

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**Form 1040 and Form 1040-V****U.S. Individual Income Tax Return and Payment Voucher****Taxable Year Ended December 31, 2011**

Name: Stephen J Peters & Nancy K Donovan

Date Due: October 15, 2015

Remittance: A check in the ~~amount of \$1,970~~ should be made payable to the United States Treasury and included with the voucher. Write [REDACTED] 2011 Form 1040" and your daytime phone number on the check.

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

Signature: You should sign and date the return on Page 2.

Other: Initial and date the copy of the return, and retain for your records.

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

Your jointly filed tax return is not considered valid unless it is signed by both the taxpayer and spouse. Both parties should also initial and date the return copy.

2011 Form 1040-V

Department of the Treasury
Internal Revenue Service

What Is Form 1040-V and Do You Have To Use It?

It is a statement you send with your check or money order for any balance due on the "Amount you owe" line of your 2011 Form 1040, Form 1040A, or Form 1040EZ. Using Form 1040-V allows us to process your payment more accurately and efficiently. We strongly encourage you to use Form 1040-V, but there is no penalty if you do not.

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 "2011 Form 1040," "2011 Form 1040A," or "2011 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 2011 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 2011 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 (2011)

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

Form 1040-V Department of the Treasury Internal Revenue Service (99)	Payment Voucher			OMB No. 1545-0074
	▶ Do not staple or attach this voucher to your payment or return.			2011
Print or type	1 Your social security number (SSN) [REDACTED]	2 If a joint return, SSN shown second on your return [REDACTED]	3 Amount you are paying by check or money order	Dollars 1,970
	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/county		Foreign postal code	

Filing Instructions**Form 540 - California Resident Tax Return****Taxable Year Ended December 31, 2011****Name:** Stephen J Peters & Nancy K Donovan**Date Due:** April 17, 2012**Remittance:** ~~None is required. No amount is due or overpaid.~~**Mail To:** Franchise Tax Board
P.O. Box 942840
Sacramento, CA 94240-0009**Signature:** Sign and date the return on Page 1.**Other:** Initial and date the copy of Form 540, and retain it for your records.

TAXABLE YEAR

CALIFORNIA FORM

2011 e-file Opt-Out Record for Individuals**8454****General Information**

California law requires individual income tax returns prepared by certain income tax preparers to be electronically filed (e-filed) unless the taxpayer elects not to e-file or the tax preparer cannot e-file the return due to reasonable cause. Use this form to record when and why the return was not e-filed.

Do not mail this form to FTB. Please keep it for your records.

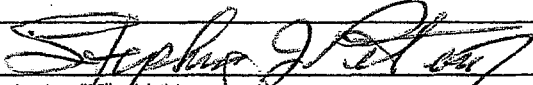
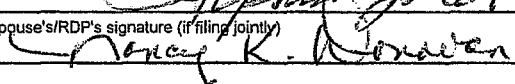
For married/registered domestic partners (RDPs) filing jointly, only one spouse/RDP needs to sign.

Part I: Taxpayer Information

Your first name STEPHEN J	Last name PETERS	Your SSN or ITIN [REDACTED]
If filing jointly, spouse's/RDP's first name NANCY K	Last name DONOVAN	Spouse's/RDP's SSN or ITIN [REDACTED]
Address (including number and street, PO Box, or PMB no.) 21451 HWY 128		Apt. no./Ste. no. Telephone number
City YORKVILLE	State CA	ZIP Code 95494

I elect not to e-file my tax return.

Reason (optional): _____

Your signature 	Date 11/25/15
Spouse's/RDP's signature (if filing jointly) 	Date 11/25/15

Part II: Tax Preparer Information

I am not e-filing this taxpayer's return due to reasonable cause.

Explanation: **LATE RETURNS CANNOT BE E-FILED.**

Paid preparer's signature	Date
Paid preparer's name LAWRENCE H. HARRIS, CPA	PTIN P00043496
Firm's name (if applicable) L H HARRIS CERTIFIED PUBLIC ACCOUNT	FEIN 68-0277084
Firm's or preparer's address 6400 REDWOOD DRIVE, SUITE 200	Telephone number 707-546-2727
City ROHNERT PARK	State CA
	ZIP Code 94928

Form **1040**

Two Year Comparison Report - Page 1

2010 & 2011

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

	2010		2011		Differences
		MFJ		MFJ	
Filing Status					
Dependents claimed		0		0	
1. Salaries and wages	1.				
2. Interest income	2.	37			-37
3. Tax exempt interest income	3.				
4. Dividend income	4.	55		70	15
5. Qualified dividend income	5.	55		70	15
6. Taxable state/local refunds	6.				
7. Alimony received	7.				
8. Business income/loss	8.	3,040		4,596	1,556
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.	3,304		10,033	6,729
17. Unemployment compensation	17.				
18. Taxable social security	18.				
19. Other income	19.	-39,882		-39,882	
20. Total income	20.	-36,446		-28,183	8,263
21. Moving expenses	21.				
22. Self-employment tax adjustment	22.	219		1,033	784
23. SEP/SIMPLE/Qualified plans deductions	23.				
24. SE health insurance	24.	2,825		4,271	1,446
25. Forfeited interest	25.				
26. Alimony paid	26.				
27. IRA deductions	27.				
28. Student loan interest	28.				
29. Other adjustments	29.	4,000			-4,000
30. Adjusted gross income	30.	-43,520		-33,487	10,033
31. Medical	31.	3,311		6,279	2,968
32. Taxes	32.	5,196		5,091	-105
33. Interest	33.				
34. Contributions	34.				
35. Casualty losses	35.				
36. Miscellaneous expenses	36.				
37. Allowable itemized deductions	37.	8,507		11,370	2,863
38. Standard deduction	38.	11,400		11,600	200
		STANDARD		STANDARD	
39. Deduction taken	39.	11,400		11,600	200
40. Subtract line 39 from line 30	40.	-54,920		-45,087	9,833
41. Exemptions	41.	7,300		7,400	100
42. Taxable income	42.	0		0	

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Form **1040**

Two Year Comparison Report - Page 2

2010 & 2011

Name
STEPHEN J PETERS & NANCY K DONOVAN

Taxpayer Identification Number

		2010	2011	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	497	1,797	1,300
m	55. Other taxes			
p	56. Total tax	497	1,797	1,300
u	57. Income tax withheld		50	50
t	58. Estimated tax payments		30	30
a	59. Earned income credit	457	395	-62
t	60. Additional Child tax credit			
i	61. Other refundable tax credits	378		-378
o	62. Other payments			
n	63. Total payments	835	475	-360
	64. Tax due/-refund	-338	1,322	1,660
	65. Penalties and interest		648	648
	66. Net tax due/-refund	-338	1,970	2,308
	67. Refund applied to estimated tax payments			
	68. Refund received	-338		338
	69. Marginal tax rate	10.0%	10.0%	
	70. Effective tax rate	%	%	

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Form **1040** **Two Year Comparison Report - Schedule C** EXHIBIT **2010 & 2011**

Name **NANCY K DONOVAN** Taxpayer identification number [REDACTED]

Principal business or profession **JEWELRY SALES** Unit **1**

Income	2010	2011	Differences
1. Gross receipts or sales	16,000	17,762	1,762
2. Returns and allowances			
3. Cost of goods sold	8,572	4,868	-3,704
4. Gross profit	7,428	12,894	5,466
5. Other income			
6. Gross income	7,428	12,894	5,466

Expenses	2010	2011	Differences
7. Advertising		63	63
8. Car and truck expenses	1,306	165	-1,141
9. Commissions and fees			
10. Contract labor			
11. Depletion			
12. Depreciation and section 179 expense deduction			
13. Employee benefit programs			
14. Insurance (other than health)			
15. Interest - mortgage (paid to banks, etc.)			
16. Interest - other			
17. Legal and professional services			
18. Office expense			
19. Pension and profit-sharing plans			
20. Rent or lease - vehicles, machinery, and equipment			
21. Rent or lease - other business property			
22. Repairs and maintenance			
23. Supplies (not included in cost of goods sold)			
24. Taxes and licenses	506		-506
25. Travel	60		-60
26. Total meals and entertainment	55	82	27
26a. Nondeductible meals and entertainment	27	41	14
26b. Deductible meals and entertainment	28	41	13
27. Utilities	444	166	-278
28. Wages (less employment credits)			
29. Other expenses	2,044	7,863	5,819
30. Total expenses	4,388	8,298	3,910

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Profit/ (loss)	2010	2011	Differences
31. Tentative profit (loss)	3,040	4,596	1,556
32. Expenses for business use of home			
33. Net profit or (loss)	3,040	4,596	1,556

Cost of Goods Sold	2010	2011	Differences
34. Inventory - Beginning of year	11,177	9,645	-1,532
35. Purchases	2,295	3,744	1,449
36. Labor			
37. Materials		285	285
38. Other costs	4,745		-4,745
39. Goods available for sale (sum of lines 34-38)	18,217	13,674	-4,543
40. Inventory - End of year	9,645	8,806	-839

Form 1040	Two Year Comparison Report - Schedule F	EXHIBIT WP-55 2010 & 2011
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Name STEPHEN J PETERS & NANCY K DONOVAN	Taxpayer identification number [REDACTED]
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Description LIVESTOCK VINEYARD ETC	Unit 1
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Income	2010	2011	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.	45,000	49,587 4,587
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.	5,017	500 -4,517
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.	50,017	50,101 84

Expenses	2010	2011	Differences
19. Car and truck expenses	19.	1,022	2,065 1,043
20. Chemicals	20.	312	437 125
21. Conservation expenses	21.		
22. Custom hire (machine work)	22.		4,500 4,500
23. Depreciation and section 179 expense deduction	23.	3,836	3,697 -139
24. Employee benefit programs	24.		
25. Feed purchased	25.		
26. Fertilizers and lime	26.	416	874 458
27. Freight and trucking	27.		
28. Gasoline, fuel, and oil	28.	3,508	2,957 -551
29. Insurance (other than health)	29.	2,583	4,165 1,582
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.	7,654	2,023 -5,631
37. Seeds and plants purchased	37.		
38. Storage and warehousing	38.		
39. Supplies purchased	39.	4,290	4,553 263
40. Taxes	40.		119 119
41. Utilities	41.	1,100	3,376 2,276
42. Veterinary, breeding, and medicine	42.		
43. Other expenses	43.	21,938	11,248 -10,690
44. Total expenses	44.	46,713	40,068 -6,645

Profit/(loss)	2010	2011	Differences
45. Net farm profit or (loss)	45.	3,304	10,033 6,729

Form 1040	Tax Return History Report - Page 1	2011
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Name **STEPHEN J PETERS & NANCY K DONOVAN** Taxpayer Identification Number XXXXXXXXXX

	2007	2008	2009	2010	2011	2012 PROJECTED
Filing Status	MFJ	MFJ	MFJ	MFJ	MFJ	MFJ
Salaries and wages						
Interest income	3,898		1,100	37		70
Dividend income	90		50	55	70	
Business income/loss	23,535	-13,965	-691	3,040	4,596	4,596
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	2,049	-4,265	-790	3,304	10,033	10,033
Other income/loss	-27,310	-20,171	-38,401	-39,882	-39,882	-39,882
Total income	-738	-41,401	-41,732	-36,446	-28,183	-28,183
Total adjustments	12,427		6,805	7,074	5,304	5,304
Adjusted gross income	-13,165	-41,401	-48,527	-43,520	-33,487	-33,487
Allowable itemized deductions	11,167		15,558	8,501	11,370	11,370
Standard deduction	10,700	10,900	12,480	11,400	11,600	11,900
Itemized or standard deduction taken	11,167	10,900	15,558	11,400	11,600	11,900
Exemptions	6,800	7,000	7,300	7,300	7,400	7,600
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	2011
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Name STEPHEN J PETERS & NANCY K DONOVAN	Taxpayer Identification Number XXXXXXXXXX
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	2007	2008	2009	2010	2011	2012 PROJECTED
Taxable income						
Tax on taxable income						
Alternative minimum tax						
Total credits						
Net tax liability						
Self-employment taxes	3,615			497	1,797	1,796
Other taxes						
Total tax	3,615			497	1,797	1,796
Income tax withheld					50	50
Estimated tax payments	3,240				30	1,360
Other payments				835	395	429
Total payments	3,240			835	475	1,839
Total due/-refund	375			-338	1,322	-43
Penalties and interest	159				648	
Net tax due/-refund	534			-338	1,970	-43
Refund applied to estimated tax payments						
Refund received				-338		
Marginal tax rate	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Effective tax rate	%	%	%	%	%	%

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1040

Federal Return Summary

2011

Name

Taxpayer Identification Number

STEPHEN J PETERS & NANCY K DONOVAN

Tax Form 1040

Filing Status MFJ

Dependents

Income

Tax Computation

Salaries & wages	
Taxable interest income	
Tax exempt interest	
Dividend income	70
Qualified dividends	70
Taxable state/local refunds	
Alimony received	
Business income/-loss	4,596
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	10,033
Unemployment compensation	
Taxable social security benefits	
Other income	-39,882
Total income	-28,183

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	1,797
Additional tax on IRAs, etc.	
Other taxes	
Total tax	1,797

Payments

Federal income tax withheld	50
Estimated payments	30
Other payments/credits	395
Total payments	475

Moving expenses	
Self-employment tax adjustment	1,033
SEP, SIMPLE, and qualified plan deduction	
Self-employed health insurance deduction	4,271
Alimony paid	
IRA deduction	
Student loan interest deduction	
Other adjustments	
Total adjustments	5,304
Adjusted gross income	-33,487

Deductions

Medical and Dental expenses	
Taxes paid	
Interest paid	
Charitable contributions	
Other itemized deductions	
Total allowable itemized deductions	
or, Standard deduction	11,600
Exemption amount	7,400
Taxable income	

Amount overpaid	
Overpayment applied	
Form 2210 penalty	
Amount due/-refund	1,322
Failure to file penalty	298
Failure to pay penalty	278
Late filing interest	72
Net amount due/-refund	1,970

2012 Estimates

1st quarter	340
2nd quarter	340
3rd quarter	340
4th quarter	340
Total	1,360

Tax Rates

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

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Tax and Credits

38 Amount from line 37 (adjusted gross income) 38 **11,600**

39a Check You were born before January 2, 1947, Blind. } Total boxes
if: Spouse was born before January 2, 1947, Blind. } checked ▶ 39a

b If your spouse itemizes on a separate return or you were a dual-status alien, check here ▶ 39b

40 Itemized deductions (from Schedule A) or your standard deduction (see left margin) 40 **11,600**

41 Subtract line 40 from line 38 41 **-45,087**

42 Exemptions. Multiply \$3,700 by the number on line 6d 42 **7,400**

43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0- 43 **0**

44 Tax (see instr.). Check if any from: a Form(s) 8814 b Form 4972 c 962 elec. 44 **0**

45 Alternative minimum tax (see instructions). Attach Form 6251 45

46 Add lines 44 and 45 46

47 Foreign tax credit. Attach Form 1116 if required 47

48 Credit for child and dependent care expenses. Attach Form 2441 48

49 Education credits from Form 8863, line 23 49

50 Retirement savings contributions credit. Attach Form 8880 50

51 Child tax credit (see instructions) 51

52 Residential energy credits. Attach Form 5695 52

53 Other credits from Form: a 3800 b 8801 c 53

54 Add lines 47 through 53. These are your total credits 54

55 Subtract line 54 from line 46. If line 54 is more than line 46, enter -0- 55 **0**

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, \$5,800
Married filing jointly or Qualifying widow(er), \$11,600
Head of household, \$8,500

Other Taxes

56 Self-employment tax. Attach Schedule SE 56 **1,797**

57 Unreported social security and Medicare tax from Form: a 4137 b 8919 57

58 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required 58

59a Household employment taxes from Schedule H 59a

b First-time homebuyer credit repayment. Attach Form 5405 if required 59b

60 Other taxes. Enter code(s) from instructions 60

61 Add lines 55 through 60. This is your total tax 61 **1,797**

Payments

62 Federal income tax withheld from Forms W-2 and 1099 62 **50**

63 2011 estimated tax payments and amount applied from 2010 return 63 **30**

64a Earned income credit (EIC) 64a **395**

b Non-taxable combat pay election (64b) 64b

65 Additional child tax credit. Attach Form 8812 65

66 American opportunity credit from Form 8863, line 14 66

67 First-time homebuyer credit from Form 5405, line 10 67

68 Amount paid with request for extension to file 68

69 Excess social security and tier 1 RRTA tax withheld 69

70 Credit for federal tax on fuels. Attach Form 4136 70

71 Credits from Form: a 2439 b 8839 c 8801 d 8885 71

72 Add lines 62, 63, 64a, and 65 through 71. These are your total payments 72 **475**

Refund

73 If line 72 is more than line 61, subtract line 61 from line 72. This is the amount you overpaid 73

74a Amount of line 73 you want refunded to you. If Form 8888 is attached, check here 74a

Direct deposit? See instructions. ▶ b Routing number ▶ c Type: Checking Savings

▶ d Account number

75 Amount of line 73 you want applied to your 2012 estimated tax ▶ 75

Amount You Owe

76 Amount you owe. Subtract line 72 from line 61. For details on how to pay, see instructions 76 **1,322**

77 Estimated tax penalty (see instructions) 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 Date Your occupation **FARMER** Daytime phone number

Spouse's signature. If a joint return, both must sign. Date Spouse's occupation **FARMER** If the IRS sent you an Identity Protection PIN, enter it here (see instr.)

Print/Type preparer's name Preparer's signature Date Check if PTIN self-employed **P00043496**

LAWRENCE H. HARRIS, CPA **LAWRENCE H. HARRIS, CPA** **10/10/15**

Paid Firm's name ▶ **L H HARRIS CERTIFIED PUBLIC ACCOUNTANT** Firm's
Preparer Use Only Firm's address ▶ **6400 REDWOOD DRIVE, SUITE 200** Phone no. **707-546-2727**
ROHNERT PARK CA 94928

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Department of the Treasury
 Internal Revenue Service (99)

▶ Attach to Form 1040A or 1040.

▶ See instructions on back.

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.

Amount

1

2

3

4

Amount

Part II

5 List name of payer ▶

Ordinary Dividends

(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.

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

Part III

Foreign Accounts and Trusts

(See instructions on back.)

- 7a At any time during 2011, 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 2011, 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

Yes	No

70

70

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SCHEDULE C (Form 1040)

Profit or Loss From Business

(Sole Proprietorship)

EXHIBIT WR-55

2011

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

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 2011? If "No," see instructions for limit on losses X Yes No

H If you started or acquired this business during 2011, check here

I Did you make any payments in 2011 that would require you to file Form(s) 1099? (see instructions) 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 for income calculation. Line 1a: 0, 1b: 17,762, 1c: blank, 1d: 17,762, 2: blank, 3: 17,762, 4: 4,868, 5: 12,894, 6: blank, 7: 12,894

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

Table with 32 rows for expense calculation. Line 8: 83, 9: 165, 18: 7,863, 28: 8,298, 29: 4,596, 30: blank, 31: 4,596, 32a: blank, 32b: blank

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NANCY K DONOVAN



Schedule C (Form 1040) 2011 JEWELRY SALES

Part III Cost of Goods Sold (see instructions)

33	Method(s) used to value closing inventory: a <input checked="" type="checkbox"/> Cost b <input type="checkbox"/> Lower of cost or market c <input type="checkbox"/> Other (attach explanation)		
34	Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
35	Inventory at beginning of year. If different from last year's closing inventory, attach explanation	35	9,645
36	Purchases less cost of items withdrawn for personal use	36	3,744
37	Cost of labor. Do not include any amounts paid to yourself	37	
38	Materials and supplies	38	285
39	Other costs	39	
40	Add lines 35 through 39	40	13,674
41	Inventory at end of year	41	8,806
42	Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on line 4	42	4,868

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

43 When did you place your vehicle in service for business purposes? (month, day, year) 03/12/04

44 Of the total number of miles you drove your vehicle during 2011, enter the number of miles you used your vehicle for:

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a Business b Commuting (see instructions) c Other

45	Was your vehicle available for personal use during off-duty hours?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
46	Do you (or your spouse) have another vehicle available for personal use?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
47a	Do you have evidence to support your deduction?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
b	If "Yes," is the evidence written?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

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

SELLER'S FEES	3,481
SHIPPING	1,023
POSTAGE AND DELIVERY	1,471
PRINTING AND REPRODUCTION	112
BOX RENT	56
OFFICE SUPPLIES	23
FEES AND CHARGES	195
SUPPLIES	285
REFUNDS	1,217
48 Total other expenses. Enter here and on line 27a	7,863

**SCHEDULE D
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

EXHIBIT WR-55 Form No. 1545-0074

Capital Gains and Losses

▶ Attach to Form 1040 or Form 1040NR. ▶ See Instructions for Schedule D (Form 1040).

▶ Use Form 8949 to list your transactions for lines 1, 2, 3, 8, 9, and 10.

2011

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

Complete Form 8949 before completing line 1, 2, or 3. This form may be easier to complete if you round off cents to whole dollars.	(e) Sales price from Form(s) 8949, line 2, column (e)	(f) Cost or other basis from Form(s) 8949, line 2, column (f)	(g) Adjustments to gain or loss from Form(s) 8949, line 2, column (g)	(h) Gain or (loss) Combine columns (e), (f), and (g)
1 Short-term totals from all Forms 8949 with box A checked in Part I				
2 Short-term totals from all Forms 8949 with box B checked in Part I				
3 Short-term totals from all Forms 8949 with box C checked in Part I				
4 Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824				4
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				5
6 Short-term capital loss carryover. Enter the amount, if any, from line 8 of your Capital Loss Carryover Worksheet in the instructions				6 (8,907)
7 Net short-term capital gain or (loss). Combine lines 1 through 6 in column (h). If you have any long-term capital gains or losses, go to Part II below. Otherwise, go to Part III on the back				7 -8,907

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

Complete Form 8949 before completing line 8, 9, or 10. This form may be easier to complete if you round off cents to whole dollars.	(e) Sales price from Form(s) 8949, line 4, column (e)	(f) Cost or other basis from Form(s) 8949, line 4, column (f)	(g) Adjustments to gain or loss from Form(s) 8949, line 4, column (g)	(h) Gain or (loss) Combine columns (e), (f), and (g)
8 Long-term totals from all Forms 8949 with box A checked in Part II				
9 Long-term totals from all Forms 8949 with box B checked in Part II				
10 Long-term totals from all Forms 8949 with box C checked in Part II				
11 Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824				11
12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				12
13 Capital gain distributions. See the instructions				13
14 Long-term capital loss carryover. Enter the amount, if any, from line 13 of your Capital Loss Carryover Worksheet in the instructions				14 (23,932)
15 Net long-term capital gain or (loss). Combine lines 8 through 14 in column (h). Then go to Part III on the back				15 -23,932

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

Schedule D (Form 1040) 2011

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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 Form 1040 through line 43, or Form 1040NR through line 41. Then 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 Form 1040 through line 43, or Form 1040NR through line 41. Then 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 Form 1040 through line 43, or Form 1040NR through line 41. Then 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-55 2011

Department of the Treasury
Internal Revenue Service (99)

▶ Attach to Form 1040, Form 1040NR, Form 1041, Form 1065, or Form 1065-B.
▶ See Instructions for Schedule F (Form 1040).

Attachment
Sequence No. **14**

Name of proprietor **STEPHEN J PETERS & NANCY K DONOVAN** Social security number (SSN) XXXXXXXXXX

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 2011? If "No," see instructions for limit on passive losses. Yes No

F Did you make any payments in 2011 that would require you to file Form(s) 1099 (see instructions) Yes No

G If "Yes," did you or will you file all required Forms 1099? Yes No

Part I Farm Income – Cash Method. Complete Parts I and II (Accrual method. Complete Parts II and III, and Part I, line 9.)

1a	Specified sales of livestock and other resale items (see instructions)	1a	0	1e	
b	Sales of livestock and other resale items not reported on line 1a	1b		2a	0
c	Total of lines 1a and 1b (see instructions)	1c		2b	49,587
d	Cost or other basis of livestock or other items reported on line 1c	1d		3a	14
e	Subtract line 1d from line 1c			3b	14
2a	Specified sales of products you raised (see instructions)			4a	
b	Sales of products you raised not reported on line 2a			4b	
3a	Cooperative distributions (Form(s) 1099-PATR)	3a	14	5a	
4a	Agricultural program payments (see instructions)	4a		5b	
5a	Commodity Credit Corporation (CCC) loans reported under election			5c	
b	CCC loans forfeited	5b		6a	
6	Crop insurance proceeds and federal crop disaster payments (see instructions)			6b	
a	Amount received in 2011	6a		6c	
c	If election to defer to 2012 is attached, check here <input type="checkbox"/>			6d	
7a	Specified custom hire (machine work) income (see instructions)			6d	Amount deferred from 2010
b	Custom hire income not reported on line 7a			7a	0
8a	Specified other income (see instructions)			7b	
b	Other income not reported on line 8a (see instructions)			8a	0
9	Gross income. Add amounts in the right column (lines 1e, 2a, 2b, 3b, 4a, 5a, 5c, 6b, 6d, 7a, 7b, 8a, and 8b). If you use the accrual method, enter the amount from Part III, line 50 (see instr.)			8b	500
		9		9	50,101

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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	2,065	23	Pension and profit-sharing plans	23	
11	Chemicals	11	437	24	Rent or lease (see instructions):		
12	Conservation expenses (see instructions)	12		a	Vehicles, machinery, equipment	24a	54
13	Custom hire (machine work)	13	4,500	b	Other (land, animals, etc.)	24b	
14	Depreciation and section 179 expense (see instructions)	14	3,697	25	Repairs and maintenance	25	2,023
15	Employee benefit programs other than on line 23	15		26	Seeds and plants	26	
16	Feed	16		27	Storage and warehousing	27	
17	Fertilizers and lime	17	874	28	Supplies	28	4,553
18	Freight and trucking	18		29	Taxes	29	119
19	Gasoline, fuel, and oil	19	2,957	30	Utilities	30	3,376
20	Insurance (other than health)	20	4,165	31	Veterinary, breeding, and medicine	31	
21	Interest:			32	Other expenses (specify):		
a	Mortgage (paid to banks, etc.)	21a		a	SEE STATEMENT 2	32a	11,248
b	Other	21b		b		32b	
22	Labor hired (less employment credits)	22		c		32c	
				d		32d	
				e		32e	
				f		32f	
33	Total expenses. Add lines 10 through 32f. If line 32f is negative, see instructions			33		33	40,068
34	Net farm profit or (loss). Subtract line 33 from line 9			34		34	10,033

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 2011? (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.

**SCHEDULE SE
(Form 1040)**

Self-Employment Tax

2011

Department of the Treasury
Internal Revenue Service (99)

▶ Attach to Form 1040 or Form 1040NR. ▶ See separate instructions.

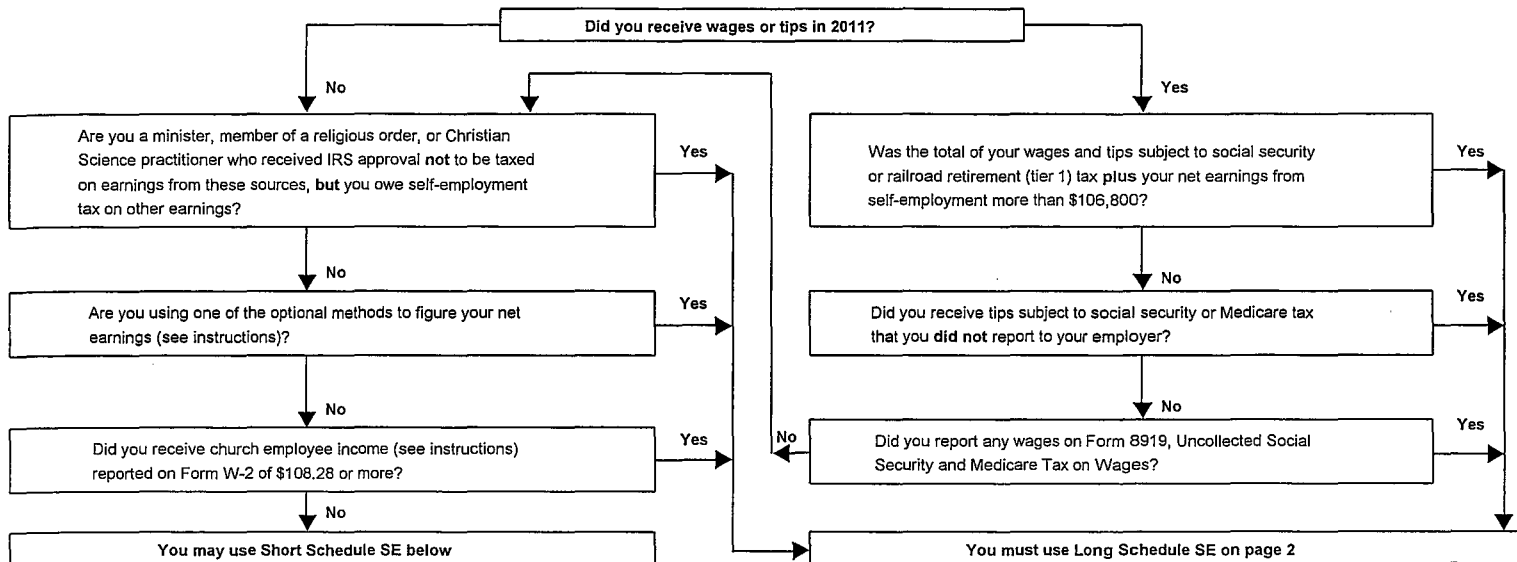
Attachment
Sequence No. **17**

Name of person with self-employment income (as shown on Form 1040) **STEPHEN J PETERS** Social security number of person with self-employment income ▶ [REDACTED]

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.

1a Net farm profit or (loss) from Schedule F, line 34, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A	1a	5,017
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	1b	
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	2	
3 Combine lines 1a, 1b, and 2	3	5,017
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	4	4,633
Note. If line 4 is less than \$400 due to Conservation Reserve Program payments on line 1b, see instructions.		
5 Self-employment tax. If the amount on line 4 is: • \$106,800 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 \$106,800, multiply line 4 by 2.9% (.029). Then, add \$11,107.20 to the result. Enter the total here and on Form 1040, line 56, or Form 1040NR, line 54	5	616
6 Deduction for employer-equivalent portion of self-employment tax. If the amount on line 5 is: • \$14,204.40 or less, multiply line 5 by 57.51% (.5751) • More than \$14,204.40, multiply line 5 by 50% (.50) and add \$1,067 to the result. Enter the result here and on Form 1040, line 27, or Form 1040NR, line 27	6	354

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

Schedule SE (Form 1040) 2011

**SCHEDULE SE
(Form 1040)**

Self-Employment Tax

EXHIBIT WR-55 Form No. 1545-0074

2011

Department of the Treasury
Internal Revenue Service (99)

▶ Attach to Form 1040 or Form 1040NR.

▶ See separate instructions.

Attachment
Sequence No. **17**

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

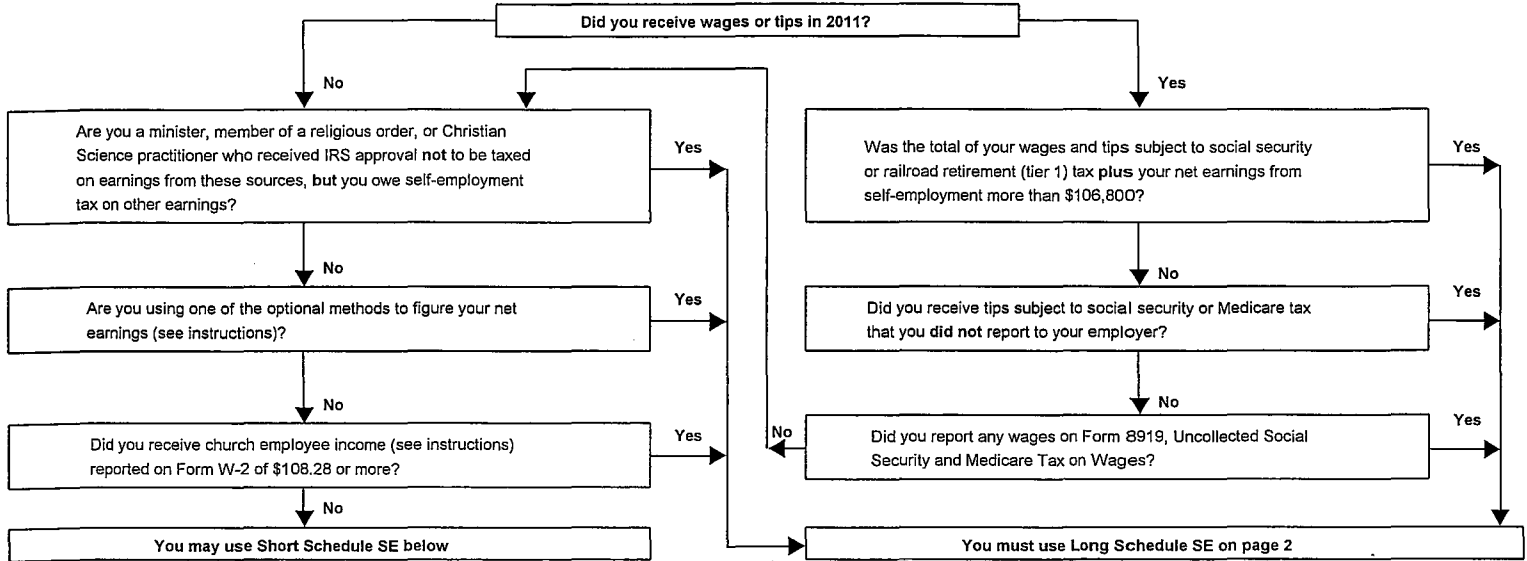
Social security number of person with self-employment income ▶



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.

1a Net farm profit or (loss) from Schedule F, line 34, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A	1a	5,016
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	1b	()
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	2	4,596
3 Combine lines 1a, 1b, and 2	3	9,612
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	4	8,877
Note. If line 4 is less than \$400 due to Conservation Reserve Program payments on line 1b, see instructions.		
5 Self-employment tax. If the amount on line 4 is: • \$106,800 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 \$106,800, multiply line 4 by 2.9% (.029). Then, add \$11,107.20 to the result. Enter the total here and on Form 1040, line 56, or Form 1040NR, line 54	5	1,181
6 Deduction for employer-equivalent portion of self-employment tax. If the amount on line 5 is: • \$14,204.40 or less, multiply line 5 by 57.51% (.5751) • More than \$14,204.40, multiply line 5 by 50% (.50) and add \$1,067 to the result. Enter the result here and on Form 1040, line 27, or Form 1040NR, line 27	6	679

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

Schedule SE (Form 1040) 2011

Form **8867**

Paid Preparer's Earned Income Credit Checklist

2011

Department of the Treasury
Internal Revenue Service

▶ For more information about Form 8867, see www.irs.gov/form8867
▶ To be completed by preparer and filed with Form 1040, 1040A, or 1040EZ.

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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 2011?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes <input type="checkbox"/> 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 \$3,150? See Rule 6 in Pub. 596 before answering	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 2011? 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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 page 4.

Form **8867** (2011)

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 2011? 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 2011? 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 2011? 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

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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 Did you comply with the knowledge requirements? (To comply with the knowledge requirements, 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 responses you received.) Yes No

23 Did you keep the following records?

- Form 8867,
- The EIC worksheet(s) or your own worksheet(s),
- A record of how, when, and from whom the information used to prepare the form and worksheet(s) was obtained, and
- Copies of any documents provided by the taxpayer and on which you relied to complete the form and the worksheet

▶ If you checked "Yes" on lines 20, 21, 22, and 23, submit Form 8867 in the manner required, and keep the records described on line 23 for 3 years (see instructions), you have complied with all the due diligence requirements.

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

Form **4562**

Depreciation and Amortization
(Including Information on Listed Property)

EXHIBIT WR-55 Form No. 1545-0172

Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions. ▶ Attach to your tax return.

2011
Attachment Sequence No. **179**

Name(s) shown on return

STEPHEN J PETERS & NANCY K DONOVAN

Identifying number

[REDACTED]

Business or activity to which this form relates

LIVESTOCK VINEYARD ETC

Part I Election To Expense Certain Property Under Section 179

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

1	Maximum amount (see instructions)	1	500,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2010 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2012. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(i)(1) election	15	
16	Other depreciation (including ACRS)	16	1,786

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2011	17	1,911
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

Section B—Assets Placed in Service During 2011 Tax Year Using the General Depreciation System

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

Section C—Assets Placed in Service During 2011 Tax Year Using the Alternative Depreciation System

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

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions	22	3,697
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2011)

LIVESTOCK VINEYARD ETC

Statement 1 - Schedule F - Other Income

<u>Description</u>	<u>Amount</u>
OTHER INCOME	\$ 500
TOTAL	\$ 500

LIVESTOCK VINEYARD ETC

Statement 2 - Schedule F, Line 32 - Other Expenses

<u>Description</u>	<u>Amount</u>
ACCOUNTING	\$ 1,077
BRUSH ERADICATION	1,578
DMV	777
ENTERTAINMENT	1,173
FINANCE CHARGES	149
MISC FARM EXPENSES	5,166
SMALL TOOLS	590
DUES AND SUBSCRIPTIONS	641
POSTAGE AND SHIPPING	53
REFUNDS	44
TOTAL	\$ 11,248

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Name

STEPHEN J PETERS & NANCY K DONOVAN

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 a. Business miles (51 cents per mile)
- b. 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 9)
- 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 a. Business miles (51 cents per mile)
- b. 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

Allowable Deduction

Vehicle expense

Vehicle rentals

Vehicle depreciation

Total allowable deduction

Name _____ Taxpayer Identification Number _____

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 a. Business miles (51 cents per mile)	_____	_____	_____
b. 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 a. Business miles (51 cents per mile)	_____	_____	_____
b. 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	_____	_____	_____

Allowable Deduction

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

Form **1040****Capital Loss Carryover Worksheets**

EXHIBIT WR-55

2011

Name

STEPHEN J PETERS & NANCY K DONOVAN

Taxpayer Identification Number

2011 to 2012 Capital Loss Carryover Worksheet

Use this worksheet to figure your capital loss carryovers from 2011 to 2012 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>(45,087)</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. _____
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. _____
7. Add lines 4 and 6	7. _____
8. Short-term capital loss carryover to 2012. 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. _____
11. Subtract line 5 from line 4. If zero or less, enter -0-	11. <u>0</u>
12. Add lines 10 and 11	12. _____
13. Long-term capital loss carryover to 2012. Subtract line 12 from line 9. If zero or less, enter -0-	13. <u>23,932</u>

2011 to 2012 Capital Loss Carryover Worksheet, AMT

Use this worksheet to figure AMT capital loss carryovers from 2011 to 2012 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 28, is a loss. Otherwise, you do not have any carryovers.

1. Enter the amount from Form 6251, line 28. If a loss, enclose the amount in parentheses	1. <u>685</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>3,685</u>
4. Enter the smaller of line 2 or line 3	4. <u>3,000</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. _____
6. Enter the gain, if any, from AMT Schedule D, line 15	6. _____
7. Add lines 4 and 6	7. _____
8. AMT Short-term capital loss carryover to 2012. Subtract line 7 from line 5. If zero or less, enter -0-	8. _____
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>21,470</u>
10. Enter the gain, if any, from AMT Schedule D, line 7	10. _____
11. Subtract line 5 from line 4. If zero or less, enter -0-	11. <u>3,000</u>
12. Add lines 10 and 11	12. <u>3,000</u>
13. AMT Long-term capital loss carryover to 2012. Subtract line 12 from line 9. If zero or less, enter -0-	13. <u>18,470</u>

Form 982 Reduction of Capital Loss Carryovers to 2012

	Regular	AMT
1. Subtract line 7 from line 5	1. _____	_____
2. Form 982 line 9 reduced net capital loss applied to short-term capital loss carryover	2. _____	_____
3. Adjusted Short-term capital loss carryover to 2012. Subtract line 2 from line 1. Enter this amount on line 8 above	3. _____	_____
4. Subtract line 12 from line 9	4. _____	_____
5. Form 982 line 9 reduced net capital loss applied to long-term capital loss carryover	5. _____	_____
6. Adjusted Long-term capital loss carryover to 2012. Subtract line 5 from line 4. Enter this amount on line 13 above	6. _____	_____

Form **1040**

Late Filing Interest and Penalty Worksheets

Name

STEPHEN J PETERS & NANCY K DONOVAN

Taxpayer Identification Number



Late Filing Interest Worksheet

Description	Amount	Balance	# of Days	Interest Rate %	Interest Amount
TAX DUE - 4/15/12	1,322	1,322			
LATE FILING PENALTY (FTF)	298	1,620			
4/15/12 - 6/30/12		1,620	76	3.00	10
6/30/12 - 9/30/12		1,630	92	3.00	12
9/30/12 - 12/31/12		1,642	92	3.00	12
12/31/12 - 3/31/13		1,654	90	3.00	12
3/31/13 - 6/30/13		1,666	91	3.00	13
6/30/13 - 9/30/13		1,679	92	3.00	13
UNKNOWN RATES AFTER 9/30/13					
DATE FILED - 10/15/15		1,692			
Total Late Filing Interest (Int)					<u>72</u>

Late Payment Penalty Worksheet

Description	Amount	Balance	# of Months	Penalty Amount
TAX DUE - 4/15/12	1,322	1,322		
4/15/12 - 10/15/15		1,322	42	278
DATE FILED - 10/15/15		1,600		
Total Late Payment Penalty (FTP)				<u>278</u>

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

Net Operating Loss Carryover Information

Prior Year Carryover	Prior Amounts Utilized/Generated Current Year	Carryover to 2012
1996	1996	1997
1997	1997	1998
1998	1998	1999
1999	1999	2000
2000	2000	2001
2001 <u>11,724</u>	2001	2001 <u>11,724</u>
2002 <u>8,196</u>	2002	2002 <u>8,196</u>
2003	2003 <u>-1,964</u>	2003 <u>-1,964</u>
2004 <u>7</u>	2004	2004 <u>7</u>
2005 <u>9,347</u>	2005	2005 <u>9,347</u>
2006	2006	2006
2007	2007 <u>-7,139</u>	2007 <u>-7,139</u>
2008 <u>18,230</u>	2008	2008 <u>18,230</u>
2009 <u>1,481</u>	2009	2009 <u>1,481</u>
2010	2010	2010
	2011	2011
	Total	<u>39,882</u>

AMT Net Operating Loss Carryover Information

Prior Year Carryover	Prior Amounts Utilized/Generated Current Year	Carryover to 2012
1996	1996	1997
1997	1997	1998
1998	1998	1999
1999	1999	2000
2000	2000	2001
2001 <u>9,402</u>	2001	2001 <u>9,402</u>
2002 <u>4,484</u>	2002	2002 <u>4,484</u>
2003	2003 <u>-10,729</u>	2003 <u>-10,729</u>
2004	2004 <u>-3,157</u>	2004 <u>-3,157</u>
2005 <u>8,891</u>	2005	2005 <u>8,891</u>
2006	2006 <u>-1,408</u>	2006 <u>-1,408</u>
2007	2007 <u>-7,483</u>	2007 <u>-7,483</u>
2008 <u>17,774</u>	2008	2008 <u>17,774</u>
2009 <u>1,025</u>	2009	2009 <u>1,025</u>
2010	2010	2010
	2011 <u>-8,867</u>	2011 <u>-8,867</u>
	Total	<u>9,932</u>

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

1. Enter the smaller of the loss on line 1d or the loss on line 4 from Form 8582 1. _____
2. Enter \$150,000. If married filing separately, see the instructions 2. _____
3. 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.
4. Subtract line 3 from line 2 4. _____
5. Multiply line 4 by 50% (.5) Do not enter more than \$25,000. If married filing separately, see the instructions. 5. _____
6. Enter the smaller of line 1 or line 5 6. _____
7. Amount from Form 8582, Part II, Line 10 7. _____
8. Line 7 less Line 6. Adjustment to adjusted gross income for special allowance 8. _____

Form **1040**

Net Operating Loss Worksheet 5 - AMT Carryover Calculation

Name
STEPHEN J PETERS & NANCY K DONOVAN

Taxpayer Identification Number

USE YOUR 2011 FORM 1040 TO COMPLETE THE WORKSHEET:

- 1. Enter as a positive number your AMT NOL deduction
- 2. Enter your alternative minimum taxable income without the NOL deduction
- 3. Enter as a positive number any net capital loss deduction
- 4. Enter as a positive number any gain excluded on the sale of qualified small business stock
- 5. Enter the amount of any domestic production activities deduction
- 6. Enter any adjustments to adjusted gross income
- 7. Enter any adjustments to itemized deductions from below
- 8. **Modified alternative taxable income.** Combine lines 2 through 7 (but not less than zero)
- 9. **Alternative taxable income limitation.** Enter 90% of line 8
- 10. **AMT NOL carryover to 2012.** Subtract line 9 from line 1 (but not less than zero)

	18,799
6,852	
3,000	
0	
0	
0	
0	
9,852	
8,867	
9,932	

ADJUSTMENTS TO ITEMIZED DEDUCTIONS (Individuals Only)

- 11. Enter your adjusted gross income without the NOL deduction
- 12. Combine lines 3, 4, 5, and 6 above
- 13. **Modified adjusted gross income.** Combine lines 11 and 12 above

0	
0	

ADJUSTMENTS TO MEDICAL EXPENSES:

- 14. Enter your medical expenses from Schedule A (Form 1040), line 4
- 15. Enter your medical and dental adjustment from Form 6251, line 2
- 16. Subtract line 15 from line 14 and enter the result (but not less than zero)
- 17. Enter your medical expenses from Schedule A (Form 1040), line 1
- 18. Multiply line 13 by 7.5% (.075)
- 19. Subtract line 18 from line 17 and enter the result (but not less than zero)
- 20. Multiply line 13 by 10% (.10)
- 21. Subtract line 20 from line 17 and enter the result (but not less than zero)
- 22. Enter the lesser of line 19 or line 21
- 23. Subtract line 22 from line 16 and enter the result

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ADJUSTMENTS TO QUALIFIED MORTGAGE INSURANCE PREMIUMS:

- 24. Enter your qualified mortgage insurance premiums deduction from Schedule A (Form 1040), line 13
- 25. Refigure your mortgage insurance premiums deduction using line 13 above as your AGI
- 26. Subtract line 25 from line 24

ADJUSTMENTS TO CHARITABLE CONTRIBUTIONS:

- 27. Enter your charitable contributions deduction from the AMT Contribution Worksheet
- 28. Refigure your charitable contributions deduction using line 13 above as your AGI
- 29. Subtract line 28 from line 27

ADJUSTMENT TO CASUALTY AND THEFT LOSSES:

- 30. Enter your casualty and theft losses from Form 4684, line 18
- 31. Enter your casualty and theft losses from Form 4684, line 16
- 32. Multiply line 31 by 10% (.10)
- 33. Subtract line 32 from line 30 and enter the result (but not less than zero)
- 34. Subtract line 33 from line 30

TOTAL ADJUSTMENTS TO ITEMIZED DEDUCTIONS:

- 35. Combine lines 23, 26, 29 and 34.

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Form **1040**

Schedule EIC Worksheet 1

Name

STEPHEN J PETERS & NANCY K DONOVAN

Taxpayer Identification Number



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. 70
- 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 23d, 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. 70

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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**

Name

Taxpayer Identification Number

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. 14,629

- b. Enter any amount from Schedule SE, Section B, line 4b and line 5a.

1b. _____

- c. Add lines 1a and 1b

1c. 14,629

- d. Enter the amount from Schedule SE, Section A, line 6, or

Section B, line 13, whichever applies.

1d. 1,033

- e. Subtract line 1d from line 1c.

1e. 13,596**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 1c, or Schedule C-EZ, line 1c, that you are filing as a statutory employee.

4. All filers Using EIC Worksheet B

- 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. 13,596

Is the amount on line 4b less than:

- \$43,998 (\$49,078 for married filing jointly) if you have 3 or more qualifying children, or
- \$40,964 (\$46,044 for married filing jointly) if you have 2 qualifying children, or
- \$36,052 (\$41,132 for married filing jointly) if you have one qualifying child, or
- \$13,660 (\$18,740 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 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. 395

6. Enter your adjusted gross income (line 38 of Form 1040; line 22 of Form 1040A; or line 4 of Form 1040-EZ).

6. -33,487

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 \$7,600 (\$12,700 if married filing jointly)?
- 1 or more qualifying children, is the amount on line 6 less than \$16,700 (\$21,800 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. 395

Form **1040**

Net Earnings from Self-Employment Worksheet

2011

Name

Taxpayer Identification Number

STEPHEN J PETERS & NANCY K DONOVAN



	Taxpayer	Spouse
Farm profit or (loss)		
Schedule F	5,017	5,016
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	5,017	5,016
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)		4,596
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	4,596
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	5,017	9,612
Church employee income - Schedule SE, Page 2 line 5a		

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Form **1040****Self-Employed Health Insurance Deduction Worksheet**EXHIBIT WR-55
2011

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

NANCY K DONOVAN

Taxpayer Identification Number

Description **JEWELRY SALES** Form/Schedule **C** Unit number **1**

1. Enter the total amount paid in 2011 for health insurance coverage established under your business for 2011 for you, your spouse, and your dependents. Your insurance can also cover your child who was under age 27 at the end of 2011, even if the child was not your dependent. But do not include the following.
- Amounts for any month you were eligible to participate in a health plan subsidized by your or your spouse's employer or the employer of either your dependent or your child who was under the age of 27 at the end of 2011.
 - Any amounts paid from retirement plan distributions that were nontaxable because you are a retired public safety officer.
 - Any amounts you included on Form 8885, line 4.
 - Any qualified health insurance premiums you paid to "U.S. Treasury-HCTC".
 - Any health coverage tax credit advance payments shown in box 1 of Form 1099-H.
 - Any payments for qualified long-term care insurance (see line 2)
1. 9,207
2. For coverage under a qualified long-term care insurance contract, enter for each person covered the smaller of the following amounts.
- a) Total payments made for that person during the year.
- b) The amount shown below. Use the person's age at the end of the tax year.
- \$340 ---if that person is age 40 or younger
- \$640 ---if age 41 to 50
- \$1,270 ---if age 51 to 60
- \$3,390 ---if age 61 to 70
- \$4,240 ---if age 71 or older
- Do not include payments for any month you were eligible to participate in a long-term care insurance plan subsidized by your or your spouse's employer or the employer of either your dependent or your child who was under the age of 27 at the end of 2011. If more than one person is covered, figure separately the amount to enter for each person. Then enter the total of those amounts
2. _____
3. 9,207
3. Add lines 1 and 2
4. Enter your net profit and any other earned income from the trade or business under which the insurance plan is established. Do not include Conservation Reserve Program payments exempt from self-employment tax. If the business is an S Corporation, skip to line 11
4. 4,596
5. Enter the total of all net profits from: Schedule C, line 31; Schedule C-EZ, line 3; Schedule F, line 34; or Sch K-1 (1065), box 14, Code A; plus any other income allocable to the profitable businesses. Do not include Conservation Reserve Program payments exempt from self-employment tax. Do not include any net losses shown on these schedules.
5. 9,612
6. Divide line 4 by line 5
6. 0.4782
7. Multiply Form 1040, line 27, by the percentage on line 6
7. 325
8. Subtract line 7 from line 4
8. 4,271
9. Enter the amount, if any, from Form 1040, line 28 attributable to the same trade or business in which the health insurance plan is established
9. _____
10. Subtract line 9 from line 8
10. 4,271
11. Enter your Medicare wages (Form W-2, box 5) from an S corporation in which you are a more-than-2% shareholder and in which the health insurance plan is established
11. _____
12. Enter the amount from Form 2555, line 45, attributable to the amount entered on line 4 or 11 above, or any amount from Form 2555-EZ, line 18, attributable to the amount entered on line 11 above
12. _____
13. Subtract line 12 from line 10 or 11, whichever applies
13. 4,271
14. Self-employed health insurance deduction. Enter the smaller of line 3 or line 13 here and on Form 1040, line 29. Do not include this amount in figuring any medical expense deduction on Schedule A (Form 1040)
14. 4,271

Form 1040, Dividend Income

Payer	Ordinary Dividends	Qualified Dividends
PRINCIPAL	\$ 70	\$ 70
TOTAL	<u>\$ 70</u>	<u>\$ 70</u>

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LIVESTOCK VINEYARD ETC

Schedule F, Line 2b - Non-specified Sales of Products You Raised

<u>Description</u>	<u>Amount</u>
WINEGRAPE SALES	\$ 49,587
TOTAL	\$ <u>49,587</u>

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**Federal Asset Report
JEWELRY SALES**

FYE: 12/31/2011

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: 12/31/2011

Asset	Description	Date In Service	Cost	Bus %	Sec 179	Bonus	Basis for Depr	PerConv 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		X		15,970	10 MQ S/L	19,821	1,597
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	5,486	314
23	AVIATORS	6/15/05	8,685	X			0	5 HY 200DB	8,685	0
			<u>124,606</u>				<u>88,783</u>		<u>120,828</u>	<u>1,911</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	43,753	1,786
	Total Other Depreciation		<u>62,500</u>				<u>62,500</u>		<u>43,753</u>	<u>1,786</u>
	Total ACRS and Other Depreciation		<u>64,463</u>				<u>64,463</u>		<u>45,716</u>	<u>1,786</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		166,544	3,697
	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>166,544</u>	<u>3,697</u>

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FYE: 12/31/2011

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		49,358		0	0	16,007	30,151
	Grand Total		49,358		0	0	16,007	30,151

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**AMT Asset Report
JEWELRY SALES**

FYE: 12/31/2011

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: 12/31/2011

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				22,815	20 MQ S/L	10,980	1,140
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	5,486	314
23	AVIATORS	6/15/05	8,685		X		0	5 HY 150DB	8,685	0
			<u>124,606</u>				<u>95,628</u>		<u>111,987</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	25,000	1,786
	Total Other Depreciation		<u>62,500</u>				<u>62,500</u>		<u>25,000</u>	<u>1,786</u>
	Total ACRS and Other Depreciation		<u>64,463</u>				<u>64,463</u>		<u>25,177</u>	<u>1,786</u>
Listed Property:										
16	TRUCK	10/07/00	0				0	0 HY	0	0
			<u>0</u>				<u>0</u>		<u>0</u>	<u>0</u>
	Grand Totals		189,069				160,091		137,164	3,240
	Less: Dispositions and Transfers		0				0		0	0
	Net Grand Totals		<u>189,069</u>				<u>160,091</u>		<u>137,164</u>	<u>3,240</u>

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Depreciation Adjustment Report

FYE: 12/31/2011

All Business Activities

<u>Form</u>	<u>Unit</u>	<u>Asset</u>	<u>Description</u>	<u>Tax</u>	<u>AMT</u>	<u>AMT Adjustments/ Preferences</u>
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	1,597	1,140	457
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	314	314	0
F	1	23	AVIATORS	0	0	0
				<u>1,911</u>	<u>1,454</u>	<u>457</u>

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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	1,397	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	313	313
23	AVIATORS	6/15/05	8,685	0	0
			<u>124,606</u>	<u>1,710</u>	<u>1,454</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	1,785	1,785
	Total Other Depreciation		<u>62,500</u>	<u>1,785</u>	<u>1,785</u>
	Total ACRS and Other Depreciation		<u>64,463</u>	<u>1,785</u>	<u>1,785</u>
Listed Property:					
16	TRUCK	10/07/00	0	0	0
			<u>0</u>	<u>0</u>	<u>0</u>
	Grand Totals		<u>189,069</u>	<u>3,495</u>	<u>3,239</u>

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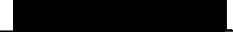
Form **1040**

Carryover Report

EXHIBIT WR-55
2011

Name
STEPHEN J PETERS & NANCY K DONOVAN

Taxpayer Identification Number



Carryover Item	Available to 2011	2011 Amounts	Carryover to 2012
Excess section 179			
Minimum tax credit			
Investment interest			
Investment interest - AMT			
Short-term capital loss	<u>8,907</u>		<u>8,907</u>
Short-term capital loss - AMT	<u>0</u>		
Long-term capital loss	<u>23,932</u>		<u>23,932</u>
Long-term capital loss - AMT	<u>21,470</u>	UTILIZED	<u>18,470</u>
Residential energy efficient property			
D.C. first-time homebuyer credit			
Tax credit bonds			

Nonrecaptured Section 1231 Losses - Line 8, Form 4797

2006 Amounts		
2007 Amounts		
2008 Amounts		
2009 Amounts		
2010 Amounts		
Available to 2011		
2011 Amounts		
Carryover to 2012		

AMT Nonrecaptured Section 1231 Losses - Line 8, Form 4797

2006 Amounts		
2007 Amounts		
2008 Amounts		
2009 Amounts		
2010 Amounts		
Available to 2011		
2011 Amounts		
Carryover to 2012		

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Form **1040****Federal Tax Projection Worksheet 1 - Tax Computation**Name **STEPHEN J PETERS & NANCY K DONOVAN** Taxpayer Identification Number [REDACTED]

		2011	2012	Differences	
		MFJ	MFJ		
	Filing Status				
	Dependents				
	1. Salaries and wages	1.			
	2. Interest and dividend income	2.	70	70	
	3. Taxable state/local refunds	3.			
	4. Alimony received	4.			
	5. Business income/loss	5.	4,596	4,596	
	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.	10,033	10,033	
	12. Unemployment benefits	12.			
	13. Taxable social security benefits	13.		0	
	14. Other income	14.	-39,882	-39,882	
	15. Total income	15.	-28,183	-28,183	
	16. Moving expenses	16.			
	17. Self-employment tax adjustment	17.	1,033	1,033	
	18. SEP/SIMPLE/Qualified plans deductions	18.			
	19. Self-employed health insurance deduction	19.	4,271	4,271	
	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.	-33,487	-33,487	
	26. Medical	26.	6,279	6,279	
	27. State and local or sales taxes	27.			
	28. Real estate taxes	28.	5,091	5,091	
	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.	11,370	11,370	
	35. Standard deduction	35.	11,600	11,900	300
	36. Deduction taken	36.	STANDARD 11,600	STANDARD 11,900	300
	37. Subtract line 36 from line 25	37.	-45,087	-45,387	
	38. Exemptions	38.	7,400	7,600	200
	39. Taxable income	39.	0	0	

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Form **1040**

Federal Tax Projection Worksheet 2 - Tax Computation

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

Filing Status	2011	2012	Differences
	MFJ	MFJ	
40. Taxable income from TPW page 1, line 39	0	0	
41. Tax on taxable income			
42. Taxes from Forms 4972, 8814, and add'l taxes			
43. Alternative minimum tax			
44. Add lines 41, 42 and 43			
45. Foreign tax credit			
46. Child and dependent care credit			
47. Education credits			
48. Retirement savings credit			
49. Credit for the elderly			
50. Child tax credit			
51. Nonbusiness energy property credit			
52. Qualified electric plug-in vehicle credit (Form 8834)			
53. Alternative motor vehicle credit (Form 8910)			
54. Qualified plug-in electric motor vehicle (Form 8936)			
55. Mortgage interest credit			
56. D.C. first-time homebuyer credit			
57. Residential energy efficient property credit			
58. General business credit			
59. Prior year minimum tax credit			
60. Other credits			
61. Total credits			
62. Net tax liability	1,797	1,796	-1
63. Self-employment tax			
64. Tax on unreported tips			
65. Tax on IRA or qualified plans			
66. Household employment taxes			
67. Other taxes			
68. Total tax	1,797	1,796	-1
69. Income tax withheld	50	50	
70. Estimated tax payments	30	1,360	1,330
71. Earned income credit	395	429	34
72. Additional child tax credit			
73. Refundable Adoption credit			
74. Refundable credit fm prior year minimum tax cr			
75. Other payments			
76. Total payments	475	1,839	1,364
77. Net tax due/-refund	1,322	-43	-1,365
78. Marginal tax rate	10.0%	10.0%	
79. Effective tax rate	%	%	
80. Rate of Long-term capital gain	%	%	

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Form **540**

California Two Year Comparison Report

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

		2010	2011	Differences
Income	1. Wages, salaries, tips, etc			
	2. Interest	37		(37)
	3. Dividends	55	70	15
	4. Alimony			
	5. Business income/loss	3,040	4,596	1,556
	6. Capital gain/loss	-3,000	-3,000	
	7. Other gains/losses			
	8. Taxable IRA distributions			
	9. Taxable pensions/annuities			
	10. Rent, royalty, partnership, S corporation, trust			
	11. Farm income/loss	2,169	9,035	6,866
	12. Other income/loss	-48,829	-48,829	
	13. Total income	-46,528	-38,128	8,400
Adjustments	14. Certain business expenses			
	15. Moving expenses			
	16. SE tax adjustment	249	899	650
	17. Keogh/SEP/SIMPLE plans			
	18. SE Health Insurance	2,825	4,271	1,446
	19. Penalty on early withdrawal of savings			
	20. Alimony paid			
	21. IRA deductions			
	22. Student loan deduction			
	23. Other adjustments			
24. Adjusted gross income	-49,602	-48,278	6,304	
Tax Computation	25. Itemized deduction	18,004	11,370	(6,634)
	26. Standard deduction			
	27. Taxable income	0	0	
	28. Tax (Before Exemption Credits)	0	0	
	29. Exemptions (Not less than 0)	198	204	6
	30. Additional taxes (Schedule G-1 and Form 5870A)			
	31. Tax before credits	0	0	
	32. Total credits (Not less than 0)	0	0	
	33. Alternative minimum tax			
	34. Mental Health Services tax			
	35. Other taxes and credit recapture			
	36. Total tax (Includes 453(A) interest)	0	0	
	37. Income tax withheld			
	38. Estimates			
	39. Other payments			
	40. Excess state disability insurance			
	41. Child care credit			
	42. Total payments			
	43. Tax due/-refund	0	0	
	44. Use tax			
	45. Contributions			
	46. Penalties and interest			
	47. Net tax due/-refund			
	48. Marginal tax rate	1.25 %	1.00 %	
	49. Effective tax rate	%	%	

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California Individual Return Summary Tax Year 2011

STEPHEN J PETERS & NANCY K DONOVAN

Income, Adjustments, and Deductions

Federal Adjusted Gross Income	-33,487
Subtractions	49,693
Additions	39,882
Adjusted gross income	-43,298
Itemized deductions <input checked="" type="checkbox"/> Standard deduction <input type="checkbox"/>	11,370
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	204
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 2012	
Use tax	
Contributions	
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

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

2012 Estimates

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

TAXABLE YEAR

CALIFORNIA FORM


2011**e-file Opt-Out Record for Individuals****8454****General Information**

California law requires individual income tax returns prepared by certain income tax preparers to be electronically filed (e-filed) unless the taxpayer elects not to e-file or the tax preparer cannot e-file the return due to reasonable cause. Use this form to record when and why the return was not e-filed.

Do not mail this form to FTB. Please keep it for your records.

For married/registered domestic partners (RDPs) filing jointly, only one spouse/RDP needs to sign.

Part I: Taxpayer Information

Your first name STEPHEN J	Last name PETERS	Your SSN or ITIN 	
If filing jointly, spouse's/RDP's first name NANCY K	Last name DONOVAN		
Address (including number and street, PO Box, or PMB no.) 21451 HWY 128		Apt. no./Ste. no.	Telephone number
City YORKVILLE		State CA	ZIP Code 95494

I elect not to e-file my tax return.

Reason (optional): _____


Your signature	Date
Spouse's/RDP's signature (if filing jointly)	Date

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Part II: Tax Preparer Information

I am not e-filing this taxpayer's return due to reasonable cause.

Explanation: **LATE RETURNS CANNOT BE E-FILED.**

Paid preparer's signature	Date
Paid preparer's name LAWRENCE H. HARRIS, CPA	PTIN 
Firm's name (if applicable) L H HARRIS CERTIFIED PUBLIC ACCOUNT	Telephone number 707-546-2727
Firm's or preparer's address 6400 REDWOOD DRIVE, SUITE 200	State CA
City ROHNERT PARK	ZIP Code 94928

California Resident Income Tax Return 2011

APE

ATTACH FEDERAL RETURN

STEPHEN NANCY PETE ** J PETERS K DONOVAN

11 PBA 423940

P AC A R RP

21451 HWY 128 YORKVILLE

CA 95494

12-18-1949 05-10-1952

Table with columns for line numbers (01-71) and corresponding values. Includes a large watermark 'CLIENT COPY DO NOT FILE' across the middle.

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.

Sign Here section containing fields for signature, email, firm name (L H HARRIS CERTIFIED PUBLIC ACCOUNTANT), address, PTIN (P00043496), FEIN (68-0277084), and a joint tax return discussion question.

Your name: STEPHEN J PETERS

EXHIBIT WR-55
Your SSN or ITIN: [REDACTED]

Filing Status	1	<input type="checkbox"/>	Single			
	2	<input checked="" type="checkbox"/>	Married/RDP filing jointly. (see page 3)			
	3	<input type="checkbox"/>	Married/RDP filing separately. Enter spouse's/RDP's SSN or ITIN above and full name here			
	4	<input type="checkbox"/>	Head of household (with qualifying person). (see page 3)			
	5	<input type="checkbox"/>	Qualifying widow(er) with dependent child. Enter year spouse/RDP died.			
If your California filing status is different from your federal filing status, check the box here <input type="checkbox"/>						
Exemptions	6	<input type="checkbox"/>	If someone can claim you (or your spouse/RDP) as a dependent, check the box here (see page 7)	6		
	7	Personal: If you checked 1, 3, or 4 above, enter 1 in the box. If you checked 2 or 5, enter 2 in the box.			Whole dollars only	
			If you checked the box on line 6, see page 7	7	<input type="checkbox"/>	X \$102 = \$ 204
	8	<input type="checkbox"/>	Blind: If you (or your spouse/RDP) are visually impaired, enter 1; if both are visually impaired, enter 2	8	<input type="checkbox"/>	X \$102 = \$
	9	<input type="checkbox"/>	Senior: If you (or your spouse/RDP) are 65 or older, enter 1; if both are 65 or older, enter 2	9	<input type="checkbox"/>	X \$102 = \$
	10	Dependents: Enter name and relationship. Do not include yourself or your spouse/RDP.				
			Total dependent exemptions	10	<input type="checkbox"/>	X \$315 = \$
	11	Exemption amount: Add line 7 through line 10. Transfer this amount to line 32			11	\$ 204
	12	State wages from your Form(s) W-2, box 16			12	00
	Taxable Income	13	Enter federal adjusted gross income from Form 1040, line 37; Form 1040A, line 21; or Form 1040EZ, line 4			13
14		California adjustments - subtractions. Enter the amount from Schedule CA (540), line 37, column B			14	49,693 00
15		Subtract line 14 from line 13. If less than zero, enter the result in parentheses (see page 9)			15	(83,180) 00
16		California adjustments - additions. Enter the amount from Schedule CA (540), line 37, column C			16	39,882 00
17		California adjusted gross income. Combine line 15 and line 16			17	(43,298) 00
18		Enter the larger of your CA standard deduction OR your CA itemized deductions			18	11,370 00
19		Subtract line 18 from line 17. This is your taxable income. If less than zero, enter -0-			19	0 00
Tax	31	Tax. Check 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 \$166,565 (see page 10)			32	204 00
	33	Subtract line 32 from line 31. If less than zero, enter -0-			33	0 00
	34	Tax. (see page 11) Check box if from: <input type="checkbox"/> Schedule G-1 <input type="checkbox"/> Form FTB 5870A			34	0 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 T-350			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	Credit	Code	amount	43	00
	44	Credit	Code	amount	44	00
	45	To claim more than two credits (see page 12)			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
Payments	71	California income tax withheld (see page 13)			71	00
	72	2011 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 2012 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

	Code	Amount
California Seniors Special Fund (see page 23)	● 400	00
Alzheimer's Disease/Related Disorders Fund	● 401	00
California Fund for Senior Citizens	● 402	00
Rare and Endangered Species Preservation Program	● 403	00
State Children's Trust Fund for the Prevention of Child Abuse	● 404	00
California Breast Cancer Research Fund	● 405	00
California Firefighters' Memorial Fund	● 406	00
Emergency Food for Families Fund	● 407	00
California Peace Officer Memorial Foundation Fund	● 408	00
California Sea Otter Fund	● 410	00
Municipal Shelter Spay-Neuter Fund	● 412	00
California Cancer Research Fund	● 413	00
ALS/Lou Gehrig's Disease Research Fund	● 414	00
Arts Council Fund	● 415	00
California Police Activities League (CALPAL) Fund	● 416	00
California Veterans Homes Fund	● 417	00
Safely Surrendered Baby Fund	● 418	00
Child Victims of Human Trafficking Fund	● 419	00
110 Add code 400 through code 419. 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 and search for web pay.

Interest and Penalties 112 Interest, late return penalties, and late payment penalties 112 00
 113 Underpayment of estimated tax. Check box. F B 5805 attached F B 5805F attached 113 00
 114 Total amount due (see page 16). Enclose, but do not staple, any payment 114 00

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Refund and Direct Deposit 115 **REFUND OR NO AMOUNT DUE.** Subtract line 95 and line 110 from line 93 (see page 16). 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 _____ 00
 ● 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 _____ 00
 ● Routing number ● Type ● Account number ● 117 Direct deposit amount

TAXABLE YEAR

2011

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 [REDACTED]

Part I Income Adjustment Schedule

Section A — Income

	A	Federal Amounts (taxable amounts from your federal tax return)	B	Subtractions See instructions	C	Additions See instructions
7 Wages, salaries, tips, etc. See instructions before making an entry in column B or C	7					
8 Taxable interest (b)	8(a)					
9 Ordinary dividends. See instructions. (b) 70	9(a)	70				
10 Taxable refunds, credits, offsets of state and local income taxes	10					
11 Alimony received	11					
12 Business income or (loss)	12	4,596				
13 Capital gain or (loss). See instructions	13	(3,000)				
14 Other gains or (losses)	14					
15 IRA distributions. See instructions. (a)	15(b)					
16 Pensions and annuities. See instructions. (a)	16(b)					
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc.	17					
18 Farm income or (loss)	18	10,033		998		
19 Unemployment compensation	19					
20 Social security benefits (a)	20(b)					
21 Other income:						
a California lottery winnings						
b Disaster loss carryover from FTB 3805V						
c Federal NOL (Form 1040, line 21)						
d NOL carryover from FTB 3805V						
e NOL from FTB 3805D, 3805Z, 3806, 3807, or 3809	21	(39,882)				
f Other (describe):						
22 Total. Combine line 7 through line 21 in column A. Add line 7 through line 21f in column B and column C. Go to Section B.	22	28,133		19,827		39,882

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Section B — Adjustments to Income

23 Educator expenses	23					
24 Certain business expenses of reservists, performing artists, and fee-basis government officials	24					
25 Health savings account deduction	25					
26 Moving expenses	26					
27 Deductible part of self-employment tax	27	1,033		134		
28 Self-employed SEP, SIMPLE, and qualified plans	28					
29 Self-employed health insurance deduction	29	4,271				
30 Penalty on early withdrawal of savings	30					
31a Alimony paid.						
(b) Recipient's: SSN						
Last name	31a					
32 IRA deduction	32					
33 Student loan interest deduction	33					
34 Tuition and fees	34					
35 Domestic production activities deduction	35					
36 Add line 23 through line 31a and line 32 through line 35 in columns A, B, and C. See instructions	36	5,304		134		
37 Total. Subtract line 36 from line 22 in columns A, B, and C. See instructions	37	(33,487)		49,693		39,882

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), line 29	38	<u>11,370</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>11,370</u>
41	Other adjustments including California lottery losses. See instructions. Specify	41	
42	Combine line 40 and line 41	42	<u>11,370</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		\$166,565
	Head of household		\$249,852
	Married/RDP filing jointly or qualifying widow(er)		\$333,134
	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="11,370"/>
44	Enter the larger of the amount on line 43 or your standard deduction listed below		
	Single or married/RDP filing separately		\$3,769
	Married/RDP filing jointly, head of household, or qualifying widow(er)		\$7,538
	Transfer the amount on line 44 to Form 540, line 18	44	<input type="text" value="11,370"/>

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TAXABLE YEAR

Net Operating Loss (NOL) Computation and NOL and Disaster Loss Limitations - Individuals, Estates, and Trusts EXHIBIT WR-55 CALIFORNIA FORM 3805V

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 27 rows for NOL computation. Includes items like Adjusted gross income, itemized deductions, disaster loss, and carryovers. Final NOL carryover is 0.

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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. If negative, use brackets. If positive, enter -0- here and on line 27. Complete Part II and Part III if you have a carryover from prior years	3a				
b 2011 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 26 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
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
12 If line 8 is less than line 10, enter the difference; otherwise, enter -0-	12	0	0	0	0
13 Business capital losses	13				
14 Business capital gains	14				
15 Add line 13 and line 14	15				
16 If line 13 is more than line 15, enter the difference; otherwise, enter -0-	16	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. If you do not have a loss on that line (and do not have an R&TC Section 18152.5 exclusion), skip line 18 through line 23 and enter on line 24 the amount from line 17	18				
19 R&TC Section 18152.5 exclusion. Enter as a positive number	19				
20 Subtract line 19 from line 18. If zero or less, enter -0-	20	0	0	0	0
21 Enter the loss, if any, from line 5 of Schedule D (540NR) worksheet for nonresidents and part-year residents. Enter as a positive number	21				
22 If line 20 is more than line 21, enter the difference; otherwise, enter -0-	22	0	0	0	0
23 If line 21 is more than line 20, enter the difference; otherwise, enter -0-	23	0	0	0	0
24 Subtract line 22 from line 17. If zero or less, enter -0-	24	0	0	0	0
25 NOL and disaster loss carryovers from prior years	25				
26 Add lines 11, 19, 23, 24, and 25	26				
27 2011 NOL carryover. Combine line 3c and line 26. If more than zero, enter -0-	27	0	0	0	0

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NOL - TOTAL SOURCES

STEPHEN J PETERS & NANCY K DONOVAN

4

Part II Determine 2011 Modified Taxable Income (MTI). Be sure to read the instructions for Part II.

1	Taxable income. See instructions	1	(54,668)	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. If the taxpayers modified adjusted gross income is \$300,000 or more, see instructions	1	

Prior Year NOLs

(a) Year of loss	(b) Code	(c) Type of NOL* See below	(d) Initial Loss	(e) Carryover from 2010	(f) Amount used in 2011	(g)	(h) Carryover to 2012 subtract column (f) from column (e)
2	SEE WORKSHEET		54,706	48,829			48,829

Current Year NOLs

3	2011	DIS					
4	2011						
	2011						
	2011						
	2011						

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*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		00

TAXABLE YEAR

Depreciation and Amortization Adjustments

2011

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

3885A

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 2011	5	4,695
6 Total California depreciation from this activity. Add the amounts on line 2, line 4, and line 5	6	4,695
7 Total federal depreciation from this activity. Enter depreciation from federal Form 4562, line 22	7	3,697
8 a If line 6 is more than line 7, enter the difference here and see instructions	8a	998
b 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 2011	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	
14 a If line 12 is more than line 13, enter the difference here and see instructions	14a	
b If line 12 is less than line 13, enter the difference here and see instructions	14b	

Form **540/540NR**

California Auto Worksheet

EXHIBIT WR-55

2011

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 _____
- 2a. Business mileage (51 cents per mile) _____
- 2b. 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 _____
- 2a. Business mileage (51 cents per mile) _____
- 2b. 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

EXHIBIT WR-55
2011

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	_____	_____	_____
2a. Business mileage (51 cents per mile)	_____	_____	_____
2b. 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	_____	_____	_____
2a. Business mileage (51 cents per mile)	_____	_____	_____
2b. 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	_____	_____	_____

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

SCHEDULE A (Form 1040)

Itemized Deductions

EXHIBIT WR-55

OMB No. 1545-0074

2011

Attachment Sequence No. 07

Department of the Treasury Internal Revenue Service (99)

Attach to Form 1040.

See Instructions for Schedule A (Form 1040).

Name(s) shown on Form 1040

STEPHEN J PETERS & NANCY K DONOVAN

Table with columns for line number, description, amount, and total. Includes sections for Medical and Dental Expenses, Taxes You Paid, Interest You Paid, Gifts to Charity, Casualty and Theft Losses, Job Expenses and Certain Miscellaneous Deductions, and Other Miscellaneous Deductions. Total Itemized Deductions: 11,370.

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For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule A (Form 1040) 2011

Form **540/540NR**

California Capital Loss Carryover Worksheet

Names

STEPHEN J PETERS & NANCY K DONOVAN

Taxpayer Identification Number



Total Sources

1. Loss from Schedule D, line 11, stated as a positive number	1. <u>3,000</u>
2. Amount from Form 540, line 17	2. <u>-43,298</u>
3. Amount from Form 540, line 18	3. <u>11,370</u>
4. Subtract line 3 from line 2. If less than zero, enter as a negative amount	4. <u>-54,668</u>
5. Combine line 1 and line 4. If less than zero, enter -0-	5. <u>0</u>
6. Loss from Schedule D, line 8, enter as a positive number	6. <u>27,414</u>
7. Smaller of line 1 or line 5	7. _____
8. Subtract line 7 from line 6. This is your capital loss carryover to 2012	8. <u>27,414</u>

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 2012	8. _____

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Form **540/540NR**

California Charitable Contribution Carryover Worksheet

2011

Name as shown on return

STEPHEN J PETERS

Taxpayer Identification Number



Current Year Contributions

Federal AGI -33,487

Overall Charitable Contribution AGI Limitation _____

	Contribution	AGI Limitation	Amount Utilized in 2011	Utilized by NOL	Carryover to 2012
50% Cash	<u>569</u>	_____	_____	_____	<u>569</u>
50% NonCash	<u>569</u>	_____	_____	_____	<u>569</u>
50% Cap Gain (30%)	_____	_____	_____	_____	_____
30% Cash	_____	_____	_____	_____	_____
30% NonCash	_____	_____	_____	_____	_____
20% NonCash	_____	_____	_____	_____	_____
Totals	<u>1,138</u>	_____	_____	_____	<u>1,138</u>

50% Limitation Carryover Items

50% AGI Limitation _____

Remaining Overall AGI Limitation _____

Fifth - 2006	_____	_____	_____	_____	_____
Fourth - 2007	<u>125</u>	_____	_____	_____	<u>125</u>
Third - 2008	_____	_____	_____	_____	_____
Second - 2009	<u>325</u>	_____	_____	_____	<u>325</u>
First - 2010	<u>500</u>	_____	_____	_____	<u>500</u>
Totals	<u>950</u>	_____	_____	_____	<u>950</u>

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

50% AGI Limitation _____

Remaining Overall AGI Limitation _____

Fifth - 2006	_____	_____	_____	_____	_____
Fourth - 2007	_____	_____	_____	_____	_____
Third - 2008	_____	_____	_____	_____	_____
Second - 2009	_____	_____	_____	_____	_____
First - 2010	_____	_____	_____	_____	_____
Totals	_____	_____	_____	_____	_____

30% Limitation Carryover Items

30% AGI Limitation _____

Remaining Overall AGI Limitation _____

Fifth - 2006	_____	_____	_____	_____	_____
Fourth - 2007	_____	_____	_____	_____	_____
Third - 2008	_____	_____	_____	_____	_____
Second - 2009	_____	_____	_____	_____	_____
First - 2010	_____	_____	_____	_____	_____
Totals	_____	_____	_____	_____	_____

20% Limitation Carryover Items

20% AGI Limitation _____

Remaining Overall AGI Limitation _____

Fifth - 2006	_____	_____	_____	_____	_____
Fourth - 2007	_____	_____	_____	_____	_____
Third - 2008	_____	_____	_____	_____	_____
Second - 2009	_____	_____	_____	_____	_____
First - 2010	_____	_____	_____	_____	_____
Totals	_____	_____	_____	_____	_____

Allowed California contributions
 Allowed federal contributions (Federal Schedule A, Line 19)
 Contributions adjustment, Schedule CA, Line 41

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Form **540/540NR**

California Charitable Contribution Carryover Worksheet AMT

2011

Name as shown on return
STEPHEN J

PETERS

Taxpayer Identification Number
[REDACTED]

Current Year Contributions

AGI -33,487 Overall Charitable Contribution AGI Limitation _____

	Contribution	AGI Limitation	CY Amount Utilized	Utilized by AMT NOL	Carryover to Next Year
50% Cash	<u>569</u>	_____	_____	_____	<u>569</u>
50% NonCash	<u>569</u>	_____	_____	_____	<u>569</u>
50% Cap Gain (30%)	_____	_____	_____	_____	_____
30% Cash	_____	_____	_____	_____	_____
30% NonCash	_____	_____	_____	_____	_____
20% NonCash	_____	_____	_____	_____	_____
Totals	<u>1,138</u>	_____	_____	_____	<u>1,138</u>

50% Limitation Carryover Items

50% AGI Limitation _____ Remaining Overall AGI Limitation _____

Fifth - 2006	_____	_____	_____	_____	_____
Fourth - 2007	_____	_____	_____	_____	_____
Third - 2008	_____	_____	_____	_____	_____
Second - 2009	_____	_____	_____	_____	_____
First - 2010	<u>500</u>	_____	_____	_____	<u>500</u>
Totals	<u>500</u>	_____	_____	_____	<u>500</u>

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

50% (30%) AGI Limitation _____ Remaining Overall AGI Limitation _____

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Fifth - 2006	_____	_____	_____	_____	_____
Fourth - 2007	_____	_____	_____	_____	_____
Third - 2008	_____	_____	_____	_____	_____
Second - 2009	_____	_____	_____	_____	_____
First - 2010	_____	_____	_____	_____	_____
Totals	_____	_____	_____	_____	_____

30% Limitation Carryover Items

30% AGI Limitation _____ Remaining Overall AGI Limitation _____

Fifth - 2006	_____	_____	_____	_____	_____
Fourth - 2007	_____	_____	_____	_____	_____
Third - 2008	_____	_____	_____	_____	_____
Second - 2009	_____	_____	_____	_____	_____
First - 2010	_____	_____	_____	_____	_____
Totals	_____	_____	_____	_____	_____

20% Limitation Carryover Items

20% AGI Limitation _____ Remaining Overall AGI Limitation _____

Fifth - 2006	_____	_____	_____	_____	_____
Fourth - 2007	_____	_____	_____	_____	_____
Third - 2008	_____	_____	_____	_____	_____
Second - 2009	_____	_____	_____	_____	_____
First - 2010	_____	_____	_____	_____	_____
Totals	_____	_____	_____	_____	_____

Charitable contributions allowed for reg tax

Charitable contributions allowed for AMT

Charitable contribution adj to Sch P, line 13 o

TAXABLE YEAR

Net Operating Loss (NOL) Computation and NOL and Disaster Loss Limitations – Individuals, Estates, and Trusts

ALT. MIN. TAX EXHIBIT WR-05 CALIFORNIA FORM

3805V

Attach to your California tax return.

Names as shown on return

STEPHEN J PETERS & NANCY K DONOVAN

SSN or ITIN

FEIN

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 2011 Form 540, line 17. If negative, use brackets. Estates and Trusts, begin on line 3	1	N/A	00
2	Itemized deductions or standard deduction from 2011 Form 540, line 18	2	(N/A	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 27. 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	N/A	00
	b 2011 designated disaster loss included in line 3a. Enter as a positive number	3b	N/A	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 (Schedule P line 21 plus AMTI exclusion)	3c	(748)	00

Enter amounts on line 4 through line 26 as if they were all positive numbers. See instructions.

4	Nonbusiness capital losses	4	26,839	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	26,839	00
7	If line 4 is less than line 5, enter the difference; otherwise, enter -0-	7	0	00
8	Nonbusiness deductions	8	11,370	00
9	Nonbusiness income other than capital gains	9	70	00
10	Add line 7 and line 9	10	70	00
11	If line 8 is more than line 10, enter the difference; otherwise, enter -0-	11	11,300	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	26,839	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 (and do not have an R&TC Section 18152.5 exclusion), skip line 18 through line 23 and enter on line 24 the amount from line 17	18	26,839	00
19	R&TC Section 18152.5 exclusion. Enter as a positive number	19		00
20	Subtract line 19 from line 18. If zero or less, enter -0-	20	26,839	00
21	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	21	3,000	00
22	If line 20 is more than line 21, enter the difference; otherwise, enter -0-	22	23,839	00
23	If line 21 is more than line 20, enter the difference; otherwise, enter -0-	23	0	00
24	Subtract line 22 from line 17. If zero or less, enter -0-	24	3,000	00
25	NOL and disaster loss carryovers from prior years. See instructions	25		00
26	Add lines 11, 19, 23, 24, and 25	26	14,300	00
27	2011 NOL carryover. Combine line 3c and line 26. If more than zero, enter -0-. You do not have a current year NOL to carryover	27	0	00

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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. If negative, use brackets. If positive, enter -0- here and on line 27. Complete Part II and Part III if you have a carryover from prior years	3a				
b 2011 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 (Schedule P line 21)	(Schedule P line 36)			
Enter amounts on line 4 through line 26 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 13 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. If you do not have a loss on that line (and do not have an R&TC Section 18152.5 exclusion), skip line 18 through line 23 and enter on line 24 the amount from line 17	18				
19 R&TC Section 18152.5 exclusion. Enter as a positive number	19				
20 Subtract line 19 from line 18. If zero or less, enter -0-	20 0	0	0	0	0
21 Enter the loss, if any, from line 5 of Schedule D (540NR) worksheet for nonresidents and part-year residents. Enter as a positive number	21				
22 If line 20 is more than line 21, enter the difference; otherwise, enter -0-	22 0	0	0	0	0
23 If line 21 is more than line 20, enter the difference; otherwise, enter -0-	23 0	0	0	0	0
24 Subtract line 22 from line 17. If zero or less, enter -0-	24 0	0	0	0	0
25 NOL and disaster loss carryovers from prior years	25				
26 Add lines 11, 19, 23, 24, and 25	26				
27 2011 NOL carryover. Combine line 3c and line 26. If more than zero, enter -0-	27 0	0	0	0	0

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NOL - TOTAL SOURCES

ALT MIN TAX

STEPHEN J PETERS & NANCY K DONOVAN

Part II Determine 2011 Modified Taxable Income (MTI). Be sure to read the instructions for Part II.

1	Taxable income. See instructions	1	(13,480)	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. If the taxpayers modified adjusted gross income is \$300,000 or more, see instructions	1	

Prior Year NOLs

(a) Year of loss	(b) Code	(c) Type of NOL* See below	(d) Initial Loss	(e) Carryover from 2010	(f) Amount used in 2011	(g)	(h) Carryover to 2012 subtract column (f) from column (e)
2		SEE WORKSHEET	48,706	44,062			44,062

Current Year NOLs

3	2011	DIS					
4	2011						
	2011						
	2011						
	2011						

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*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		00

Schedule D AMT Worksheet

EXHIBIT WR-55

TAXABLE YEAR

California Capital Gain or Loss Adjustment

2011

SCHEDULE
D (540)

Name(s) as shown on return
STEPHEN J PETERS
NANCY K DONOVAN

Social security number
XXXXXXXXXX

(a) Description of property (identify S corporation stock) Example 100 shares of "Z" (S stock)	(b) Sales price	(c) Cost or other basis	(d) Loss. If (c) is more than (b), subtract (b) from (c)	(e) Gain. If (b) is more than (c), subtract (c) from (b)
1a				
1b				

2	Net gain or (loss) shown on California Schedule(s) K-1 (541, 565, 568, and 100S)	2		
3	Capital gain distributions (federal Form 1099-DIV, box 2a minus box 2c)	3		
4	Total 2011 gains from all sources. Add column (e) amounts of line 1a, line 1b, line 2, and line 3	4		
5	2011 loss. Add column (d) amounts of line 1a, line 1b & line 2	5	()	
6	California AMT capital loss carryover from 2010, if any. See instructions	6	26,839	
7	Total 2011 loss. Add line 5 and line 6	7	26,839	
8	Combine line 4 and line 7. If a loss, go to line 9. If a gain, go to line 10	8		(26,839)
9	If line 8 is a loss, enter the smaller of: (a) the loss on line 8; or (b) \$3,000 (\$1,500 if married filing a separate return). See instructions	9	(3,000)	
10	Enter the California gain from line 8 or (loss) from line 9	10		(3,000)

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AMT Capital Loss Carryover Worksheet

1.	Loss from AMT Schedule D, line 10, stated as a positive number	1	3,000
2.	Amount from Schedule P, line 21	2	-13,480
3.	Combine line 1 and line 2. If less than zero, enter -0-	3	
4.	Loss from AMT Schedule D, line 8, enter as a positive number	4	26,839
5.	Smaller of line 1 or line 3	5	0
6.	Subtract line 5 from line 4. This is your AMT capital loss carryover to 2012	6	26,839

FYE: 12/31/2011

CA Asset Report

LIVESTOCK VINEYARD ETC

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	18,537	2,282	1,597	-685
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	4,703	627	314	-313
23	AVIATORS	6/15/05	8,685	0	8,685	0	0	0
			<u>124,606</u>	<u>104,790</u>	<u>118,761</u>	<u>2,909</u>	<u>1,911</u>	<u>-998</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	43,753	1,786	1,786	0
	Total Other Depreciation		<u>62,500</u>	<u>62,500</u>	<u>43,753</u>	<u>1,786</u>	<u>1,786</u>	<u>0</u>
	Total ACRS and Other Depreciation		<u>64,463</u>	<u>64,463</u>	<u>45,716</u>	<u>1,786</u>	<u>1,786</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>164,477</u>	<u>4,695</u>	<u>3,697</u>	<u>-998</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>164,477</u>	<u>4,695</u>	<u>3,697</u>	<u>-998</u>

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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	1,996
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	627
23	AVIATORS	6/15/05	8,685	0
			<u>124,606</u>	<u>2,623</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	8/01/88	62,500	1,785
Total Other Depreciation			<u>62,500</u>	<u>1,785</u>

Total ACRS and Other Depreciation			<u>64,463</u>	<u>1,785</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>4,408</u>
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Form **540/540NR** **California Schedule CA Reconciliation Report**
Business, Rental, Farm and Farm Rental Activities **2011**

Name **STEPHEN J PETERS & NANCY K DONOVAN** Taxpayer Identification Number [REDACTED]
 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	50,101		50,101	
Car and Truck expense	2,065		2,065	
Depletion				
Depreciation	3,697	998	4,695	
Vehicle rentals				
Amortization				
Prior year at-risk				
Enterprise zone expenses				
Other expenses	34,306		34,306	
Adjustment				
Total expenses	40,068	998	41,066	0
Tentative Profit or (Loss)	10,033	(998)	9,035	0
Home office				
Net Profit or (Loss)	10,033	(998)	9,035	0
Disallowed excess farm losses				
At-risk adjustment				
Prior year PAL carryover				
PAL adjustment				
Taxable income or (Loss)	10,033	(998)	9,035	0

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