Chapter 2 Homework

1. Indicate whether each of the items listed below would be included (I) in or excluded (E) from gross income for the 2017 tax year.

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|  | a. | Welfare payments |
|  | b. | Commissions |
|  | c. | Hobby income |
|  | d. | Scholarships for room and board |
|  | e. | $300 set of golf clubs, an employee award for length of service |
|  | f. | Severance pay |
|  | g. | Ordinary dividend of $50 |
|  | h. | Accident insurance proceeds received for personal bodily injury |
|  | i. | Inheritances |
|  | j. | Gifts |
|  | k. | Tips and gratuities |

1. How much of each of the following is taxable?
	1. Cheline, an actress, received a $6,400 gift bag for attending the Academy Awards Ceremony during 2018.
	2. Jon received a gold watch worth $660 for 25 years of service to his accounting firm (not a qualified award).
	3. Kerry won $1,000,000 in her state lottery.
	4. Deborah is a professor who received $30,000 as an award for her scientific research from the university that employs her.
2. For each of the following independent cases, indicate the amount of gross income that must be included on the taxpayer’s 2018 income tax return.
	1. Malchia won a $4,000 humanitarian award.

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* 1. Rob won a new automobile (with a sticker price of $15,700 and a market value of $14,500) for being the best junior tennis player in 2018.

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* 1. George received a $3,500 tuition and fees scholarship to attend Western University.

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1. Do problem 20. I have attached a link in week 2 module with a link to find the schedule B.
2. Do the comprehensive problem 4: all form links needed are also in module 2 links and sheets tab.