

CLIENT COPY

L H HARRIS CERTIFIED PUBLIC ACCOUNTANT
6400 REDWOOD DRIVE, SUITE 200
ROHNERT PARK, CA 94928

Stephen J Peters & Nancy K Donovan
21451 Hwy 128
Yorkville, CA 95494



Filing Instructions
Electronically Filed
Form 1040 US Individual Income Tax Return

With
Form 1040-V Payment Voucher
Form 8879 IRS e-file Signature Authorization

Taxable Year Ended December 31, 2012

Name: Stephen J Peters & Nancy K Donovan

Date Due: December 20, 2015

Remittance: A check in the amount of \$1,437* should be made payable to the United States Treasury and included with the voucher. [REDACTED] 1040" and your daytime phone number on the check. PD 12/29/15 US 7712

Mail To: Internal Revenue Service
P.O. Box 7704
San Francisco, CA 94120-7704

Include Form 1040-V with your check.

Signature: Form 8879 IRS e-file Signature Authorization authorizes your electronically filed return to be signed with a Personal Identification Number (PIN) and certifies that Part I amounts are from your tax return. Review and sign the Form 8879 IRS e-file Signature Authorization and mail it as soon as possible to:

L H HARRIS CERTIFIED PUBLIC ACCOUNTANT
6400 REDWOOD DRIVE, SUITE 200
ROHNERT PARK, CA 94928

Important: Your return will not be filed with the IRS until the signed Form 8879 IRS e-file Signature Authorization has been received by this office.

Other: Initial and date the copy of the Form 1040, and retain it for your records.

Retain a copy of the signed and dated Form 8879 for your records.

Do not attach your payment to Form 1040-V. Instead place them loose in the envelope.

Your return is being filed electronically with the IRS and is not required to be mailed. If you mail a paper copy of Form 1040 to the IRS it will delay processing of your return.

Both taxpayer and spouse should initial and date the return copy.

2012 Form 1040-V

EXHIBIT WP-56

What Is Form 1040-V

It is a statement you send with your check or money order for any balance due on the "Amount you owe" line of your 2012 Form 1040, Form 1040A, or Form 1040EZ.

TIP You can also pay your taxes online or by phone either by a direct transfer from your bank account or by credit or debit card. Paying online or by phone is convenient and secure and helps make sure we get your payments on time. For more information, go to www.irs.gov/e-pay.

How To Fill In Form 1040-V

Line 1. Enter your social security number (SSN). If you are filing a joint return, enter the SSN shown first on your return.

Line 2. If you are filing a joint return, enter the SSN shown second on your return.

Line 3. Enter the amount you are paying by check or money order.

Line 4. Enter your name(s) and address exactly as shown on your return. Please print clearly.

How To Prepare Your Payment

- Make your check or money order payable to "United States Treasury." Do not send cash.

- Make sure your name and address appear on your check or money order.
- Enter your daytime phone number and your SSN on your check or money order. If you are filing a joint return, enter the SSN shown first on your return. Also enter "2012 Form 1040," "2012 Form 1040A," or "2012 Form 1040EZ," whichever is appropriate.

- To help us process your payment, enter the amount on the right side of your check like this: \$ XXX.XX. Do not use dashes or lines (for example, do not enter "\$ XXX—" or "\$ XXX XX/100").

How To Send In Your 2012 Tax Return, Payment, and Form 1040-V

- Detach Form 1040-V along the dotted line.
- Do not staple or otherwise attach your payment or Form 1040-V to your return or to each other. Instead, just put them loose in the envelope.
- Mail your 2012 tax return, payment, and Form 1040-V to the address shown on the back that applies to you.

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Mail To: Internal Revenue Service
P.O. BOX 7704
SAN FRANCISCO, CA 94120-7704

Form **1040-V** (2012)

▼ Detach Here and Mail With Your Payment and Return ▼
CUT HERE

Form	1040-V		Payment Voucher		OMB No. 1545-0074
	Department of the Treasury Internal Revenue Service (99)				2012
▶ Do not staple or attach this voucher to your payment or return.					
Print or type	1 Your social security number (SSN)	2 If a joint return, SSN shown second on your return	3 Amount you are paying by check or money order. Make your check or money order payable to "United States Treasury"		Dollars
	[REDACTED]	[REDACTED]			1,437
	4 Your first name and initial STEPHEN J		Last name PETERS		
	If a joint return, spouse's first name and initial NANCY K		Last name DONOVAN		
Home address (number and street) 21451 HWY 128		Apt. no.	City, town or post office, state, and ZIP code (If a foreign address, also complete spaces below.) YORKVILLE CA 95494		
Foreign country name		Foreign province/state/county		Foreign postal code	

Filing Instructions**Form 540 - California Resident Tax Return****Taxable Year Ended December 31, 2012**

Name: Stephen J Peters & Nancy K Donovan

Date Due: April 15, 2013

Remittance: None is required. ~~No amount is due or overpaid.~~

Signature: Sign and date Form CA 8879, California e-file Signature Authorization for Individuals. Return it as soon as possible to:

L H HARRIS CERTIFIED PUBLIC ACCOUNTANT
6400 REDWOOD DRIVE, SUITE 200
ROHNERT PARK, CA 94928

Other: Your return is being filed electronically. Do not mail Form 540. Initial and date the copy of the return and retain it for your records.

Your name: STEPHEN J PETERS

Your SSN or ITIN: [REDACTED]

	Contributions				Contributions	
	Code	Amount	Code	Amount	Code	Amount
California Seniors Special Fund (see page 23)	● 400	00	California Sea Otter Fund	● 410	00	
Alzheimer's Disease/Related Disorders Fund	● 401	00	Municipal Shelter Spay-Neuter Fund	● 412	00	
California Fund for Senior Citizens	● 402	00	California Cancer Research Fund	● 413	00	
Rare and Endangered Species Preservation Program	● 403	00	ALS/Lou Gehrig's Disease Research Fund	● 414	00	
State Children's Trust Fund for the Prevention of Child Abuse	● 404	00	Child Victims of Human Trafficking Fund	● 419	00	
California Breast Cancer Research Fund	● 405	00	California YMCA Youth & Government Fund	● 420	00	
California Firefighters' Memorial Fund	● 406	00	California Youth Leadership Fund	● 421	00	
Emergency Food for Families Fund	● 407	00	School Supplies for Homeless Children Fund	● 422	00	
California Peace Officer Memorial Foundation Fund	● 408	00	State Parks Protection Fund/Parks Pass Purchase	● 423	00	

110 Add code 400 through code 423. This is your total contribution ● 110 00

Amount You Owe 111 AMOUNT YOU OWE. Add line 94, line 95, and line 110 (see page 15). Do not send cash. Mail to: FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0009 ● 111 00 Pay online - Go to ftb.ca.gov for more information.

Interest and Penalties 112 Interest, late return penalties, and late payment penalties 112 00 113 Underpayment of estimated tax. Check the box: FTB 5805 attached FTB 5805F attached ● 113 00 114 Total amount due (see page 17). Enclose, but do not staple, any payment 114 00

Refund and Direct Deposit 115 REFUND OR NO AMOUNT DUE. Subtract line 95 and line 110 from line 93 (see page 17). Mail to: FRANCHISE TAX BOARD, PO BOX 942840, SACRAMENTO CA 94240-0009 ● 115 0|00 Fill in the information to authorize direct deposit of your refund into one or two accounts. Do not attach a voided check or a deposit slip (see page 17). Have you verified the routing and account numbers? Use whole dollars only. All or the following amount of my refund (line 115) is authorized for direct deposit into the account shown below: Checking Savings Routing number Type Account number ● 116 Direct deposit amount The remaining amount of my refund (line 115) is authorized for direct deposit into the account shown below: Checking Savings Routing number Type Account number ● 117 Direct deposit amount

IMPORTANT: See the instructions to find out if you should attach a copy of your complete federal tax return.

Under penalties of perjury, I declare that I have examined this tax return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Your signature: *[Signature]* Spouse's/RDP's signature (if a joint tax return, both must sign): *[Signature]* Daytime phone number (optional): Date: 12/29/15

Sign Here Your email address (optional). Enter only one email address. Paid preparer's signature (declaration of preparer is based on all information of which preparer has any knowledge): LAWRENCE H. HARRIS, CPA 12/16/15 ● PTIN P00043496 Firm's name (or yours, if self-employed): L H HARRIS CERTIFIED PUBLIC ACCOUNTANT Firm's address: 6400 REDWOOD DRIVE, SUITE 200 ROHNERT PARK CA 94928 ● FEIN 68-0277084 Joint tax return? (see page 17) Do you want to allow another person to discuss this tax return with us? (see page 17) ● Yes No LAWRENCE H. HARRIS, CPA 707-546-2727 Print Third Party Designee's Name Telephone Number

Name **STEPHEN J PETERS & NANCY K DONOVAN**

Filing Status	2011		2012		Differences
		MFJ		MFJ	
Dependents claimed		0		0	
1. Salaries and wages	1.				
2. Interest income	2.				
3. Tax exempt interest income	3.				
4. Dividend income	4.	70	78	8	
5. Qualified dividend income	5.	70	78	8	
6. Taxable state/local refunds	6.				
7. Alimony received	7.				
8. Business income/loss	8.	4,596	1	-4,595	
9. Capital gain/loss	9.	-3,000	-3,000		
10. Other gains/losses	10.				
11. Taxable IRA distributions	11.				
12. Taxable pensions	12.				
13. Rent and royalty income including farm rental	13.				
14. Partnership/S corp income	14.				
15. Estate or trust income	15.				
16. Farm income/loss	16.	10,033	12,143	2,110	
17. Unemployment compensation	17.				
18. Taxable social security	18.				
19. Other income	19.	-39,882	-36,267	3,615	
20. Total income	20.	-28,183	-27,045	1,138	
21. Moving expenses	21.				
22. Self-employment tax adjustment	22.	1,083	858	-175	
23. SEP/SIMPLER/Qualified plans deductions	23.				
24. SE health insurance	24.	4,271		-4,271	
25. Forfeited interest	25.				
26. Alimony paid	26.				
27. IRA deductions	27.				
28. Student loan interest	28.				
29. Other adjustments	29.				
30. Adjusted gross income	30.	-33,487	-27,903	5,584	
31. Medical	31.	6,279	15,102	8,823	
32. Taxes	32.	5,091	5,174	83	
33. Interest	33.				
34. Contributions	34.				
35. Casualty losses	35.				
36. Miscellaneous expenses	36.				
37. Allowable itemized deductions	37.	11,370	20,276	8,906	
38. Standard deduction	38.	11,600	11,900	300	
39. Deduction taken	39.	STANDARD 11,600	ITEMIZED 20,276	8,676	
40. Subtract line 39 from line 30	40.	-45,087	-48,179	-3,092	
41. Exemptions	41.	7,400	7,600	200	
42. Taxable income	42.	0	0		

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Name

STEPHEN J PETERS & NANCY K DONOVAN

		2011	2012	Differences
43.	Taxable income from 2YR page 1, line 42	0	0	
44.	Tax on taxable income	0	0	
45.	Alternative minimum tax			
46.	Child care credit			
47.	Education credits			
48.	Retirement savings credit			
T	49. Child tax credit			
a	50. General business credit			
x	51. Other credits			
	52. Total credits			
C	53. Net tax liability			
o	54. Self-employment taxes	1,797	1,492	-305
m	55. Other taxes			
p	56. Total tax	1,797	1,492	-305
u	57. Income tax withheld	50	22	-28
t	58. Estimated tax payments	30		-30
a	59. Earned income credit	395	475	80
t	60. Additional Child tax credit			
i	61. Other refundable tax credits			
o	62. Other payments			
n	63. Total payments	475	497	22
	64. Tax due/-refund	1,322	995	-327
	65. Penalties and interest	648	442	-206
	66. Net tax due/-refund	1,970	1,437	-533
	67. Refund applied to estimated tax payments			
	68. Refund received			
	69. Marginal tax rate	10.0%	10.0%	
	70. Effective tax rate	%	%	

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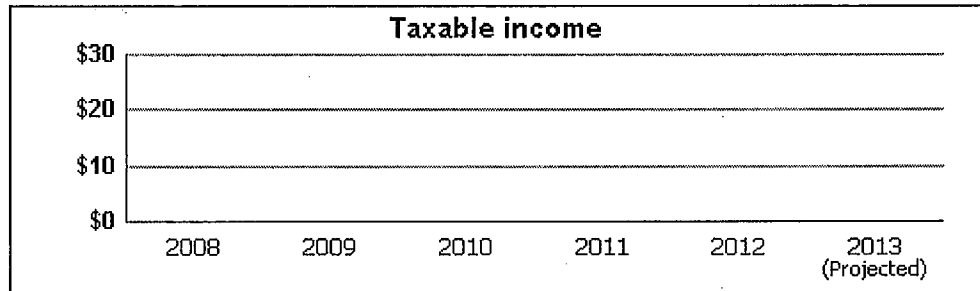
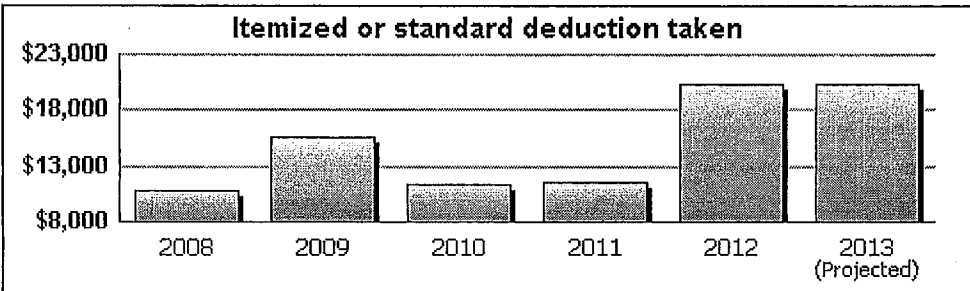
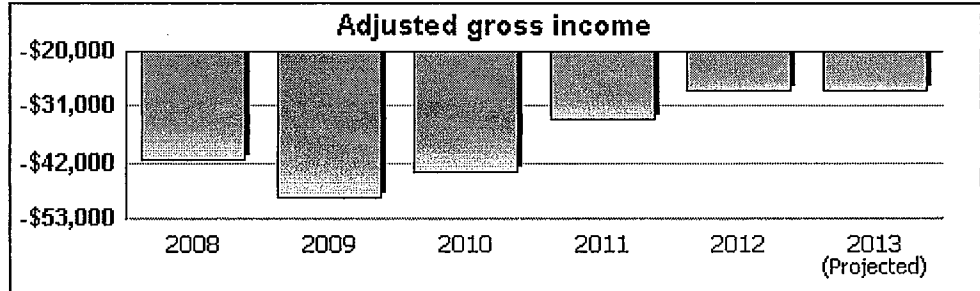
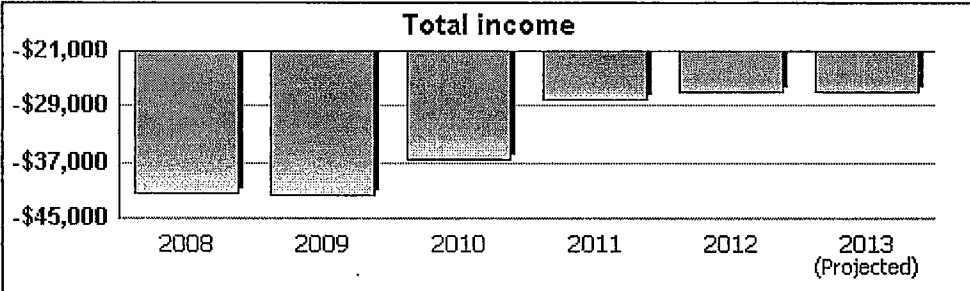
Form **1040** Tax Return History Report - Page 1 2012

Name **STEPHEN J PETERS & NANCY K DONOVAN** Taxpayer Identification Number XXXXXXXXXX

	2008	2009	2010	2011	2012	2013 PROJECTED
Filing Status	MFJ	MFJ	MFJ	MFJ	MFJ	MFJ
Salaries and wages						
Interest income		1,100	37			78
Dividend income		50	55	70	78	
Business income/loss	-13,965	-691	3,040	4,596	1	1
Capital gains/losses	-3,000	-3,000	-3,000	-3,000	-3,000	-3,000
Other gains/losses						
IRA distributions, pensions, annuities						
Rent, royalty, farm rental income						
Partnership/S corp income						
Estate or trust income						
Farm income/loss	-4,265	-790	3,304	10,033	12,143	12,143
Other income/loss	-20,171	-38,401	-39,882	-39,882	-36,267	-36,267
Total income	-41,401	-41,732	-36,446	-28,183	-27,045	-27,045
Total adjustments		6,805	7,074	5,304	858	860
Adjusted gross income	-41,401	-34,927	-29,372	-22,879	-26,187	-26,185
Allowable itemized deductions		15,558	8,507	11,376	20,276	20,276
Standard deduction	10,900	12,400	11,400	11,600	11,900	12,200
Itemized or standard deduction taken	10,900	15,558	11,400	11,600	20,276	20,276
Exemptions	7,000	7,300	7,300	7,400	7,600	7,800
Taxable income						

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1 Combined with Interest income on the Federal Tax Projection Worksheet 2 Combined with Rent, royalty, farm rental income on the Federal Tax Projection Worksheet as Schedule E income/loss

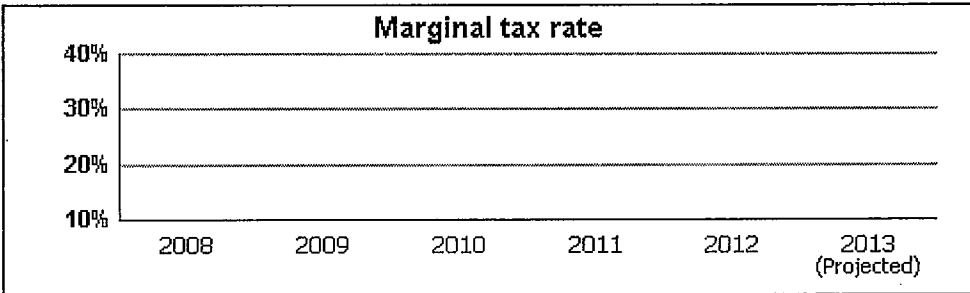
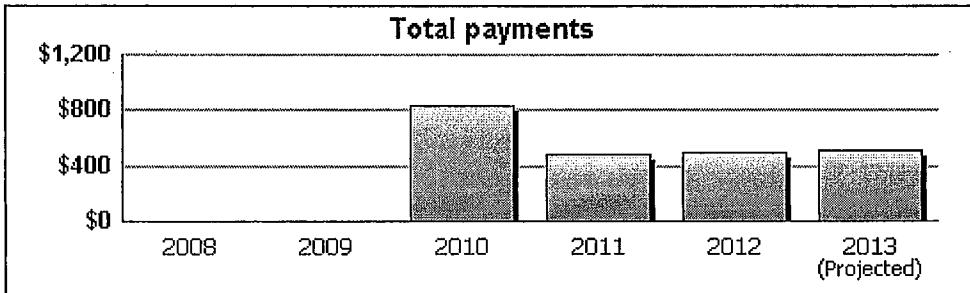
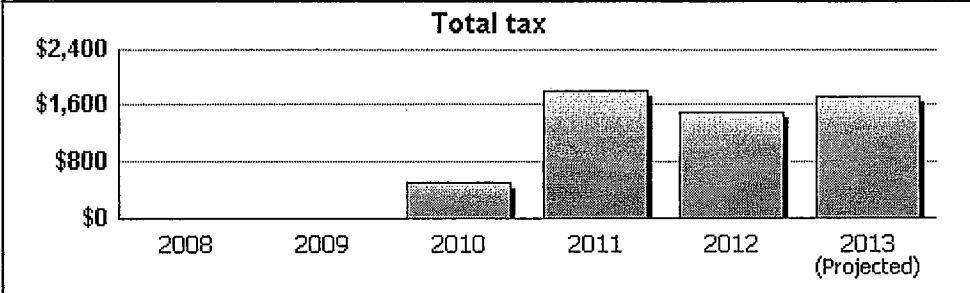
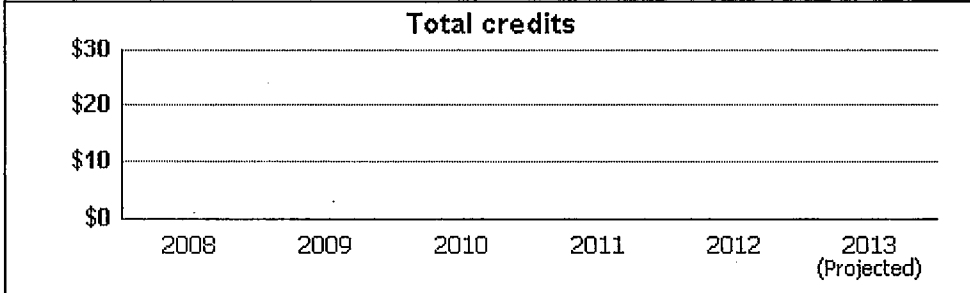


Form **1040** Tax Return History Report - Page 2 2012

Name **STEPHEN J PETERS & NANCY K DONOVAN** Taxpayer Identification Number XXXXXXXXXX

	2008	2009	2010	2011	2012	2013 PROJECTED
Taxable income						
Tax on taxable income						
Alternative minimum tax						
Total credits						
Net tax liability						
Self-employment taxes			497	1,797	1,492	1,716
Other taxes						
Total tax			497	1,797	1,492	1,716
Income tax withheld				50	22	22
Estimated tax payments				30		
Other payments			835	395	475	487
Total payments			835	475	497	509
Total due/-refund			-338	1,322	995	1,207
Penalties and interest				648	442	
Net tax due/-refund			-338	1,970	1,437	1,207
Refund applied to estimated tax payments			338			
Refund received						
Marginal tax rate	15.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Effective tax rate	%	%	%	%	%	%

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Form **1040****Two Year Comparison Report - Schedule C**EXHIBIT WP-56
2011 & 2012

Name

NANCY K DONOVAN

Principal business or profession

JEWELRY SALES

Unit

1

Income		2011	2012	Differences
1. Gross receipts or sales	1.	17,762	1	-17,761
2. Returns and allowances	2.			
3. Cost of goods sold	3.	4,868		-4,868
4. Gross profit	4.	12,894	1	-12,893
5. Other income	5.			
6. Gross income	6.	12,894	1	-12,893

Expenses				
7. Advertising	7.	63		-63
8. Car and truck expenses	8.	165		-165
9. Commissions and fees	9.			
10. Contract labor	10.			
11. Depletion	11.			
12. Depreciation and section 179 expense deduction	12.			
13. Employee benefit programs	13.			
14. Insurance (other than health)	14.			
15. Interest - mortgage (paid to banks, etc.)	15.			
16. Interest - other	16.			
17. Legal and professional services	17.			
18. Office expense	18.			
19. Pension and profit-sharing plans	19.			
20. Rent or lease - vehicles, machinery, and equipment	20.			
21. Rent or lease - other business property	21.			
22. Repairs and maintenance	22.			
23. Supplies (not included in cost of goods sold)	23.			
24. Taxes and licenses	24.			
25. Travel	25.			
26. Total meals and entertainment	26.	82		-82
26a. Nondeductible meals and entertainment	26a.	41		-41
26b. Deductible meals and entertainment	26b.	41		-41
27. Utilities	27.	166		-166
28. Wages (less employment credits)	28.			
29. Other expenses	29.	7,863		-7,863
30. Total expenses	30.	8,298		-8,298

Profit/ (loss)				
31. Tentative profit (loss)	31.	4,596	1	-4,595
32. Expenses for business use of home	32.			
33. Net profit or (loss)	33.	4,596	1	-4,595

Cost of Goods Sold				
34. Inventory - Beginning of year	34.	9,645	8,806	-839
35. Purchases	35.	3,744		-3,744
36. Labor	36.			
37. Materials	37.	285		-285
38. Other costs	38.			
39. Goods available for sale (sum of lines 34-38)	39.	13,674	8,806	-4,868
40. Inventory - End of year	40.	8,806	8,806	

Form **1040****Two Year Comparison Report - Schedule F**Name
STEPHEN J PETERS & NANCY K DONOVANDescription
LIVESTOCK VINEYARD ETCUnit
1

Income		2011	2012	Differences
1. Sales of livestock and items bought for resale (cash method)	1.			
2. Cost or other basis of livestock and other items (cash method)	2.			
3. Sales of livestock, produce, grains, etc. raised (cash method)	3.	49,587	72,440	22,853
4. Taxable cooperative distributions	4.	14		-14
5. Taxable agricultural program payments	5.			
6. Total CCC loans reported under election	6.			
7. Taxable amount of CCC loans forfeited	7.			
8. Taxable crop insurance proceeds received in current year	8.			
9. Taxable crop insurance proceeds deferred from prior year	9.			
10. Custom hire (machine work) income	10.			
11. Other income	11.	500		-500
12. Sales of livestock and other items (accrual method)	12.			
13. Inventory of livestock and other items at BOY (accrual method)	13.			
14. Cost of livestock and other items purchased (accrual method)	14.			
15. Livestock and other items available for sale (accrual method)	15.			
16. Inventory of livestock and other items EOY (accrual method)	16.			
17. Cost of livestock and other items sold (accrual method)	17.			
18. Gross income	18.	50,101	72,440	22,339

Expenses		2011	2012	Differences
19. Car and truck expenses	19.	2,065	3,040	975
20. Chemicals	20.	487	587	-50
21. Conservation expenses	21.			
22. Custom hire (machine work)	22.	4,500	4,539	39
23. Depreciation and section 179 expense deduction	23.	3,697	3,495	-202
24. Employee benefit programs	24.			
25. Feed purchased	25.			
26. Fertilizers and lime	26.	874	773	-101
27. Freight and trucking	27.			
28. Gasoline, fuel, and oil	28.	2,957	4,243	1,286
29. Insurance (other than health)	29.	4,165	3,497	-668
30. Interest - mortgage (paid to banks, etc.)	30.			
31. Interest - other	31.			
32. Labor hired (less employment credits)	32.			
33. Pension and profit-sharing plans	33.			
34. Rent or lease - vehicles, machinery, and equipment	34.	54	54	
35. Rent or lease - other (land, animals, etc.)	35.			
36. Repairs and maintenance	36.	2,023	748	-1,275
37. Seeds and plants purchased	37.			
38. Storage and warehousing	38.			
39. Supplies purchased	39.	4,553	7,319	2,766
40. Taxes	40.	119		-119
41. Utilities	41.	3,376	3,279	-97
42. Veterinary, breeding, and medicine	42.			
43. Other expenses	43.	11,248	28,923	17,675
44. Total expenses	44.	40,068	60,297	20,229

Profit/(loss)		2011	2012	Differences
45. Net farm profit or (loss)	45.	10,033	12,143	2,110

1040

Federal Return Summary

EXHIBIT WR-56

2012

Name **STEPHEN J PETERS & NANCY K DONOVAN** Taxpayer Identification Number [REDACTED]

Tax Form **1040**

Filing Status **MFJ**
Dependents _____

Income

Salaries & wages	_____
Taxable interest income	_____
Tax exempt interest	_____
Dividend income	78
Qualified dividends	78
Taxable state/local refunds	_____
Alimony received	_____
Business income/-loss	1
Capital gain/-loss	-3,000
Other gain/-loss (Form 4797)	_____
Taxable IRA distributions	_____
Taxable pension distributions	_____
Rental, royalty, partnership, etc. income/-loss	_____
Farm income/-loss	12,143
Unemployment compensation	_____
Taxable social security benefits	_____
Other income	-36,267
Total income	-27,045

Tax Computation

Regular tax	_____
Alternative minimum tax	_____
Total tax before credits	_____
Child and dependent care credit	_____
Education credits	_____
Other credits	_____
Total credits	_____
Tax after credits	_____
Self-employment tax	1,492
Additional tax on IRAs, etc.	_____
Other taxes	_____
Total tax	1,492

Payments

Federal income tax withheld	22
Estimated payments	_____
Other payments/credits	475
Total payments	497

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Adjustments

Moving expenses	_____
Self-employment tax adjustment	858
SEP, SIMPLE, and qualified plan deduction	_____
Self-employed health insurance deduction	_____
Alimony paid	_____
IRA deduction	_____
Student loan interest deduction	_____
Other adjustments	_____
Total adjustments	858
Adjusted gross income	-27,903

Refund/Amount Due

Amount overpaid	_____
Overpayment applied	_____
Form 2210 penalty	_____
Amount due/-refund	995
Failure to file penalty	224
Failure to pay penalty	164
Late filing interest	54
Net amount due/-refund	1,437

Deductions

Medical and Dental expenses	15,102
Taxes paid	5,174
Interest paid	_____
Charitable contributions	_____
Other itemized deductions	_____
Total allowable itemized deductions	20,276
or, Standard deduction	_____
Exemption amount	7,600
Taxable income	_____

2013 Estimates

1st quarter	_____
2nd quarter	_____
3rd quarter	_____
4th quarter	_____
Total	_____

Tax Rates

Marginal tax rate	10.0 %
Effective tax rate	_____ %
Rate of Long-term capital gain	_____ %

Department of the Treasury
Internal Revenue Service

▶ Do not send to the IRS. This is not a tax return.
▶ Keep this form for your records.

2012

Declaration Control Number (DCN) ▶

Taxpayer's name **STEPHEN J PETERS** Social security number [REDACTED]

Spouse's name **NANCY K DONOVAN** Spouse's social security number [REDACTED]

Part I Tax Return Information — Tax Year Ending December 31, 2012 (Whole Dollars Only)

1	Adjusted gross income (Form 1040, line 38; Form 1040A, line 22; Form 1040EZ, line 4)	1	-27,903
2	Total tax (Form 1040, line 61; Form 1040A, line 35; Form 1040EZ, line 10)	2	1,492
3	Federal income tax withheld (Form 1040, line 62; Form 1040A, line 36; Form 1040EZ, line 7)	3	22
4	Refund (Form 1040, line 74a; Form 1040A, line 43a; Form 1040EZ, line 11a; Form 1040-SS, Part I, line 12a)	4	
5	Amount you owe (Form 1040, line 76; Form 1040A, line 45; Form 1040EZ, line 12)	5	995

Part II Taxpayer Declaration and Signature Authorization (Be sure you get and keep a copy of your return)

Under penalties of perjury, I declare that I have examined a copy of my electronic individual income tax return and accompanying schedules and statements for the tax year ending December 31, 2012, and to the best of my knowledge and belief, it is true, correct, and complete. I further declare that the amounts in Part I above are the amounts from my electronic income tax return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send my return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an ACH electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of my federal taxes owed on this return and/or a payment of estimated tax, and the financial institution to debit the entry to this account. This authorization is to remain in full force and effect until I notify the U.S. Treasury Financial Agent to terminate the authorization. To revoke (cancel) a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537. Payment cancellation requests must be received no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I further acknowledge that the personal identification number (PIN) below is my signature for my electronic income tax return and, if applicable, my Electronic Funds Withdrawal Consent.

Taxpayer's PIN: check one box only

- I authorize **L H HARRIS CPA** ERO firm name to enter or generate my PIN: [REDACTED] as my signature on my tax year 2012 electronically filed income tax return. Enter five numbers, but do not enter all zeros
- I will enter my PIN as my signature on my tax year 2012 electronically filed income tax return. Check this box **only** if you are entering your own PIN and your return is filed using the Practitioner PIN method. The ERO must complete Part III below.

Your signature ▶ _____ Date ▶ _____

Spouse's PIN: check one box only

- I authorize **L H HARRIS CPA** ERO firm name to enter or generate my PIN: [REDACTED] as my signature on my tax year 2012 electronically filed income tax return. Enter five numbers, but do not enter all zeros
- I will enter my PIN as my signature on my tax year 2012 electronically filed income tax return. Check this box **only** if you are entering your own PIN and your return is filed using the Practitioner PIN method. The ERO must complete Part III below.

Spouse's signature ▶ _____ Date ▶ _____

Practitioner PIN Method Returns Only—continue below

Part III Certification and Authentication — Practitioner PIN Method Only

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN.

68354212600
do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature for the tax year 2012 electronically filed income tax return for the taxpayer(s) indicated above. I confirm that I am submitting this return in accordance with the requirements of the Practitioner PIN method and Publication 1345, Handbook for Authorized IRS e-file Providers of Individual Income Tax Returns.

ERO's signature ▶ **L H HARRIS CPA** Date ▶ _____

**ERO Must Retain This Form — See Instructions
Do Not Submit This Form to the IRS Unless Requested To Do So**

Taxpayer Name STEPHEN J PETERS
Spouse Name NANCY K DONOVAN

DO NOT SUBMIT THIS DOCUMENT TO IRS UNLESS REQUESTED TO DO SO

ERO Declaration

I declare that the information contained in this electronic tax return is the information furnished to me by the taxpayer. If the taxpayer furnished me a completed tax return, I declare that the information contained in this electronic tax return is identical to that contained in the return provided by the taxpayer. If the furnished return was signed by a paid preparer, I declare I have entered the paid preparer's identifying information in the appropriate portion of this electronic return. If I am the paid preparer, under the penalties of perjury I declare that I have examined this electronic return, and to the best of my knowledge and belief, it is true, correct, and complete. This declaration is based on all information of which I have any knowledge.

ERO Signature

I am signing this Tax Return by entering my PIN below.

ERO's PIN

Taxpayer Declarations

Perjury Statement

Under penalties of perjury, I declare that I have examined this return, including any accompanying statements and schedules and, to the best of my knowledge and belief, it is true, correct, and complete.

Consent to Disclosure

I consent to allow my Intermediate Service Provider, transmitter, or Electronic Return Originator (ERO) to send my return to IRS and to receive the following information from IRS: a) an acknowledgment of receipt or reason for rejection of transmission; b) the reason for any delay in processing or refund; and, c) the date of any refund.

Electronic Funds Withdrawal Consent

If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an ACH Electronic Funds Withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of my Federal taxes owed on this return and/or a payment of estimated tax, and the financial institution to debit the entry to this account. I further understand that this authorization may apply to future Federal tax payments that I direct to be debited through the Electronic Federal Tax Payment System (EFTPS). I authorize EFTPS to issue me a personal identification number (PIN) to access EFTPS. This authorization is to remain in full force and effect until I notify the U.S. Treasury Financial Agent to terminate the authorization. To request that my PIN be mailed to me, or to revoke (cancel) a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537. Payment cancellation requests must be received no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I further acknowledge that the personal identification number (PIN) below is my signature for my electronic income tax return and, if applicable, my Electronic Funds Withdrawal consent.

CLIENT COPY DO NOT FILE

I am signing this Tax Return/Form and Electronic Funds Withdrawal Consent, if applicable, by entering my Self-Select PIN below.

Date (all numerics)

Taxpayer's PIN (enter five numbers, other than all zeroes)

Spouse's PIN (enter five numbers, other than all zeroes)

Form 1310 Signature and Verification

Completion of this section indicates that I am requesting a refund of taxes overpaid by or on behalf of the decedent. Under penalties of perjury, I declare that I have examined this Form 1310 claim, and to the best of my knowledge and belief, it is true, correct and complete.

Signature of person claiming refund

Date

For the year Jan. 1–Dec. 31, 2012, or other tax year beginning , 2012, ending , 20 See separate instructions.

Your first name and initial: STEPHEN J Last name: PETERS Your social security number: [REDACTED]

If a joint return, spouse's first name and initial: NANCY K Last name: DONOVAN

Home address (number and street): 21451 HWY 128 Apt. no. [REDACTED] Make sure the SSN(s) above and on line 6c are correct.

City, town or post office, state, and ZIP code: YORKVILLE CA 95494 Presidential Election Campaign: [REDACTED]

Foreign country name Foreign province/state/county Foreign postal code You Spouse

Filing Status: 1 Single 2 [X] Married filing jointly (even if only one had income) 3 Married filing separately. Enter spouse's SSN above and full name here. 4 Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. 5 Qualifying widow(er) with dependent child

Exemptions: 6a [X] Yourself. If someone can claim you as a dependent, do not check box 6a 6b [X] Spouse 6c Dependents: (1) First name Last name (2) Dependent's social security number (3) Dependent's relationship to you (4) [X] if child under age 17 qual. for child tax credit (see instr.) No. of children on 6c who: • lived with you • did not live with you due to divorce or separation (see instructions) Dependents on 6c not entered above Add numbers on lines above 2

Income: 7 Wages, salaries, tips, etc. Attach Form(s) W-2 7 8a Taxable interest. Attach Schedule B if required 8a 8b Tax-exempt interest. Do not include on line 8a 8b 9a Ordinary dividends. Attach Schedule D if required 9a 78 9b Qualified dividends 9b 78 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 13 Capital gain or (loss). Attach Schedule D if required. If not required, check here [] 13 -3,000 14 Other gains or (losses). Attach Form 4797 14 15a IRA distributions 15a b Taxable amount 15b 16a Pensions and annuities 16a b Taxable amount 16b 17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E 17 18 Farm income or (loss). Attach Schedule F 18 12,143 19 Unemployment compensation 19 20a Social security benefits 20a b Taxable amount 20b 21 Other income. List type and amount SEE STATEMENT 1 21 -36,267 22 Combine the amounts in the far right column for lines 7 through 21. This is your total income 22 -27,045

Adjusted Gross Income: 23 Educator expenses 23 24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ 24 25 Health savings account deduction. Attach Form 8889 25 26 Moving expenses. Attach Form 3903 26 27 Deductible part of self-employment tax. Attach Schedule SE 27 858 28 Self-employed SEP, SIMPLE, and qualified plans 28 29 Self-employed health insurance deduction 29 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 Tuition and fees. Attach Form 8917 34 35 Domestic production activities deduction. Attach Form 8903 35 36 Add lines 23 through 35 36 858 37 Subtract line 36 from line 22. This is your adjusted gross income 37 -27,903

Tax and Credits

38 Amount from line 37 (adjusted gross income)
39a Check if: You were born before January 2, 1948, Blind. Total boxes checked
Spouse was born before January 2, 1948, Blind.
b If your spouse itemizes on a separate return or you were a dual-status alien, check here

Standard Deduction for—

• People who check any box on line 39a or 39b or who can be claimed as a dependent, see instructions.

• All others: Single or Married filing separately, \$5,950

Married filing jointly or Qualifying widow(er), \$11,900

Head of household, \$8,700

40 Itemized deductions (from Schedule A) or your standard deduction (see left margin)
41 Subtract line 40 from line 38
42 Exemptions. Multiply \$3,800 by the number on line 6d
43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-
44 Tax (see instr.). Check if any from: a Form(s) 8814 b Form 4972 c 962 elec.
45 Alternative minimum tax (see instructions). Attach Form 6251
46 Add lines 44 and 45
47 Foreign tax credit. Attach Form 1116 if required
48 Credit for child and dependent care expenses. Attach Form 2441
49 Education credits from Form 8863, line 19
50 Retirement savings contributions credit. Attach Form 8880
51 Child tax credit. Attach Schedule 8812, if required
52 Residential energy credits. Attach Form 5695
53 Other credits from Form: a 3800 b 8801 c
54 Add lines 47 through 53. These are your total credits
55 Subtract line 54 from line 46. If line 54 is more than line 46, enter -0-

Table with 2 columns: Line number, Amount. Rows 40-55.

Other Taxes

56 Self-employment tax. Attach Schedule SE
57 Unreported social security and Medicare tax from Form: a 4137 b 8919
58 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required
59a Household employment taxes from Schedule H
b First-time homebuyer credit repayment. Attach Form 5405 if required
60 Other taxes. Enter code(s) from instructions
61 Add lines 55 through 60. This is your total tax

Table with 2 columns: Line number, Amount. Rows 56-61.

Payments

If you have a qualifying child, attach Schedule EIC.

62 Federal income tax withheld from Forms W-2 and 1099
63 2012 estimated tax payments and amount applied from 2011 return
64a Earned income credit (EIC)
b Non-refundable child tax election
65 Additional child tax credit. Attach Schedule 8812
66 American opportunity credit from Form 8863, line 8
67 Reserved
68 Amount paid with request for extension to file
69 Excess social security and tier 1 RRTA tax withheld
70 Credit for federal tax on fuels. Attach Form 4136
71 Credits from Form: a 2439 b Reserved c 8801 d 8885
72 Add lines 62, 63, 64a, and 65 through 71. These are your total payments

Table with 2 columns: Line number, Amount. Rows 62-72.

Refund

73 If line 72 is more than line 61, subtract line 61 from line 72. This is the amount you overpaid
74a Amount of line 73 you want refunded to you. If Form 8888 is attached, check here
b Routing number
c Type: Checking Savings
d Account number
75 Amount of line 73 you want applied to your 2013 estimated tax

Table with 2 columns: Line number, Amount. Rows 73-75.

Amount You Owe

76 Amount you owe. Subtract line 72 from line 61. For details on how to pay, see instructions
77 Estimated tax penalty (see instructions)

Table with 2 columns: Line number, Amount. Rows 76-77.

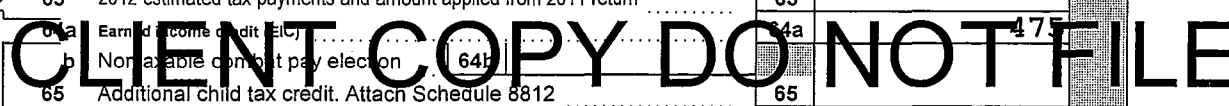
Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? Yes. Complete below. No
Designee's name: LAWRENCE H. HARRIS, CPA
Personal identification number (PIN): 43496
Phone no.: 707-546-2727

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.
Your signature: [Signature] Date: [Date] Your occupation: FARMER Daytime phone number: [Phone]
Spouse's signature: [Signature] Date: [Date] Spouse's occupation: FARMER
If the IRS sent you an Identity Protection PIN, enter it here (see instr.): [PIN]

Paid: LAWRENCE H. HARRIS, CPA
Preparer: L H HARRIS CERTIFIED PUBLIC ACCOUNTANT
Firm's name: L H HARRIS CERTIFIED PUBLIC ACCOUNTANT
Firm's address: 6400 REDWOOD DRIVE, SUITE 200 ROHNERT PARK CA 94928
Firm's EIN: 68-0277084
Phone no.: 707-546-2727



SCHEDULE A
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Itemized Deductions

EXHIBIT WR-56
OMB No. 1545-0074

▶ Information about Schedule A and its separate instructions is at www.irs.gov/form1040.

▶ Attach to Form 1040.

2012

Attachment
Sequence No. **07**

Name(s) shown on Form 1040

STEPHEN J PETERS & NANCY K DONOVAN

Medical and Dental Expenses	Caution. Do not include expenses reimbursed or paid by others.				
	1 Medical and dental expenses (see instructions)	1	15,102		
	2 Enter amount from Form 1040, line 38	2	-27,903		
	3 Multiply line 2 by 7.5% (.075)	3			
4 Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-			4	15,102	
Taxes You Paid	5 State and local (check only one box):	5			
	a <input type="checkbox"/> Income taxes, or				
	b <input type="checkbox"/> General sales taxes				
	6 Real estate taxes (see instructions)	6	5,174		
	7 Personal property taxes	7			
	8 Other taxes. List type and amount ▶	8			
	9 Add lines 5 through 8			9	5,174
	Interest You Paid	10 Home mortgage interest and points reported to you on Form 1098	10		
Note. Your mortgage interest deduction may be limited (see instructions).	11 Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying no., and address ▶	11			
	12 Points not reported to you on Form 1098. See instructions for special rules	12			
	13 Mortgage insurance premiums (see instructions)	13			
	14 Investment interest. Attach Form 4952 if required. (See instructions.)	14			
	15 Add lines 10 through 14			15	
Gifts to Charity	16 Gifts by cash or check. If you made any gift of \$250 or more, see instructions	16			
	17 Other than by cash or check. If any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500	17			
	18 Carryover from prior year	18			
	19 Add lines 16 through 18			19	
Casualty and Theft Losses	20 Casualty or theft loss(es). Attach Form 4684. (See instructions.)			20	
Job Expenses and Certain Miscellaneous Deductions	21 Unreimbursed employee expenses—job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.) ▶	21			
	22 Tax preparation fees	22			
	23 Other expenses—investment, safe deposit box, etc. List type and amount ▶	23			
	24 Add lines 21 through 23	24			
	25 Enter amount from Form 1040, line 38	25			
	26 Multiply line 25 by 2% (.02)	26			
	27 Subtract line 26 from line 24. If line 26 is more than line 24, enter -0-			27	
Other Miscellaneous Deductions	28 Other—from list in instructions. List type and amount ▶			28	
Total Itemized Deductions	29 Add the amounts in the far right column for lines 4 through 28. Also, enter this amount on Form 1040, line 40			29	20,276
	30 If you elect to itemize deductions even though they are less than your standard deduction, check here <input type="checkbox"/>				

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For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule A (Form 1040) 2012

SCHEDULE B

(Form 1040A or 1040)

Department of the Treasury Internal Revenue Service (99)

Interest and Ordinary Dividends

Attach to Form 1040A or 1040.

Information about Schedule B (Form 1040A or 1040) and its instructions is at www.irs.gov/form1040.

EXHIBIT WR-56

2012

Attachment Sequence No. 08

Name(s) shown on return

STEPHEN J PETERS & NANCY K DONOVAN

Part I Interest

1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see instructions on back and list this interest first. Also, show that buyer's social security number and address

(See instructions on back and the instructions for Form 1040A, or Form 1040, line 8a.)

Note. If you received a Form 1099-INT, Form 1099-OID, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

- 2 Add the amounts on line 1
3 Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815
4 Subtract line 3 from line 2. Enter the result here and on Form 1040A, or Form 1040, line 8a

Note. If line 4 is over \$1,500, you must complete Part III.

Part II Ordinary Dividends

5 List name of payer

(See instructions on back and the instructions for Form 1040A, or Form 1040, line 9a.)

Note. If you received a Form 1099-DIV or substitute statement from a brokerage firm, list the firm's name as the payer and enter the ordinary dividends shown on that form.

- 6 Add the amounts on line 5. Enter the total here and on Form 1040A, or Form 1040, line 9a

Note. If line 6 is over \$1,500, you must complete Part III.

Part III Foreign Accounts and Trusts

7a At any time during 2012, did you have a financial interest in or signature authority over a financial account (such as a bank account, securities account, or brokerage account) located in a foreign country? See instructions

If "Yes," are you required to file Form TD F 90-22.1 to report that financial interest or signature authority? See Form TD F 90-22.1 and its instructions for filing requirements and exceptions to those requirements

b If you are required to file Form TD F 90-22.1, enter the name of the foreign country where the financial account is located

8 During 2012, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See instructions on back

Amount

1

2

3

4

Amount

5

6

78

78

You must complete this part if you (a) had over \$1,500 of taxable interest or ordinary dividends; (b) had a foreign account; or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

Yes No

Table with 2 columns: Yes, No. Rows correspond to questions 7a, 7b, and 8.

SCHEDULE C (Form 1040)

Profit or Loss From Business (Sole Proprietorship)

EXHIBIT WR-56 OMB No. 1545-0074

2012

Attachment Sequence No. 09

Department of the Treasury Internal Revenue Service (99)

For information on Schedule C and its instructions, go to www.irs.gov/schedulec. Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

Name of proprietor: NANCY K DONOVAN
Social security number (SSN): [Redacted]
A Principal business or profession, including product or service (see instructions): JEWELRY SALES
B Enter code from instructions: 423940
C Business name. If no separate business name, leave blank.
D Employer ID number (EIN), (see instr.)
E Business address (including suite or room no.): 21451 HWY 128, YORKVILLE, CA 95494
F Accounting method: (1) [X] Cash (2) [] Accrual (3) [] Other (specify)
G Did you "materially participate" in the operation of this business during 2012? [X] Yes [] No
H If you started or acquired this business during 2012, check here
I Did you make any payments in 2012 that would require you to file Form(s) 1099? [] Yes [X] No
J If "Yes," did you or will you file all required Forms 1099? [] Yes [] No

Part I Income
Table with 7 rows and 2 columns: Description and Amount.
1 Gross receipts or sales... 1
2 Returns and allowances... 2
3 Subtract line 2 from line 1... 1
4 Cost of goods sold... 4
5 Gross profit... 1
6 Other income... 6
7 Gross income... 1

Part II Expenses Enter expenses for business use of your home only on line 30.
Table with 32 rows and 2 columns: Description and Amount.
8 Advertising... 8
9 Car and truck expenses... 9
10 Commissions and fees... 10
11 Contract labor... 11
12 Depletion... 12
13 Depreciation and section 179 expense deduction... 13
14 Employee benefit programs... 14
15 Insurance... 15
16 Interest: 16a Mortgage... 16b Other...
17 Legal and professional services... 17
18 Office expense... 18
19 Pension and profit-sharing plans... 19
20a Vehicle... 20b Other business property...
21 Repairs and maintenance... 21
22 Supplies... 22
23 Taxes and licenses... 23
24 Travel, meals, and entertainment: 24a Travel... 24b Deductible meals and entertainment...
25 Utilities... 25
26 Wages... 26
27a Other expenses... 27b Reserved for future use...
28 Total expenses... 0
29 Tentative profit or (loss)... 1
30 Expenses for business use of your home... 30
31 Net profit or (loss)... 1
32 If you have a loss, check the box that describes your investment in this activity... 32a All investment is at risk. 32b Some investment is not at risk.

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

Schedule C (Form 1040) 2012

SCHEDULE D (Form 1040)

Capital Gains and Losses

EXHIBIT WR-56 OMB No. 1545-0074

Department of the Treasury Internal Revenue Service (99)

Attach to Form 1040 or Form 1040NR. Information about Schedule D and its separate instructions is at www.irs.gov/form1040. Use Form 8949 to list your transactions for lines 1, 2, 3, 8, 9, and 10.

2012 Attachment Sequence No. 12

Name(s) shown on return: STEPHEN J PETERS & NANCY K DONOVAN. Your social security number: [REDACTED]

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

Table with 5 columns: (d) Proceeds, (e) Cost, (g) Adjustments, (h) Gain or (loss). Rows 1-7 showing short-term totals and net gain/loss of -8,907.

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

Table with 5 columns: (d) Proceeds, (e) Cost, (g) Adjustments, (h) Gain or (loss). Rows 8-15 showing long-term totals and net gain/loss of -23,932.

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

Schedule D (Form 1040) 2012

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Part III Summary

16 Combine lines 7 and 15 and enter the result	16	-32,839
<ul style="list-style-type: none"> If line 16 is a gain, enter the amount from line 16 on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 17 below. If line 16 is a loss, skip lines 17 through 20 below. Then go to line 21. Also be sure to complete line 22. If line 16 is zero, skip lines 17 through 21 below and enter -0- on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 22. 		
17 Are lines 15 and 16 both gains? <input type="checkbox"/> Yes. Go to line 18. <input type="checkbox"/> No. Skip lines 18 through 21, and go to line 22.		
18 Enter the amount, if any, from line 7 of the 28% Rate Gain Worksheet in the instructions	18	
19 Enter the amount, if any, from line 18 of the Unrecaptured Section 1250 Gain Worksheet in the instructions	19	
20 Are lines 18 and 19 both zero or blank? <input type="checkbox"/> Yes. Complete the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44 (or in the instructions for Form 1040NR, line 42). Do not complete lines 21 and 22 below. <input type="checkbox"/> No. Complete the Schedule D Tax Worksheet in the instructions. Do not complete lines 21 and 22 below.		
21 If line 16 is a loss, enter here and on Form 1040, line 13, or Form 1040NR, line 14, the smaller of: <ul style="list-style-type: none"> The loss on line 16 or (\$3,000), or if married filing separately, (\$1,500) 	21	(3,000)
Note. When figuring which amount is smaller, treat both amounts as positive numbers.		
22 Do you have qualified dividends on Form 1040, line 9b, or Form 1040NR, line 10b? <input checked="" type="checkbox"/> Yes. Complete the Qualified Dividends and Capital Gain Tax Worksheet in the instructions for Form 1040, line 44 (or in the instructions for Form 1040NR, line 42). <input type="checkbox"/> No. Complete the rest of Form 1040 or Form 1040NR.		

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2592
SCHEDULE F
(Form 1040)

Profit or Loss From Farming

OMB No. 1545-0074
EXHIBIT WR-56
2012

Department of the Treasury
 Internal Revenue Service (99)

▶ Attach to Form 1040, Form 1040NR, Form 1041, Form 1065, or Form 1065-B.
 ▶ Information about Schedule F and its separate instructions is at www.irs.gov/form1040.

Attachment
 Sequence No. **14**

Name of proprietor: **STEPHEN J PETERS & NANCY K DONOVAN**
 Social security number (SSN): [REDACTED]

A Principal crop or activity: **LIVESTOCK VINEYARD E**
 B Enter code from Part IV: **111900**
 C Accounting method: Cash Accrual
 D Employer ID number (EIN), (see instr.):

E Did you "materially participate" in the operation of this business during 2012? If "No," see instructions for limit on passive losses. Yes No
 F Did you make any payments in 2012 that would require you to file Form(s) 1099 (see instructions) Yes No
 G If "Yes," did you or will you file required Forms 1099? Yes No

Part II 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		
b	Cost or other basis of livestock or other items reported on line 1a	1b		
c	Subtract line 1b from line 1a			1c
2	Sales of livestock, produce, grains, and other products you raised			2 72,440
3a	Cooperative distributions (Form(s) 1099-PATR)	3a		3b Taxable amount
4a	Agricultural program payments (see instructions)	4a		4b Taxable amount
5a	Commodity Credit Corporation (CCC) loans reported under election			5a
b	CCC loans forfeited	5b		5c Taxable amount
6	Crop insurance proceeds and federal crop disaster payments (see instructions)			
a	Amount received in 2012	6a		6b Taxable amount
c	If election to defer to 2013 is attached, check here <input type="checkbox"/>			6d Amount deferred from 2011
7	Custom hire (machine work) income			7
8	Other income (see instructions)			8
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 72,440

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	3,640	23 Pension and profit-sharing plans	23	
11	Chemical	11	537	a Rent or lease (see instructions):	24a	
12	Conservation expenses (see instructions)	12		b Vehicles, machinery, equipment	24b	54
13	Custom hire (machine work)	13	4,539	25	25	748
14	Depreciation and section 179 expense (see instructions)	14	3,495	26	26	
15	Employee benefit programs other than on line 23	15		27	27	
16	Feed	16		28	28	7,319
17	Fertilizers and lime	17	773	29	29	
18	Freight and trucking	18		30	30	3,279
19	Gasoline, fuel, and oil	19	4,243	31	31	
20	Insurance (other than health)	20	3,497	32	32	
21	Interest:			a	32a	28,923
a	Mortgage (paid to banks, etc.)	21a		b	32b	
b	Other	21b		c	32c	
22	Labor hired (less employment credits)	22		d	32d	
				e	32e	
				f	32f	
33	Total expenses. Add lines 10 through 32f. If line 32f is negative, see instructions				33	60,297
34	Net farm profit or (loss). Subtract line 33 from line 9				34	12,143

If a profit, stop here and see instructions for where to report. If a loss, complete lines 35 and 36.
 35 Did you receive an applicable subsidy in 2012? (see instructions) Yes No
 36 Check the box that describes your investment in this activity and see instructions for where to report your loss.
 a All investment is at risk. b Some investment is not at risk.

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**SCHEDULE SE
(Form 1040)**

Self-Employment Tax

EXHIBIT **WR-56** OMB No. 1545-0074

► Information about Schedule SE and its separate instructions is at www.irs.gov/form1040.

► Attach to Form 1040 or Form 1040NR.

2012

Attachment
Sequence No. **17**

Department of the Treasury
Internal Revenue Service (99)

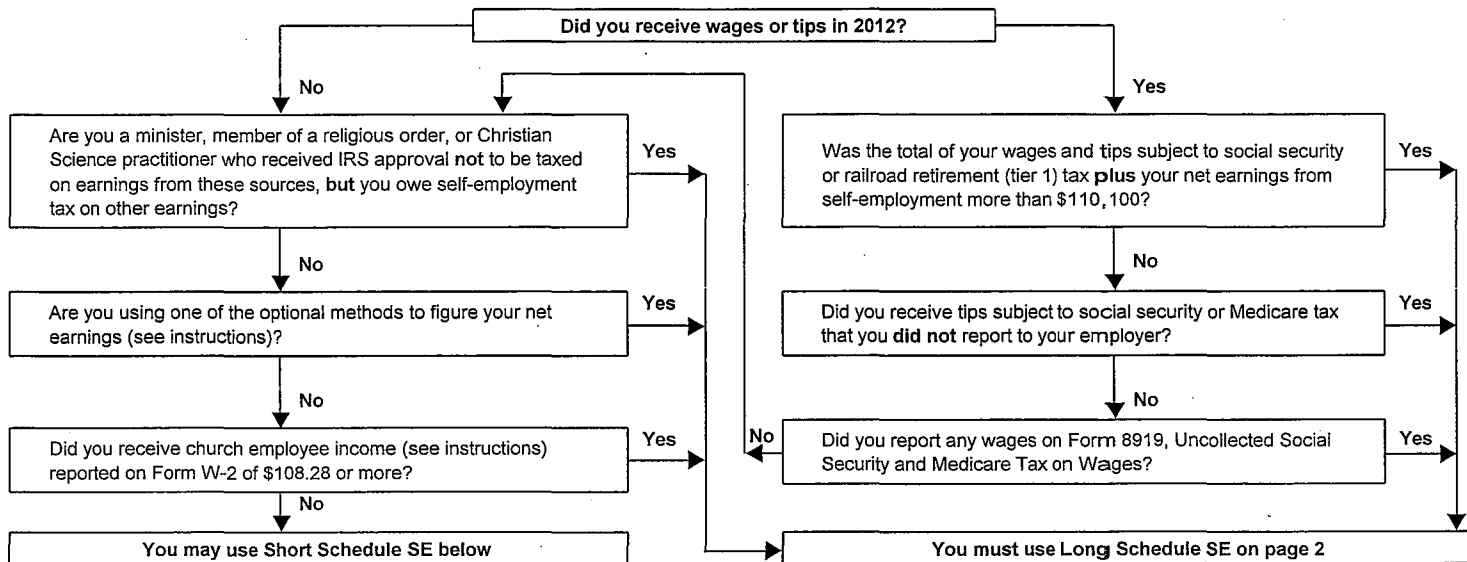
Name of person with self-employment income (as shown on Form 1040)
STEPHEN J PETERS

Social security number of person
with self-employment income ► XXXXXXXXXX

Before you begin: To determine if you must file Schedule SE, see the instructions.

May I Use Short Schedule SE or Must I Use Long Schedule SE?

Note. Use this flowchart only if you must file Schedule SE. If unsure, see Who Must File Schedule SE in the instructions.



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Section A — Short Schedule SE. Caution. Read above to see if you can use Short Schedule SE.

<p>1a Net farm profit or (loss) from Schedule F, line 34, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A</p> <p>b If you received social security retirement or disability benefits, enter the amount of Conservation Reserve Program payments included on Schedule F, line 4b, or listed on Schedule K-1 (Form 1065), box 20, code Y</p> <p>2 Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), box 14, code A (other than farming); and Schedule K-1 (Form 1065-B), box 9, code J1. Ministers and members of religious orders, see instructions for types of income to report on this line. See instructions for other income to report</p> <p>3 Combine lines 1a, 1b, and 2</p> <p>4 Multiply line 3 by 92.35% (.9235). If less than \$400, you do not owe self-employment tax; do not file this schedule unless you have an amount on line 1b</p> <p>Note. If line 4 is less than \$400 due to Conservation Reserve Program payments on line 1b, see instructions.</p> <p>5 Self-employment tax. If the amount on line 4 is:</p> <ul style="list-style-type: none"> • \$110,100 or less, multiply line 4 by 13.3% (.133). Enter the result here and on Form 1040, line 56, or Form 1040NR, line 54 • More than \$110,100, multiply line 4 by 2.9% (.029). Then, add \$11,450.40 to the result. Enter the total here and on Form 1040, line 56, or Form 1040NR, line 54 <p>6 Deduction for employer-equivalent portion of self-employment tax. If the amount on line 5 is:</p> <ul style="list-style-type: none"> • \$14,643.30 or less, multiply line 5 by 57.51% (.5751) • More than \$14,643.30, multiply line 5 by 50% (.50) and add \$1,100 to the result. Enter the result here and on Form 1040, line 27, or Form 1040NR, line 27 	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;">1a</td> <td style="width: 10%;"></td> <td style="width: 80%; text-align: right;">6,072</td> </tr> <tr> <td>1b</td> <td></td> <td></td> </tr> <tr> <td>2</td> <td></td> <td></td> </tr> <tr> <td>3</td> <td></td> <td style="text-align: right;">6,072</td> </tr> <tr> <td>4</td> <td></td> <td style="text-align: right;">5,607</td> </tr> <tr> <td>5</td> <td></td> <td style="text-align: right;">746</td> </tr> <tr> <td>6</td> <td></td> <td style="text-align: right;">429</td> </tr> </table>	1a		6,072	1b			2			3		6,072	4		5,607	5		746	6		429
1a		6,072																				
1b																						
2																						
3		6,072																				
4		5,607																				
5		746																				
6		429																				

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

Schedule SE (Form 1040) 2012

SCHEDULE SE (Form 1040)

Department of the Treasury Internal Revenue Service (99)

Self-Employment Tax

Information about Schedule SE and its separate instructions is at www.irs.gov/form1040.

Attach to Form 1040 or Form 1040NR.

EXHIBIT WR-56

OMB No. 1545-0074

2012

Attachment Sequence No. 17

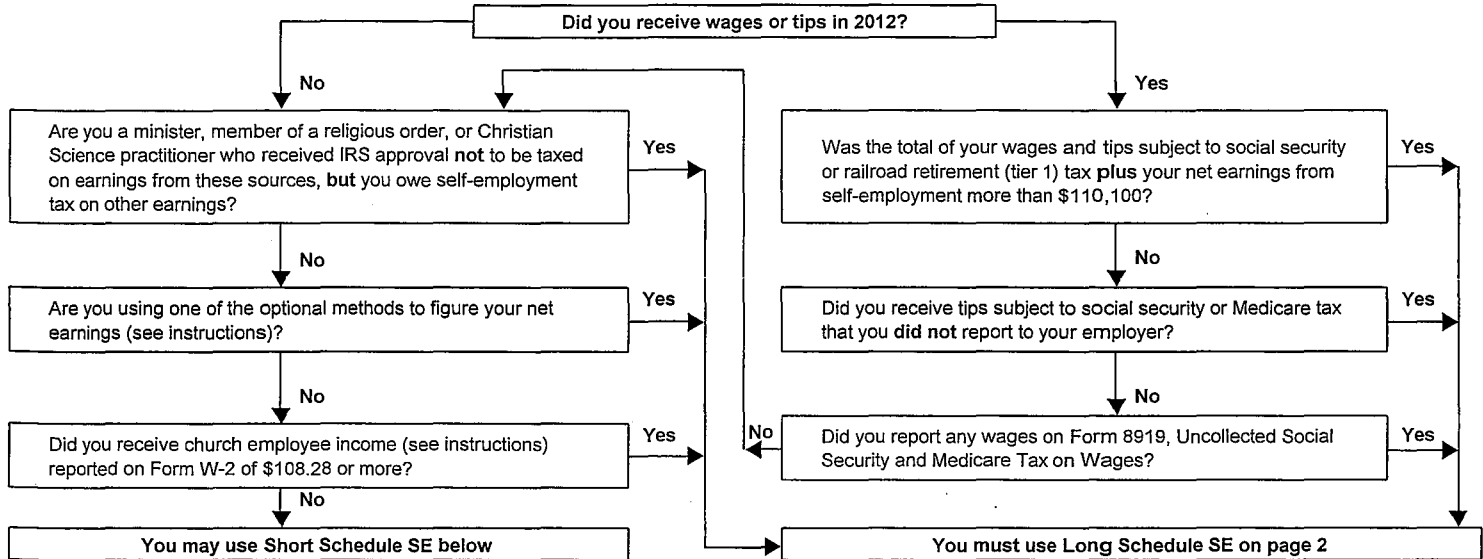
Name of person with self-employment income (as shown on Form 1040) NANCY K DONOVAN

Social security number of person with self-employment income

Before you begin: To determine if you must file Schedule SE, see the instructions.

May I Use Short Schedule SE or Must I Use Long Schedule SE?

Note. Use this flowchart only if you must file Schedule SE. If unsure, see Who Must File Schedule SE in the instructions.



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Section A - Short Schedule SE Caution. Read above to see if you can use Short Schedule SE.

Table with 6 rows and 2 columns. Row 1: 1a Net farm profit or (loss) from Schedule F, line 34, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A. Value: 6,071. Row 2: 2 Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), box 14, code A (other than farming); and Schedule K-1 (Form 1065-B), box 9, code J1. Value: 1. Row 3: 3 Combine lines 1a, 1b, and 2. Value: 6,072. Row 4: 4 Multiply line 3 by 92.35% (.9235). If less than \$400, you do not owe self-employment tax; do not file this schedule unless you have an amount on line 1b. Value: 5,607. Row 5: 5 Self-employment tax. Value: 746. Row 6: 6 Deduction for employer-equivalent portion of self-employment tax. Value: 429.

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

Schedule SE (Form 1040) 2012

Form **8867**

Paid Preparer's Earned Income Credit Checklist

2012

Department of the Treasury
Internal Revenue Service

▶ To be completed by preparer and filed with Form 1040, 1040A, or 1040EZ.
▶ Information about Form 8867 and its separate instructions is at www.irs.gov/form8867.

Attachment
Sequence No. 177

Taxpayer name(s) shown on return

STEPHEN J PETERS & NANCY K DONOVAN

Taxpayer's social security number

For the definitions of the following terms, see Pub. 596.

- Investment Income
- Qualifying Child
- Earned Income
- Full-time Student

Part I All Taxpayers

1 Enter preparer's name and PTIN ▶ **LAWRENCE H. HARRIS, CPA** P00043496

2 Is the taxpayer's filing status married filing separately? Yes No

▶ If you checked "Yes" on line 2, stop; the taxpayer cannot take the EIC. Otherwise, continue.

3 Does the taxpayer (and the taxpayer's spouse if filing jointly) have a social security number (SSN) that allows him or her to work or is valid for EIC purposes? See the instructions before answering Yes No

▶ If you checked "No" on line 3, stop; the taxpayer cannot take the EIC. Otherwise, continue.

4 Is the taxpayer filing Form 2555 or Form 2555-EZ (relating to the exclusion of foreign earned income)? Yes No

▶ If you checked "Yes" on line 4, stop; the taxpayer cannot take the EIC. Otherwise, continue.

5a Was the taxpayer a nonresident alien for any part of 2012? Yes No

▶ If you checked "Yes" on line 5a, go to line 5b. Otherwise, skip line 5b and go to line 6.

b Is the taxpayer's filing status married filing jointly? Yes No

▶ If you checked "Yes" on line 5a and "No" on line 5b, stop; the taxpayer cannot take the EIC. Otherwise, continue.

6 Is the taxpayer's investment income more than \$3,200? See Rule 6 in Pub. 596 before answering Yes No

▶ If you checked "Yes" on line 6, stop; the taxpayer cannot take the EIC. Otherwise, continue.

7 Could the taxpayer, or the taxpayer's spouse if filing jointly, be a qualifying child of another person for 2012? If the taxpayer's filing status is married filing jointly, check "No." Otherwise, see Rule 10 (Rule 13 if the taxpayer does not have a qualifying child) in Pub. 596 before answering Yes No

▶ If you checked "Yes" on line 7, stop; the taxpayer cannot take the EIC. Otherwise, go to Part II or Part III, whichever applies.

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For Paperwork Reduction Act Notice, see separate instructions.

Form **8867** (2012)

Part III Taxpayers Without a Qualifying Child

16 Was the taxpayer's main home, and the main home of the taxpayer's spouse if filing jointly, in the United States for more than half the year? (Military personnel on extended active duty outside the United States are considered to be living in the United States during that duty period. See Pub. 596.) Yes No

▶ If you checked "No" on line 16, stop; the taxpayer cannot take the EIC. Otherwise, continue.

17 Was the taxpayer, or the taxpayer's spouse if filing jointly, at least age 25 but under age 65 at the end of 2012? See the instructions before answering Yes No

▶ If you checked "No" on line 17, stop; the taxpayer cannot take the EIC. Otherwise, continue.

18 Is the taxpayer, or the taxpayer's spouse if filing jointly, eligible to be claimed as a dependent on anyone else's federal income tax return for 2012? If the taxpayer's filing status is married filing jointly, check "No" Yes No

▶ If you checked "Yes" on line 18, stop; the taxpayer cannot take the EIC. Otherwise, continue.

19 Are the taxpayer's earned income and adjusted gross income each less than the limit that applies to the taxpayer for 2012? See Pub. 596 for the limit Yes No

▶ If you checked "No" on line 19, stop; the taxpayer cannot take the EIC. If you checked "Yes" on line 19, the taxpayer can take the EIC. If the taxpayer's EIC was reduced or disallowed for a year after 1996, see Pub. 596 to find out if Form 8862 must be filed. Go to line 20.

Part IV Due Diligence Requirements

20 Did you complete Form 8867 based on current information provided by the taxpayer or reasonably obtained by you? Yes No

21 Did you complete the EIC worksheet found in the Form 1040, 1040A, or 1040EZ instructions (or your own worksheet that provides the same information as the 1040, 1040A, or 1040EZ worksheet)? Yes No

22 If any qualifying child was not the taxpayer's son or daughter, did you ask why the parents were not claiming the child and document the answer? Yes No Does not apply

23 If the answer to question 13a is "Yes" (indicating that the child lived for more than half the year with someone else who could claim the child for the EIC), did you explain the tiebreaker rules and possible consequences of another person claiming your client's qualifying child? Yes No Does not apply

24 Did you ask this taxpayer any additional questions that are necessary to meet your knowledge requirement? See the instructions before answering Yes No Does not apply

To comply with the EIC knowledge requirement, you must not know or have reason to know that any information used to determine the taxpayer's eligibility for, and the amount of, the EIC is incorrect. You may not ignore the implications of information furnished to or known by you, and you must make reasonable inquiries if the information furnished appears to be incorrect, inconsistent, or incomplete. At the time you make these inquiries, you must document in your files the inquiries you made and the taxpayer's responses.

25 Did you document the additional questions you asked and your client's answers? Yes No Does not apply

26 Which documents below, if any, did you rely on to determine EIC eligibility for the qualifying child(ren) listed on Schedule EIC? Check all that apply. Keep a copy of any documents you relied on. See the instructions before answering. If there is no qualifying child, check box a. If there is no disabled child, check box o.

Residency of Qualifying Child(ren)

- a No qualifying child
b School records or statement
c Landlord or property management statement
d Health care provider statement
e Medical records
f Child care provider records
g Placement agency statement
h Social services records or statement
i Place of worship statement
j Indian tribal official statement
k Employer statement
l Other (specify)
m Did not rely on any documents, but made notes in file
n Did not rely on any documents

Disability of Qualifying Child(ren)

- o No disabled child
p Doctor statement
q Other health care provider statement
r Social services agency or program statement
s Other (specify)
t Did not rely on any documents, but made notes in file
u Did not rely on any documents

27 If a Schedule C is included with this return, which documents or other information, if any, did you rely on to confirm the existence of the business and to figure the amount of Schedule C income and expenses reported on the return? Check all that apply. Keep a copy of any documents you relied on. See the instructions before answering. If there is no Schedule C, check box a.

Documents or Other Information

- a No Schedule C
b Business license
c Forms 1099
d Records of gross receipts provided by taxpayer
e Taxpayer summary of income
f Records of expenses provided by taxpayer
g Taxpayer summary of expenses
h Bank statements
i Reconciliation of income and expenses
j Other (specify)
k Did not rely on any documents, but made notes in file
l Did not rely on any documents

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- You have complied with all the due diligence requirements if you:
1. Completed the actions described on lines 20 and 21 and checked "Yes" on these lines,
2. Completed the actions described on lines 22, 23, 24, and 25 (if they apply) and checked "Yes" (or "Does not apply") on those lines,
3. Submit Form 8867 in the manner required, and
4. Keep all five of the following records for 3 years from the latest of the dates specified in the instructions under Document Retention:
a. Form 8867, Paid Preparer's Earned Income Credit Checklist,
b. The EIC worksheet(s) or your own worksheet(s),
c. Copies of any taxpayer documents you relied on to determine eligibility for or amount of EIC,
d. A record of how, when, and from whom the information used to prepare the form and worksheet(s) was obtained, and
e. A record of any additional questions you asked and your client's answers.

If you checked "No" on line 20, 21, 22, 23, 24, or 25, you have not complied with all the due diligence requirements and may have to pay a \$500 penalty for each failure to comply.

Statement 1 - Form 1040, Line 21 - Other Income

<u>Description</u>	<u>Amount</u>
PRIOR YEAR NOL	\$ -39,882
TOTAL DEBT CANCELED	<u>3,615</u>
TOTAL	<u>\$ -36,267</u>

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Federal Statements

LIVESTOCK VINEYARD ETC

Statement 2 - Schedule F, Line 32 - Other Expenses

<u>Description</u>	<u>Amount</u>
PROFESSIONAL FEES	\$ 16,443
BRUSH ERADICATION	2,160
DMV	629
ENTERTAINMENT	1,774
FINANCE CHARGES	443
MISC FARM EXPENSES	4,851
SMALL TOOLS	325
DUES AND SUBSCRIPTIONS	423
POSTAGE AND SHIPPING	280
ADVERTISING	398
TRAVEL	1,197
TOTAL	<u>\$ 28,923</u>

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Form 1040

Auto Worksheet

2012

Name: STEPHEN J PETERS & NANCY K DONOVAN Taxpayer Identification Number: [REDACTED]

Description: JEWELRY SALES
Form/Schedule: C Unit number: 1
Vehicle 1 - Date: 03/12/04 Description: AUTO

General Information

Table with 4 columns: Description, Vehicle 1, Vehicle 2, Vehicle 3. Rows include Total mileage, Business miles, Commuting mileage, Other mileage, and Business use percentage.

Actual Expenses

Table with 4 columns: Description, Vehicle 1, Vehicle 2, Vehicle 3. Rows include Parking fees, Gasoline, Interest, Total expenses, Business use percentage, and Total actual expense allowable.

Standard Mileage Rate Method

Table with 4 columns: Description, Vehicle 1, Vehicle 2, Vehicle 3. Rows include Business mileage, Parking fees, Line 7b, and Standard mileage rate.

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Vehicle 4 - Date: Description:
Vehicle 5 - Date: Description:
Vehicle 6 - Date: Description:

General Information

Table with 4 columns: Description, Vehicle 4, Vehicle 5, Vehicle 6. Rows include Total mileage, Business miles, Commuting mileage, Other mileage, and Business use percentage.

Actual Expenses

Table with 4 columns: Description, Vehicle 4, Vehicle 5, Vehicle 6. Rows include Parking fees, Gasoline, Interest, Total expenses, Business use percentage, and Total actual expense allowable.

Standard Mileage Rate Method

Table with 4 columns: Description, Vehicle 4, Vehicle 5, Vehicle 6. Rows include Business mileage, Parking fees, Line 7b, and Standard mileage rate.

Allowable Deduction

Vehicle expense, Vehicle rentals, Vehicle depreciation, Total allowable deduction

Form **1040**

Auto Worksheet

2012

Name

STEPHEN J PETERS & NANCY K DONOVAN

Description

LIVESTOCK VINEYARD ETC

Form/Schedule

F

Unit number

1

Vehicle 1 - Date

10/07/00

Description

TRUCK

Vehicle 2 - Date

Description

Vehicle 3 - Date

Description

General Information

Vehicle 1

Vehicle 2

Vehicle 3

- 1. Total mileage
- 2. Business miles (55.5 cents per mile)
- 3. Commuting mileage
- 4. Other mileage
- 5. Business use percentage %

Actual Expenses

- 6. Parking fees and tolls
- 7 a. Gasoline, oil, repairs, insurance, etc.
- b. Interest, registration & taxes
- c. Vehicle rentals (net of inclusion amount)
- 8. Total expenses. Add lines 7a - 7c
- 9. Business use percentage from line 5 %
- 10. Business use portion of actual expenses
- 11. Depreciation
- 12. Total actual expense allowable. Add lines 6, 10 and 11

Standard Mileage Rate Method

- 13. Business mileage (line 2) multiplied by applicable rate
- 14. Parking fees and tolls from line 6
- 15. Line 7b (Int & taxes only) multiplied by bus pct (line 5)
- 16. Standard mileage rate

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Vehicle 4 - Date

Description

Vehicle 5 - Date

Description

Vehicle 6 - Date

Description

General Information

Vehicle 4

Vehicle 5

Vehicle 6

- 1. Total mileage
- 2. Business miles (55.5 cents per mile)
- 3. Commuting mileage
- 4. Other mileage
- 5. Business use percentage %

Actual Expenses

- 6. Parking fees and tolls
- 7 a. Gasoline, oil, repairs, insurance, etc.
- b. Interest, registration & taxes
- c. Vehicle rentals (net of inclusion amount)
- 8. Total expenses. Add lines 7a - 7c
- 9. Business use percentage from line 5 %
- 10. Business use portion of actual expenses
- 11. Depreciation
- 12. Total actual expense allowable. Add lines 6, 10 and 11

Standard Mileage Rate Method

- 13. Business mileage (line 2) multiplied by applicable rate
- 14. Parking fees and tolls from line 6
- 15. Line 7b (Int & taxes only) multiplied by bus pct (line 5)
- 16. Standard mileage rate

Vehicle expense

Vehicle rentals

Vehicle depreciation

Total allowable deduction

Allowable Deduction

Form **1040**

Capital Loss Carryover Worksheets

2012

Name

STEPHEN J PETERS & NANCY K DONOVAN

2012 to 2013 Capital Loss Carryover Worksheet

Use this worksheet to figure your capital loss carryovers from 2012 to 2013 if Schedule D, Line 21, is a loss and (a) that loss is a smaller loss than the loss on Schedule D, line 16, or (b) Form 1040, line 41, is less than zero. Otherwise, you do not have any carryovers.

1. Enter the amount from Form 1040, line 41. If a loss, enclose the amount in parentheses	1.	<u>(48,179)</u>
2. Enter the loss from Schedule D, line 21, as a positive amount	2.	<u>3,000</u>
3. Combine lines 1 and 2. If zero or less, enter -0-	3.	<u>0</u>
4. Enter the smaller of line 2 or line 3	4.	<u> </u>
If line 7 of Schedule D is a loss, go to line 5; otherwise, enter -0- on line 5 and go to line 9.		
5. Enter the loss from Schedule D, line 7, as a positive amount	5.	<u>8,907</u>
6. Enter any gain from Schedule D, line 15. If a loss, enter -0-	6.	<u> </u>
7. Add lines 4 and 6	7.	<u> </u>
8. Short-term capital loss carryover to 2013. Subtract line 7 from line 5. If zero or less, enter -0-	8.	<u>8,907</u>
If line 15 of Schedule D is a loss, go to line 9; otherwise, skip lines 9 through 13.		
9. Enter the loss from Schedule D, line 15, as a positive amount	9.	<u>23,932</u>
10. Enter any gain from Schedule D, line 7	10.	<u> </u>
11. Subtract line 5 from line 4. If zero or less, enter -0-	11.	<u>0</u>
12. Add lines 10 and 11	12.	<u> </u>
13. Long-term capital loss carryover to 2013. Subtract line 12 from line 9. If zero or less, enter -0-	13.	<u>23,932</u>

2012 to 2013 Capital Loss Carryover Worksheet, AMT

Use this worksheet to figure AMT capital loss carryovers from 2012 to 2013 if AMT Schedule D, Line 21, is a loss and (a) that loss is a smaller loss than the loss on AMT Schedule D, line 16 or (b) Form 6251, line 21, is a loss. Otherwise, you do not have any carryovers.

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1. Enter the amount from Form 6251, line 28. If a loss, enclose the amount in parentheses	1.	<u>(2,867)</u>
2. Enter the loss from AMT Schedule D, line 21 as a positive amount	2.	<u>3,000</u>
3. Combine lines 1 and 2. If zero or less, enter -0-	3.	<u>133</u>
4. Enter the smaller of line 2 or line 3	4.	<u>133</u>
If line 7 of AMT Schedule D is a loss, go to line 5; otherwise, enter -0- on line 5 and go to line 9.		
5. Enter the loss from AMT Schedule D, line 7 as a positive amount	5.	<u> </u>
6. Enter the gain, if any, from AMT Schedule D, line 15	6.	<u> </u>
7. Add lines 4 and 6	7.	<u> </u>
8. AMT Short-term capital loss carryover to 2013. Subtract line 7 from line 5. If zero or less, enter -0-	8.	<u> </u>
If line 15 of AMT Schedule D is a loss, go to line 9; otherwise, skip lines 9 through 13.		
9. Enter the loss from AMT Schedule D, line 15, as a positive amount	9.	<u>18,470</u>
10. Enter the gain, if any, from AMT Schedule D, line 7	10.	<u> </u>
11. Subtract line 5 from line 4. If zero or less, enter -0-	11.	<u>133</u>
12. Add lines 10 and 11	12.	<u>133</u>
13. AMT Long-term capital loss carryover to 2013. Subtract line 12 from line 9. If zero or less, enter -0-	13.	<u>18,337</u>

Form 982 Reduction of Capital Loss Carryovers to 2013

	Regular	AMT
1. Subtract 2012 to 2013 Capital Loss Carryover Worksheet, line 7 from line 5	1.	<u> </u>
2. Form 982 line 9 reduction of tax attributes applied to short-term capital loss carryover	2.	<u> </u>
3. Adjusted Short-term capital loss carryover to 2013. Subtract line 2 from line 1. Enter this amount on line 8 in the 2012 to 2013 Capital Loss Carryover Worksheet	3.	<u> </u>
4. Subtract 2012 to 2013 Capital Loss Carryover Worksheet, line 12 from line 9	4.	<u> </u>
5. Form 982 line 9 reduction of tax attributes applied to long-term capital loss carryover	5.	<u> </u>
6. Adjusted Long-term capital loss carryover to 2013. Subtract line 5 from line 4. Enter this amount on line 13 in the 2012 to 2013 Capital Loss Carryover Worksheet	6.	<u> </u>

Form **1040**

General Sales Tax Deduction Worksheet

2012

Name as shown on return

STEPHEN J PETERS & NANCY K DONOVAN

State of
CALIFORNIA

Locality of
MENDOCINO (1.150)

General Sales Tax from IRS Tables

- 1. Enter the amount of adjusted gross income (AGI) from Form 1040, Line 37 1. -27,903
- 2. Add the nontaxable amounts from Form 1040, lines 8b, 15a, 16a, 20a (Exclude rollovers and tax-free Sec. 1035 exchanges) 2. _____
- 3. Add the following nontaxable items: nontaxable combat pay, public assistance, veteran's benefits, and workers' compensation. Also include any amounts which increase spendable income, such as the refundable portion of refundable tax credits received in 2012 3. _____
- 4. Add lines 1 through 3, this is income for general sales tax table purposes 4. -27,903
- 5. Enter the amount from the sales tax table in the Schedule A instructions. 5. _____
Part-year residents, complete lines 6 - 8; Full-year residents skip lines 6 - 8 and enter the amount from line 5 on line 9
- 6. Enter the number of days of residence in state 6. _____
- 7. Total days in year 7. 366
- 8. Divide line 6 by line 7 (rounded to at least 3 decimal places) 8. _____
- 9. Multiply line 5 by line 8, this is the deductible general sales tax using the IRS table. 9. _____

Local Sales Tax Using IRS Tables

- 10. Enter the amount from the sales tax table in the Schedule A instructions. 10. _____
- 11. If you are a resident of Alaska, Arizona, Arkansas, Colorado, Georgia, Illinois, Louisiana, Missouri, New York State, North Carolina, South Carolina, Tennessee, Utah, Virginia, or West Virginia, enter the amount from the applicable Optional Local Sales Tax Table in the Schedule A instructions. 11. _____
- 12. Enter the local general sales tax rate (exclude statewide local sales tax rate) 12. 1.15000
- 13. Enter the state general sales tax rate (include statewide local sales tax rate) 13. 7.2500
- 14. Divide line 12 by line 13 (rounded to at least 3 decimal places) 14. 0.159
- 15. If you entered an amount on line 11, multiply line 11 by line 12. This is the local sales tax using the optional local sales tax tables. 15. _____
Part-year residents, complete lines 16 - 18; Full-year residents skip lines 16 - 18 and enter the amount from line 15 on line 19
If you did not enter an amount on line 11, multiply line 10 by line 14. This is the local sales tax using the optional state and certain local sales tax tables. 15. _____
Part-year residents, complete lines 16 - 18; Full-year residents skip lines 16 - 18 and enter the amount from line 15 on line 19
- 16. Enter the number of days of residence in locality 16. _____
- 17. Total days in year 17. 366
- 18. Divide line 16 by line 17 (rounded to at least 3 decimal places) 18. _____
- 19. Multiply line 15 by line 18. This is the deductible general local sales tax using the IRS tables. 19. _____

General Sales Tax Summary

- 20. Enter the sum of line 9 from all General Sales Tax Deduction Worksheets 20. _____
- 21. Enter the sum of line 19 from all General Sales Tax Deduction Worksheets 21. _____
- 22. Add lines 20 and 21, this is the total General Sales taxes using the tables 22. _____
- 23. Enter the actual state and local general sales taxes paid 23. _____
- 24. Enter the greater of line 22 or line 23 24. _____
- 25. Enter the state and local taxes paid on specified items (major purchases) 25. _____
- 26. Add lines 24 and 25, this is the deductible General Sales tax 26. _____
- 27. Enter total state and local income taxes paid 27. _____

Enter the greater of line 26 or 27 on Schedule A, line 5. If line 26 is greater, mark Schedule A, line 5b. If line 27 is greater, mark Schedule A, line 5a.

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Form **1040**

Charitable Contribution Carryover Worksheet

2012

Name as shown on return

STEPHEN J PETERS

Current Year Contributions

AGI *	<u>-27,903</u>	Overall Charitable Contribution AGI Limitation	<u>7,490</u>
*Adjusted for NOL	<u>14,979</u>		

	Contribution	AGI Limitation	CY Amount Utilized	Utilized by NOL	Carryover to Next Year
50% Cash	<u>550</u>	<u>7,490</u>		<u>550</u>	
50% NonCash					
50% Cap Gain (30%)					
30% Cash					
30% NonCash					
20% NonCash					
Qual Conservation					
Totals	<u>550</u>			<u>550</u>	

50% Limitation Carryover Items

50% AGI Limitation	<u>7,490</u>	Remaining Overall AGI Limitation	<u>6,940</u>
--------------------	--------------	----------------------------------	--------------

Fifth - 2007					
Fourth - 2008					
Third - 2009	<u>325</u>	<u>6,940</u>		<u>325</u>	
Second - 2010	<u>500</u>	<u>6,615</u>		<u>500</u>	
First - 2011	<u>1,138</u>	<u>6,115</u>		<u>1,138</u>	
Totals	<u>1,963</u>			<u>1,963</u>	

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Fifth - 2007					
Fourth - 2008					
Third - 2009					
Second - 2010					
First - 2011					
Totals					

30% Limitation Carryover Items

30% AGI Limitation		Remaining Overall AGI Limitation	
--------------------	--	----------------------------------	--

Fifth - 2007					
Fourth - 2008					
Third - 2009					
Second - 2010					
First - 2011					
Totals					

20% Limitation Carryover Items

20% AGI Limitation		Remaining Overall AGI Limitation	
--------------------	--	----------------------------------	--

Fifth - 2007					
Fourth - 2008					
Third - 2009					
Second - 2010					
First - 2011					
Totals					

Cash contributions to Schedule A, Line 16		Carryover from prior years to Schedule A, Line 18	
Non-cash contributions to Schedule A, Line 17		Contributions utilized by NOL, Wrk 2, Line 24	<u>2,513</u>

Form **1040**

Charitable Contribution Carryover Worksheet AMT

2012

Name as shown on return

STEPHEN J PETERS

Current Year Contributions

AGI * -27,903
*Adjusted for AMT NOL 14,979

Overall Charitable Contribution AGI Limitation 7,490

	Contribution	AGI Limitation	CY Amount Utilized	Utilized by AMT NOL	Carryover to Next Year
50% Cash	<u>550</u>	<u>7,490</u>		<u>550</u>	
50% NonCash					
50% Cap Gain (30%)					
30% Cash					
30% NonCash					
20% NonCash					
Qual Conservation					
Totals	<u>550</u>			<u>550</u>	

50% Limitation Carryover Items

50% AGI Limitation 7,490 Remaining Overall AGI Limitation 6,940

	50% AGI Limitation	Remaining Overall AGI Limitation
Fifth - 2007		
Fourth - 2008		
Third - 2009	<u>0</u>	<u>6,940</u>
Second - 2010	<u>500</u>	<u>6,940</u>
First - 2011	<u>1,138</u>	<u>6,440</u>
Totals	<u>1,638</u>	<u>1,638</u>

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	50/30% AGI Limitation	Remaining Overall AGI Limitation
Fifth - 2007		
Fourth - 2008		
Third - 2009		
Second - 2010		
First - 2011		
Totals		

30% Limitation Carryover Items

30% AGI Limitation _____ Remaining Overall AGI Limitation _____

	30% AGI Limitation	Remaining Overall AGI Limitation
Fifth - 2007		
Fourth - 2008		
Third - 2009		
Second - 2010		
First - 2011		
Totals		

20% Limitation Carryover Items

20% AGI Limitation _____ Remaining Overall AGI Limitation _____

	20% AGI Limitation	Remaining Overall AGI Limitation
Fifth - 2007		
Fourth - 2008		
Third - 2009		
Second - 2010		
First - 2011		
Totals		

Total AMT charitable contributions allowed 0

Less: charitable contributions allowed for reg tax

Charitable contribution adj to Form 6251, line 27

Contributions utilized by NOL, Wrk 5, Line 29

2,188

Form **1040**

Late Filing Interest and Penalty Worksheets

2012

Name

STEPHEN J PETERS & NANCY K DONOVAN

Late Filing Interest Worksheet

Description	Amount	Balance	# of Days	Interest Rate %	Interest Amount
TAX DUE - 4/15/13	995	995			
LATE FILING PENALTY (FTF)	224	1,219			
4/15/13 - 6/30/13		1,219	76	3.00	8
6/30/13 - 9/30/13		1,227	92	3.00	9
9/30/13 - 12/31/13		1,236	92	3.00	9
12/31/13 - 3/31/14		1,245	90	3.00	9
3/31/14 - 6/30/14		1,254	91	3.00	9
6/30/14 - 9/30/14		1,263	92	3.00	10
UNKNOWN RATES AFTER 9/30/14					
DATE FILED - 12/20/15		1,273			
Total Late Filing Interest (Int)					54

Late Payment Penalty Worksheet

Description	Amount	Balance	# of Months	Penalty Amount
TAX DUE - 4/15/13	995	995		
4/15/13 - 12/20/15		995	93	164
DATE FILED - 12/20/15		1,159		
Total Late Payment Penalty (FTP)				164

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Form **1040**

Net Operating Loss Worksheet 3

2012

Name

STEPHEN J PETERS & NANCY K DONOVAN

Net Operating Loss Carryover Information

Prior Year Carryover	Prior Amounts Utilized/Generated Current Year	Carryover to 2013	
1997	1997	1998	
1998	1998	1999	
1999	1999	2000	
2000	2000	2001	
2001	11,724	2001	11,724
2002	8,196	2002	8,196
2003	-1,964	2003	-1,964
2004	7	2004	7
2005	9,347	2005	9,347
2006	2006	2006	
2007	-7,139	2007	-7,139
2008	18,230	2008	18,230
2009	1,481	2009	1,481
2010	2010	2010	
2011	2011	2011	
	2012	2012	
	Total	Total	39,882

AMT Net Operating Loss Carryover Information

Prior Year Carryover	Prior Amounts Utilized/Generated Current Year	Carryover to 2013	
1997	1997	1998	
1998	1998	1999	
1999	1999	2000	
2000	2000	2001	
2001	9,402	2001	9,402
2002	4,484	2002	4,484
2003	-10,729	2003	-10,729
2004	-3,157	2004	-3,157
2005	8,891	2005	8,891
2006	-1,408	2006	-1,408
2007	-7,483	2007	-7,483
2008	17,774	2008	17,774
2009	1,025	2009	1,025
2010	2010	2010	
2011	-8,867	2011	-8,867
	2012	2012	
	Total	Total	9,932

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Special Allowance for Rental Real Estate With Active Participation - Recalculation for NOL Carryover Calculation

- Enter the smaller of the loss on line 1d or the loss on line 4 from Form 8582 1. _____
- Enter \$150,000. If married filing separately, see the instructions 2. _____
- Enter NOL modified adjusted gross income, but not less than zero 3. _____
 Note: If line 3 is equal to or greater than line 2, skip lines 4 and 5, enter -0- on line 6. Otherwise, go to line 4.
- Subtract line 3 from line 2 4. _____
- Multiply line 4 by 50% (.5) Do not enter more than \$25,000. If married filing separately, see the instructions. 5. _____
- Enter the smaller of line 1 or line 5 6. _____
- Amount from Form 8582, Part II, Line 10 7. _____
- Line 7 less Line 6. Adjustment to adjusted gross income for special allowance 8. _____

Form **1040**

Schedule EIC Worksheet 1

2012

Name

STEPHEN J PETERS & NANCY K DONOVAN

Worksheet 1. Investment Income

Interest and Dividends

- 1. Enter any amount from Form 1040, line 8a. 1. _____
- 2. Enter any amount from Form 1040, line 8b plus any amount on Form 8814, line 1b. 2. _____
- 3. Enter any amount from Form 1040, line 9a. 3. 78
- 4. Enter the amount from Form 1040, 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. 4. _____

Capital Gain Net Income

- 5. Enter the amount from Form 1040, line 13. If the amount on that line is a loss, enter zero. 5. 0
- 6. Enter any gain from Form 4797, Sales of Business Property, line 7. If the amount on that line is a loss, enter zero. (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 zero.) 7. _____

Royalties and Rental Income from Personal Property

- 8. Enter any royalty income from Schedule E, line 23b, plus any income from the rental of personal property shown on Form 1040, line 21. 8. _____
- 9. Enter 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. 9. _____
- 10. Subtract the amount on line 9 of this worksheet from the amount on line 8. (If the result is less than zero, enter zero.) 10. _____

Passive Activities

- 11. Enter the total net income from passive activities. 11. _____
- 12. Add the amounts on lines 1, 2, 3, 4, 7, 10 and 11. Enter the total. This is your Investment Income. 12. 78

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Worksheet 2. Earned Income

- 1. Enter the amount from line 7 (Form 1040 or Form 1040A) or line 1 (Form 1040EZ). 1. _____
- 2. If you received a taxable scholarship or fellowship grant that was not reported to you on a form W-2 but was included in the total on line 7 (Form 1040 or Form 1040A) or line 1 (Form 1040EZ), enter the amount. 2. _____
- 3. Clergy. If you are a member of the clergy who files Schedule SE and the amount on line 2 of that schedule includes an amount that was also reported on line 7 (Form 1040), enter that amount. 3. _____
- 4. Church employees. If you received wages as a church employee, enter any amount you included on both line 5a of Schedule SE and line 7 (Form 1040). 4. _____
- 5. If you received a pension or annuity from a nonqualified deferred compensation plan or a section 457 plan and it was included in the total on line 7 (Form 1040 or Form 1040A) or line 1 (Form 1040EZ), enter the amount. (This amount may be reported in box 11 of your Form W-2. If you received such an amount but box 11 is blank, contact your employer for the amount of the pension or annuity.) 5. _____
- 6. Add the amounts on lines 2, 3, 4 and 5 of this worksheet. 6. _____
- 7. If you received nontaxable combat pay that you elect to include in earned income, enter the amount. 7. _____
- 8. Subtract line 6 of this worksheet from line 1. Add to this amount any nontaxable combat pay from line 7. This is your earned income. 8. 0

Form **1040**

Schedule EIC Worksheet 2

2012

Name

STEPHEN J PETERS & NANCY K DONOVAN

Earned Income Credit Worksheet B

1. Self-Employed, Clergy and People with Church Employee Income Filing Schedule SE

- a. Enter the amount from Schedule SE, Section A, line 3, or Section B, line 3, whichever applies. 1a. 12,144
- b. Enter any amount from Schedule SE, Section B, line 4b and line 5a. 1b. _____
- c. Add lines 1a and 1b 1c. 12,144
- d. Enter the amount from Schedule SE, Section A, line 6, or Section B, line 13, whichever applies. 1d. 858
- e. Subtract line 1d from line 1c. 1e. 11,286

2. Self-Employed NOT Filing Schedule SE

Do not include on these lines any statutory employee income, any net profit from services performed as a notary public, any amount exempt from self-employment tax as the result of the filing and approval of Form 4029 or Form 4361, or any other amounts exempt from self-employment tax.

- a. Enter any net farm profit or (loss) from schedule F, line 34, and from farm partnerships, Schedule K-1 (Form 1065), box 14, code A. 2a. _____
- b. Enter any net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), box 14, code A (other than farming); and Schedule K-1 (Form 1065-B), box 9, code J1. 2b. _____
- c. Add lines 2a and 2b. 2c. _____

3. Statutory Employees Filing Schedule C or C-EZ

Enter the amount from Schedule C, line 1, or Schedule C-EZ, line 1, that you are filing as a statutory employee.

- 4. All filers using EIC Worksheet B 3. _____
- a. Enter your earned income from Worksheet 2, line 8. 4a. _____
- b. Combine lines 1e, 2c, 3 and 4a. **This is your total earned income.** 4b. 11,286

Is the amount on line 4b less than:

- \$45,060 (\$50,270 for married filing jointly) if you have 3 or more qualifying children, or
- \$41,952 (\$47,162 for married filing jointly) if you have 2 qualifying children, or
- \$36,920 (\$42,130 for married filing jointly) if you have one qualifying child, or
- \$13,980 (\$19,190 for married filing jointly) if you do not have a qualifying child?

YES. Continue on to line 5.

NO. Stop, you cannot take the credit.

- 5. Look up the amount on line 4b above in the EIC Table in the instructions to find the credit. Use the correct column for your filing status. Enter the credit here. 5. 475
- 6. Enter your adjusted gross income (line 38 of Form 1040; line 22 of Form 1040A; or line 4 of Form 1040-EZ). 6. -27,903

Note: If the amounts on lines 4b and 6 are the same, skip line 7 and enter the amount from line 5 on line 8

- 7. If you have:
 - No qualifying children, is the amount on line 6 less than \$7,800 (\$13,000 if married filing jointly)?
 - 1 or more qualifying children, is the amount on line 6 less than \$17,100 (\$22,300 if married filing jointly)?

YES. Leave line 7 blank; enter the amount from line 5 on line 8.

NO. Lookup the amount on line 6 in the EIC table in the instructions.

Use the correct column for your filing status and the number of children you have. Enter the credit here. 7. _____
- 8. Look at the amounts on lines 5 and 7. Then, enter the smaller amount on line 8. **This is your earned income credit.** 8. 475

Form **1040**

Net Earnings from Self-Employment Worksheet

2012

Name

STEPHEN J PETERS & NANCY K DONOVAN

Taxpayer

Spouse

Farm profit or (loss)

Schedule F	6,072	6,071
Farm Partnerships - Schedule K-1, box 14, code A		
Auto expense from farm partnerships	()	()
Amortization from farm partnerships	()	()
Depreciation & Section 179 from farm partnerships	()	()
Depletion from farm partnerships	()	()
Other expenses from farm partnerships	()	()
Home office expenses from farm partnerships	()	()
Unreimbursed partnership expenses from farm partnerships	()	()
Farm adjustment to SE Income		
Net farm profit or (loss) - Schedule SE line 1a	6,072	6,071

Conservation Reserve Program payments to social security/disability benefit recipients included on Sch F, In 4b or listed on Sch K-1 (Form 1065), box 20, code Y - Sch SE line 1b () 0 () 0

Nonfarm profit or (loss)

Schedule C (excluding minister Schedule C income reported below)		1
Nonfarm partnerships - Schedule K-1, box 14, code A		
Auto expense from nonfarm partnerships	()	()
Amortization from nonfarm partnerships	()	()
Depreciation & section 179 from nonfarm partnerships	()	()
Depletion from nonfarm partnerships	()	()
Other expenses from nonfarm partnerships	()	()
Home office expenses from nonfarm partnerships	()	()
Unreimbursed partnership expenses from nonfarm partnerships	()	()
Employee business expenses - Form 2106 (excluding minister 2106 expenses reported below)	()	()
Nonfarm adjustment to SE income		
Self-employment income reported as other income		
Self-employment income from contracts and straddles		
Minister/clergy self-employment income (from Clergy Worksheet Page 4, line 8)		
Net nonfarm profit or (loss) - Schedule SE line 2	0	1

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Other income items subject to and/or exempt from self-employment tax

Fees received for services performed as a notary public	()	()
Earnings while debtor in a chapter 11 bankruptcy case		
Taxable community property income/-loss		
Exempt community property income/-loss	()	()
Net adjustment included on Schedule SE, line 3	0	0

Net profit (loss) from self-employment activities - Schedule SE line 3 6,072 6,072

Church employee income - Schedule SE, Page 2 line 5a () ()

Form 1040, Dividend Income

Payer	Ordinary Dividends	Qualified Dividends
PRINCIPAL	\$ 78	\$ 78
TOTAL	\$ 78	\$ 78

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Federal Statements

Schedule A, Line 16 - Charitable Contributions by Cash or Check

<u>Description</u>	<u>Amount</u>
CASH CONTRIBUTIONS	\$ 550
DISALLOWED CASH CONTRIBUTION	-550
TOTAL	<u>\$ 0</u>

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LIVESTOCK VINEYARD ETC

Schedule F, Line 2 - Sales of Products You Raised

<u>Description</u>	<u>Amount</u>
WINEGRAPE SALES	\$ <u>72,440</u>
TOTAL	\$ <u><u>72,440</u></u>

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Federal Asset Report

FYE: 12/31/2012

JEWELRY SALES

Asset	Description	Date In Service	Cost	Bus Sec % 179	Bonus	Basis for Depr	PerConv Meth	Prior	Current
Listed Property:									
1	AUTO	3/12/04	0	62.70		0	0 HY	0	0
			<u>0</u>			<u>0</u>		<u>0</u>	<u>0</u>
	Grand Totals		0			0		0	0
	Less: Dispositions and Transfers		0			0		0	0
	Less: Start-up/Org Expense		0			0		0	0
	Net Grand Totals		<u>0</u>			<u>0</u>		<u>0</u>	<u>0</u>

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Federal Asset Report
LIVESTOCK VINEYARD ETC

FYE: 12/31/2012

Asset	Description	Date In Service	Cost	Bus %	Sec 179 Bonus	Basis for Depr	Per Conv Meth	Prior	Current
Prior MACRS:									
4	TOOLS & EQUIPM	7/01/87	5,414			5,414	5 HY 200DB	5,414	0
5	IMPROVEMENTS	7/01/87	8,421			8,421	10 HY 200DB	8,421	0
6	FARM VEHICLE	7/01/87	21,405			21,405	7 HY 200DB	21,405	0
7	FARM EQUIPMENT	10/11/95	16,088			16,088	7 HY 150DB	16,088	0
8	FENCING	7/01/90	1,704			1,704	7 HY 200DB	1,704	0
9	PIPES & VALVES	7/01/90	3,600			3,600	7 HY 200DB	3,600	0
13	'86 FORD PICKUP	7/01/93	2,000			2,000	7 HY 200DB	2,000	0
14	EQUIPMENT	7/10/00	6,200	X		0	7 HY 150DB	6,200	0
15	OFFICE COMPUTER	7/10/00	1,731	X		0	7 HY 150DB	1,731	0
17	STORAGE CONTAINERS	6/03/02	3,200	X	X	0	7 MQ 150DB	3,200	0
18	3500 VINES	10/01/02	22,815		X	15,970	10 MQ S/L	21,418	1,397
19	1996 FORD F 350	4/07/03	5,000		X	3,500	5 HY 150DB	5,000	0
20	2003 MINI BLAST SPRAYER	5/13/03	4,526		X	2,263	7 HY 150DB	4,526	0
21	2003 JOHN DEERE GATOR 6X4	3/21/03	7,547		X	5,283	3 HY 150DB	7,547	0
22	2200 VINES	5/12/03	6,270		X	3,135	10 HY S/L	5,800	313
23	AVIATORS	6/15/05	8,685	X		0	5 HY 200DB	8,685	0
			<u>124,606</u>			<u>88,783</u>		<u>122,739</u>	<u>1,710</u>
ACRS:									
1	IMPROVEMENTS	9/01/86	1,963			1,963	10 HY PRE	1,963	0
	Total ACRS Depreciation		<u>1,963</u>			<u>1,963</u>		<u>1,963</u>	<u>0</u>
Other Depreciation:									
2	FARM BUILDING	8/01/86	62,500			62,500	35 MO S/L	45,539	1,785
	Total Other Depreciation		<u>62,500</u>			<u>62,500</u>		<u>45,539</u>	<u>1,785</u>
	Total ACRS and Other Depreciation		<u>64,463</u>			<u>64,463</u>		<u>47,502</u>	<u>1,785</u>
Listed Property:									
16	TRUCK	10/07/00	0	77.72		0	0 HY	0	0
			<u>0</u>			<u>0</u>		<u>0</u>	<u>0</u>
	Grand Totals		189,069			153,246		170,241	3,495
	Less: Dispositions and Transfers		0			0		0	0
	Less: Start-up/Org Expense		0			0		0	0
	Net Grand Totals		<u>189,069</u>			<u>153,246</u>		<u>170,241</u>	<u>3,495</u>

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Bonus Depreciation Report

FYE: 12/31/2012

Asset	Property Description	Date In Service	Tax Cost	Bus Pct	Tax Sec 179 Exp	Current Bonus	Prior Bonus	Tax - Basis for Depr
Activity: LIVESTOCK VINEYARD ETC								
17	STORAGE CONTAINERS	6/03/02	3,200		3,200	0	0	0
18	3500 VINES	10/01/02	22,815		0	0	6,845	15,970
19	1996 FORD F 350	4/07/03	5,000		0	0	1,500	3,500
20	2003 MINI BLAST SPRAYER	5/13/03	4,526		0	0	2,263	2,263
21	2003 JOHN DEERE GATOR 6X4	3/21/03	7,547		0	0	2,264	5,283
22	2200 VINES	5/12/03	6,270		0	0	3,135	3,135
	LIVESTOCK VINEYARD ETC		<u>49,358</u>		<u>0</u>	<u>0</u>	<u>16,007</u>	<u>30,151</u>
	Grand Total		<u>49,358</u>		<u>0</u>	<u>0</u>	<u>16,007</u>	<u>30,151</u>

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AMT Asset Report JEWELRY SALES

FYE: 12/31/2012

Asset	Description	Date In Service	Cost	Bus Sec % 179 Bonus	Basis for Depr	Per Conv Meth	Prior	Current
Listed Property:								
1	AUTO	3/12/04	0	62.70	0	0 HY	0	0
			<u>0</u>		<u>0</u>		<u>0</u>	<u>0</u>
	Grand Totals		0		0		0	0
	Less: Dispositions and Transfers		<u>0</u>		<u>0</u>		<u>0</u>	<u>0</u>
	Net Grand Totals		<u>0</u>		<u>0</u>		<u>0</u>	<u>0</u>

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AMT Asset Report
LIVESTOCK VINEYARD ETC

FYE: 12/31/2012

Asset	Description	Date In Service	Cost	Bus %	Sec 179B	Bonus	Basis for Depr	Per Conv Meth	Prior	Current
Prior MACRS:										
4	TOOLS & EQUIPM	7/01/87	5,414				5,414	5 HY 200DB	5,414	0
5	IMPROVEMENTS	7/01/87	8,421				8,421	10 HY 200DB	8,421	0
6	FARM VEHICLE	7/01/87	21,405				21,405	7 HY 200DB	21,405	0
7	FARM EQUIPMENT	10/11/95	16,088				16,088	7 HY 150DB	16,088	0
8	FENCING	7/01/90	1,704				1,704	7 HY 200DB	1,704	0
9	PIPES & VALVES	7/01/90	3,600				3,600	7 HY 200DB	3,600	0
13	'86 FORD PICKUP	7/01/93	2,000				2,000	7 HY 200DB	2,000	0
14	EQUIPMENT	7/10/00	6,200	X			0	7 HY 150DB	6,200	0
15	OFFICE COMPUTER	7/10/00	1,731	X			0	7 HY 150DB	1,731	0
17	STORAGE CONTAINERS	6/03/02	3,200	X	X		0	7 MQ150DB	3,200	0
18	3500 VINES	10/01/02	22,815				22,815	20 MQ S/L	12,120	1,141
19	1996 FORD F 350	4/07/03	5,000			X	3,500	5 HY 150DB	5,000	0
20	2003 MINI BLAST SPRAYER	5/13/03	4,526			X	2,263	7 HY 150DB	4,526	0
21	2003 JOHN DEERE GATOR 6X4	3/21/03	7,547			X	5,283	3 HY 150DB	7,547	0
22	2200 VINES	5/12/03	6,270			X	3,135	10 HY S/L	5,800	313
23	AVIATORS	6/15/05	8,685	X			0	5 HY 150DB	8,685	0
			<u>124,606</u>				<u>95,628</u>		<u>113,441</u>	<u>1,454</u>
ACRS:										
1	IMPROVEMENTS	9/01/86	1,963				1,963	10 HY PRE	177	0
	Total ACRS Depreciation		<u>1,963</u>				<u>1,963</u>		<u>177</u>	<u>0</u>
Other Depreciation:										
2	FARM BUILDING	8/01/86	62,500				62,500	35 MO S/L	26,786	1,785
	Total Other Depreciation		<u>62,500</u>				<u>62,500</u>		<u>26,786</u>	<u>1,785</u>
	Total ACRS and Other Depreciation		<u>64,463</u>				<u>64,463</u>		<u>26,963</u>	<u>1,785</u>
Listed Property:										
16	TRUCK	10/07/00	0	77.72			0	0 HY	0	0
			<u>0</u>				<u>0</u>		<u>0</u>	<u>0</u>
	Grand Totals		<u>189,069</u>				<u>160,091</u>		<u>140,404</u>	<u>3,239</u>
	Less: Dispositions and Transfers		<u>0</u>				<u>0</u>		<u>0</u>	<u>0</u>
	Net Grand Totals		<u>189,069</u>				<u>160,091</u>		<u>140,404</u>	<u>3,239</u>

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Depreciation Adjustment Report

FYE: 12/31/2012

All Business Activities

Form	Unit	Asset	Description	Tax	AMT	AMT Adjustments/ Preferences
MACRS Adjustments:						
F	1	4	TOOLS & EQUIPM	0	0	0
F	1	5	IMPROVEMENTS	0	0	0
F	1	6	FARM VEHICLE	0	0	0
F	1	7	FARM EQUIPMENT	0	0	0
F	1	8	FENCING	0	0	0
F	1	9	PIPES & VALVES	0	0	0
F	1	13	'86 FORD PICKUP	0	0	0
F	1	14	EQUIPMENT	0	0	0
F	1	15	OFFICE COMPUTER	0	0	0
F	1	17	STORAGE CONTAINERS	0	0	0
F	1	18	3500 VINES	1,397	1,141	256
F	1	19	1996 FORD F 350	0	0	0
F	1	20	2003 MINI BLAST SPRAYER	0	0	0
F	1	21	2003 JOHN DEERE GATOR 6X4	0	0	0
F	1	22	2200 VINES	313	313	0
F	1	23	AVIATORS	0	0	0
				<u>1,710</u>	<u>1,454</u>	<u>256</u>

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Future Depreciation Report **FYE: 12/31/13**

FYE: 12/31/2012

JEWELRY SALES

<u>Asset</u>	<u>Description</u>	<u>Date In Service</u>	<u>Cost</u>	<u>Tax</u>	<u>AMT</u>
Listed Property:					
1	AUTO	3/12/04	<u>0</u>	<u>0</u>	<u>0</u>
			<u>0</u>	<u>0</u>	<u>0</u>
	Grand Totals		<u>0</u>	<u>0</u>	<u>0</u>

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Future Depreciation Report FYE: 12/31/13

FYE: 12/31/2012

LIVESTOCK VINEYARD ETC

Asset	Description	Date In Service	Cost	Tax	AMT
Prior MACRS:					
4	TOOLS & EQUIPM	7/01/87	5,414	0	0
5	IMPROVEMENTS	7/01/87	8,421	0	0
6	FARM VEHICLE	7/01/87	21,405	0	0
7	FARM EQUIPMENT	10/11/95	16,088	0	0
8	FENCING	7/01/90	1,704	0	0
9	PIPES & VALVES	7/01/90	3,600	0	0
13	'86 FORD PICKUP	7/01/93	2,000	0	0
14	EQUIPMENT	7/10/00	6,200	0	0
15	OFFICE COMPUTER	7/10/00	1,731	0	0
17	STORAGE CONTAINERS	6/03/02	3,200	0	0
18	3500 VINES	10/01/02	22,815	0	1,141
19	1996 FORD F 350	4/07/03	5,000	0	0
20	2003 MINI BLAST SPRAYER	5/13/03	4,526	0	0
21	2003 JOHN DEERE GATOR 6X4	3/21/03	7,547	0	0
22	2200 VINES	5/12/03	6,270	157	157
23	AVIATORS	6/15/05	8,685	0	0
			<u>124,606</u>	<u>157</u>	<u>1,298</u>

ACRS:

1	IMPROVEMENTS	9/01/86	1,963	0	0
	Total ACRS Depreciation		<u>1,963</u>	<u>0</u>	<u>0</u>

Other Depreciation:

2	FARM BUILDING	8/01/80	62,500	1,786	1,786
	Total Other Depreciation		<u>62,500</u>	<u>1,786</u>	<u>1,786</u>

Total ACRS and Other Depreciation 64,463 1,786 1,786

Listed Property:

16	TRUCK	10/07/00	0	0	0
			<u>0</u>	<u>0</u>	<u>0</u>

Grand Totals 189,069 1,943 3,084

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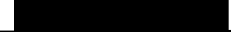
Form **1040**

Carryover Report

2012

Name
STEPHEN J PETERS & NANCY K DONOVAN

Taxpayer Identification Number



Carryover Item	Available to 2012	2012 Amounts		Carryover to 2013
Excess section 179				
Excess section 179 - AMT				
Minimum tax credit				
Investment interest				
Investment interest - AMT				
Short-term capital loss	8,907			8,907
Short-term capital loss - AMT	0			
Long-term capital loss	23,932			23,932
Long-term capital loss - AMT	18,470	UTILIZED	-133	18,337
Residential energy efficient property				
D.C. first-time homebuyer credit				
Tax credit bonds				

Nonrecaptured Section 1231 Losses - Line 8, Form 4797

2007 Amounts		
2008 Amounts		
2009 Amounts		
2010 Amounts		
2011 Amounts		
Available to 2012		

AMT Nonrecaptured Section 1231 Losses - Line 8, Form 4797

2007 Amounts		
2008 Amounts		
2009 Amounts		
2010 Amounts		
2011 Amounts		
Available to 2012		

2012 Amounts
Carryover to 2013

2012 Amounts
Carryover to 2013

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Form **1040**

Federal Tax Projection Worksheet 1 - Tax Computation

2012 & 2013

Name **STEPHEN J PETERS & NANCY K DONOVAN**

Taxpayer Identification Number [REDACTED]

		2012	2013	Differences
		MFJ	MFJ	
	Filing Status			
	Dependents			
	1. Salaries and wages	1.		
	2. Interest and dividend income	2. 78	78	
	3. Taxable state/local refunds	3.		
	4. Alimony received	4.		
	5. Business income/loss	5. 1	1	
I n c o m e	6. Capital gain/loss	6. -3,000	-3,000	
	7. Other gains/losses	7.		
	8. Taxable IRA distributions	8.		
	9. Taxable pensions and annuities	9.		
	10. Schedule E income/loss	10.		
	11. Farm income/loss	11. 12,143	12,143	
	12. Unemployment benefits	12.		
	13. Taxable social security benefits	13.	0	
	14. Other income	14. -36,267	-36,267	
	15. Total income	15. -27,045	-27,045	
A d j u s t m e n t s	16. Moving expenses	16.		
	17. Self-employment tax adjustment	17. 858	860	2
	18. SEP/SIMPLE/Qualified plans deductions	18.		
	19. Self-employed health insurance deduction	19.		
	20. Forfeited interest	20.		
	21. Alimony paid	21.		
	22. IRA deductions	22.		
	23. Student loan interest deduction	23.		
	24. Other adjustments	24.		
	25. Adjusted gross income	25. -27,903	-27,905	-2
D e d u c t i o n s	26. Medical	26. 15,102	15,102	
	27. State and local or sales taxes	27.		
	28. Real estate taxes	28. 5,174	5,174	
	29. Personal property & other taxes	29.		
	30. Interest	30.		
	31. Contributions	31.		
	32. Casualty losses	32.		
	33. Miscellaneous expenses	33.		
	34. Allowable itemized deductions	34. 20,276	20,276	
	35. Standard deduction	35. 11,900	12,200	300
		ITEMIZED	ITEMIZED	
36. Deduction taken	36. 20,276	20,276		
37. Subtract line 36 from line 25	37. -48,179	-48,181	-2	
38. Exemptions	38. 7,600	7,800	200	
39. Taxable income	39. 0	0		

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Form **1040**

Federal Tax Projection Worksheet 2 - Tax Computation

2012 & 2013

Name

STEPHEN J PETERS & NANCY K DONOVAN

Taxpayer Identification Number

[REDACTED]

Filing Status		2012	2013	Differences
		MFJ	MFJ	
40. Taxable income from TPW page 1, line 39	40.	0	0	
41. Tax on taxable income	41.			
42. Taxes from Forms 4972, 8814, and add'l taxes	42.			
43. Alternative minimum tax	43.			
44. Add lines 41, 42 and 43	44.			
45. Foreign tax credit	45.			
T 46. Child and dependent care credit	46.			
a 47. Education credits	47.			
x 48. Retirement savings credit	48.			
49. Credit for the elderly	49.			
C 50. Child tax credit	50.			
o 51. Nonbusiness energy property credit	51.			
m 52. Qualified electric plug-in vehicle credit (Form 8834)	52.			
p 53. Alternative motor vehicle credit (Form 8910)	53.			
u 54. Qualified plug-in electric motor vehicle (Form 8936)	54.			
t 55. Mortgage interest credit	55.			
a 56. D.C. first-time homebuyer credit	56.			
t 57. Residential energy efficient property credit	57.			
i 58. Adoption credit	58.			
o 59. General business credit	59.			
n 60. Prior year minimum tax credit	60.			
61. Other credits	61.			
62. Total credits	62.			
63. Net tax liability	63.			
64. Self-employment tax	64.	1,492	1,716	224
65. Tax on unreported tips	65.			
66. Tax on IRA or qualified plans	66.			
67. Household employment taxes	67.			
68. Other taxes	68.			
69. Total tax	69.	1,492	1,716	224
70. Income tax withheld	70.	22	22	
71. Estimated tax payments	71.			
72. Earned income credit	72.	475	487	12
73. Additional child tax credit	73.			
74. Reserved	74.			
75. Other payments	75.			
76. Total payments	76.	497	509	12
77. Net tax due/-refund	77.	995	1,207	212
78. Marginal tax rate	78.	10.0%	10.0%	
79. Effective tax rate	79.	%	%	
80. Rate of Long-term capital gain	80.	%	%	

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Form **1040** Tax Projection Worksheet - Itemized Deduction & Personal Exemptions

2013

Name
STEPHEN J PETERS & NANCY K DONOVAN

Taxpayer Identification Number
[REDACTED]

2013 Itemized Deductions Worksheet

- 1. Enter the total of the amounts from TPW, lines 26, 27, 28, 29, 30, 31, 32 and 33 1. 20,276
- 2. Enter the total of the amounts from TPW, lines 26, 30 (investment interest only), and 32, plus any gambling and casualty or theft losses included on line 33. 2. 15,102
- 3. Subtract line 2 from line 1. If the result is zero, **stop here**; enter the amount from line 1 above on TPW, line 34 3. 5,174
- 4. Multiply line 3 by 80% (.80) 4. 4,139
- 5. Enter the amount from TPW, line 25 5. -27,905
- 6. Enter on line 6 the amount shown below for your filing status:
 - Single - \$250,000
 - Married filing jointly or Qualifying widow(er) - \$300,000
 - Married filing separately - \$150,000
 - Head of household - \$275,000
 6. 300,000
- 7. Subtract line 6 from line 5. If the result is zero or less, **stop here**; enter the amount from line 1 above on TPW, line 34 7. 0
- 8. Multiply line 7 by 3% (.03) 8. _____
- 9. Enter the **smaller** of line 4 or line 8 9. _____
- 10. **Total itemized deductions.** Subtract line 9 from line 1. Enter the result here and on TPW, line 34 10. _____

2013 Exemptions Worksheet

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- 1. Multiply \$3,900 by the total number of exemptions claimed on TPW 1. 7,800
- 2. Enter the amount from TPW, line 25 2. -27,905
- 3. Enter on line 3 the amount shown below for your filing status:
 - Single - \$250,000
 - Married filing jointly or Qualifying widow(er) - \$300,000
 - Married filing separately - \$150,000
 - Head of household - \$275,000
 3. 300,000
- 4. Subtract line 3 from line 2. If zero or less, **stop here**; enter the amount from line 1 above on TPW, line 38 4. 0
Note: If line 4 is more than \$122,500 (more than \$61,250 if married filing separately), **stop here**; you cannot take a deduction for exemptions. Enter -0- on TPW, line 38.
- 5. Divide line 4 by \$2,500 (\$1,250 if married filing separately). If the result is not a whole number, round it up to the next higher whole number (for example, increase 0.0004 to 1) 5. _____
- 6. Multiply line 5 by 2% (.02) and enter the result as a decimal amount 6. _____
- 7. Multiply line 1 by line 6 7. _____
- 8. **Deduction for exemptions.** Subtract line 7 from line 1. Enter the result here and on TPW, line 38 8. _____

034

TAXABLE YEAR

FORM

2012

California e-file Signature Authorization for Individuals

8879

Your name STEPHEN J PETERS	Your SSN or ITIN [REDACTED]
Spouse's/RDP's name NANCY K DONOVAN	Spouse's/RDP's SSN or ITIN [REDACTED]

Part I Tax Return Information (whole dollars only)

1 California Adjusted Gross Income (Form 540, line 17; Form 540 2EZ, line 16; Long Form 540NR, line 32; or Short Form 540NR, line 32)	1	-37,651
2 Amount You Owe (Form 540, line 111; Form 540 2EZ, line 27; Long Form 540NR, line 121; or Short Form 540NR, line 121)	2	
3 Refund or No Amount Due (Form 540, line 115; Form 540 2EZ, line 28; Long Form 540NR, line 125; or Short Form 540NR, line 125)	3	

Part II Taxpayer Declaration and Signature Authorization (Be sure you obtain and keep a copy of your return.)

Under penalties of perjury, I declare that I have examined a copy of my individual income tax return and accompanying schedules and statements for the tax year ending December 31, 2012, and to the best of my knowledge and belief, it is true, correct, and complete. I further declare that the information I provided to my Electronic Return Originator (ERO), Transmitter, or Intermediate Service Provider (including my name, address, and social security number or individual tax identification number) and the amounts shown in Part I above agree with the information and amounts shown on the corresponding lines of my electronic income tax return. If applicable, I authorize an electronic funds withdrawal of the amount on line 2 and/or the estimated tax payments as shown on my return and on form FTB 8455, California e-file Payment Record, or a comparable form. If applicable, I declare that direct deposit refund amount on line 3 agrees with the direct deposit authorization stated on my return. If I have filed a joint return, this is an irrevocable appointment of the other spouse/RDP as an agent to authorize an electronic funds withdrawal or direct deposit. I authorize my ERO, Transmitter, or Intermediate Service Provider to transmit my complete return to the Franchise Tax Board (FTB). If the processing of my return or refund is delayed, I authorize the FTB to disclose to my ERO, Intermediate Service Provider, and/or Transmitter the reason(s) for the delay or the date when the refund was sent. If I am filing a balance due return, I understand that if the FTB does not receive full and timely payment of my tax liability, I remain liable for the tax liability and all applicable interest and penalties. I acknowledge that I have read and consent to the Electronic Funds Withdrawal Consent included on the copy of my electronic income tax return. I have selected a personal identification number (PIN) as my signature for my electronic income tax return and, if applicable, my Electronic Funds Withdrawal Consent.

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Taxpayer's PIN: check one box only

I authorize **L H HARRIS CPA** to enter my PIN [] to enter my PIN []
ERO firm name Do not enter all zeros

as my signature on my 2012 e-filed California individual income tax return.

I will enter my PIN as my signature on my 2012 e-filed California individual income tax return. Check this box only if you are entering your own PIN and your return is filed using the Practitioner PIN method. The ERO must complete Part III below.

Your signature ► _____ Date ► _____

Spouse's/RDP's PIN: check one box only

I authorize **L H HARRIS CPA** to enter my PIN [] to enter my PIN []
ERO firm name Do not enter all zeros

as my signature on my 2012 e-filed California individual income tax return.

I will enter my PIN as my signature on my 2012 e-filed California individual income tax return. Check this box only if you are entering your own PIN and your return is filed using the Practitioner PIN method. The ERO must complete Part III below.

Spouse's/RDP's signature ► _____ Date ► _____

Practitioner PIN Method Returns Only -- continue below

Part III Certification and Authentication -- Practitioner PIN Method Only

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN. **68354212600**
Do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature for the 2012 California individual income tax return for the taxpayer(s) indicated above. I confirm that I am submitting this return in accordance with the requirements of the Practitioner PIN method and FTB Pub. 1345, 2012 e-file Handbook for Authorized e-file Providers.

ERO's signature ► **L H HARRIS CPA** Date ► _____

Taxpayer Name STEPHEN J PETERS
 Spouse Name NANCY K DONOVAN

DO NOT SUBMIT THIS DOCUMENT TO FTB UNLESS REQUESTED TO DO SO

ERO Declaration

I declare that the information contained in this electronic tax return is the information furnished to me by the taxpayer. If the taxpayer furnished me a completed tax return, I declare that the information contained in this electronic tax return is identical to that contained in the return provided by the taxpayer. If the furnished return was prepared by a paid preparer, I declare that the paid preparer manually signed the return and that I have entered the paid preparer's identifying information in the appropriate portion of this electronic return. If I am also the paid preparer, under penalties of perjury, I declare that I have examined the above taxpayer's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I make this declaration based on all information of which I have knowledge.

I have provided the taxpayer(s) with a copy of all forms and information that I will file with the FTB and I have followed all other requirements described in the FTB Pub. 1345, 2012 e-file Handbook for Authorized e-file Providers.

ERO Signature

I am signing this Tax Return by entering my PIN below.

ERO's PIN XXXXXXXXXX

Perjury Statement

Under penalties of perjury, I declare that I have examined this 2012 California income tax return, including any accompanying statements and schedules, and that, to the best of my knowledge and belief, the information is true, correct, and complete.

Consent to Disclosure

I consent to allow my Electronic Return Originator, Transmitter, or Intermediate Service Provider to send my return to the Franchise Tax Board (FTB). Additionally, I consent to allow the FTB to reply with an acknowledgment of receipt indicating whether or not my return was accepted, and if rejected, the reason(s) for the rejection. If the processing of my return or refund is delayed, I authorize the FTB to disclose the reason(s) for the delay or when the refund was sent.

Decedent Signature and Verification

Completion of this section indicates that I am requesting a refund of taxes overpaid by or on behalf of the decedent. Under penalties of perjury, I declare that I am the legal representative of the deceased taxpayer's estate or am entitled to the refund as the deceased's surviving relative or sole beneficiary under the provisions of the California Probate Code. I further declare that I have examined this return and, to the best of my knowledge and belief, it is true, correct, and complete. I will retain a copy of federal Form 1310, Statement of Person Claiming Refund Due a Deceased Taxpayer, or a copy of the death certificate with my copy of this return.

Name of person claiming refund - Taxpayer _____
 Date: _____
 Name of person claiming refund - Spouse _____
 Date: _____

Electronic Funds Withdrawal Consent

I authorize the Franchise Tax Board and its designated Financial Agent to withdraw the return payment and/or estimated tax payments as designated on my California e-file Payment Record (form FTB 8455). If I have filed a joint return, this is an irrevocable appointment of the other spouse as an agent to authorize an electronic funds withdrawal.

To cancel an electronic funds withdrawal, I must call the FTB at (916) 845-0353 at least two working days before the date of withdrawal.

I understand that if the FTB does not receive full and timely payment of my tax liability, I remain liable for the tax liability and all applicable interest and penalties.

The taxpayer(s) and I have signed form FTB 8879. By entering the PIN(s) below, this Tax Return, and Electronic funds Withdrawal Consent if applicable, is considered signed.

Date: _____
 Taxpayer's PIN: _____
 Spouse's PIN: _____

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Form **540**

California Two Year Comparison Report

2011 & 2012

Name

Taxpayer Identification Number

STEPHEN J PETERS & NANCY K DONOVAN

	2011	2012	Differences	
Income	1. Wages, salaries, tips, etc	1.		
	2. Interest	2.		
	3. Dividends	3. 70	78	8
	4. Alimony	4.		
	5. Business income/loss	5. 4,596	1	(4,595)
	6. Capital gain/loss	6. -3,000	-3,000	
	7. Other gains/losses	7.		
	8. Taxable IRA distributions	8.		
	9. Taxable pensions/annuities	9.		
	10. Rent, royalty, partnership, S corporation, trust	10.		
	11. Farm income/loss	11. 9,035	11,230	2,195
	12. Other income/loss	12. -48,829	-45,214	3,615
	13. Total income	13. -38,128	-36,905	1,223
Adjustments	14. Certain business expenses	14.		
	15. Moving expenses	15.		
	16. SE tax adjustment	16. 899	746	(153)
	17. Keogh/SEP/SIMPLE plans	17.		
	18. SE Health Insurance	18. 4,271		(4,271)
	19. Penalty on early withdrawal of savings	19.		
	20. Alimony paid	20.		
	21. IRA deductions	21.		
	22. Student loan deduction	22.		
	23. Other adjustments	23.		
	24. Adjusted gross income	24. -43,298	37,611	5,647
Tax Computation	25. Itemized deduction	25. 11,370	20,276	8,906
	26. Standard deduction	26.		
	27. Taxable income	27. 0	0	
	28. Tax (Before Exemption Credits)	28. 0	0	
	29. Exemptions (Not less than 0)	29. 204	208	4
	30. Additional taxes (Schedule G-1 and Form 5870A)	30.		
	31. Tax before credits	31. 0	0	
	32. Total credits (Not less than 0)	32. 0	0	
	33. Alternative minimum tax	33.		
	34. Mental Health Services tax	34.		
	35. Other taxes and credit recapture	35.		
	36. Total tax (Includes 453(A) interest)	36. 0	0	
	37. Income tax withheld	37.		
	38. Estimates	38.		
39. Other payments	39.			
40. Excess state disability insurance	40.			
41. Total payments	41.			
42. Tax due/-refund	42. 0	0		
43. Use tax	43.			
44. Contributions	44.			
45. Penalties and interest	45.			
46. Net tax due/-refund	46.			
47. Marginal tax rate	47. 1.00 %	1.00 %		
48. Effective tax rate	48. %	%		

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California Individual Return Summary Tax Year 2012

STEPHEN J PETERS & NANCY K DONOVAN

Income, Adjustments, and Deductions

Federal Adjusted Gross Income	-27,903
Subtractions	49,630
Additions	39,882
Adjusted gross income	-37,651
Itemized deductions <input checked="" type="checkbox"/> Standard deduction <input type="checkbox"/>	20,276
Taxable income	0

Tax, Payments, and Credits

Income tax	
Part-year/Nonresident taxable income	
Part-year/Nonresident tax rate	%
Part-year/Nonresident tax	
Exemption credits	208
Additional tax	
Total credits	
Total other taxes	
Total tax	0
Income tax withheld	
Estimate, extension and other payments	
Excess California Supplemental Disability Insurance	

Overpayment applied to 2013

Use tax	
Contributions	
Parks Pass Purchase	
Amount due/-refund	0

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Refund/Amount Due

Underpayment of estimates penalty	
Late payment interest	
Failure to file penalty	
Failure to pay penalty	
Net amount due/-refund	0

Miscellaneous Information

2013 Estimates

Tax form	540
Residency type	RESIDENT
Direct debit withdrawal date	
Direct debit amount	
Marginal tax rate	1.000%
Effective tax rate	%

1st quarter	
2nd quarter	
3rd quarter	
4th quarter	
Total estimates	

For Privacy Notice, get form FTB 1131.

California Resident Income Tax Return 2012

540 C1 Side 1

APE

STEPHEN J PETERS
NANCY K DONOVAN
PETE [REDACTED]

12 PBA 423940

P
AC
A
R
RP

21451 HWY 128
YORKVILLE CA 95494

Filing Status section with checkboxes for Single, Married/RDP filing jointly, Head of household, etc.

For line 7, line 8, line 9, and line 10: Multiply the amount you enter in the box by the pre-printed dollar amount for that line. Whole dollars only

7 Personal: If you checked box 1, 3, or 4 above, enter 1 in the box. If you checked box 2 or 5, enter 2, in the box. 7 [2] X \$104 = \$ 208

8 Blind: If you (or your spouse/RDP) are visually impaired, enter 1; if both are visually impaired, enter 2. 8 [] X \$104 = \$

9 Senior: If you (or your spouse/RDP) are 65 or older, enter 1; if both are 65 or older, enter 2. 9 [] X \$104 = \$

10 Dependents: Do not include yourself or your spouse/RDP.

Table with columns: First name, Last name, Dependent's relationship to you

Total dependent exemptions 10 [] X \$321 = \$

11 Exemption amount: Add line 7 through line 10. Transfer this amount to line 32 11 [] \$ 208

Taxable Income section with lines 12-19, including state wages, federal adjusted gross income, and deductions.

Your name: STEPHEN J PETERS

Your SSN or ITIN: [REDACTED]

Tax	31 Tax. Check the box if from: <input checked="" type="checkbox"/> Tax Table <input type="checkbox"/> Tax Rate Schedule <input type="checkbox"/> FTB 3800 <input type="checkbox"/> FTB 3803	31	0	00
	32 Exemption credits. Enter the amount from line 11. If your federal AGI is more than \$169,730 (see page 10)	32	208	00
	33 Subtract line 32 from line 31. If less than zero, enter -0-	33	0	00
	34 Tax (see page 11). Check the box if from: <input type="checkbox"/> Schedule G-1 <input type="checkbox"/> FTB 5870A	34		00
	35 Add line 33 and line 34	35	0	00

Special Credits	40 Nonrefundable Child and Dependent Care Expenses Credit (see page 11). Attach form FTB 3506	40		00
	41 New jobs credit, amount generated (see page 11)	41		00
	42 New jobs credit, amount claimed (see page 11)	42		00
	43 Enter credit name _____ code number _____ and amount _____	43		00
	44 Enter credit name _____ code number _____ and amount _____	44		00
	45 To claim more than two credits (see page 12). Attach Schedule P (540)	45		00
	46 Nonrefundable renter's credit (see page 12)	46		00
	47 Add line 40 and line 42 through line 46. These are your total credits	47		00
48 Subtract line 47 from line 35. If less than zero, enter -0-	48	0	00	

Other Taxes	61 Alternative minimum tax. Attach Schedule P (540)	61		00
	62 Mental Health Services Tax (see page 13)	62		00
	63 Other taxes and credit recapture (see page 13)	63		00
	64 Add line 48, line 61, line 62, and line 63. This is your total tax	64	0	00

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Payments	71 California income tax withheld (see page 13)	71		00
	72 2012 CA estimated tax and other payments (see page 13)	72		00
	73 Real estate and other withholding (see page 13)	73		00
	74 Excess SDI (or VPD) withheld (see page 13)	74		00
	75 Add line 71, line 72, line 73, and line 74. These are your total payments (see page 14)	75	0	00

Overpaid Tax/ Tax Due	91 Overpaid tax. If line 75 is more than line 64, subtract line 64 from line 75	91		00
	92 Amount of line 91 you want applied to your 2013 estimated tax	92		00
	93 Overpaid tax available this year. Subtract line 92 from line 91	93		00
	94 Tax due. If line 75 is less than line 64, subtract line 75 from line 64	94		00

Use Tax	95 Use Tax. This is not a total line (see page 14)	95	0	00
---------	--	----	---	----

Your name: STEPHEN J PETERS

Your SSN or ITIN: [REDACTED]

		Code	Amount			Code	Amount		
Contributors	California Seniors Special Fund (see page 23)	● 400	00	California Sea Otter Fund	● 410	00			
	Alzheimer's Disease/Related Disorders Fund	● 401	00	Municipal Shelter Spay-Neuter Fund	● 412	00			
	California Fund for Senior Citizens	● 402	00	California Cancer Research Fund	● 413	00			
	Rare and Endangered Species Preservation Program	● 403	00	ALS/Lou Gehrig's Disease Research Fund	● 414	00			
	State Children's Trust Fund for the Prevention of Child Abuse	● 404	00	Child Victims of Human Trafficking Fund	● 419	00			
	California Breast Cancer Research Fund	● 405	00	California YMCA Youth & Government Fund	● 420	00			
	California Firefighters' Memorial Fund	● 406	00	California Youth Leadership Fund	● 421	00			
	Emergency Food for Families Fund	● 407	00	School Supplies for Homeless Children Fund	● 422	00			
	California Peace Officer Memorial Foundation Fund	● 408	00	State Parks Protection Fund/Parks Pass Purchase	● 423	00			
	110 Add code 400 through code 423. This is your total contribution							● 110	00

111 AMOUNT YOU OWE. Add line 94, line 95, and line 110 (see page 15). Do not send cash.
 Mail to: **FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0009** ● 111 00
 Pay online - Go to ftb.ca.gov for more information.

112 Interest, late return penalties, and late payment penalties ● 112 00
113 Underpayment of estimated tax. Check the box: FTB 5805 attached FTB 5805F attached ● 113 00
114 Total amount due (see page 17). Enclose, but do not staple, any payment ● 114 00

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115 REFUND OR NO AMOUNT DUE. Subtract line 95 from line 11 from line 93 (see page 7).
 Mail to: **FRANCHISE TAX BOARD, PO BOX 942840, SACRAMENTO CA 94240-0009** ● 115 0 00

Fill in the information to authorize direct deposit of your refund into one or two accounts. Do not attach a voided check or a deposit slip (see page 17).
Have you verified the routing and account numbers? Use whole dollars only.
 All or the following amount of my refund (line 115) is authorized for direct deposit into the account shown below:

Checking Savings ● 116 Direct deposit amount

● Routing number ● Type ● Account number

The remaining amount of my refund (line 115) is authorized for direct deposit into the account shown below:

Checking Savings ● 117 Direct deposit amount

● Routing number ● Type ● Account number

IMPORTANT: See the instructions to find out if you should attach a copy of your complete federal tax return.
 Under penalties of perjury, I declare that I have examined this tax return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Your signature: X Spouse's/RDP's signature: X (if a joint tax return, both must sign) Daytime phone number (optional): _____
 Date: _____

Sign Here
 Your email address (optional). Enter only one email address. _____

It is unlawful to forge a spouse's/RDP's signature.
 Joint tax return? (see page 17)

Paid preparer's signature (declaration of preparer is based on all information of which preparer has any knowledge):
LAWRENCE H. HARRIS, CPA 12/16/15 ● PTIN P00043496

Firm's name (or yours, if self-employed): L H HARRIS CERTIFIED PUBLIC ACCOUNTANT
 Firm's address: 6400 REDWOOD DRIVE, SUITE 200 ROHNERT PARK CA 94928 ● FEIN 68-0277084

Do you want to allow another person to discuss this tax return with us? (see page 17) ● Yes No
LAWRENCE H. HARRIS, CPA 707-546-2727
 Print Third Party Designee's Name Telephone Number

TAXABLE YEAR

SCHEDULE

2012

California Adjustments — Residents

CA (540)

Important: Attach this schedule behind Form 540, Side 3 as a supporting California schedule.

Name(s) as shown on tax return

STEPHEN J PETERS
NANCY K DONOVAN

SSN or ITIN

Part I Income Adjustment Schedule

Section A - Income

Table with 3 main columns: A Federal Amounts, B Subtractions, C Additions. Rows include Wages, Taxable interest, Ordinary dividends, Taxable refunds, Alimony received, Business income, Capital gain, Other gains, IRA distributions, Pensions, Rental real estate, Farm income, Unemployment compensation, Social security benefits, and Other income (California lottery, Disaster loss, Federal NOL, etc.).

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Section B - Adjustments to Income

Table with 3 main columns: A Federal Amounts, B Subtractions, C Additions. Rows include Educator expenses, Certain business expenses, Health savings account deduction, Moving expenses, Deductible part of self-employment tax, Self-employed SEP, SIMPLE, and qualified plans, Self-employed health insurance deduction, Penalty on early withdrawal of savings, Alimony paid, IRA deduction, Student loan interest deduction, Tuition and fees, Domestic production activities deduction, and Total adjustments.

STEPHEN J
NANCY K

PETERS
DONOVAN

Part II Adjustments to Federal Itemized Deductions

38	Federal itemized deductions. Enter the amount from federal Schedule A (Form 1040), lines 4, 9, 15, 19, 20, 27, and 28	38	<u>20,276</u>
39	Enter total of federal Schedule A (Form 1040), line 5 (State Disability Insurance, and state and local income tax, or General Sales Tax), and line 8 (foreign income taxes only). See instructions	39	_____
40	Subtract line 39 from line 38	40	<u>20,276</u>
41	Other adjustments including California lottery losses. See instructions. Specify _____	41	_____
42	Combine line 40 and line 41	42	<u>20,276</u>
43	Is your federal AGI (Form 540, line 13) more than the amount shown below for your filing status?		
	Single or married/RDP filing separately		\$169,730
	Head of household		\$254,599
	Married/RDP filing jointly or qualifying widow(er)		\$339,464
	No. Transfer the amount on line 42 to line 43.		
	Yes. Complete the Itemized Deductions Worksheet in the instructions for Schedule CA (540), line 43	43	<input type="text" value="20,276"/>
44	Enter the larger of the amount on line 43 or your standard deduction listed below		
	Single or married/RDP filing separately		\$3,841
	Married/RDP filing jointly, head of household, or qualifying widow(er)		\$7,682
	Transfer the amount on line 44 to Form 540, line 18	44	<input type="text" value="20,276"/>

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TAXABLE YEAR **2012** Net Operating Loss (NOL) Computation and NOL and Disaster Loss Limitations - Individuals, Estates, and Trusts

Attach to your California tax return.

SSN or ITIN

FEIN

Names as shown on return

STEPHEN J PETERS & NANCY K DONOVAN

Part I Computation of Current Year NOL for Individuals, Estates, and Trusts. If you do not have a current year NOL, go to Part II.

Section A - California Residents Only (Nonresidents go to Section B.)

1	Adjusted gross income from 2012 Form 540, line 17. If negative, use brackets. Estates and Trusts, begin on line 3	1	(37,651)	00
2	Itemized deductions or standard deduction from 2012 Form 540, line 18	2	(20,276)	00
3 a	Combine line 1 and line 2. (Estates and Trusts, enter taxable income, see instructions.) If negative, use brackets. If positive, enter -0- here and on line 25. Do not complete the rest of Section A. You do not have a current year NOL. Complete Part II and Part III if you have a carryover from prior years.	3a	(57,927)	00
b	2012 designated disaster loss included in line 3a. Enter as a positive number	3b		00
c	Combine line 3a and line 3b. If negative, use brackets and continue to line 4. If zero or more, do not complete the rest of Part I. Enter the amount from line 3b, if any, in Part III, line 3, column (d) and complete Part II and Part III as instructed	3c	(57,927)	00
Enter amounts on line 4 through line 24 as if they were all positive numbers. See instructions.				
4	Nonbusiness capital losses	4	27,414	00
5	Nonbusiness capital gains. See instructions	5		00
6	If line 4 is more than line 5, enter the difference; otherwise, enter -0-	6	27,414	00
7	If line 4 is less than line 5, enter the difference; otherwise, enter -0-	7	0	00
8	Nonbusiness deductions	8	20,276	00
9	Nonbusiness income other than capital gains	9	3,693	00
10	Add line 7 and line 9	10	3,693	00
11	If line 8 is more than line 10, enter the difference; otherwise, enter -0-	11	16,583	00
12	If line 8 is less than line 10, enter the difference; otherwise, enter -0-	12	0	00
13	Business capital losses	13	0	00
14	Business capital gains	14	0	00
15	Add line 12 and line 14	15		00
16	If line 13 is more than line 15, enter the difference; otherwise, enter -0-	16	0	00
17	Add line 6 and line 16	17	27,414	00
18	Enter the loss, if any, from line 8 of Schedule D (540). Estates and Trusts, enter the loss, if any, from line 9, column (c), of Schedule D (541). If you do not have a loss on that line, skip line 18 through line 21 and enter on line 22 the amount from line 17	18	27,414	00
19	Enter the loss, if any, from line 9 of Schedule D (540). Estates and Trusts, enter the loss, if any, from line 10 of Schedule D (541). Enter as a positive number	19	3,000	00
20	If line 18 is more than line 19, enter the difference; otherwise, enter -0-	20	24,414	00
21	If line 19 is more than line 18, enter the difference; otherwise, enter -0-	21	0	00
22	Subtract line 20 from line 17. If zero or less, enter -0-	22	3,000	00
23	NOL and disaster loss carryovers from prior years. See instructions	23	48,829	00
24	Add lines 11, 21, 22, and 23	24	68,412	00
25	2012 NOL carryover. Combine line 3c and line 24. If more than zero, enter -0-. You do not have a current year NOL to carryover	25	0	00

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STEPHEN J PETERS & NANCY K DONOVAN

Section B — Nonresidents and Part-Year Residents Only — Computation of Current Year California NOL

	A	B	C	D	E
	Enter total amounts as if you were a CA resident for entire year.	Enter amounts earned or received from CA sources if you were a nonresident for the entire year.	Enter amounts earned or received during the portion of the year you were a CA resident.	Enter amounts earned or received from CA sources during the portion of the year you were a nonresident.	Total Combine columns C and D
1 Adjusted gross income. See instructions If negative, use brackets	1				
2 Itemized deductions or standard deduction. See instructions	2 () () () ()				
3 a Combine line 1 and line 2. See instructions.	3a				
b 2012 designated disaster loss included in line 3a. Enter as a positive number	3b				
c Combine line 3a and line 3b. If negative, use brackets and continue to line 4	3c				
Enter amounts on line 4 through line 24 as if they were all positive numbers.					
4 Nonbusiness capital losses	4				
5 Nonbusiness capital gains	5				
6 If line 4 is more than line 5, enter the difference; otherwise, enter -0-	6 0	0	0	0	0
7 If line 4 is less than line 5, enter the difference; otherwise, enter -0-	7				
8 Nonbusiness deductions	8				
9 Nonbusiness income other than capital gains	9				
10 Add line 7 and line 9	10				
11 If line 8 is more than line 10, enter the difference; otherwise, enter -0-	11 0	0	0	0	0
12 If line 8 is less than line 10, enter the difference; otherwise, enter -0-	12 0	0	0	0	0
13 Business capital losses	13				
14 Business capital gains	14				
15 Add line 12 and line 14	15				
16 If line 13 is more than line 15, enter the difference; otherwise, enter -0-	16 0	0	0	0	0
17 Add line 6 and line 16	17				
18 Enter the loss, if any, from line 4 of Schedule D (540NR) worksheet for nonresidents and part-year residents. See instructions	18 0	0	0	0	0
19 Enter the loss, if any, from line 5 of Schedule D (540NR) worksheet for non- residents and part-year residents. Enter as a positive number	19				
20 If line 18 is more than line 19, enter the difference; otherwise, enter -0-	20 0	0	0	0	0
21 If line 19 is more than line 18, enter the difference; otherwise, enter -0-	21 0	0	0	0	0
22 Subtract line 20 from line 17. If zero or less, enter -0-	22 0	0	0	0	0
23 NOL and disaster loss carryovers from prior years	23				
24 Add lines 11, 21, 22, 23	24				
25 2012 NOL carryover. Combine line 3c and line 24. If more than zero, enter -0-	25 0	0	0	0	0

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STEPHEN J PETERS & NANCY K DONOVAN

Part II Determine 2012 Modified Taxable Income (MTI). Be sure to read the instructions for Part II.

1	Taxable income. See instructions	1	(57,927)	00
Enter amounts on line 2 through line 4 as if they were all positive numbers.				
2	Capital loss deduction included in line 1	2	3,000	00
3	Disaster loss carryover included in line 1	3		00
4	NOL carryover included in line 1	4	48,829	00
5	MTI. Combine line 1 through line 4. If line 5 is zero or less, enter -0-	5	0	00

Part III NOL Carryover and Disaster Loss Carryover Limitations. See Instructions.

	(g) Available balance	
1	MTI from Part II, line 5	1

Prior Year NOLs

(a) Year of loss	(b) Code	(c) Type of NOL* See below	(d) Initial Loss	(e) Carryover from 2011	(f) Amount used in 2012	(g)	(h) Carryover to 2013 subtract column (f) from column (e)
2		SEE WORKSHEET	54,706	48,829			48,829

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Current Year NOLs

3	2012		DIS				
4	2012						
	2012						
	2012						
	2012						

*Type of NOL: General (GEN), New Business (NB), Eligible Small Business (ESB), or Disaster (DIS).

5	NOL carryover. Add the carryover amounts in column (h) that are not the result of a disaster loss	5	48,829	00
6	Disaster loss carryover. Enter the total loss carryover amounts in column (h) that are the result of disaster losses	6	0	00

TAXABLE YEAR

Depreciation and Amortization Adjustments

3885A

2012

Do not complete this form if your California depreciation amounts are the same as federal amounts.

Name(s) as shown on tax return

SSN or ITIN

STEPHEN J PETERS & NANCY K DONOVAN

Part I Identify the Activity as Passive or Nonpassive. (See instructions.)

Business or activity to which form FTB 3885A relates

1 This form is being completed for a passive activity.

This form is being completed for a nonpassive activity.

LIVESTOCK VINEYARD ETC

Part II Election to Expense Certain Tangible Property (IRC Section 179).

2 Enter the amount from line 12 of the Tangible Property Expense Worksheet in the instructions

2

Part III Depreciation	(a) Description of property placed in service	(b) Date placed in service	(c) California basis for depreciation	(d) Method	(e) Life or rate	(f) California depreciation deduction
3						

4	Add the amounts on line 3, column (f)	4	
5	California depreciation for assets placed in service prior to 2012	5	4,408
6	Total California depreciation from this activity. Add the amounts on line 2, line 4, and line 5	6	4,408
7	Total federal depreciation from this activity. Enter depreciation from federal Form 4562, line 22	7	3,495
8a	If line 6 is more than line 7, enter the difference here and see instructions	8a	913
8b	If line 6 is less than line 7, enter the difference here and see instructions	8b	

Part IV Amortization	(a) Description of cost	(b) Date amortization begins	(c) California basis for amortization	(d) Code section	(e) Period or percentage	(f) California amortization deduction
9	CLIENT COPY DO NOT FILE					

10	Total California amortization from this activity. Add the amounts on line 9, column (f)	10	
11	California amortization of costs that began before 2012	11	
12	Total California amortization from this activity. Add the amounts on line 10 and line 11	12	
13	Total federal amortization from this activity. Enter amortization from federal Form 4562, line 44	13	
14a	If line 12 is more than line 13, enter the difference here and see instructions	14a	
14b	If line 12 is less than line 13, enter the difference here and see instructions	14b	

Form **540/540NR**

California Auto Worksheet

2012

Name **STEPHEN J PETERS & NANCY K DONOVAN**

Taxpayer Identification Number

Description **JEWELRY SALES**

Form/Schedule **C** Unit number **1**
Vehicle 1 - Date **03/12/04** Description **AUTO**
Vehicle 2 - Date _____ Description _____
Vehicle 3 - Date _____ Description _____

General Information

Vehicle 1

Vehicle 2

Vehicle 3

- 1. Total mileage _____
- 2. Business mileage (55.5 cents per mile) _____
- 3. Commuting mileage _____
- 4. Other mileage _____
- 5. Business use percentage _____ % _____ % _____ %

Actual Expenses

- 6. Parking fees and tolls _____
- 7 a. Gasoline, oil, repairs, insurance, etc. _____
- b. Interest, registration & taxes _____
- c. Vehicle rentals (net of inclusion amount) _____
- 8. Total expenses. Add lines 7a - 7c _____
- 9. Business use percentage from line 5 _____ % _____ % _____ %
- 10. Business use portion of actual expenses _____
- 11. Depreciation _____
- 12. Total actual expense allowable. Add lines 6, 10 and 11 _____

Standard Mileage Rate Method

- 13. Business mileage (line 2) multiplied by applicable rate _____
- 14. Parking fees and tolls from line 6 _____
- 15. Line 7b (Int & taxes only) multiplied by bus pct (line 5) _____
- 16. Standard mileage rate _____

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Vehicle 4 - Date _____ Description _____
Vehicle 5 - Date _____ Description _____
Vehicle 6 - Date _____ Description _____

General Information

Vehicle 4

Vehicle 5

Vehicle 6

- 1. Total mileage _____
- 2. Business mileage (55.5 cents per mile) _____
- 3. Commuting mileage _____
- 4. Other mileage _____
- 5. Business use percentage _____ % _____ % _____ %

Actual Expenses

- 6. Parking fees and tolls _____
- 7 a. Gasoline, oil, repairs, insurance, etc. _____
- b. Interest, registration & taxes _____
- c. Vehicle rentals (net of inclusion amount) _____
- 8. Total expenses. Add lines 7a - 7c _____
- 9. Business use percentage from line 5 _____ % _____ % _____ %
- 10. Business use portion of actual expenses _____
- 11. Depreciation _____
- 12. Total actual expense allowable. Add lines 6, 10 and 11 _____

Standard Mileage Rate Method

- 13. Business mileage (line 2) multiplied by applicable rate _____
- 14. Parking fees and tolls from line 6 _____
- 15. Line 7b (Int & taxes only) multiplied by bus pct (line 5) _____
- 16. Standard mileage rate _____

	Vehicle expense	Vehicle rentals	Vehicle depreciation	Total allowable deduction
Allowable Deduction	_____	_____	_____	_____

Form **540/540NR**

California Auto Worksheet

2012

Name

STEPHEN J PETERS & NANCY K DONOVAN

Taxpayer Identification Number

Description

LIVESTOCK VINEYARD ETC

Form/Schedule

F

Unit number

1

Vehicle 1 - Date

10/07/00

Description

TRUCK

Vehicle 2 - Date

Description

Vehicle 3 - Date

Description

General Information

Vehicle 1

Vehicle 2

Vehicle 3

- 1. Total mileage
- 2. Business mileage (55.5 cents per mile)
- 3. Commuting mileage
- 4. Other mileage
- 5. Business use percentage %

Actual Expenses

- 6. Parking fees and tolls
- 7 a. Gasoline, oil, repairs, insurance, etc.
- b. Interest, registration & taxes
- c. Vehicle rentals (net of inclusion amount)
- 8. Total expenses. Add lines 7a - 7c
- 9. Business use percentage from line 5 %
- 10. Business use portion of actual expenses
- 11. Depreciation
- 12. Total actual expense allowable. Add lines 6, 10 and 11

Standard Mileage Rate Method

- 13. Business mileage (line 2) multiplied by applicable rate
- 14. Parking fees and tolls from line 6
- 15. Line 7b (Int & taxes only) multiplied by bus pct (line 5)
- 16. Standard mileage rate

CLIENT COPY DO NOT FILE

Vehicle 4 - Date

Description

Vehicle 5 - Date

Description

Vehicle 6 - Date

Description

General Information

Vehicle 4

Vehicle 5

Vehicle 6

- 1. Total mileage
- 2. Business mileage (55.5 cents per mile)
- 3. Commuting mileage
- 4. Other mileage
- 5. Business use percentage %

Actual Expenses

- 6. Parking fees and tolls
- 7 a. Gasoline, oil, repairs, insurance, etc.
- b. Interest, registration & taxes
- c. Vehicle rentals (net of inclusion amount)
- 8. Total expenses. Add lines 7a - 7c
- 9. Business use percentage from line 5 %
- 10. Business use portion of actual expenses
- 11. Depreciation
- 12. Total actual expense allowable. Add lines 6, 10 and 11

Standard Mileage Rate Method

- 13. Business mileage (line 2) multiplied by applicable rate
- 14. Parking fees and tolls from line 6
- 15. Line 7b (Int & taxes only) multiplied by bus pct (line 5)
- 16. Standard mileage rate

Vehicle expense

Vehicle rentals

Vehicle depreciation

Total allowable deduction

Allowable Deduction

Form 540/ 540NR	California Capital Loss Carryover Worksheet	2012
----------------------------	--	-------------

Names STEPHEN J PETERS & NANCY K DONOVAN	Taxpayer Identification Number <div style="background-color: black; width: 100px; height: 15px;"></div>
--	--

Total Sources

1. Loss from Schedule D, line 11, stated as a positive number	1.	3,000
2. Amount from Form 540, line 17	2.	-37,651
3. Amount from Form 540, line 18	3.	20,276
4. Subtract line 3 from line 2. If less than zero, enter as a negative amount	4.	-57,927
5. Combine line 1 and line 4. If less than zero, enter -0-	5.	0
6. Loss from Schedule D, line 8, enter as a positive number	6.	27,414
7. Smaller of line 1 or line 5	7.	
8. Subtract line 7 from line 6. This is your capital loss carryover to 2013	8.	27,414

California Sources

1. Allowed loss from Schedule D worksheet, stated as a positive number	1.	
2. Amount from Schedule CA(540NR), line 37, column e	2.	
3. Amount from Schedule CA(540NR), line 48	3.	
4. Subtract line 3 from line 2. If less than zero, enter as a negative amount	4.	
5. Combine line 1 and line 4. If less than zero, enter -0-	5.	
6. Total loss from Schedule D worksheet, enter as a positive number	6.	
7. Smaller of line 1 or line 5	7.	
8. Subtract line 7 from line 6. This is your capital loss carryover to 2013	8.	

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Form **540/540NR**

California Charitable Contribution Carryover Worksheet

2012

Name as shown on return

STEPHEN J

PETERS

Taxpayer Identification Number

[REDACTED]

Current Year Contributions

Federal AGI -27,903

Overall Charitable Contribution AGI Limitation _____

	Contribution	AGI Limitation	Amount Utilized in 2012	Utilized by NOL	Carryover to 2013
50% Cash	550				550
50% NonCash					
50% Cap Gain (30%)					
30% Cash					
30% NonCash					
20% NonCash					
Totals	550				550

50% Limitation Carryover Items

50% AGI Limitation _____

Remaining Overall AGI Limitation _____

Fifth - 2007	125				
Fourth - 2008					
Third - 2009	325				325
Second - 2010	500				500
First - 2011	1,138				1,138
Totals	2,088				1,963

Capital gain property to 50% (30%) Carryover Items

50/30% AGI Limitation _____ Remaining Overall AGI Limitation _____

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Fifth - 2007					
Fourth - 2008					
Third - 2009					
Second - 2010					
First - 2011					
Totals					

30% Limitation Carryover Items

30% AGI Limitation _____

Remaining Overall AGI Limitation _____

Fifth - 2007					
Fourth - 2008					
Third - 2009					
Second - 2010					
First - 2011					
Totals					

20% Limitation Carryover Items

20% AGI Limitation _____

Remaining Overall AGI Limitation _____

Fifth - 2007					
Fourth - 2008					
Third - 2009					
Second - 2010					
First - 2011					
Totals					

Allowed California contributions

Allowed federal contributions (Federal Schedule A, Line 19)

Contributions adjustment, Schedule CA, Line 41

TAXABLE YEAR Net Operating Loss (NOL) Computation and NOL and

2012 Disaster Loss Limitations - Individuals, Estates, and Trusts

Attach to your California tax return.

SSN or ITIN

Names as shown on return

FEIN

STEPHEN J PETERS & NANCY K DONOVAN

Part I Computation of Current Year NOL for Individuals, Estates, and Trusts. If you do not have a current year NOL, go to Part II.

Section A - California Residents Only (Nonresidents go to Section B.)

Table with 3 columns: Line number, Description, and Amount. Includes lines 1-3c for Adjusted gross income, itemized deductions, and disaster loss.

Enter amounts on line 4 through line 24 as if they were all positive numbers. See instructions.

Main calculation table with 25 rows. Includes lines 4-25 for nonbusiness capital losses, deductions, and final NOL carryover.

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Section B -- Nonresidents and Part-Year Residents Only -- Computation of Current Year California NOL

	A	B	C	D	E
	Enter total amounts as if you were a CA resident for entire year.	Enter amounts earned or received from CA sources if you were a nonresident for the entire year.	Enter amounts earned or received during the portion of the year you were a CA resident.	Enter amounts earned or received from CA sources during the portion of the year you were a nonresident.	Total Combine columns C and D
1 Adjusted gross income. See instructions If negative, use brackets	1				
2 Itemized deductions or standard deduction. See instructions	2 () () () ()				
3 a Combine line 1 and line 2. See instructions	3a				
b 2012 designated disaster loss included in line 3a. Enter as a positive number	3b				
c Combine line 3a and line 3b. If negative, use brackets and continue to line 4	3c				
Enter amounts on line 4 through line 24 as if they were all positive numbers.					
4 Nonbusiness capital losses	4				
5 Nonbusiness capital gains	5				
6 If line 4 is more than line 5, enter the difference; otherwise, enter -0-	6 0	0	0	0	0
7 If line 4 is less than line 5, enter the difference; otherwise, enter -0-	7				
8 Nonbusiness deductions	8				
9 Nonbusiness income other than capital gains	9				
10 Add line 7 and line 9	10				
11 If line 8 is more than line 10, enter the difference; otherwise, enter -0-	11 0	0	0	0	0
12 If line 8 is less than line 10, enter the difference; otherwise, enter -0-	12 0	0	0	0	0
13 Business capital losses	13				
14 Business capital gains	14				
15 Add line 12 and line 14	15				
16 If line 13 is more than line 15, enter the difference; otherwise, enter -0-	16 0	0	0	0	0
17 Add line 6 and line 16	17				
18 Enter the loss, if any, from line 4 of Schedule D (540NR) worksheet for nonresidents and part-year residents. See instructions	18 0	0	0	0	0
19 Enter the loss, if any, from line 5 of Schedule D (540NR) worksheet for non- residents and part-year residents. Enter as a positive number	19				
20 If line 18 is more than line 19, enter the difference; otherwise, enter -0-	20 0	0	0	0	0
21 If line 19 is more than line 18, enter the difference; otherwise, enter -0-	21 0	0	0	0	0
22 Subtract line 20 from line 17. If zero or less, enter -0-	22 0	0	0	0	0
23 NOL and disaster loss carryovers from prior years	23				
24 Add lines 11, 21, 22, 23	24				
25 2012 NOL carryover. Combine line 3c and line 24. If more than zero, enter -0-	25 0	0	0	0	0

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NOL - TOTAL SOURCES

ALT. MIN TAX

STEPHEN J PETERS & NANCY K DONOVAN



Part II Determine 2012 Modified Taxable Income (MTI). Be sure to read the instructions for Part II.

1	Taxable income. See instructions	1	(13,318)	00
Enter amounts on line 2 through line 4 as if they were all positive numbers.				
2	Capital loss deduction included in line 1	2	3,000	00
3	Disaster loss carryover included in line 1	3		00
4	NOL carryover included in line 1	4		00
5	MTI. Combine line 1 through line 4. If line 5 is zero or less, enter -0-	5	0	00

Part III NOL Carryover and Disaster Loss Carryover Limitations. See Instructions.

		(g)	
		Available balance	
1	MTI from Part II, line 5	1	

Prior Year NOLs

(a) Year of loss	(b) Code	(c) Type of NOL* See below	(d) Initial Loss	(e) Carryover from 2011	(f) Amount used in 2012	(g)	(h) Carryover to 2013 subtract column (f) from column (e)
SEE WORKSHEET							
12			48,706	44,062			44,062

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Current Year NOLs

3	2012		DIS				
4	2012						
	2012						
	2012						
	2012						

*Type of NOL: General (GEN), New Business (NB), Eligible Small Business (ESB), or Disaster (DIS).

5	NOL carryover. Add the carryover amounts in column (h) that are not the result of a disaster loss	5	44,062	00
6	Disaster loss carryover. Enter the total loss carryover amounts in column (h) that are the result of disaster losses	6	0	00

Schedule P - Aggregate Gross Receipts

<u>Description</u>	<u>Amount</u>
BUSINESS	\$ 1
FARM	72,440
TOTAL	<u>\$ 72,441</u>

Schedule P, Page 1 - Alternative Minimum Taxable Income Exclusion

<u>Description</u>	<u>Amount</u>
BUSINESS	\$ 1
FARM	11,230
SELF EMPLOYMENT TAX	-746
INTEREST/DIVIDENDS	78
TOTAL	<u>\$ 10,563</u>

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**CA Asset Report
JEWELRY SALES**

FYE: 12/31/2012

Asset	Description	Date In Service	Cost	Basis for Depr	CA Prior	CA Current	Federal Current	Difference Fed - CA
Listed Property:								
1	AUTO	3/12/04	0	0	0	0	0	0
			<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	Grand Totals		0	0	0	0	0	0
	Less: Dispositions		0	0	0	0	0	0
	Less: Start-up/Org Expense		0	0	0	0	0	0
	Net Grand Totals		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

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CA Asset Report
LIVESTOCK VINEYARD ETC

FYE: 12/31/2012

Asset	Description	Date In Service	Cost	Basis for Depr	CA Prior	CA Current	Federal Current	Difference Fed - CA
Prior MACRS:								
4	TOOLS & EQUIPM	7/01/87	5,414	5,414	5,414	0	0	0
5	IMPROVEMENTS	7/01/87	8,421	8,421	8,421	0	0	0
6	FARM VEHICLE	7/01/87	21,405	21,405	21,405	0	0	0
7	FARM EQUIPMENT	10/11/95	16,088	16,088	16,088	0	0	0
8	FENCING	7/01/90	1,704	1,704	1,704	0	0	0
9	PIPES & VALVES	7/01/90	3,600	3,600	3,600	0	0	0
13	'86 FORD PICKUP	7/01/93	2,000	2,000	2,000	0	0	0
14	EQUIPMENT	7/10/00	6,200	0	6,200	0	0	0
15	OFFICE COMPUTER	7/10/00	1,731	0	1,731	0	0	0
17	STORAGE CONTAINERS	6/03/02	3,200	0	3,200	0	0	0
18	3500 VINES	10/01/02	22,815	22,815	20,819	1,996	1,397	-599
19	1996 FORD F 350	4/07/03	5,000	5,000	5,000	0	0	0
20	2003 MINI BLAST SPRAYER	5/13/03	4,526	4,526	4,526	0	0	0
21	2003 JOHN DEERE GATOR 6X4	3/21/03	7,547	7,547	7,547	0	0	0
22	2200 VINES	5/12/03	6,270	6,270	5,330	627	313	-314
23	AVIATORS	6/15/05	8,685	0	8,685	0	0	0
			<u>124,606</u>	<u>104,790</u>	<u>121,670</u>	<u>2,623</u>	<u>1,710</u>	<u>-913</u>
ACRS:								
1	IMPROVEMENTS	9/01/86	1,963	1,963	1,963	0	0	0
	Total ACRS Depreciation		<u>1,963</u>	<u>1,963</u>	<u>1,963</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Depreciation:								
2	FARM BUILDING	8/01/86	62,500	62,500	45,539	1,785	1,785	0
	Total Other Depreciation		<u>62,500</u>	<u>62,500</u>	<u>45,539</u>	<u>1,785</u>	<u>1,785</u>	<u>0</u>
	Total ACRS and Other Depreciation		<u>64,463</u>	<u>64,463</u>	<u>47,502</u>	<u>1,785</u>	<u>1,785</u>	<u>0</u>
Listed Property:								
16	TRUCK	10/07/00	0	0	0	0	0	0
			<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	Grand Totals		<u>189,069</u>	<u>169,253</u>	<u>169,172</u>	<u>4,408</u>	<u>3,495</u>	<u>-913</u>
	Less: Dispositions		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	Less: Start-up/Org Expense		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	Net Grand Totals		<u>189,069</u>	<u>169,253</u>	<u>169,172</u>	<u>4,408</u>	<u>3,495</u>	<u>-913</u>

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CA Future Depreciation Report

FYE: 12/31/13

FYE: 12/31/2012

JEWELRY SALES

<u>Asset</u>	<u>Description</u>	<u>Date In Service</u>	<u>Cost</u>	<u>CA</u>
Listed Property:				
1	AUTO	3/12/04	<u>0</u>	<u>0</u>
			<u>0</u>	<u>0</u>
	Grand Totals		<u>0</u>	<u>0</u>

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CA Future Depreciation Report FYE: 12/31/13

FYE: 12/31/2012

LIVESTOCK VINEYARD ETC

Asset	Description	Date In Service	Cost	CA
Prior MACRS:				
4	TOOLS & EQUIPM	7/01/87	5,414	0
5	IMPROVEMENTS	7/01/87	8,421	0
6	FARM VEHICLE	7/01/87	21,405	0
7	FARM EQUIPMENT	10/11/95	16,088	0
8	FENCING	7/01/90	1,704	0
9	PIPES & VALVES	7/01/90	3,600	0
13	'86 FORD PICKUP	7/01/93	2,000	0
14	EQUIPMENT	7/10/00	6,200	0
15	OFFICE COMPUTER	7/10/00	1,731	0
17	STORAGE CONTAINERS	6/03/02	3,200	0
18	3500 VINES	10/01/02	22,815	0
19	1996 FORD F 350	4/07/03	5,000	0
20	2003 MINI BLAST SPRAYER	5/13/03	4,526	0
21	2003 JOHN DEERE GATOR 6X4	3/21/03	7,547	0
22	2200 VINES	5/12/03	6,270	313
23	AVIATORS	6/15/05	8,685	0
			<u>124,606</u>	<u>313</u>

ACRS:

1	IMPROVEMENTS	9/01/86	1,963	0
	Total ACRS Depreciation		<u>1,963</u>	<u>0</u>

Other Depreciation:

2	FARM BUILDING	8/01/80	62,500	1,786
	Total Other Depreciation		<u>62,500</u>	<u>1,786</u>

	Total ACRS and Other Depreciation		<u>64,463</u>	<u>1,786</u>
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Listed Property:

16	TRUCK	10/07/00	0	0
			<u>0</u>	<u>0</u>

	Grand Totals		<u>189,069</u>	<u>2,099</u>
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Form 540/540NR	California Schedule CA Reconciliation Report Business, Rental, Farm and Farm Rental Activities	2012
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Name **STEPHEN J PETERS & NANCY K DONOVAN**

Activity LIVESTOCK VINEYARD ETC TSJ J Form F Unit 1
 Passive Activity Type _____ Disposition _____

	Federal	(Subtraction)/Addition	California	California Sources (PY/NR only)
Gross Income	72,440		72,440	
Car and Truck expense	3,040		3,040	
Depletion				
Depreciation	3,495	913	4,408	
Vehicle rentals				
Amortization				
Prior year at-risk				
Enterprise zone expenses				
Other expenses	53,762		53,762	
Adjustment				
Total expenses	60,297	913	61,210	0
Tentative Profit or (Loss)	12,143	(913)	11,230	0
Home office				
Net Profit or (Loss)	12,143	(913)	11,230	0
Disallowed excess farm losses				
At-risk adjustment				
Prior year PAL carryover				
PAL adjustment				
Taxable Income or (Loss)	12,143	(913)	11,230	0

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