

Test Answer Sheet – State

Name: ANSWER KEY

Scenario 1		
1.	c.	Either MFJ or MFS
2.	b.	False (Because they lived together the entire year, they must file a joint Property Tax Credit Claim including total household resources of both spouses. They may divide the credit amount in any manner they choose.)
Scenario 2		
3.	d.	No special exemptions. If 66 or older, you cannot claim an exemption for totally and permanently disabled.
4.	c.	\$3 per month as property tax and \$247 per month as rent
5.	a.	True. As a senior claimant with total household resources less than \$21,000, Phillip will receive %100 of the credit.
Scenario 3		
6.	d.	\$350 (The Code 7 public pension distribution is subtractable because her pension of \$15,000 is under the limit of \$20,000 for public and private pensions for taxpayers born in 1946 through 1952 and before reaching age 67. In addition, the interest from U.S. Savings Bonds is subtractable on the Michigan return. Mary's only income subject to tax by Michigan is the interest from her savings account of \$350.)
7.	b.	False. Mary needs to file a Michigan return because her AGI exceeds her personal exemption allowance.
Scenario 4		
8.	c.	His share of property taxes assessed on the facility based on the licensed capacity of the AFC home.
9.	b.	False (State SSI should be entered on the line for DHS benefits.)
10.	a.	True
Scenario 5		
11.	a.	\$700 for taxes levied in 2013
12.	a.	True.
13.	b.	False. Mary cannot file a Home Heating Credit Claim in 2013 for a prior year. The claim must be filed by September 30 in the year following the claim. There are no extensions.
14.	b.	False (Medical insurance premiums can be deducted to reduce Total Household Resources.)
Scenario 6		
15.	d.	Advise client that they will receive a form (Form 743) from the State of Michigan for allocation of income that must be completed accurately and timely.
Scenario 7		
16.	b.	False. William does not have a Hamtramck filing requirement because his city taxable income (\$50 interest from a savings account) is not more than \$600.
17.	b.	False. Interest from obligations of the United States is not taxable on city returns.
Scenario 8		
18.	d.	File returns for both cities and claim a credit on the Highland Park return for income tax paid to other cities (Detroit) subject to a limitation.
19.	b.	False. The non-resident return, Detroit, should be prepared first.
20.	a.	True. Taxpayers with a large balance due on their return (typically \$100 or more) may be required to pay estimated taxes for the next year.
Total Questions:		20
Passing Score:		16 of 20