructions.)		8		
9	Enter the following amount for your filing status:				
	Married filing jointly	$250,000			
	Married filing separately	$125,000			
	Singe, Head of household, or Qualifying widow(er)	$200,000	9		
10	Enter the amount from line 4		10		
11	Subtract line 10 from line 9. If zero or less, enter -0-		11		
12	Subtract line 11 from line 8. If zero or less, enter -0-			12	
13	Additional Medicare Tax on self-employment income. Multiply line 12 by 0.9% (0.009). Enter here and go to Part III			13	

Part III Additional Medicare Tax on Railroad Retirement Tax Act (RRTA) Compensation

14	Railroad retirement (RRTA) compensation and tips from Form(s) W-2, box 14 (see instructions)		14		
15	Enter the following amount for your filing status:				
	Married filing jointly	$250,000			
	Married filing separately	$125,000			
	Single, Head of household, or Qualifying widow(er)	$200,000	15		
16	Subtract line 15 from line 14. If zero or less, enter -0-			16	
17	Additional Medicare Tax on railroad retirement (RRTA) compensation. Multiply line 16 by 0.9% (0.009). Enter here and go to Part IV			17	

Part IV Total Additional Medicare Tax

18	Add lines 7, 13, and 17. Also include this amount on Schedule 4 (Form 1040), line 62 (check box a) (Form 1040NR, 1040-PR, and 1040-SS filers, see instructions), and go to Part V	18	0

Part V Withholding Reconciliation

19	Medicare tax withheld from Form W-2, box 6. If you have more than one Form W-2, enter the total of the amounts from box 6		19	99	
20	Enter the amount from line 1		20		
21	Multiply line 20 by 1.45% (0.0145). This is your regular Medicare tax withholding on Medicare wages		21		
22	Subtract line 21 from line 19. If zero or less, enter -0-. This is your Additional Medicare Tax withholding on Medicare wages			22	99
23	Additional Medicare Tax withholding on railroad retirement (RRTA) compensation from Form W-2, box 14 (see instructions)			23	
24	**Total Additional Medicare Tax withholding.** Add lines 22 and 23. Also include this amount with federal income tax withholding on Form 1040, line 16 (Form 1040NR, 1040-PR, and 1040-SS filers, see instructions)			24	99

For Paperwork Reduction Act Notice, see your tax return instructions.

Form **8582**

Department of the Treasury
Internal Revenue Service (99)

Passive Activity Loss Limitations

▶ See separate instructions.
▶ Attach to Form 1040 or Form 1041.
▶ Go to *www.irs.gov/Form8582* for instructions and the latest information.

OMB No. 1545-1008

2018

Attachment Sequence No. **88**

Name(s) shown on return: ROBERT C & MARY A NEWMAN II

Identifying number: [redacted]

Part I 2018 Passive Activity Loss

Caution: Complete Worksheets 1, 2, and 3 before completing Part I.

Rental Real Estate Activities With Active Participation (For the definition of active participation, see **Special Allowance for Rental Real Estate Activities** in the instructions.)

1a	Activities with net income (enter the amount from Worksheet 1, column (a))	1a	3,733	
b	Activities with net loss (enter the amount from Worksheet 1, column (b))	1b	( )	
c	Prior years unallowed losses (enter the amount from Worksheet 1, column (c))	1c	( )	
d	Combine lines 1a, 1b, and 1c			1d 3,733

Commercial Revitalization Deductions From Rental Real Estate Activities

2a	Commercial revitalization deductions from Worksheet 2, column (a)	2a	( )	
b	Prior year unallowed commercial revitalization deductions from Worksheet 2, column (b)	2b	( )	
c	Add lines 2a and 2b			2c ( )

All Other Passive Activities

3a	Activities with net income (enter the amount from Worksheet 3, column (a))	3a		
b	Activities with net loss (enter the amount from Worksheet 3, column (b))	3b	(2,791)	
c	Prior years' unallowed losses (enter the amount from Worksheet 3, column (c))	3c	( )	
d	Combine lines 3a, 3b, and 3c			3d (2,791)

4	Combine lines 1d, 2c, and 3d. If this line is zero or more, stop here and include this form with your return; all losses are allowed, including any prior year unallowed losses entered on line 1c, 2b, or 3c. Report the losses on the forms and schedules normally used	4	942

If line 4 is a loss and:
- Line 1d is a loss, go to Part II.
- Line 2c is a loss (and line 1d is zero or more), skip Part II and go to Part III.
- Line 3d is a loss (and lines 1d and 2c are zero or more), skip Parts II and III and go to line 15.

Caution: If your filing status is married filing separately and you lived with your spouse at any time during the year, **do not** complete Part II or Part III. Instead, go to line 15.

Part II Special Allowance for Rental Real Estate Activities With Active Participation

Note: Enter all numbers in Part II as positive amounts. See instructions for an example.

5	Enter the **smaller** of the loss on line 1d or the loss on line 4			5
6	Enter $150,000. If married filing separately, see instructions	6		
7	Enter modified adjusted gross income, but not less than zero (see instructions)	7		
	Note: If line 7 is greater than or equal to line 6, skip lines 8 and 9, enter -0- on line 10. Otherwise, go to line 8.			
8	Subtract line 7 from line 6	8		
9	Multiply line 8 by 50% (0.50). **Do not** enter more than $25,000. If married filing separately, see instructions			9
10	Enter the **smaller** of line 5 or line 9			10 0

If line 2c is a loss, go to Part III. Otherwise, go to line 15.

Part III Special Allowance for Commercial Revitalization Deductions From Rental Real Estate Activities

Note: Enter all numbers in Part III as positive amounts. See the example for Part II in the instructions.

11	Enter $25,000 reduced by the amount, if any, on line 10. If married filing separately, see instructions	11
12	Enter the loss from line 4	12
13	Reduce line 12 by the amount on line 10	13
14	Enter the **smallest** of line 2c (treated as a positive amount), line 11, or line 13	14

Part IV Total Losses Allowed

15	Add the income, if any, on lines 1a and 3a and enter the total	15	
16	**Total losses allowed from all passive activities for 2018.** Add lines 10, 14, and 15. See instructions to find out how to report the losses on your tax return	16	0

For Paperwork Reduction Act Notice, see instructions.

Form **4562**

Department of the Treasury
Internal Revenue Service (99)

Depreciation and Amortization
(Including Information on Listed Property)

▶ Attach to your tax return.

▶ Go to *www.irs.gov/Form4562* for instructions and the latest information.

OMB No. 1545-0172

2018

Attachment Sequence No. **179**

Name(s) shown on return	Business or activity to which this form relates	Identifying number
ROBERT C & MARY A NEWMAN II	FARM - RAISING LIVESTO	[redacted]

Part I **Election To Expense Certain Property Under Section 179**

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	

6 (a) Description of property	(b) Cost (business use only)	(c) Elected cost

7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the **smaller** of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2017 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5. See instructions	11	
12	Section 179 expense deduction. Add lines 9 and 10, but don't enter more than line 11	12	
13	Carryover of disallowed deduction to 2019. Add lines 9 and 10, less line 12 ▶	13	

Note: Don't use Part II or Part III below for listed property. Instead, use Part V.

Part II **Special Depreciation Allowance and Other Depreciation** (**Don't** include listed property. See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year. See instructions	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III **MACRS Depreciation** (**Don't** include listed property. See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2018	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ ☐		

Section B - Assets Placed in Service During 2018 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only-see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental			27.5 yrs.	MM	S/L	
property			27.5 yrs.	MM	S/L	
i Nonresidential real			39 yrs.	MM	S/L	
property				MM	S/L	

Section C - Assets Placed in Service During 2018 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 30-year			30 yrs.	MM	S/L	
d 40-year			40 yrs.	MM	S/L	

Part IV **Summary** (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	**Total.** Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	22	
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Part V **Listed Property** (Include automobiles, certain other vehicles, certain aircraft, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? ☒ Yes ☐ No 24b If "Yes," is the evidence written? ☒ Yes ☐ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use. See instructions						25		
26 Property used more than 50% in a qualified business use:								
2005 Dodge Pic	01012018	100.0%						
2011 KIA	12082016	100.0%						
		%						
27 Property used 50% or less in a qualified business use:								
		%				S/L-		
		%				S/L-		
		%				S/L-		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1						28		
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1							29	

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (**don't** include commuting miles)	4,035		20,949									
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32	4,035		20,949									
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
34 Was the vehicle available for personal use during off-duty hours?		X	X									
35 Was the vehicle used primarily by a more than 5% owner or related person?	X		X									
36 Is another vehicle available for personal use?	X		X									

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **aren't** more than 5% owners or related persons. See instructions.

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? See instructions		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," don't complete Section B for the covered vehicles.

Part VI **Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2018 tax year (see instructions):					
43 Amortization of costs that began before your 2018 tax year				43	
44 **Total.** Add amounts in column (f). See the instructions for where to report				44	

Schedule A - NOL (see instructions)

1	For individuals, subtract your standard deduction or itemized deductions from your adjusted gross income and enter it here. For estates and trusts, enter taxable income increased by the total of the charitable deduction, income distribution deduction, and exemption amount (see instuctions)				1	(16,493)
2	Nonbusiness capital losses before limitation. Enter as a positive number			2		
3	Nonbusiness capital gains (without regard to any section 1202 exclusion)			3		
4	If line 2 is more than line 3, enter the difference. Otherwise, enter -0-			4		
5	If line 3 is more than line 2, enter the difference. Otherwise, enter -0-	5				
6	Nonbusiness deductions (see instructions)			6	26,600	
7	Nonbusiness income other than capital gains (see instructions)	7	36,614			
8	Add lines 5 and 7			8	36,614	
9	If line 6 is more than line 8, enter the difference. Otherwise, enter -0-					9
10	If line 8 is more than line 6, enter the difference. Otherwise, enter -0-. **But don't enter more than line 5**	10				
11	Business capital losses before limitation. Enter as a positive number			11		
12	Business capital gains (without regard to any section 1202 exclusion)	12				
13	Add lines 10 and 12			13		
14	Subtract line 13 from line 11. If zero or less, enter -0-			14		
15	Add lines 4 and 14			15		
16	Enter the loss, if any, from line 16 of your 2018 Schedule D (Form 1040). (For estates and trusts, enter the loss, if any, from line 19, column (3), of Schedule D (Form 1041).) Enter as a positive number. If you don't have a loss on that line (and don't have a section 1202 exclusion), skip lines 16 through 21 and enter on line 22 the amount from line 15			16		
17	Section 1202 exclusion. Enter as a positive number					17
18	Subtract line 17 from line 16. If zero or less, enter -0-			18		
19	Enter the loss, if any, from line 21 of your 2018 Schedule D (Form 1040). (For estates and trusts, enter the loss, if any, from line 20 of Schedule D (Form 1041).) Enter as a positive number			19		
20	If line 18 is more than line 19, enter the difference. Otherwise, enter -0-			20		
21	If line 19 is more than line 18, enter the difference. Otherwise, enter -0-					21
22	Subtract line 20 from line 15. If zero or less, enter -0-					22
23	Domestic production activities deduction from your 2018 return. See instructions					23
24	NOL deduction for losses from other years. Enter as a positive number					24
25	**NOL.** Combine lines 1, 9, 17, and 21 through 24. If the result is less than zero, enter it here and on page 1, line 1a. If the result is zero or more, you **don't** have an NOL					25 (16,493)

SSA Detail Listing

(Keep for your records)

2018

Name(s) as shown on return

ROBERT C & MARY A NEWMAN II

Tax ID Number

[redacted]

T/S	Name	Net Benefit	Medicare Premium	Tax Withheld
S	MARY A NEWMAN	15,900	1,608	
T	ROBERT C NEWMAN II	14,148	1,592	
	Taxpayer Totals	14,148	1,592	
	Spouse Totals	15,900	1,608	
	Totals	30,048	3,200	

Form 1040/1041

2018 Qualified Business Income Deduction Simplified Worksheet

(Keep for your records)

2018

Name(s) as shown on return

ROBERT C & MARY A NEWMAN II

Tax ID Number

[redacted]

Before you begin: This worksheet is for taxpayers who:

- Have qualified business income, REIT dividends, or PTP income.
- Are not a patron in a specified agricultural or horticultural cooperative.
- Have taxable income of $157,500 or less ($315,000 or less if married filing jointly).

1.

	(a) Trade or business name	(b) Employer identification number	(c) Qualified business income or (loss)
i.	Schedule C: ROBERT C. NEWMAN II		(2,791)
ii.	Schedule F: RAISING LIVESTOCK & CITRUS & OATS		(24,269)
iii.	Schedule E: [redacted]		3,733
iv.			

2. Total qualified business income or (loss). Add the amounts in 1i through 1iv, column 1(c) 2. (23,327)

   Note. *If reporting qualified business income or (loss) from more than four trades or businesses, see the instructions for line 2 of this worksheet.*

3. Qualified business loss carryforward from the prior year . . . . . 3.
4. Total qualified business income. Combine lines 2 and 3. If zero or less, enter -0- . . 4. 0
5. Qualified business income component. Multiply line 4 by 20% (0.20) . . . . . 5.
6. Qualified REIT dividends and PTP income or (loss) 6. 0
7. Qualified REIT dividends and PTP loss carryforward from the prior year . . . . . 7. ( )
8. Total qualified REIT dividends and PTP income. Add lines 6 and 7. If zero or less, enter -0- 8. 0
9. REIT and PTP component. Multiply line 8 by 20% (0.20) . . . . . 9.
10. Qualified business income deduction before the income limitation. Add lines 5 and 9 . . . . . 10. 0
    a. Enter amount from Form 1040, line 7 . . . . . a. 10,107
    b. Enter amount from Form 1040, line 8 . . . . . b. 26,600
11. Taxable income before qualified business income deduction. Subtract line b from line a. If filing with Form 1041, enter amount from Form 1041, line 22. . . . . 11. (16,493)
12. Net capital gain (see instructions) 12. 0
13. Subtract line 12 from line 11. If zero or less, enter -0- 13. 0
14. Income limitation. Multiply line 13 by 20% (0.20) 14. 0
15. Qualified business income deduction. Enter the smaller of line 10 or line 14 . . . . . 15. 0
16. Total qualified business loss carryforward. Add lines 2 and 3. If more than zero, enter -0- 16. (23,327)
17. Total qualified REIT dividends and PTP loss carryforward. Add lines 6 and 7. If more than zero, enter -0- 17. (0)

Form 1040

Investment Income for the Earned Income Credit

(Keep for your records)

2018

Name(s) as shown on return

ROBERT C & MARY A NEWMAN II

Tax ID Number

[redacted]

Interest and Dividends

1. Enter any amount from Form 1040, line 2b . . . . . 1. _____
2. Enter any amount from Form 1040, line 2a, plus any amount on Form 8814, line 1b . . . . . 2. _____
3. Enter any amount from Form 1040, line 3b . . . . . 3. _____
4. Enter the amount from Form 1040, Schedule 1, line 21, that is from Form 8814 if you are filing that form to report your child's interest and dividend income on your return. (If your child received an Alaska Permanent Fund dividend, use Worksheet 2, on the next page, to figure the amount to enter on this line.) . . . . . 4. _____

Capital Gain Net Income

5. Enter the amount from Form 1040, Schedule 1, line 13. If the amount on that line is a loss, enter -0- . . . . . 5. _____
6. Enter any gain from Form 4797, Sales of Business Property, line 7. If the amount on that line is a loss, enter -0-. (But, if you completed lines 8 and 9 of Form 4797, enter the amount from line 9 instead.) . . . . . 6. _____
7. Subtract line 6 of this worksheet from line 5 of this worksheet. (If the result is less than zero, enter -0-.) . . . . . 7. _____

Royalties and Rental Income from Personal Property

8. Enter any royalty income from Schedule E, line 4, plus any income from the rental of personal property shown on Form 1040, Schedule 1, line 21, minus any expenses from Schedule E, line 20, related to royalty income, plus any expenses from the rental of personal property deducted on Form 1040, line 36 of personal property deducted on Form 1040, Schedule 1, line 36 (If the result is less than zero, enter -0-.) . . . . . 8. _____

Passive Activities

9. Enter the total of any net income from passive activities (such as income included on Schedule E, lines 26, 29a (col. (g)), 34a (col. (d)), or 40) and the total of any losses from passive activities (included on Schedule E, lines 26, 29b (col. (f)), 34b (col. (c)), or 40). (See instructions below for line 9.) (if zero or less, enter -0-.) 9. 3,733
10. Adjustment from EIC screen . . . . . 10. _____
11. Add the amounts on lines 1, 2, 3, 4, 7, 8, 9 and 10. Enter the total. **This is your Investment Income** 11. 3,733
12. Is the amount on line 11 more than **$3,500?**

☒ **Yes.** You cannot take the credit.

☐ **No.** Go to Step 3 of the Form 1040 instructions for line 17 to find out if you can take the credit (unless you are using this publication to find out if you can take the credit; in that case, go to Rule 7, next).

Instructions for line 9. In figuring the amount to enter on line 9, do not take into account any royalty income (or loss) included on line 26 of Schedule E or any amount included in your earned income. To find out if the income on line 26 or line 40 of Schedule E is from a passive activity, see the Schedule E instructions. If any of the rental real estate income (or loss) included on Schedule E, line 26, is not from a passive activity, print "NPA" and the amount of that income (or loss) on the dotted line next to line 26.

Modified Adjusted Gross Income (MAGI)
Form 8582, Line 7

(Keep for your records)

2018

Name(s) as shown on return

ROBERT C & MARY A NEWMAN II

Tax ID Number

[redacted]

Income	Regular tax	Alt Min Tax
Wages		
Interest income before Series EE bond exclusion		
Dividend income		
Taxable state and local refunds		
Alimony received		
Nonpassive business income or (loss)		
Schedule D and Form 4797		
Taxable IRA distributions		
Taxable pensions and annuities	36,614	36,614
Nonpassive partnership income or (loss) (including overall PTP gains and sold PTP losses)		
Nonpassive S corporation income or (loss)		
Nonpassive estate and trust income or (loss)		
Real Estate Mortgage Investment Conduits (REMICS)		
Royalty Income		
Net rental real estate gains for a real estate professional or non-passive rental		
Overall loss from the entire disposition of a passive activity		
Nonpassive farm income or (loss)	(24,269)	(24,269)
Unemployment compensation		
Other income		
Total income	12,345	12,345
Adjustments		
Educator expenses		
Certain business expenses of reservists, performing artists, and fee-based government officials		
Health savings account deduction		
Moving expenses		
Self-employed SEP, SIMPLE, and qualified plans		
Self-employed health insurance deduction	3,180	3,180
Penalty on early withdrawal of savings		
Alimony paid		
Other adjustments		
Total adjustments	3,180	3,180
Subtract total adjustments from total income	9,165	9,165
MAGI adjustment from input screen E2		
Modified adjusted gross income	9,165	9,165

Household Income Worksheets for Form 8965 and Flat Dollar Amount Worksheet

(Keep for your records)

2018

Name(s) as shown on return: ROBERT C NEWMAN II

Tax ID Number: [redacted]

Household Income Worksheet

1. Enter your adjusted gross income (AGI) from Form 1040, line 7, or Form 1040NR, line 37		1.	10,107
2. Enter any tax-exempt interest from Form 1040, line 2a, or Form 1040NR, line 9b	2.		
3. Enter any amounts from Form 2555, lines 45 and 50, and Form 2555-EZ, line 18	3.		
4.	4.		
5. Modified AGI. Add lines 2 through 4		5.	0
6. Amount from Dependents' Combined Modified AGI Worksheet, line 5		6.	
7. Household income. Add lines 1, 5, and 6. Enter here and on the Shared Responsibility Payment Worksheet, line 7		7.	10,107
8. Premiums paid through a salary reduction arrangement	8. 3,180		
9. Household income for computing Coverage Exemption "A". Add lines 7 and 8		9.	13,287
10. Non-taxable social security received by taxpayers and dependents who were required to file a return		10.	30,048
11. Household income for computing Coverage Exemption "G" for residents of a state that did not expand Medicaid. Add lines 7 and 10		11.	40,155

Dependents' Combined Modified AGI Worksheet - Line 2b

1. Enter the AGI for your dependents from Form 1040, line 7 or Form 1040NR, line 37		1.	
2. Enter any tax-exempt interest for your dependents from Form 1040, line 2a, or Form 1040NR, line 9b	2.		
3. Enter any amounts for your dependents from Form 2555, lines 45 and 50, and Form 2555-EZ, line 18	3.		
4. Add lines 2 and 3		4.	
5. Add lines 1 and 4. Enter here and on Household Income Worksheet, line 6		5.	

The Filing Threshold for this return is	26,600
The Federal Poverty Line for this household is	16,240
Household income (Household Income Worksheet, line 11) as a percentage of Federal Poverty Line	247

Flat Dollar Amount Worksheet

CAUTION! Do not complete this worksheet unless the amount on line 10 of the Shared Responsibility Payment Worksheet is less than $2,085.

For each month, is the amount on line 5 of the Shared Responsibility Payment Worksheet less than the amount on line 10 of the Shared Responsibility Payment Worksheet?*	Yes Enter the amount from line 10	No Enter the amount from line 5
1. January		
2. February		
3. March		
4. April		
5. May		
6. June		
7. July		
8. August		
9. September		
10. October		
11. November		
12. December		
13. Add the amounts in each column		
14. Add the amounts on line 13 of both columns. Enter the result on line 11 of the Shared Responsibility Payment Worksheet		

*If the amount on line 1 of the Shared Responsibility Payment Worksheet is -0- for any month, leave both columns of this worksheet blank for that month.

Carryover Worksheet
List of items that will carryover to the 2019 tax return

(Keep for your records)

2018

Name(s) as shown on return: ROBERT C & MARY A NEWMAN II

Tax ID Number: [redacted]

				Carryover Amount
Itemized Deductions				
Contributions subject to 100% of AGI limitations				
Contributions subject to 60% of AGI limitations				
Contributions subject to 30% of AGI limitations (50% capital gains appreciated property)				
Contributions subject to 30% of AGI limitations				
Contributions subject to 20% of AGI limitations (30% capital gains appreciated property)				
Taxable state and local refunds to Form 1040, line 10				
State/local taxes paid in 2019 to flow to the Schedule A				
State donations and contributions carryover				
State overpayment applied to next year				
Expenses				
Office in home operating expenses				
Office in home excess casualty losses and depreciation				
Disallowed investment interest expense	AMT		Reg. Tax	
Section 179 expense				
Operating expenses, from Form WK_E, Sch E - Rental limitation on deductions when used for personal use				
Excess depreciation, from Form WK_E, Sch E - Rental limitation on deductions when used for personal use				
Losses				
Short-term capital loss	AMT		Reg. Tax	
Long-term capital loss	AMT		Reg. Tax	
Net operating loss	AMT	16,493	Reg. Tax	16,493
Excess business loss from Form 461 (becomes part of NOL next year)	AMT		Reg. Tax	
Qualified REIT and PTP loss carryover				
QBI loss carryover				23,327
Nonrecaptured net section 1231 losses from WK_1231C	AMT		Reg. Tax	
Credits				
Mortgage interest credit				
Credit for prior year minimum tax				
Foreign Tax credit	AMT		Reg. Tax	
District of Columbia first time home owner's credit				
Res. energy efficient property credit				
Other				
Preparer Fee				330
Overpayment applied to next year's estimates				
Estimated Tax Payment 1			Estimated Tax Payment 2	
Estimated Tax Payment 3			Estimated Tax Payment 4	
Federal tax liability for 2210 calculation				0
State tax liability for state 2210 calculation				
IRA basis	Taxpayer		Spouse	

Passive Activity

At Risk Limitations

Carryover Worksheet
List of items that will carryover to the 2019 tax return

(Keep for your records)

2018

Name(s) as shown on return: ROBERT C & MARY A NEWMAN II

Tax ID Number: [redacted]

				Carryover Amount
Itemized Deductions				
Contributions subject to 100% of AGI limitations				
Contributions subject to 60% of AGI limitations				
Contributions subject to 30% of AGI limitations (50% capital gains appreciated property)				
Contributions subject to 30% of AGI limitations				
Contributions subject to 20% of AGI limitations (30% capital gains appreciated property)				
Taxable state and local refunds to Form 1040, line 10				
State/local taxes paid in 2019 to flow to the Schedule A				
State donations and contributions carryover				
State overpayment applied to next year				
Expenses				
Office in home operating expenses				
Office in home excess casualty losses and depreciation				
Disallowed investment interest expense	AMT		Reg. Tax	
Section 179 expense				
Operating expenses, from Form WK_E, Sch E - Rental limitation on deductions when used for personal use				
Excess depreciation, from Form WK_E, Sch E - Rental limitation on deductions when used for personal use				
Losses				
Short-term capital loss	AMT		Reg. Tax	
Long-term capital loss	AMT		Reg. Tax	
Net operating loss	AMT	16,493	Reg. Tax	16,493
Excess business loss from Form 461 (becomes part of NOL next year)	AMT		Reg. Tax	
Qualified REIT and PTP loss carryover				
QBI loss carryover				23,327
Nonrecaptured net section 1231 losses from WK_1231C	AMT		Reg. Tax	
Credits				
Mortgage interest credit				
Credit for prior year minimum tax				
Foreign Tax credit	AMT		Reg. Tax	
District of Columbia first time home owner's credit				
Res. energy efficient property credit				
Other				
Preparer Fee				330
Overpayment applied to next year's estimates				
Estimated Tax Payment 1			Estimated Tax Payment 2	
Estimated Tax Payment 3			Estimated Tax Payment 4	
Federal tax liability for 2210 calculation				0
State tax liability for state 2210 calculation				
IRA basis	Taxpayer		Spouse	

Passive Activity

At Risk Limitations

Net Operating Loss Carryover / Carryback Worksheet

(Keep for your records)

2018

Name(s) as shown on return

ROBERT C NEWMAN II

Tax ID Number

[redacted]

Year Carried From	Amount Available For Carryover/Carryback	Amount Used Prior to 2018	Amount Used In 2018	Remaining Carryover
1998				
1999				
2000				
2001				
2002				
2003				
2004				
2005				
2006				
2007				
2008				
2009				
2010				
2011				
2012				
2013				
2014				
2015				
2016				
2017				
2018	16,493			16,493
Totals	16,493			16,493

1. Enter the amount from Form 1045, page 3, line 25, if less than zero . . . . . (16,493)
2. Portion of line 1 that is a farming loss that was carried back and used in 2016 or 2017. Enter as a positive number . . . . . _____
3. Excess business loss from Form 461, line 16. Enter as a negative number . . . . . _____
4. Combine lines 1 through 3. This is your 2018 NOL to carry over to 2019 . . . . . (16,493)

Form 1040 or 1041

Passive Activity Deduction Worksheet

(Keep for your records)

2018

Name(s) as shown on return: ROBERT C & MARY A NEWMAN II

Tax ID Number: [redacted]

PAN 1 Activity RAISING LIVESTOCK & Form SCH C 100% Disposed Of NO

Regular Tax Loss Calculations

	Prior Year Suspended Losses	Current Year Income/Loss	Utilized in Current Year	Losses Suspended To Next Year
Operating		(2,791)	(2,791)	
Form 4797 - Part I				
Form 4797 - Part II				
TOTALS		(2,791)	(2,791)	

Alternative Minimum Tax Loss Calculations

	Prior Year Suspended Losses	Current Year Income/Loss	Utilized in Current Year	Losses Suspended To Next Year
Operating		(2,791)	(2,791)	
Form 4797 - Part I				
Form 4797 - Part II				
TOTALS		(2,791)	(2,791)	

Schedule A - NOL (see instructions)

1	For individuals, subtract your standard deduction or itemized deductions from your adjusted gross income and enter it here. For estates and trusts, enter taxable income increased by the total of the charitable deduction, income distribution deduction, and exemption amount (see instuctions)					1	(16,493)
2	Nonbusiness capital losses before limitation. Enter as a positive number			2			
3	Nonbusiness capital gains (without regard to any section 1202 exclusion)			3			
4	If line 2 is more than line 3, enter the difference. Otherwise, enter -0-			4			
5	If line 3 is more than line 2, enter the difference. Otherwise, enter -0-	5					
6	Nonbusiness deductions (see instructions)			6	26,600		
7	Nonbusiness income other than capital gains (see instructions)	7	36,614				
8	Add lines 5 and 7			8	36,614		
9	If line 6 is more than line 8, enter the difference. Otherwise, enter -0-					9	
10	If line 8 is more than line 6, enter the difference. Otherwise, enter -0-. **But don't enter more than line 5**	10					
11	Business capital losses before limitation. Enter as a positive number			11			
12	Business capital gains (without regard to any section 1202 exclusion)	12					
13	Add lines 10 and 12			13			
14	Subtract line 13 from line 11. If zero or less, enter -0-			14			
15	Add lines 4 and 14			15			
16	Enter the loss, if any, from line 16 of your 2018 Schedule D (Form 1040). (For estates and trusts, enter the loss, if any, from line 19, column (3), of Schedule D (Form 1041).) Enter as a positive number. If you don't have a loss on that line (and don't have a section 1202 exclusion), skip lines 16 through 21 and enter on line 22 the amount from line 15			16			
17	Section 1202 exclusion. Enter as a positive number					17	
18	Subtract line 17 from line 16. If zero or less, enter -0-			18			
19	Enter the loss, if any, from line 21 of your 2018 Schedule D (Form 1040). (For estates and trusts, enter the loss, if any, from line 20 of Schedule D (Form 1041).) Enter as a positive number			19			
20	If line 18 is more than line 19, enter the difference. Otherwise, enter -0-			20			
21	If line 19 is more than line 18, enter the difference. Otherwise, enter -0-					21	
22	Subtract line 20 from line 15. If zero or less, enter -0-					22	
23	Domestic production activities deduction from your 2018 return. See instructions					23	
24	NOL deduction for losses from other years. Enter as a positive number					24	
25	**NOL.** Combine lines 1, 9, 17, and 21 through 24. If the result is less than zero, enter it here and on page 1, line 1a. If the result is zero or more, you **don't** have an NOL					25	(16,493)

Worksheet 2 - Applying the Deduction Limits

If the result on any line is less than zero, enter zero.

(Keep for your records)

2018

Name(s) as shown on return: ROBERT C & MARY A NEWMAN II

Tax ID Number: [redacted]

Step 1. Enter any qualified conservation contributions (QCCs) made during the year.

1.	If you are a qualified farmer or rancher, enter any QCCs subject to the limit based on 100% of adjusted gross income (AGI)	1	0
2.	Enter any QCCs not entered on line 1	2	0

Step 2. Enter your other charitable contributions made during the year.

3.	Enter cash contributions payable for California wildfires that you elect to treat as qualified contributions	3	0
4.	Enter your contributions of capital gain property "for the use of" any qualified organization	4	0
5.	Enter your other contributions "for the use of" any qualified organization. Don't include any contributions you entered on a previous line	5	0
6.	Enter your contributions of capital gain property to qualified organizations that aren't 50% limit organizations. Don't include any contributions you entered on a previous line	6	0
7.	Enter your other contributions to qualified organizations that aren't 50% limit organizations. Don't include any contributions you entered on a previous line	7	0
8.	Enter your contributions of capital gain property to 50% limit organizations deducted at fair market value. Don't include any contributions you entered on a previous line	8	0
9.	Enter your noncash contributions to 50% limit organizations other than capital gain property you deducted at fair market value. Be sure to include contributions of capital gain property to 50% limit organizations if you reduced the property's fair market value. Don't include any contributions you entered on a previous line	9	6,862
10.	Enter your cash contributions to 50% limit organizations. Don't include any contributions you entered on a previous line	10	12,140

Step 3. Figure your deduction for the year (if any result is zero or less, enter -0-)

11.	Enter your adjusted gross income (AGI)		11	10,107
	Cash contributions subject to the limit based on 60% of AGI (If line 10 is zero, enter -0- on lines 12 through 14)			
12.	Multiply line 11 by 0.6	12	6,064	
13.	**Deductible amount.** Enter the smaller of line 10 or line 12	13	6,064	
14.	Carryover. Subtract line 13 from line 10	14		6,076
	Noncash contributions subject to the limit based on 50% of AGI (If line 9 is zero, enter -0- on lines 15 through 18)			
15.	Multiply line 11 by 0.5	15	5,054	
16.	Subtract line 13 from line 15	16	0	
17.	**Deductible amount.** Enter the smaller of line 9 or line 16	17	0	
18.	Carryover. Subtract line 17 from line 9	18		6,862
	Contributions (other than capital gain property) subject to limit based on 30% of AGI (If lines 5 and 7 are both zero, enter -0- on lines 19 through 25)			
19.	Multiply line 11 by 0.5	19	0	
20.	Add lines 8, 9, and 10	20	0	
21.	Subtract line 20 from line 19	21	0	
22.	Multiply line 11 by 0.3	22	0	
23.	Add lines 5 and 7	23	0	
24.	**Deductible amount.** Enter the smallest of line 21, 22, or 23	24	0	
25.	Carryover. Subtract line 24 from line 23	25		0
	Contributions of capital gain property subject to limit based on 30% of AGI (If line 8 is zero, enter -0- on lines 26 through 31)			
26.	Multiply line 11 by 0.5	26	0	
27.	Add lines 9 and 10	27	0	
28.	Subtract line 27 from line 26	28	0	
29.	Multiply line 11 by 0.3	29	0	
30.	**Deductible amount.** Enter the smallest of line 8, 28, or 29	30	0	
31.	Carryover. Subtract line 30 from line 8	31		0
	Contributions subject to the limit based on 20% of AGI (If lines 4 and 6 are both zero, enter -0- on lines 32 through 41)			
32.	Multiply line 11 by 0.5	32	0	
33.	Add lines 13, 17, 24, and 30	33	0	
34.	Subtract line 33 from line 32	34	0	
35.	Multiply line 11 by 0.3	35	0	
36.	Subtract line 24 from line 35	36	0	
37.	Subtract line 30 from line 35	37	0	
38.	Multiply line 11 by 0.2	38	0	
39.	Add lines 4 and 6	39	0	
40.	**Deductible amount.** Enter the smallest of line 34, 36, 37, 38, or 39	40	0	
41.	Carryover. Subtract line 40 from line 39	41		0

Note: Worksheet 2 continues on the next page.

Worksheet 2 - Applying the Deduction Limits - continued

If the result on any line is less than zero, enter zero.

(Keep for your records)

2018

Name(s) as shown on return

Tax ID Number

	QCCs subject to limit based on 50% of AGI (If line 2 is zero, enter -0- on lines 42 through 46)		
42.	Multiply line 11 by 0.5	42	0
43.	Add lines 13, 17, 24, 30, and 40	43	0
44.	Subtract line 43 from line 42	44	0
45.	**Deductible amount.** Enter the smaller of line 2 or line 44	45	0
46.	Carryover. Subtract line 45 from line 2	46	0
	QCCs subject to limit based on 100% of AGI (If line 1 is zero, enter -0- on lines 47 through 51)		
47.	Enter the amount from line 11	47	0
48.	Add lines 13, 17, 24, 30, 40, and 45	48	0
49.	Subtract line 48 from line 47	49	0
50.	**Deductible amount.** Enter the smaller of line 1 or line 49	50	0
51.	Carryover. Subtract line 50 from line 1	51	0
	Qualified contributions for certain disaster relief efforts (If line 3 is zero, enter -0- on lines 52 through 56)		
52.	Enter the amount from line 11	52	0
53.	Add lines 13, 17, 24, 30, 40, 45, and 50	53	0
54.	Subtract line 53 from line 52	54	0
55.	**Deductible amount.** Enter the smaller of line 3 or line 54	55	0
56.	Carryover. Subtract line 55 from line 3	56	0
	Deduction for the year		
57.	Add lines 13, 17, 24, 30, 40, 45, 50, and 55. Enter the total here and include the deductible amounts on Schedule A (Form 1040), line 11 or line 12, whichever is appropriate. Also, enter the amount from line 55 on the dotted line next to the line 11 entry space	57	6,064

Note: Any amounts in the carryover column are not deductible this year but can be carried over to next year. See Carryovers, later, for more information about how you will use them next year.

Auto Expense Worksheet

(Keep for your records)

2018

Name(s) as shown on return

ROBERT C & MARY A NEWMAN II

Tax ID Number

[redacted]

Profession/Business

FARM - RAISING LIVESTOCK & CITRUS & OATS

Description 2005 Dodge Pickup Truck

Date placed in service 2018-01-01

Number of miles your vehicle was used for:

Total Business miles driven during the year	4,035
Total Commuting miles driven during the year	
Total Other miles driven during the year	
Total Miles driven during the year	4,035
Business Use percentage	100.00

Expenses:

	Total	Business Percentage	
Section 179			
Bonus Depreciation			
Depreciation			
Garage Rent			
Gas	688	100.00	688
Insurance	1,918	100.00	1,918
Licenses	345	100.00	345
Oil	40	100.00	40
Parking Fees			
Rental Fees			
Interest			
Personal Property Tax			
Repairs			
Tires			
Tolls			
Lease Add Back			
Other Expenses:			
Total Expenses			2,991

Standard Mileage Rate Calculation

Business miles	4,035	X 0.545	2,199	2,199
Parking fees				
Tolls				
Interest				
Personal Property Tax				
Total Standard Mile Rate deduction				2,199

How it is reported:

Depreciation deduction	
Auto Expense	2,199
Personal Property Taxes, Schedule A, Line 5c	

Auto Expense Worksheet

(Keep for your records)

2018

Name(s) as shown on return: ROBERT C & MARY A NEWMAN II

Tax ID Number: [redacted]

Profession/Business: FARM - RAISING LIVESTOCK & CITRUS & OATS

Description: 2011 KIA

Date placed in service: 2016-12-08

Number of miles your vehicle was used for:

Total Business miles driven during the year	20,949
Total Commuting miles driven during the year	
Total Other miles driven during the year	
Total Miles driven during the year	20,949
Business Use percentage	100.00

Expenses:

	Total	Business Percentage	
Section 179			
Bonus Depreciation			
Depreciation			
Garage Rent			
Gas	1,937	100.00	1,937
Insurance			
Licenses	183	100.00	183
Oil	30	100.00	30
Parking Fees			
Rental Fees			
Interest			
Personal Property Tax			
Repairs			
Tires			
Tolls			
Lease Add Back			
Other Expenses:			
Total Expenses			2,150

Standard Mileage Rate Calculation

Business miles	20,949	X 0.545	11,417	11,417
Parking fees				
Tolls				
Interest				
Personal Property Tax				
Total Standard Mile Rate deduction				11,417

How it is reported:

Depreciation deduction	
Auto Expense	11,417
Personal Property Taxes, Schedule A, Line 5c	

Worksheet 1
For Form 8582, Lines 1a, 1b, and 1c
(See instructions.)

2018

Name(s) as shown on return: ROBERT C & MARY A NEWMAN II

Tax ID Number: [redacted]

	Name of activity	Current year (a) Net income (line 1a)	Current year (b) Net loss (line 1b)	Prior years (c) Unallowed loss (line 1c)	Overall gain or loss (d) Gain	Overall gain or loss (e) Loss
2	single family	3,733	0	0	3,733	0
	Total. Enter on Form 8582, lines 1a, 1b, and 1c ▶	3,733	0	0	3,733	0

WK_85821.LD

Worksheet 3
For Form 8582, Lines 3a, 3b, and 3c
(See instructions.)

2018

Name(s) as shown on return: ROBERT C & MARY A NEWMAN II

Tax ID Number: [redacted]

	Name of activity	Current year (a) Net income (line 3a)	Current year (b) Net loss (line 3b)	Prior years (c) Unallowed loss (line 3c)	Overall gain or loss (d) Gain	Overall gain or loss (e) Loss
1	RAISING LIVESTOCK &	0	2,791	0	0	2,791
	Total. Enter on Form 8582, lines 3a, 3b, and 3c ▶	0	2,791	0	0	2,791

WK_85823.LD

1040	Individual Diagnostic Summary	2018

Name(s)
ROBERT C & MARY A NEWMAN II

Social Security # [redacted]

Spouse SSN # [redacted]

Demographics

Mailing Address:
[redacted]

	Taxpayer	Spouse
Daytime Phone:	[redacted]	
Evening Phone:	[redacted] xHOME	
Cell Phone:	[redacted]	
TP email:	[redacted]	
SP email:		

Resident State: [redacted]

Date of Birth: Taxpayer [redacted] Spouse [redacted]

Dependent Information: (*If more than 5 dependents see last page of summary)

Name	SSN	Relationship	Date of Birth

Diagnostics

Preparer: Kim Lee Invoice: Date: 04-10-2019

Return Information Form Type: 1040

Item on Return	2018 Federal	2017 Federal (If available)
Filing Status	2	2
Exemptions	2	2
Total Income	13,287	13,536
AGI	10,107	10,356
Deductions	26,600	24,754
Taxable Income		
Tax (before credits)		
Tax (after credits)		
Tax Rate Percentage	10	10
EIC		
Additional CTC		
Overpayment	2,313	2,313
Refund	2,313	2,313
Refund Applied to ES		
Balance Due		

Form of Refund/Payment: The client will receive the refund by direct deposit

State/City Information (* If more than 4 states see last page of summary)

T/S/J	State/City	AGI	Taxable Income	Tax	Refund/ (Balance Due)
J	CA540	10,107	1,305		408

TAX RETURN COMPARISON
2016 / 2017 / 2018

2018

Name(s) as shown on return: ROBERT C & MARY A NEWMAN II

Identifying number: [redacted]

	2016	2017	2018	Difference 2017-2018
Filing Status	Head of House	Married Joint	Married Joint	
Number of Exemptions	2	2	N/A	(2)
Number of Dependents	—	—		
Income				
Wages, salaries, tips, etc.	38,000			
Taxable interest and dividends				
Taxable state and local refunds				
Alimony				
Business income (loss)		(2,791)	(2,791)	
Gains (losses)				
Pensions and IRA distributions		36,614	36,614	
Rent and royalty income (loss)		3,733	3,733	
Part, S-corps, trusts income (loss)				
Farm income (loss)		(24,020)	(24,269)	(249)
Unemployment compensation				
Total SS benefits received		30,048	30,048	
Taxable SS benefits				
Other income (loss)				
Total Income	38,000	13,536	13,287	(249)
Adjusted Gross Income				
Half of self-employment tax				
IRA deduction				
Other adjustments		3,180	3,180	
Total Adjusted Gross Income	38,000	10,356	10,107	(249)
Deductions				
Medical deductions		1,840		(1,840)
State and local taxes		11,231		(11,231)
Interest				
Contributions		10,356		(10,356)
Employee business expenses		1,327		(1,327)
Standard or other deductions	9,300		26,600	26,600
Total Itemized or Standard Ded	9,300	24,754	26,600	1,846
Exemption Amount	8,100	8,100	N/A	(8,100)
Qualified Business Income Deduction	—	—		
Tax and Credits				
Taxable Income	20,600			
Tax	2,431			
Credits	1,000			
Self-employment tax				
Other taxes				
Total Tax	1,431			
Payments				
Withholdings	3,800	2,313	2,313	
Estimated tax payments				
Earned income credit				
Other payments and credits				
Overpayment	2,369	2,313	2,313	
Overpayment Applied				
Refund	2,369	2,313	2,313	
Balance Due				
Marginal tax rate	15.00	10.00	10.00	
Effective tax rate	12.00			

SCHEDULE 1
(Form 1040)

Department of the Treasury
Internal Revenue Service

Additional Income and Adjustments to Income

▶ Attach to Form 1040.
▶ Go to *www.irs.gov/Form1040* for instructions and the latest information.

OMB No. 1545-0074
2018
Attachment Sequence No. **01**

Name(s) shown on Form 1040: ROBERT C & MARY A NEWMAN II

Your social security number: [redacted]

Additional Income	1-9b	Reserved	1-9b	
	10	Taxable refunds, credits, or offsets of state and local income taxes	10	
	11	Alimony received	11	
	12	Business income or (loss). Attach Schedule C or C-EZ	12	(2,791)
	13	Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ ☐	13	
	14	Other gains or (losses). Attach Form 4797	14	
	15a	Reserved	15b	
	16a	Reserved	16b	
	17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	3,733
	18	Farm income or (loss). Attach Schedule F	18	(24,269)
	19	Unemployment compensation	19	
	20a	Reserved	20b	
	21	Other income. List type and amount ▶	21	
	22	Combine the amounts in the far right column. If you don't have any adjustments to income, enter here and include on Form 1040, line 6. Otherwise, go to line 23	22	(23,327)
Adjustments to Income	23	Educator expenses	23	
	24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106	24	
	25	Health savings account deduction. Attach Form 8889	25	
	26	Moving expenses for members of the Armed Forces. Attach Form 3903	26	
	27	Deductible part of self-employment tax. Attach Schedule SE	27	
	28	Self-employed SEP, SIMPLE, and qualified plans	28	
	29	Self-employed health insurance deduction	29	3,180
	30	Penalty on early withdrawal of savings	30	
	31a	Alimony paid b Recipient's SSN ▶	31a	
	32	IRA deduction	32	
	33	Student loan interest deduction	33	
	34	Reserved	34	
	35	Reserved	35	
	36	Add lines 23 through 35	36	3,180

For Paperwork Reduction Act Notice, see your tax return instructions.

EEA

SCHEDULE 4
(Form 1040)

Department of the Treasury
Internal Revenue Service

Other Taxes

▶ Attach to Form 1040.
▶ Go to *www.irs.gov/Form1040* for instructions and the latest information.

OMB No. 1545-0074
2018
Attachment Sequence No. **04**

Name(s) shown on Form 1040: ROBERT C & MARY A NEWMAN II

Your social security number: [redacted]

Other Taxes	57	Self-employment tax. Attach Schedule SE	57	
	58	Unreported social security and Medicare tax from: Form a ☐ 4137 b ☐ 8919	58	
	59	Additional tax on IRAs, other qualified retirement plans, and other tax-favored accounts. Attach Form 5329 if required	59	
	60a	Household employment taxes. Attach Schedule H	60a	
	b	Repayment of first-time homebuyer credit from Form 5405. Attach Form 5405 if required	60b	
	61	Health care: individual responsibility (see instructions)	61	
	62	Taxes from: a ☒ Form 8959 b ☐ Form 8960 c ☐ Instructions; enter code(s)	62	0
	63	Section 965 net tax liability installment from Form 965-A [63]		
	64	Add the amounts in the far right column. These are your **total other taxes.** Enter here and on Form 1040, line 14	64	0

For Paperwork Reduction Act Notice, see your tax return instructions.

Schedule 4 (Form 1040) 2018

EEA