

SUMMARY, 2025

	Box 1	FICA	Medicare	SUI/SDI	State	Income	
	<u>Wages</u>	<u>Tax</u>	<u>Tax</u>	<u>Tax</u>	<u>Inc.Tax</u>	<u>Total</u>	
Employment, Husband	\$ 175,000.00	\$ 10,850.00	\$ 2,537.50	\$ 1,750.00	\$ 10,500.00	\$ 175,000.00	Medicare tax 1.45% of salary + 0.9% over 200k
Employment, Wife	127000	7874	1,841.50	1270	7,650.00	127,000.00	Total Medicare tax FICA tax at 6.2% of salary
1z. Total, Employment	\$ 302,000.00	\$ 18,724.00	\$ 4,379.00	\$ 3,020.00	\$ 18,150.00	\$ 302,000.00	For 2025, the maximum SS tax is 6.2% of \$176,100 Max Soc Sec 2025, 6.2% \$ 10,918.20

2b. Interest Income

Total, Interest Income **\$ 1,500.00** Medicare tax is 1.45% of wages received with no upper limit.
Additional Medicare Tax of 0.9% is withheld on wages over \$200,000.

3a. Dividends

Ordinary Dividends 150 **150.00** AreaSq, ft., recognized ol 0
Qualified Dividends 920 % of area obsolete, 2025 0.00%

5a. Pension Income

	<u>Pension 1</u>	<u>Pension 2</u>	<u>Total</u>
Amount Received, Pension Income	\$ -	\$ -	\$ -
Less, Exempt, return of capital	-	-	-
Taxable pension income	\$ -	\$ -	\$ -

6a. Social Security Benefits

	<u>Deposited</u>	<u>Medicare Insur.</u>	<u>Total SocSec</u>	<u>Taxable SocSec</u>
Gross income, Social Security, husband	\$ -	\$ -	\$ -	\$ -
Gross income, Social Security, wife	-	-	-	-
Total, Social Security Income	\$ -	\$ -	\$ -	\$ -

7. Capital Gain (Loss) Schedule D

Capital gain distributions, short term, Sch. D, line 5					-	Schedule C child care home use is deductible for home area used, exclusive use is not required
Capital loss carryover, short term, from prior year					-	Schedule C home office is deductible only to the extent of net profit, if any
Capital gain distributions, long term, Form 1099-DIV				52000		
Sale of Real Property						
Capital loss, from carryover, long term					-	
Total, Allowed capital gain (loss)					-	
Capital loss carryover, to following year				\$ -		
Other capital gains (losses), Installment sale, Form 6252					-	

Total Gains (Losses) Schedule D

Schedule C, Sole Proprietorship

	<u>Husband</u>	<u>Wife</u>	<u>Total</u>
Gross Revenue	\$ 15,200.00	\$ 8,500.00	\$ 23,700.00
Operating Expenses	3,900.00	4,200.00	8,100.00
Depreciation, auto	-	-	-
Total, Expenses	\$ 24,093.68	\$ 22,866.77	\$ 46,960.45
Net Income, before home expense	\$ (8,893.68)	\$ (14,366.77)	\$ (23,260.45)
Less, business use of home, Schedule C	-	-	-
Net income, Schedule C	\$ (8,893.68)	\$ (14,366.77)	\$ (23,260.45)

Schedule E, Short Term Rental

Gross Income, rental	\$ -
Total Deductions	-

Net Income, rental	\$	-	
Net Income Royalties		<u>1.66</u>	
Total, Rent and Royalties		1.66	
Unemployment Income			-
Other Income, sale of personal property		<u>700.00</u>	
8. Additional Income , Schedule 1, line 10		-22558.78688	-
9. Total Income , add lines 1z,2b, 3b, 4b, 5b,6b,7, & 8			303,650.00
10. Adjustments to income , Schedule 1, line 26			<u>-</u>
11. Adjusted Gross Income , subtract line 10 from line 9	\$		303,650.00

2

SUMMARY

Income from Business Operations, including business as an employee

Business as an Employee	\$	302,000.00
Schedule C		-23260.44688
Schedule E		<u>1.66</u>
Total Income (loss) from Business Operations	\$	278,741.21

Tax Due and Tax Refund

Tax withheld	\$	302,000.00
Excess Social Security tax		<u>3,020.00</u>
Total Payments	\$	305,020.00
Tax Due, before credits	\$	-

Tax Credits

2024, TaxCredit Carry Forward, F 3800, Part I, line 6	\$	17,010.13
Less, Tax Credit allowed for 2024 income tax due		<u>1723</u>
2024, Tax Credit Carry Forward, F 3800, Part IV, line 1a	\$	15,287.13
Total Tax Credits, available for 2025		15287.13
Less ITax Credit allowed for 2025 income tax due		<u>0</u>
Tax Due, after credits, 2025	\$	<u>-</u>
Tax Credit Carryforward to 2026	\$	15,287.13

3

Sequence 9

Schedule C, Sole Proprietorship, 2024

Total, Husband and Wife

	<u>Husband</u>	<u>Wife</u>	<u>Total</u>	<u>Allocation,</u>
	<u>Schedule C</u>	<u>Schedule C</u>	<u>Schedule C</u>	<u>Husband,%</u>
1. Total, Gross Revenue				
Consulting, Professional Services	\$ 15,200.00	\$ 8,500.00	\$ 23,700.00	64.14%
		-		
Expenses				
8. Advertising	\$ -	-	\$ -	85.0%
9. Automobile expenses	3,225.77	569.25	3,795.03	85.0%
10. Fees	-	-		85.0%
11. Contract labor, research	-	-		85.0%
13. Depreciation, auto	-	-	-	85.0%
14. Benefits, medical	3,133.92	553.05	3,686.97	85.0%
16. Interest	747.21	131.86	879.07	85.0%
18. Office Expenses, Fees	818.02	144.36	962.38	85.0%
19. Maintenance			296.33	
20a Auto Lease	7,020.00	-	7,020.00	100.0%
22. Supplies & Fees, Research	-	16,542.00	16,542.00	0.0%
24a. Business travel	7,930.00	4,270.00	12,200.00	65.0%
24b. Business Meals,50%	1,218.75	656.25	1875	65.0%
25. Utilities-Communication	-	-	-	-
28. Total, Deductions	<u>24,093.68</u>	<u>\$ 22,866.77</u>	<u>\$ 47,256.78</u>	51.0%
31. Profit, before home expenses	<u>\$ (8,893.68)</u>	<u>\$ (14,366.77)</u>	<u>\$ (23,556.78)</u>	
Less, Office at home expenses	-	-	-	
Net Profit (Loss)	<u>\$ (8,893.68)</u>	<u>\$ (14,366.77)</u>	<u>\$ (23,260.45)</u>	

Allocation of expenses between husband and wife is proportionate to the use for each business operation.

Form 6765
Credit for Increasing Research Activities

Sequence 676

Section A-Regular Credit

1 Certain Amounts paid to energy consortia	\$	-	
2 Payments to qualified organizations	\$	-	
3 Qualified organization base period amount	_____	-	
4 Subtract line 3 from line 2, if zero or less, enter zero	\$	-	

Qualified Research Expenses

5 Total Qualified Research Expenses, from line 48		\$ 16,542.00	
6 Enter fixed base percentage, not over 16%		16.00%	
7 Average annual gross receipts		36,856.69	
8 Multiply line 7 by percentage on line 6		<u>5,897.07</u>	
9 Subtract line 8 from line 5. If zero or less, enter zero.	\$ 10,644.93	\$ 10,645	
10 Multiply line 5 by 50%	5322.4646	5,322.46	
11 Enter the smaller of line 9 or line 10	<u>5,322.46</u>	<u>5,322.46</u>	
12 Add lines 1, 4, and 11.	\$ 5,322.46	\$ 5,322	
13 Under Section 280C, multiply line 12 by 0.158	840.9494068	\$ 841	

Data for calculation of line 7

Average Annual Gross Receipts

	<u>Gross Receipts</u>	
2021	\$ 59,926.00	
2022	58,550.25	
2023	27,945.00	
2024	<u>1,005.52</u>	
Average gross, past 4 years	\$ 36,856.69	36856.6925

Section F - Qualified Research Expenses Summary

42 Wages for qualified services	\$	-	
43 Costs of supplies		16542	
44 Rental or lease costs of computers		-	
45 Contract research		-	
46 Basic research payments		<u>-</u>	
47 Add line 45 and line 46	\$	-	
48 Add lines 42, 43, 44, and 47, then enter amount on line 48 on line 5 or line 20		16,542.00	

Limits on deduction of research expenditures

Generally, the expense deduction is reduced by the amount of the research credit, 26 USC 280C(c)(1).

As an exception, the research expenses may be deducted if the taxpayer elects a reduced credit, 26 USC 280C(c)(3).

The amount of the reduced credit is calculated by the formula specified in 26 USC 280(c)(3)(B)(ii):

$$\text{reduced credit} = (\text{credit}) \text{ minus } (\text{credit} * .35)$$

wherein:

reduced credit = the research credit under 26 USC 41(a) less a calculated amount

credit = the amount of research credit allowed under 26 USC 41(a)

* = the multiplication function

.35 = the maximum rate of tax under 26 USC 11(b)(1), specified as 35%

Auto Expenses, 2025

	<u>2011 Audi</u>		<u>Total</u>	<u>Schedule C</u>
Date Acquired	20-May-14			86.58%
Date Sold or demolished	Still in use			

TOTAL OPERATING COST, AUTO

Registration	\$ 274.62		\$ 274.62	\$ 237.78
Insurance, fees	2,381.67		2,381.67	2,062.13
Lease Fees	-			
Gasoline	1,151.38		874.15	756.87
Electricity cost/mile	\$ -	-	-	-
Maintenance, Repair	523.65		523.65	453.39
Parking, fees]	<u>51.76</u>		<u>652.00</u>	<u>564.52</u>
9. Total, Operating Cost, Auto	\$ 4,383.08		\$ 4,383.08	\$ 3,795.03

DISTANCE TRAVELED BY VEHICLE

Odometer reading, 1/1/25	179,200			
Odometer reading, 12/31/25	<u>190,030</u>			
Elapsed Distance, Miles	10,830		10,830	

DISTANCE TRAVELED BY PURPOSE

Schedule C	9,377		9,377	
Employee	-		-	
Medical	-		-	
Personal, commuting	-		-	
Personal, non-commuting	<u>1,453</u>		<u>1,453</u>	
TOTAL, Miles driven	10,830		10,830	

Gasoline Cost per Vehicle

Miles per gallon (miles/gal)	28.00			
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Gallons used, distance/mpg	386.79		
Cost per gallon, avg (cost/gal)	<u>2.98</u>		
Gasoline cost, gal x cost/gal	\$ 1,151.38	\$	1,151.38
Cost per Mile (total cost/distance)	\$ 0.4047	\$	0.4047

COST BY PURPOSE (cost per mile times distance)

Schedule C	\$ 3,795.03	\$	3,795.03	
Employee	-		-	
Personal, non-commuting	<u>588.05</u>		<u>588.05</u>	
TOTAL Cost	\$ 4,383.08	\$	4,383.08	\$ 3,795.03
Business Cost, Total Cost, %	86.58%		86.58%	86.58%

Calculation for electric vehicle

The cost for electricity is calculated:

Tesla, Miles driven, 2025	25,000
kWh per mile (typical range 2.6-3.6)	<u>3.05</u>
kWh used during 2024	8196.721
Cost per kWh, off-peak	<u>\$ 0.29</u>
Tesla Electricity cost, 2025	#####

*Auto Expenses, 2025
Breakdown of Distance by Purpose*

6

NON-BUSINESS MILEAGE (Shopping, entertainment)

	<u>Trips</u> <u>per year</u>	<u>Distance,</u> <u>one-way</u>	<u>Distance</u> <u>per year</u>
Residence to Westwood	12	4.3	104
Residence to Marina	28	4.8	269
Residence to Santa Monica	9	8.8	158
Residence to Valley	12	10.0	240
Residence to Mid-Wilshire	17	18.0	612
Various	29	1.2	<u>70</u>
Total, Shopping, Entertainment mileage			1,453

COMMUTING MILEAGE

	<u>Miles</u> <u>per day</u>	<u>Distance,</u> <u>one way</u>	<u>Days</u> <u>per year</u>	<u>Total</u> <u>miles</u>
To Employer, husband	-	-	242	
To Employer, wife	<u>-</u>	<u>-</u>	<u>242</u>	
Total Commuting Mileage				-
Less auto rental commuting mileage				<u>-</u>
Commuting mileage for owned autos				-

14	Total Deductions, plus Qualified Business Deduction	<u>0</u>	<u>\$0.00</u>
15	Taxable Income		\$ 19,055.76

Form 1040, page 2

2

16	Income Tax		
17	Data from Schedule 2, line 3		\$0.00
18	Add lines 16 and 17	<u>\$ -</u>	
			\$0.00
19	Child tax credit, Form 1442		
20	Amount from Schedule 3, line 8, tax credits		-
21	Add lines 19 and 20	<u>\$ -</u>	
22	Subtract line 21 from line 18, not less than 0	<u>\$ -</u>	
23	Other taxes, including self-employment tax from Schedule 2, line 10		FALSE
	Self-Employment tax, Husband	<u>-</u>	
	Self-Employment tax, Wife	\$ -	
23	Total, Self-Employment Tax	<u>-</u>	
24	Total tax, add lines 22 and 23	<u>\$ -</u>	
25	Federal Income tax withheld	<u>\$ -</u>	
25a	Forms W-2	\$ -	
25b	Forms 1099	\$ -	
25c	Other Forms	-	
25d	Total, lines 25a, 25b, 25c	<u>-</u>	
26	2023 Estimated tax payments		\$ -
	Earned Income credit (EIC)	<u>-</u>	
27	Enter data from Schedule 3, line 15, Tax Credits	-	
31	Total Payments, add lines 25d, 26, & 32	18,332.41	
33	Less Tax Due	0	
34	Amount you overpaid	\$ -	
35a	Amount to be Refunded if tax withheld, Tax Credit Carryforward, Carryback 3 yrs	<u>-</u>	
37	Amount you owe		0