Michigan State Returns TaxSlayer Practice Questions

QUESTIONS:

1. **Advanced Scenario 5: Fran Emerson**

   Calculate: 1) MI income tax, 2) Homestead Property Tax Credit, 3) MI refund amount, and the 4) Home Heating Credit amount.
   
   - Make all addresses Ann Arbor 48104.
   - Fran is a home owner with a taxable value of $130,000. Property tax levied in 2018 was $4,000.
   - She owns a vehicle and it is insured.
   - Her heating cost for the period was $1,800 (hint: you may find a glitch in the software when in the opening page of the MI section for Credits where the THR entries are at the bottom. Enter a zero in the “Other Fed. Inc. line to get around it.)

2. **Advanced Scenario 6: Matthew and Mary Donnelly**

   Calculate: 1) MI income tax, 2) Homestead Property Tax Credit, 3) MI refund amount, and the 4) Home Heating Credit amount.
   
   - Make all addresses Ann Arbor, MI 48104.
   - Lives at University Housing with letter attached next page - i.e. “Cooperative Housing”.
   - Carrying charge is $1,400 per month and Matthew’s name is on the contract (hint: go to Part 3 of the renter’s section of the Homestead Property Tax Credit)
   - For the Pine Corporation 1099-R, use the taxable amount that was used in the federal section, which is $25,589.
   - Assume Matthew has a Medicare Supplement Plan costing $ 75 per month, and that Matthew and Mary have 2 insured vehicles.
   - Assume the heat is included in their rent.
3. **Advanced Scenario 7: Austin Drake**

Calculate: 1) MI income tax, 2) Homestead Property Tax Credit, 3) MI refund amount, and the 4) Home Heating Credit amount.

- Make all addresses Ann Arbor, MI 48104.
- Assume he has one insured vehicle.
- He is renting at a full property tax paying place at $1,000 per month, and his name is on the lease.
- His landlord is Smith, Inc., 1 Main St., Ann Arbor, MI 48104.
- Heat cost is $1,800 from Nov. 2017 thru Oct. 2018 and the heating contract is in his name.
4. **This example is not linked to a scenario in 6744 but does require Tax Slayer to complete**

Calculate federal income tax, MI state income tax, Homestead Property Tax Credit, MI refund, and Home Heating Credit
- Robert Smith SSN 123004567 born 4.8.1945
- Wife Ellie Smith SSN 987654321 born 9.3.1949 and she is disabled (parapalegic)
- Address is 1 Platt Rd Apt. 20, 48104
- Daytime phone is 7341111111
- SSA for Robert is $12,000 and Medicare Part B is $1,488
- SSA for Ellie is $6,000 with the same medicare part B of $1,488
- Rent is $800 per month for 12 months. Landlord is Smith Inc., 1 Main St., 48104.
- Heating cost is in Robert's name and is $1,600.
- They own one insured vehicle.

**Answers:**

1. **Scenario 5** - MI Income Tax is $1188; HPC is $1,500; Refund is $1899; HHC is 0
2. **Scenario 6** - MI Tax is $79; the HPC is $382; the MI refund is $493; and the HHC is 0
3. **Scenario 7** - MI Tax is $934; HPC is $1,199; MI refund is $265, and HHC is 0
4. **Robert and Ellie Smith** - Fed. Tax is 0; MI state tax is 0; HPC and MI refund is $1,500; HHC is $210 (standard credit)