

2007 Federal Tax Return Summary

Important: Your taxes are not finished until all required steps are completed.



Haytham Faraj
1888 Avenida Segovia
Oceanside, CA 92056

Balance Due/Refund	Your federal tax return (Form 1040) shows a refund due to you in the amount of \$6,227.00. Your tax refund should be direct deposited into your account within 9 to 14 days after your return is accepted: Account Number: 1830176705 Routing Transit Number: 256074974.		
Where's My Refund?	Before you call the Internal Revenue Service with questions about your refund, give them 9 to 14 days processing time from the date your return is accepted. If then you have not received your refund, or the amount is not what you expected, contact the Internal Revenue Service directly at 1-800-829-4477. You can also check www.irs.gov and select the "Where's my refund?" link.		
2007 Federal Tax Return Summary	Adjusted Gross Income	\$	71,045.00
	Taxable Income	\$	45,724.00
	Total Tax	\$	7,467.00
	Total Payments/Credits	\$	13,694.00
	Amount to be Refunded	\$	6,227.00
	Effective Tax Rate		10.51%
Forms Included	U.S. Individual Income Tax Return		

Label (See instructions.)

Use the IRS label. Otherwise, please print or type.

Presidential Election Campaign

For the year Jan 1 - Dec 31, 2007, or other tax year beginning , 2007, ending , 20
Your first name MI Last name
Haytham Faraj
Your social security number
321-70-6884
If a joint return, spouse's first name MI Last name
Spouse's social security number
Home address (number and street). If you have a P.O. box, see instructions. Apartment no.
1888 Avenida Segovia
You must enter your social security number(s) above.
City, town or post office. If you have a foreign address, see instructions. State ZIP code
Oceanside CA 92056
Checking a box below will not change your tax or refund.
Check here if you, or your spouse if filing jointly, want \$3 to go to this fund? (see instructions) You Spouse

Filing Status

Check only one box.

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

Exemptions

If more than four dependents, see instructions.

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

Income

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a W-2, see instructions.

Enclose, but do not attach, any payment. Also, please use Form 1040-V.

7 Wages, salaries, tips, etc. Attach Form(s) W-2 7 81,468.
8a Taxable interest. Attach Schedule B if required 8a 332.
b Tax-exempt interest. Do not include on line 8a 8b
9a Ordinary dividends. Attach Schedule B if required 9a
b Qualified dividends (see instrs) 9b
10 Taxable refunds, credits, or offsets of state and local income taxes (see instructions) 10
11 Alimony received. 11
12 Business income or (loss). Attach Schedule C or C-EZ 12
13 Capital gain or (loss). Att Sch D if reqd. If not reqd, ck here [X] 13 3,825.
14 Other gains or (losses). Attach Form 4797 14
15a IRA distributions 15a b Taxable amount (see instrs) 15b
16a Pensions and annuities 16a b Taxable amount (see instrs) 16b
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E 17 -14,580.
18 Farm income or (loss). Attach Schedule F 18
19 Unemployment compensation 19
20a Social security benefits 20a b Taxable amount (see instrs) 20b
21 Other income 21
22 Add the amounts in the far right column for lines 7 through 21. This is your total income 22 71,045.

Adjusted Gross Income

23 Educator expenses (see instructions) 23
24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ 24
25 Health savings account deduction. Attach Form 8889 25
26 Moving expenses. Attach Form 3903 26
27 One-half of self-employment tax. Attach Schedule SE 27
28 Self-employed SEP, SIMPLE, and qualified plans 28
29 Self-employed health insurance deduction (see instructions) 29
30 Penalty on early withdrawal of savings 30
31a Alimony paid b Recipient's SSN 31a
32 IRA deduction (see instructions) 32
33 Student loan interest deduction (see instructions) 33
34 Tuition and fees deduction. Attach Form 8917 34
35 Domestic production activities deduction. Attach Form 8903 35
36 Add lines 23 - 31a and 32 - 35 36
37 Subtract line 36 from line 22. This is your adjusted gross income 37 71,045.

Tax and Credits

Standard Deduction for -

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

All others:

Single or Married filing separately, \$5,350

Married filing jointly or Qualifying widow(er), \$10,700

Head of household, \$7,850

Table with 3 columns: Line number, Description, and Amount. Includes lines 38-57 for Tax and Credits.

Other Taxes

Table with 3 columns: Line number, Description, and Amount. Includes lines 58-63 for Other Taxes.

Payments

If you have a qualifying child, attach Schedule EIC.

Table with 3 columns: Line number, Description, and Amount. Includes lines 64-72 for Payments.

Refund

Direct deposit? See instructions and fill in 74b, 74c, and 74d or Form 8888.

Table with 3 columns: Line number, Description, and Amount. Includes lines 73-75 for Refund.

Amount You Owe

Table with 3 columns: Line number, Description, and Amount. Includes lines 76-77 for Amount You Owe.

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? Yes. Complete the following. No

Sign Here

Joint return? See instructions. Keep a copy for your records.

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.

Paid Preparer's Use Only

Preparer's signature, Date, Check if self-employed, Firm's name, EIN, Phone no.

**SCHEDULE A
(Form 1040)**

Department of the Treasury
Internal Revenue Service

Itemized Deductions

▶ Attach to Form 1040.
▶ See Instructions for Schedule A (Form 1040).

OMB No. 1545-0074

2007

Attachment
Sequence No. **07**

Name(s) shown on Form 1040

Your social security number

Haytham Faraj

321-70-6884

Medical and Dental Expenses		Caution. Do not include expenses reimbursed or paid by others.			
1	Medical and dental expenses (see instructions)	1			
2	Enter amount from Form 1040, line 38	2			
3	Multiply line 2 by 7.5% (.075)	3			
4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-	4			
Taxes You Paid		5 State and local (check only one box):			
a	<input type="checkbox"/> Income taxes, or	5	918.		
b	<input checked="" type="checkbox"/> General sales taxes.				
6	Real estate taxes (see instructions)	6	1,951.		
7	Personal property taxes	7			
8	Other taxes. List type and amount ▶	8			
9	Add lines 5 through 8	9			2,869.
Interest You Paid		10	18,817.		
10	Home mtg interest and points reported to you on Form 1098				
11	Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying number, and address ▶				

	-----	11			

12	Points not reported to you on Form 1098. See instrs for spcl rules	12			
13	Qualified mortgage insurance premiums (see instructions)	13			
14	Investment interest. Attach Form 4952 if required. (See instrs.)	14			
15	Add lines 10 through 14	15			18,817.
Gifts to Charity		16	100.		
16	Gifts by cash or check. If you made any gift of \$250 or more, see instrs				
17	Other than by cash or check. If any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500	17			
18	Carryover from prior year	18			
19	Add lines 16 through 18	19			100.
Casualty and Theft Losses		20			
20	Casualty or theft loss(es). Attach Form 4684. (See instructions.)				
21	Unreimbursed employee expenses — job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.) ▶				
	See Form 2106/2106-EZ	21	1,499.		
22	Tax preparation fees	22	57.		
23	Other expenses — investment, safe deposit box, etc. List type and amount ▶	23			
24	Add lines 21 through 23	24	1,556.		
25	Enter amount from Form 1040, line 38	25	71,045.		
26	Multiply line 25 by 2% (.02)	26	1,421.		
27	Subtract line 26 from line 24. If line 26 is more than line 24, enter -0-	27			135.
Other Miscellaneous Deductions		28			
28	Other — from list in the instructions. List type and amount ▶				
Total Itemized Deductions		29			21,921.
29	Is Form 1040, line 38, over \$156,400 (over \$78,200 if married filing separately)? <input checked="" type="checkbox"/> No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 28. Also, enter this amount on Form 1040, line 40. <input type="checkbox"/> Yes. Your deduction may be limited. See instructions for the amount to enter.				
30	If you elect to itemize deductions even though they are less than your standard deduction, check here ▶ <input type="checkbox"/>				

SCHEDULE E
(Form 1040)

Department of the Treasury
Internal Revenue Service

Supplemental Income and Loss
(From rental real estate, royalties, partnerships,
S corporations, estates, trusts, REMICs, etc)
▶ **Attach to Form 1040, 1040NR, or Form 1041.**
▶ **See Instructions for Schedule E (Form 1040).**

OMB No. 1545-0074

2007

Attachment
Sequence No. **13**

Name(s) shown on return

Haytham Faraj

Your social security number

321-70-6884

Part I **Income or Loss From Rental Real Estate and Royalties** Note. If you are in the business of renting personal property, use Schedule C or C-EZ (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

1	List the type and location of each rental real estate property:	2	For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of: • 14 days, or • 10% of the total days rented at fair rental value? (See instructions.)	Yes	No
A	Town House 224 Commerce St. Aurora IL				X
B	Residential rental 5626 Cambourne Rd. Dearborn Heights, MI				X
C					

Income:		Properties			Totals (Add columns A, B, and C.)	
		A	B	C		
3	Rents received	3	14,850.	12,000.	3	26,850.
4	Royalties received	4			4	
Expenses:						
5	Advertising	5	99.			
6	Auto and travel (see instructions)	6	550.	900.		
7	Cleaning and maintenance	7	1,620.			
8	Commissions	8				
9	Insurance	9	362.	1,320.		
10	Legal and other professional fees	10				
11	Management fees	11				
12	Mortgage interest paid to banks, etc (see instructions)	12	14,544.	7,264.	12	21,808.
13	Other interest	13				
14	Repairs	14				
15	Supplies	15				
16	Taxes	16	1,316.	2,901.		
17	Utilities	17	186.	1,800.		
18	Other (list) ▶	18				
19	Add lines 5 through 18	19	18,677.	14,185.	19	32,862.
20	Depreciation expense or depletion (see instructions)	20	8,545.	23.	20	8,568.
21	Total expenses. Add lines 19 and 20 . .	21	27,222.	14,208.		
22	Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see instructions to find out if you must file Form 6198	22	-12,372.	-2,208.		
23	Deductible rental real estate loss. Caution. Your rental real estate loss on line 22 may be limited. See instructions to find out if you must file Form 8582. Real estate professionals must complete line 43 on page 2	23	-12,372.	-2,208.		
24	Income. Add positive amounts shown on line 22. Do not include any losses	24				
25	Losses. Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here	25				-14,580.
26	Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2	26				-14,580.

Department of the Treasury
Internal Revenue Service

▶ **Attach to Form 1040 or Form 1040NR.**

2007

Attachment
Sequence No. **54A**

Your name <u>Haytham Faraj</u>	Occupation in which you incurred expenses <u>Military officer (attorney)</u>	Social security number <u>321-70-6884</u>
-----------------------------------	---	--

You May Use This Form Only if All of the Following Apply.

- You are an employee deducting ordinary and necessary expenses attributable to your job. An ordinary expense is one that is common and accepted in your field of trade, business, or profession. A necessary expense is one that is helpful and appropriate for your business. An expense does not have to be required to be considered necessary.
- You **do not** get reimbursed by your employer for any expenses (amounts your employer included in box 1 of your Form W-2 are not considered reimbursements for this purpose).
- If you are claiming vehicle expense, you are using the standard mileage rate for 2007.

Caution: You can use the standard mileage rate for 2007 **only if:** (a) you owned the vehicle and used the standard mileage rate for the first year you placed the vehicle in service, **or** (b) you leased the vehicle and used the standard mileage rate for the portion of the lease period after 1997.

Part I Figure Your Expenses

1 Vehicle expense using the standard mileage rate. Complete Part II and multiply line 8a by 48.5¢ (.485)	1	141.
2 Parking fees, tolls, and transportation, including train, bus, etc, that did not involve overnight travel or commuting to and from work	2	
3 Travel expense while away from home overnight, including lodging, airplane, car rental, etc. Do not include meals and entertainment	3	
4 Business expenses not included on lines 1 through 3. Do not include meals and entertainment	4	1,358.
5 Meals and entertainment expenses: \$ _____ x 50% (.50) (Employees subject to Department of Transportation (DOT) hours of service limits: Multiply meal expenses incurred while away from home on business by 75% (.75) instead of 50%. For details, see instructions.)	5	
6 Total expenses. Add lines 1 through 5. Enter here and on Schedule A (Form 1040), line 21 (or on Schedule A (Form 1040NR, line 9)). (Armed Forces reservists, fee-basis state or local government officials, qualified performing artists, and individuals with disabilities: See the instructions for special rules on where to enter this amount.)	6	1,499.

Part II Information on Your Vehicle. Complete this part **only** if you are claiming vehicle expense on line 1.

7 When did you place your vehicle in service for business use? (month, day, year) ▶ 11/30/2005

8 Of the total number of miles you drove your vehicle during 2007, enter the number of miles you used your vehicle for:

a Business 290 b Commuting (see instr) _____ c Other 14,710

9 Do you (or your spouse) have another vehicle available for personal use? **Yes** **No**

10 Was your vehicle available for personal use during off-duty hours? **Yes** **No**

11 a Do you have evidence to support your deduction? **Yes** **No**

 b If 'Yes,' is the evidence written? **Yes** **No**

BAA For Paperwork Reduction Act Notice, see separate instructions.

Form **2106-EZ** (2007)

**Depreciation and Amortization
(Including Information on Listed Property)**

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

Name(s) shown on return

Haytham Faraj

Identifying number

321-70-6884

Business or activity to which this form relates

Sch E Residential rental

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 the instructions for a higher limit for certain businesses	1	\$125,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	\$500,000.
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 2006 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs)	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 2008. 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 allowance for qualified New York Liberty or Gulf Opportunity Zone property (other than listed property) and cellulosic biomass ethanol plant property placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

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 2007	17	
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	▶ <input type="checkbox"/>	

Section B – Assets Placed in Service During 2007 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	01/07	660.	27.5 yrs	MM	S/L	23.
			27.5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C – Assets Placed in Service During 2007 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	23.
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	

Charitable Organization Worksheet

2007

▶ Keep for your records

Name(s) Shown on Return <u>Haytham Faraj</u>	Social Security Number <u>321-70-6884</u>
---	--

Charity Name . . . Trial Lawyers College
 Address 777 E.Tahquitz Canyon Way, Suite 321
 City Palm Springs State . . . CA ZIP code . . 92262

Combined Amounts Worksheet				
Note: Amounts entered in worksheets below will be summarized in this worksheet.				
Ref. No.	Date	Donation Description	Donation Type	Donation Amount
1	11/06/2007		Money	100.00
			Total:	100.00

ItsDeductible Item Donations Worksheet								
Note: Amounts in this worksheet can only be entered using the interview process.								
Ref. No.	Donat. Date	VM*	Item Description	High Value	Qty.	Med. Value	Qty.	Total Value

* VM, Valuation Method. 1 indicates it has been valued by ItsDeductible, 0 indicates you have created a custom valuation item.

Haytham Faraj

321-70-6884

Other Item Donations Worksheet				
Note: Double-click on to enter additional information if needed.				
Ref. No.	Donated Date Acquired Date	Donation Description Donation Type How Acquired	Donation Cost How Valued Donation Value	Donation Allowed

Detail of Money Donations Worksheet								
Ref. No.	Donat. Date	Each Don. Amt	Don. Per Yr	Once or Recurring				2007 Amount
1	11/06/2007	100.00	1	<input checked="" type="checkbox"/>	Once	<input type="checkbox"/>	Recur	100.00
				<input type="checkbox"/>	Once	<input type="checkbox"/>	Recur	
				<input type="checkbox"/>	Once	<input type="checkbox"/>	Recur	
				<input type="checkbox"/>	Once	<input type="checkbox"/>	Recur	
				<input type="checkbox"/>	Once	<input type="checkbox"/>	Recur	

Detail of Mileage and Transportation Costs Worksheet							
Ref. No.	Donation Date	Description of Trip			Miles Driven	Total Donation Value	
Miles Per Trip	Trips Per Yr	Once or Recurring		Value of Miles			
Other Costs	Description of Other Costs						
			<input type="checkbox"/>	Once	<input type="checkbox"/>	Recur	
			<input type="checkbox"/>	Once	<input type="checkbox"/>	Recur	
			<input type="checkbox"/>	Once	<input type="checkbox"/>	Recur	
			<input type="checkbox"/>	Once	<input type="checkbox"/>	Recur	

Haytham Faraj

321-70-6884

Detail of Stock Donations Worksheet						
Ref. No.	Date of Donation	Stock Symbol	Value on Donation Date	Date Acquired	Stock Original Cost	Donation Value

Charitable Organization Questions

- 1 Was the **entire interest** given for all property donated to this charity? **Yes** **No**
- 2 Were **restrictions** attached to the charity's right to use or dispose of any property donated to this charity? ▶ **Yes** **No**
- 3 Did you give to anyone other than this charity the right to income from any of the donated property or to possession of any of the donated property? ▶ **Yes** **No**
- 4 What Type of charitable organization was it? Check one:
 (a) 50% charity **(b)** Other than 50% charity

Federal Information Worksheet

▶ Keep for your records

2007

Part I – Personal Information

Information in Part I is **completely calculated** from the Personal Information Worksheets. Enter taxpayer and spouse information on the applicable Personal Worksheet.

Taxpayer:

First Name Haytham
 Middle Initial _____ Suffix _____
 Last Name Faraj
 Social Security No. 321-70-6884
 Occupation Military officer
 Date of Birth 08/01/1968 (mm/dd/yyyy)
 or Age as of 1/1/2008. 39
 Daytime Phone (760) 521-7934 Ext _____
 Legally blind
 Date of death _____

Dependent of Someone Else:

Can taxpayer be claimed as dependent of another person (such as parent)? Yes No
 If yes, **was** taxpayer claimed as dependent on that person's return? Yes No

Credit for the Elderly or Disabled (Schedule R):

Is the taxpayer retired on total and permanent disability? Yes No

Presidential Election Campaign Fund:

Does the taxpayer want \$3 to go to the Presidential Election Campaign Fund? Yes No

Spouse:

First Name _____
 Middle Initial _____ Suffix _____
 Last Name _____
 Social Security No. _____
 Occupation _____
 Date of Birth _____ (mm/dd/yyyy)
 or Age as of 1/1/2008. _____
 Daytime Phone _____ Ext _____
 Legally blind
 Date of death _____

Dependent of Someone Else:

Can spouse be claimed as dependent of another person (such as parent)? Yes No
 If yes, **was** taxpayer claimed as dependent on that person's return? Yes No

Credit for the Elderly or Disabled (Schedule R):

Is the spouse retired on total and permanent disability? Yes No

Presidential Election Campaign Fund:

Does the spouse want \$3 to go to the Presidential Election Campaign Fund? Yes No

Part II – Address and Federal Filing Status

Address 1888 Avenida Segovia Apt No. _____
 City Oceanside State CA ZIP Code 92056
 Foreign country _____

APO/FPO address, check if appropriate APO FPO

Home phone (760) 521-7934

Check to print phone number on Form 1040 Home Taxpayer daytime Spouse daytime

Federal filing status:

- 1 Single
 2 Married filing jointly
 3 Married filing separately
 Check this box if you **did not** live with your spouse at any time during the year
 Check this box if you are eligible to claim your spouse's exemption (see Help)
 4 Head of household
 If the 'qualifying person' is your child but **not** your dependent:
 Child's name _____ Child's social security number _____
 5 Qualifying widow(er)
 Check the appropriate box for the year your spouse died 2005 2006

Part III – Dependent/Earned Income Credit/Child and Dependent Care Credit Information

Information in Part III is **completely calculated** from the Dependent and Nondependent Information Worksheets. Enter Part III information on the Dependent Information Worksheet.

First Name	MI	Social Security Number	Date of Birth			Qualified child/dependent care expenses incurred and paid in 2007	E I C	Lived with taxpayer in U.S.	Education tuition and fees	* Dep
			Age	C o d e	Not qualified for child tax credit					
Last Name	Suffix	Relationship								

*'Yes' qualifies as dependent. 'No' does not qualify as dependent.

If you are eligible for the child tax credit or the earned income credit enter amounts **not** considered earned income (see Help).

Part IV – Earned Income Credit Information (you must answer these questions to calculate EIC)

Is the taxpayer or spouse a qualifying child for EIC for another person? ... Yes No
Was the taxpayer's (and spouse's if married filing jointly) home in the United States for more than half of 2007? ... Yes No
If the SSN of either the taxpayer, or spouse if married filing jointly, was obtained to get a federally funded benefit, such as Medicaid, and the Social Security card contains the legend Not Valid for Employment, check this box (see Help)
Check if you are filing head of household and your spouse is a nonresident alien and you lived with your spouse during the last six months of 2007
Was EIC disallowed or reduced in a previous year and are you required to file Form 8862 this year? ... Yes No
Check if you were notified by the IRS that EIC cannot be claimed in 2007.

Part V – Direct Deposit or Direct Debit Information (not applicable for Form 9465)

Do you want to elect direct deposit of any federal tax refund? ... Yes No
Do you want to elect direct debit of federal balance due (Electronic Filing only)? ... Yes No

If you selected either of the options above, fill out the information below:

Name of financial institution (optional) ... Navy Federal Credit Union
Check the appropriate box ... Checking Savings
Routing number ... 256074974 Account number ... 1830176705

To enter information for the Installment Agreement Request, see Form 9465.

Enter the following information only if you are requesting direct debit of balance due:

Enter the payment date to withdraw from the account above
Balance-due amount from this return

Part VI – Additional Information for Your Federal Return

Standard Deduction/Itemized Deductions:

Check this box if you are itemizing for state tax or other purposes even though your itemized deductions are less than your standard deduction
Check this box if you are married filing separately and your spouse itemized deductions
Check this box to take the standard deduction even if less than itemized deductions

Main Form Selection:

Check this box to calculate Form 1040 even if you qualify to use Form 1040A or 1040EZ
Are you filing Form 1040A only to receive the stimulus payment?

Real Estate Professionals:

Do you or your spouse qualify for the special passive activity rules for taxpayers in real property business? (see Help)

Credit for Qualified Retirement Savings Contributions (Form 8880):

Is the taxpayer a full-time student?
Is the spouse a full-time student?

Foreign Tax Credit (Form 1116):

Check this box to file Form 1116 even if you're not required to file Form 1116
Resident country ... USA

Excludable Income from American Samoa, Guam, Commonwealth of the Northern Mariana Islands, or Puerto Rico:

Excludable income of bona fide residents of American Samoa, Guam, or the Commonwealth of the Northern Mariana Islands
Excludable income from Puerto Rico

Dual Status Alien Return:

Check this box if you are a dual-status alien

Third Party Designee:

Caution: Review transferred information for accuracy.

Do you want to allow another person to discuss this return with the IRS? ... Yes No

If Yes, complete the following:

Third party designee name
Third party designee phone number Personal identification number

If you are entitled to a filing extension or other disaster relief provision as declared by the IRS, enter the appropriate information

Part VII – State Filing Information Enter taxpayer and spouse state of residence on the applicable Personal Information Worksheet.

Taxpayer:

Enter the taxpayer's state of residence as of December 31, 2007 CA

Check the appropriate box:

Taxpayer is a resident of the state above for the entire year.

Taxpayer is a resident of the state above for only part of year.

Date the taxpayer established residence in state above ▶ _____

In which state (or foreign country) did the taxpayer reside before this change? ▶ _____

Spouse:

Enter the spouse's state of residence as of December 31, 2007. _____

Check the appropriate box:

Spouse is a resident of the state above for the entire year

Spouse is a resident of the state above for only part of year.

Date the spouse established residence in state above ▶ _____

In which state (or foreign country) did the spouse reside before this change? ▶ _____

Nonresident states:

Nonresident State(s)	Taxpayer/Spouse/Joint

Check this box if you are in a Registered Domestic Partnership, a civil union, or same-sex marriage

If you checked the box on the line above, also check the appropriate box below:

Check if this is your individual federal return you are filing with the IRS

Check if this is the joint return created to file joint state tax return (see Help)

**Personal Information Worksheet
For the Taxpayer**

2007

▶ Keep for your records

QuickZoom to another copy of Personal Information Worksheet ▶
QuickZoom to Federal Information Worksheet ▶

Part I – Taxpayer’s Personal Information

First name . . . Haytham Middle initial . . . Last name . . . Faraj
Suffix

Social security no. . . . 321-70-6884

Date of birth 08/01/1968 (mm/dd/yyyy) age as of 1-1-2008 39

Occupation Military officer Daytime phone (760) 521-7934 Ext

Marital status . . . Single

If widowed, check the appropriate box for the year your spouse died:

After 2007 ▶ 2007 ▶ 2006 ▶ 2005 ▶ Before 2005 ▶

Can someone (such as your parent) claim you as a dependent? ▶ Yes No

If so, are you actually claimed as a dependent on that person’s tax return? ▶ Yes No

Are you retired on total and permanent disability? (for Schedule R, see Help). ▶ Yes No

Check if this person is legally blind ▶

If deceased, enter the date of death ▶ (mm/dd/yyyy)

Do you want \$3 to go to Presidential Election Campaign Fund? ▶ Yes No

Part II – Taxpayer’s State Residency Information

Enter this person’s state of residence as of December 31, 2007 CA

Check the appropriate box:

This person is a resident of the state above for the entire year

This person is a resident of the state above for only part of year

Date this person established residence in state above ▶

In which state (or foreign country) did this person reside before this change? ▶

Part III – Dependent Care Expenses

Qualified dependent care expenses incurred and paid for this person in 2007

Part IV – Qualified Education

- 1 Are you enrolled in a degree, certificate, or credential program at a qualified institution? Yes No
- 2 Did you take post high-school classes at an eligible education institution to improve or acquire job skills? Yes No
- 3 Are you enrolled in the first or second year of education after high school? Yes No
- 4 Did you carry at least 1/2 full-time class schedule for one academic period? Yes No
- 5 Have you been convicted of possessing or distributing a controlled substance? Yes No
- 6 Check this box if you received a Form 1098-T
- 7 Check if you paid education expenses but didn't receive a Form 1098-T
- 8 Check if you received tax-free education assistance
- 9 Qualified for the Hope credit? Yes No
- 10 Qualified for the lifetime learning credit? Yes No
- 11 Qualified for the tuition and fees deduction? Yes No

Check one of the three boxes below to manually choose a credit or deduction:

- 12 Choose to take the Hope credit?
- 13 Choose to take the lifetime learning credit?
- 14 Choose to take the tuition and fees deduction?

QuickZoom to launch the Optimizer on the Education Tuition and Fees Worksheet ►

15 Education Expenses:

- a Tuition amounts reported on Form(s) 1098-T _____
- b Enter other qualifying tuition paid that was not reported on a Form 1098-T. _____
- c Enter amount of enrollment and attendance fees _____
- d Enter amount paid directly to the institution(s) for books _____
- e Enter amount paid directly to the institution(s) for equipment _____
- f Enter amount paid directly to the institution(s) for supplies. _____
- g Enter other expenses paid directly to the institution(s) _____
- h Total Education Expenses** Add lines 15a through 15g _____

16 Tax-Free Education Assistance:

- a Scholarships or grants reported on Form(s) 1098-T _____
- b Enter Scholarship amounts excluded from gross income _____
- c Enter Fellowship amounts received _____
- d Enter Pell Grant amounts received _____
- e Enter Veterans' educational assistance _____
- f Enter employer-provided educational assistance _____
- g Enter other tax-free assistance _____
- h Total Tax-Free Education Assistance** Add lines 16b through 16g _____

17 Qualified Education Expenses. Subtract line 16h from line 15h. Calculates only if qualifying person for education _____

18 Form(s) 1098-T

Copy No.	School Name	Qualified Tuition (Box 1)	Scholarships or Grants (Box 5)

► Keep for your records

Name(s) Shown on Return
Haytham Faraj

Social Security Number
321-70-6884

Form W-2 Summary

Box No.	Description	Taxpayer	Spouse	Total
1	Total wages, tips and compensation:			
	Non-statutory & statutory wages not on Sch C . . .	81,467.60		81,467.60
	Statutory wages reported on Schedule C			
	Foreign wages included in total wages.			
	Unreported tips.			
2	Total federal tax withheld	13,693.88		13,693.88
3 & 7	Total social security wages/tips	75,027.60		75,027.60
4	Total social security tax withheld	4,651.71		4,651.71
5	Total Medicare wages and tips	75,027.60		75,027.60
6	Total Medicare tax withheld	1,087.90		1,087.90
8	Total allocated tips			
9	Total advance earned income credit			
10	Total dependent care benefits			
11	Total distributions from nonqualified plans . . .			
12 a	Total from Box 12			
b	Elective deferrals to qualified plans			
c	Roth contributions to 401(k) & 403(b) plans . .			
d	Deferrals to government 457 plans			
e	Deferrals to non-government 457 plans			
f	Deferrals 409A nonqual deferred comp plan . .			
g	Income 409A nonqual deferred comp plan . . .			
h	Uncollected Medicare tax			
i	Uncollected social security and RRTA tier 1 . .			
j	Uncollected RRTA tier 2			
k	Income from nonstatutory stock options			
l	Non-taxable combat pay			
m	Total other items from box 12			
14 a	Total deductible mandatory state tax			
b	Total deductible charitable contributions			
c	This line does not apply to TurboTax			
d	Total RR Tier 1 wages			
e	Total RR Tier 1 tax			
f	Total RR Tier 2 tax			
g	Total RRTA tips.			
h	Total other items from box 14			
16	Total state wages and tips	81,467.60		81,467.60
17	Total state tax withheld			
19	Total local tax withheld.			

► Keep for your records

Name Haytham Faraj Social Security Number 321-70-6884

Spouse's W-2
 Do not transfer this W-2 to next year

Military: Complete **Part VI** on Page 2 below

<p>a Employee's social security No . <u>321-70-6884</u></p> <p>b Employer's ID number <u>53-9990000</u></p> <p>c Employer's name, address, and ZIP code <u>Defense Finance Accounting</u> <u>Kansas City Center</u> Street <u>1500 E. Bannister Rd.</u> City <u>Kansas City</u> State <u>MO</u> ZIP Code <u>64197</u> <input type="checkbox"/> <i>Employer has foreign address (see Help)</i></p>	<p>1 Wages, tips, other compensation <u>81,467.60</u></p> <p>3 Social security wages <u>75,027.60</u></p> <p>5 Medicare wages and tips <u>75,027.60</u></p> <p>7 Social security tips _____</p> <p>9 Advance EIC payment _____</p> <p>11 Nonqualified plans _____</p> <p>12 Enter box 12 below _____</p> <p>13 <input type="checkbox"/> Statutory employee <input checked="" type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay</p>	<p>2 Federal income tax withheld <u>13,693.88</u></p> <p>4 Social security tax withheld <u>4,651.71</u></p> <p>6 Medicare tax withheld <u>1,087.90</u></p> <p>8 Allocated tips _____</p> <p>10 Dependent care benefits _____ Distributions from sect. 457 and nonqualified plans <i>(Important, see Help)</i> _____</p>
--	---	--

d Control number _____

Transfer employee information from the Federal Information Worksheet

e Employee's name
 First Haytham M.I. _____
 Last Faraj Suff. _____

f Employee's address and ZIP code
 Street 1888 Avenida Segovia
 City Oceanside
 State CA ZIP Code 92056
 Employee has foreign address (see Help)

14 Enter box 14 below **after** entering boxes 18, 19, and 20.
NOTE: Enter box 15 **before** entering box 14.

Box 12 Code	Box 12 Amount	If Box 12 code is:
		A: Enter amount attributable to RRTA Tier 2 tax _____
		M: Enter amount attributable to RRTA Tier 2 tax _____
		P: Double click to link to Form 3903, line 4. . . _____
		R: Enter MSA contribution for Taxpayer . . . _____
		Spouse _____
		G: <input type="checkbox"/> Employer is not a state or local government

Box 15 State	Employer's state I.D. no.	Box 16 State wages, tips, etc.	Box 17 State income tax
IL		81,467.60	

Box 20 Locality name	Box 18 Local wages, tips, etc.	Box 19 Local income tax	Associated State

Box 14 Description or Code on Actual Form W-2	Amount	TurboTax Identification of Description or Code (Identify this item by selecting the identification from the drop down list. If not on the list, select Other).

Name
Haytham Faraj
Employer's Name Defense Finance Accounting

321-70-6884 Page **2**

ADDITIONAL INFORMATION

Part I Foreign Income

1 The income reported on this W-2 is from a foreign source **and** is eligible to be excluded on Form 2555

Part II Electronic Filing

Complete if you are filing this return electronically.

2 a This W-2 is 'non-standard' (handwritten, typewritten, or altered in any way)
b This W-2 is a corrected W-2

Part III Statutory Employees

Complete if box 13 Statutory employee box is checked.

3 Will you be deducting any expenses in connection with this income? Yes No
4 If so, select the copy of Schedule C you want to report this income on (double-click) _____

Part IV Dependent Care Benefits

Complete if box 10 of this W-2 has an entry.

5 Did this employer hire an on-staff care provider or furnish dependent care at your workplace? Yes No
6 Enter any amounts forfeited from a flexible spending account _____

Part V Clergy, Church Employees, Members of Recognized Religious Sects

Complete if this W-2 is for clergy, church employment, or for a member of a recognized religious sect.

Clergy only:

7 a Enter your designated housing or parsonage allowance _____
b Enter the smallest of (a) your designated housing or parsonage allowance, (b) amount spent on qualifying housing expenses, or (c) fair rental value _____
If no FICA was withheld, check box c, d, e, or f below as appropriate

c Pay self-employment tax on housing or parsonage allowance only
d Pay self-employment tax on W-2 income only
e Pay self-employment tax on both W-2 income and housing allowance
f Exempt from SE tax and have an approved exemption Form 4361

Non-clergy:

If no FICA was withheld, check box a or b below as appropriate

8 a Pay self-employment tax on this W-2 income
b Exempt from SE tax and have an approved exemption Form 4029

Part VI Military

9 a Active duty military pay
b **Non-taxable** combat pay (From box 12, Code Q) _____

Part VII Unreported Tip Income

10 a Tips \$20 or more in a month which were not reported to employer _____
b Tips less than \$20 in a month which were not required to be reported _____
c Value of non-cash tips, such as tickets or passes, not reported to employer _____
d Actual amount of allocated tips if different than the amount in box 8 _____
e Tips paid out by you through a tip-sharing arrangement _____
f Employer is a federal, state, or local government and tips only subject to Medicare tax

Form 1099-INT Worksheet

2007

► Keep for your records

Name(s) Shown on Return Haytham Faraj	Social Security Number 321-70-6884
--	---------------------------------------

Ownership: Check if Spouse
 (defaults to taxpayer) Check if Joint

Payer's name Navy Federal Credit Union

Box 1	Interest income for 2007 (not included in box 3) 312.85 ____ Choose type if special state handling (State Use Only – see Help).
Box 2	Early withdrawal penalty
Box 3	Interest on U.S. Savings Bonds and Treasury obligations
Box 4	Federal income tax withheld State income tax withheld State ID ____
Box 5	Investment expenses
Box 6	Foreign tax paid (All interest is considered passive. See Help) a Check to deduct foreign taxes on Schedule A. . . . <input type="checkbox"/> OR b DoubleClick to link to a copy of Form 1116. . . . <input type="text"/> c For Form 1116, select which column. . . . A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> d Foreign source amount included in interest
Box 7	Foreign country or U.S. possession Check this box if foreign tax is from a mutual fund or a registered investment company. See Tax Help for additional information. <input type="checkbox"/>
Box 8	Tax-exempt interest State ID where exempt interest was earned. If more than 1 state, see Help
Box 9	Special private activity bond included in Box 8, if any OR Private activity bond interest percentage of Box 8, if any %

Adjustments to Interest

Check the box that identifies the type of adjustment being made:

- | | | | |
|-----------------------------------|--------------------------------|-----------------------------------|--|
| N <input type="checkbox"/> | Nominee distribution | A <input type="checkbox"/> | Accrued interest |
| O <input type="checkbox"/> | Original issue discount (OID) | H <input type="checkbox"/> | Other |
| B <input type="checkbox"/> | Amortizable bond premium (ABP) | U <input type="checkbox"/> | U.S. savings bond interest previously reported |

Enter adjustment amount (enter as positive if subtracting/negative if adding)

Form 1099-INT Worksheet

2007

► Keep for your records

Name(s) Shown on Return Haytham Faraj	Social Security Number 321-70-6884
--	---------------------------------------

Ownership: Check if Spouse
 (defaults to taxpayer) Check if Joint

Payer's name GMAC Mortgage

Box 1	Interest income for 2007 (not included in box 3) 19.09 _____ Choose type if special state handling (State Use Only – see Help).
Box 2	Early withdrawal penalty _____
Box 3	Interest on U.S. Savings Bonds and Treasury obligations _____
Box 4	Federal income tax withheld _____ State income tax withheld _____ State ID _____
Box 5	Investment expenses _____
Box 6	Foreign tax paid (All interest is considered passive. See Help) _____ a Check to deduct foreign taxes on Schedule A. <input type="checkbox"/> OR b DoubleClick to link to a copy of Form 1116. <input type="text"/> c For Form 1116, select which column. A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> d Foreign source amount included in interest _____
Box 7	Foreign country or U.S. possession _____ Check this box if foreign tax is from a mutual fund or a registered investment company. See Tax Help for additional information. <input type="checkbox"/>
Box 8	Tax-exempt interest _____ State ID where exempt interest was earned. If more than 1 state, see Help _____
Box 9	Special private activity bond included in Box 8, if any OR _____ Private activity bond interest percentage of Box 8, if any _____ %

Adjustments to Interest

Check the box that identifies the type of adjustment being made:

- | | | | |
|-----------------------------------|--------------------------------|-----------------------------------|--|
| N <input type="checkbox"/> | Nominee distribution | A <input type="checkbox"/> | Accrued interest |
| O <input type="checkbox"/> | Original issue discount (OID) | H <input type="checkbox"/> | Other |
| B <input type="checkbox"/> | Amortizable bond premium (ABP) | U <input type="checkbox"/> | U.S. savings bond interest previously reported |

Enter adjustment amount (enter as positive if subtracting/negative if adding) _____

Form 1099-DIV Worksheet

2007

▶ Keep for your records

Name(s) Shown on Return <u>Haytham Faraj</u>	Social Security Number <u>321-70-6884</u>
---	--

QuickZoom to another copy of Form 1099-DIV Worksheet ▶
QuickZoom to enter **exempt-interest dividends** from a mutual fund ▶

Ownership: Check if Spouse
 (defaults to taxpayer) Check if Joint

Payer's name . . . American Century Investments

Box 1a	Total ordinary dividends U.S. government interest, if any, included in box 1a								
Box 1b	Qualified dividends Adjusted qualified dividends								
Box 2a	Total capital gain distributions							3,825.26	
Box 2b	Unrecaptured Section 1250 gain								
Box 2c	Section 1202 50% gain on QSB stock Section 1202 60% gain (QSB Empowerment Zone stock sold after 12/22/05)								
Box 2d	Collectibles (28%) gain								
Box 3	Nontaxable distributions								
Box 4	Federal income tax withheld State income tax withheld State ID								
Box 5	Investment expenses								
Box 6	Foreign tax paid (All income is considered passive. See Help) a Check to deduct foreign taxes on Schedule A <input type="checkbox"/> OR b DoubleClick to link to a copy of Form 1116 <input type="text"/> c For Form 1116, select which column. A <input type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> d Foreign source amount included in dividends								
Box 7	Foreign country or U.S. possession Check this box if foreign tax is from a mutual fund or a registered investment company. See Tax Help for additional information.								<input type="checkbox"/>
Box 8	Cash liquidation distribution								
Box 9	Noncash (fair market value) liquidation distribution.								

Adjustments to Dividends or ESOP Distribution

Check the box that identifies the type of adjustment being made or if ESOP distribution:

- N** Nominee distribution
- H** Other adjustment
- D** ESOP distribution

Enter nominee or other adjustment amount (enter as positive)

**Form 1040
Line 44**

**Qualified Dividends and Capital Gain Tax
Worksheet - Line 44**

2007

► Keep for your records

Name(s) Shown on Return <u>Haytham Faraj</u>	Social Security Number <u>321-70-6884</u>
---	--

Before you begin: See the instructions for line 44 to see if you can use this worksheet to figure your tax.
If you do not have to file Schedule D and you received capital gain distributions, be sure you checked the box on line 13 of Form 1040.

1	Enter the amount from Form 1040, line 43	1	<u>45,724.</u>	
2	Enter the amount from Form 1040, line 9b	2		
3	Are you filing Schedule D? <input type="checkbox"/> Yes. Enter the smaller of line 15 or 16 of Schedule D, but do not enter less -0- . . . <input checked="" type="checkbox"/> No. Enter the amount from Form 1040, line 13.	3	<u>3,825.</u>	
4	Add lines 2 and 3	4	<u>3,825.</u>	
5	If you are claiming investment interest expense on Form 4952, enter the amount from line 4g. Otherwise enter -0- . . .	5	<u>0.</u>	
6	Subtract line 5 from line 4. If zero or less, enter -0-	6	<u>3,825.</u>	
7	Subtract line 6 from line 1. If zero or less, enter -0-	7	<u>41,899.</u>	
8	Enter the smaller of: • The amount on line 1 or • \$31,850 if single or married filing sep, \$63,700 if married filing jointly or qualifying widow(er), or \$42,650 if head of household.	8	<u>31,850.</u>	
9	Is the amount on line 7 equal to or more than the amount on line 8? <input checked="" type="checkbox"/> Yes. Skip lines 9 through 11; go to line 12. <input type="checkbox"/> No. Enter the amount from line 7	9		
10	Subtract line 9 from line 8	10		
11	Multiply line 10 by 5% (.05)			11
12	Are the amounts on lines 6 and 10 the same? <input type="checkbox"/> Yes. Skip lines 12 through 15; go to line 16 <input checked="" type="checkbox"/> No. Enter the smaller of line 1 or line 6	12	<u>3,825.</u>	
13	Enter the amt from line 10 (if line 10 is blank, enter 0) . . .	13	<u>0.</u>	
14	Subtract line 13 from line 12.	14	<u>3,825.</u>	
15	Multiply line 14 by 15% (.15)			15
16	Figure the tax on the amount on line 7. Use the Tax Table or Tax Computation Worksheet, whichever applies.	16		<u>6,893.</u>
17	Add lines 11, 15, and 16	17		<u>7,467.</u>
18	Figure the tax on the amount on line 1. Use the Tax Table or Tax Computation Worksheet, whichever applies.	18		<u>7,855.</u>
19	Tax on all taxable income. Enter the smaller of line 17 or line 18 here and on Form 1040, line 44.	19		<u>7,467.</u>

Tax Payments Worksheet

2007

▶ Keep for your records

Name(s) Shown on Return Haytham Faraj	Social Security Number 321-70-6884
--	---------------------------------------

Estimated Tax Payments for 2007 (If more than 4 payments for any state or locality, see Tax Help)

	Federal		State			Local		
	Date	Amount	Date	Amount	ID	Date	Amount	ID
1	04/17/07		04/16/07			04/16/07		
2	06/15/07		06/15/07			06/15/07		
3	09/17/07		09/17/07			09/17/07		
4	01/15/08		01/15/08			01/15/08		
5								
Tot Estimated Payments . . .								

Tax Payments Other Than Withholding (If multiple states, see Tax Help)	Federal	State	ID	Local	ID
6 Overpayments applied to 2007					
7 Credited by estates and trusts					
8 Totals Lines 1 through 7					
9 2007 extensions					

Taxes Withheld From:	Federal	State	Local
10 Forms W-2	13,694.		
11 Forms W-2G			
12 Forms 1099-R			
13 Forms 1099-MISC and 1099-G			
14 Schedules K-1			
15 Forms 1099-INT, DIV and OID			
16 Social Security and Railroad Benefits			
17 Form 1099-B			
18 a Other withholding			
b Other withholding			
c Other withholding			
19 Total Withholding Lines 10 through 18c	13,694.		
20 Total Tax Payments for 2007	13,694.		

Prior Year Taxes Paid In 2007 (If multiple states or localities, see Tax Help)	State	ID	Local	ID
21 Tax paid with 2006 extensions				
22 2006 estimated tax paid after 12/31/06				
23 Balance due paid with 2006 return				
24 Other (amended returns, installment payments, etc) . .				

► Keep for your records

Name(s) Shown on Return
Haytham Faraj

Social Security Number
321-70-6884

Tax Deductions

1 State and local taxes:

Optional Sales Tax Tables

a Available Income:

(1) Income from Form 1040, line 38	71,045.00
(2) Nontaxable income entered elsewhere on return	_____
(3) Available income: 2006 refundable credits in excess of tax	0.00
(4) Enter any additional nontaxable income	23,700.00
(5) Total available income	94,745.00

b Sales Tax Per State of Residence:

Enter state in column (1), then enter total (combined) state and local sales tax rate in column (4).

Arkansas, California, Colorado, Georgia, New Jersey or New York only:

Double-click in column (4) to select your locality for each state entered.

(1) State	(2) Date Lived in State From	(3) Date Lived in State To	(4) Enter Total State & Local Rate (%)	(5) State Sales Tax Rate (%)	(6) Local Sales Tax Rate (%) (4) - (5)	(7) State Sales Tax Table Amount	(8) Local Sales Tax Amount	(9) Prorated or Total Amount
CA	01/01/07	12/31/07	7.5000	7.2500	0.2500	887.00	30.60	917.60

c Total general sales tax using tables 917.60

d Sales Tax Paid on Specific Items (motor vehicles, boats):

(1) ST	(2) Total State & Local Rate	(3) Description	(4) Type	(5) Cost	(6) Rate if Different	(7) Actual Sales Tax Amount Paid	(8) Specific Item Deduction

e Total sales tax deduction on specific items _____

f Total general sales tax per tables plus sales tax on specific items 917.60

g Actual State and Local General Sales Tax:

Enter actual sales taxes paid (instead of table amount) _____

h State and Local Income Taxes:

State and Local Income taxes _____

i State and Local Tax Deduction to Schedule A, line 5:

Greater of line 1f, line 1g, or line 1h (to Schedule A, line 5) 917.60

j Check a box to choose to use income taxes paid, sales taxes paid, or whichever provides the greater deduction:

Income Taxes . . Sales Taxes Greater amount .

2 Real estate taxes:

a Real estate taxes paid on principal residence 1,950.82

b	Real estate taxes paid on additional homes or land	_____
	Personal portion of real estate taxes from Schedule E Worksheet for:	
c	Principal residence	_____
d	Vacation home	_____
e	Less real estate taxes deducted on Form 8829	_____
f	Add lines 2a through 2e (to Schedule A, line 6)	<u>1,950.82</u>
3	Personal property taxes:	
a	Auto registration fees based on the value of the vehicle.	
	2006 Amount Enter 2007 description:	
	_____	_____
	_____	_____
	_____	_____
b	Non-business portion of personal property taxes from Car & Truck Exp Wks	_____
c	Other personal property taxes	_____
d	Add lines 3a through 3c (to Schedule A, line 7)	_____
4	Other taxes:	
a	Other taxes from Schedule(s) K-1	_____
b	Foreign taxes from interest and dividends	_____
c	Foreign taxes from Schedule(s) K-1	_____
d	Other foreign taxes (not used to claim a foreign tax credit)	_____
e	Other taxes.	
	2006 Amount Enter 2007 description:	
	_____	_____
	_____	_____
	_____	_____
f	Add lines 4a through 4e (to Schedule A, line 8)	_____

Interest Deductions

5	Home mortgage interest and points reported on Form 1098:	
a	Mortgage interest and points from the Home Mortgage Interest Worksheet	<u>18,817.35</u>
b	Qualified mortgage interest from Schedule E Worksheet	_____
c	Less home mortgage interest/points deducted on Form 8829	_____
d	Less home mortgage interest from Form 8396, line 3	_____
e	Add lines 5a through 5d (to Sch A, line 10)	<u>18,817.35</u>
6	Home mortgage interest not reported on Form 1098:	
a	Mortgage interest from the Home Mortgage Interest Worksheet	_____
b	Less home mortgage interest deducted on Form 8829	_____
c	Add lines 6a and 6b (to Sch A, line 11)	_____
7	Points not reported on Form 1098:	
a	Amortizable points from the Home Mortgage Interest Worksheet	_____
b	Other points not on Form 1098 from the Home Mortgage Interest Worksheet	_____
c	Less points deducted on Form 8829	_____
d	Add lines 7a through 7c (to Schedule A, line 12)	_____

Name(s) Shown on Return
Haytham Faraj

Social Security Number
321-70-6884

Note: Use this worksheet to report home mortgage interest you paid on your main home or second home. Enter mortgage interest you paid for business property other than a home office on the appropriate schedule or form for the business activity (Schedule C, Schedule E, etc.).

1 Was the mortgage interest reported to you on Form 1098? Yes No

2 Recipient's/lender's name Navy Federal Credit Union
If you bought your home from the recipient and did **NOT** receive a Form 1098, enter the recipient's identifying number and address:
Recipient's SSN or ID number _____
Recipient's address _____

QuickZoom if you paid more interest than is shown on Form 1098

If you and someone else were liable for this mortgage and the other person received the Form 1098, **QuickZoom** to complete information for that person

3 Mortgage interest paid on your main home or second home in 2007 10,493.04
4 Points paid in 2007 to buy your main home from Form 1098, box 2. _____

Points NOT reported on Form 1098:

5 Points not reported on Form 1098 that you paid in 2007 to purchase or improve your **main home** _____
6 If you paid other points to this lender which must be spread over the life of the loan, for example points you paid on your second home, on a home equity loan, or when you refinanced, enter the following:
a Total points originally paid on a loan for which the points must be amortized _____
b Date loan was made or date of refinance _____
c Length of loan (years) _____
d Points deducted in prior years for this loan _____
e Amortized points allowable this year _____
f Check this box if the points remaining for this loan are deductible in full in 2007 because you refinanced or paid off the loan
g Amortizable points deducted this year (to Tax and Interest Deduction Wkst., line 6a) _____

QuickZoom to another copy of Home Mortgage Interest Worksheet

► Keep for your records

Name(s) Shown on Return
Haytham Faraj

Social Security Number
321-70-6884

Note: Use this worksheet to report home mortgage interest you paid on your main home or second home. Enter mortgage interest you paid for business property other than a home office on the appropriate schedule or form for the business activity (Schedule C, Schedule E, etc.).

1 Was the mortgage interest reported to you on Form 1098? Yes No

2 Recipient's/lender's name GMAC Mortgage DBA
If you bought your home from the recipient and did **NOT** receive a Form 1098, enter the recipient's identifying number and address:
Recipient's SSN or ID number _____
Recipient's address _____

QuickZoom if you paid more interest than is shown on Form 1098

If you and someone else were liable for this mortgage and the other person received the Form 1098, **QuickZoom** to complete information for that person

3 Mortgage interest paid on your main home or second home in 2007 8,324.31
4 Points paid in 2007 to buy your main home from Form 1098, box 2. _____

Points NOT reported on Form 1098:

5 Points not reported on Form 1098 that you paid in 2007 to purchase or improve your **main home** _____
6 If you paid other points to this lender which must be spread over the life of the loan, for example points you paid on your second home, on a home equity loan, or when you refinanced, enter the following:
a Total points originally paid on a loan for which the points must be amortized _____
b Date loan was made or date of refinance _____
c Length of loan (years) _____
d Points deducted in prior years for this loan _____
e Amortized points allowable this year _____
f Check this box if the points remaining for this loan are deductible in full in 2007 because you refinanced or paid off the loan
g Amortizable points deducted this year (to Tax and Interest Deduction Wkst., line 6a) _____

QuickZoom to another copy of Home Mortgage Interest Worksheet

Charitable Contributions Summary

2007

▶ Keep for your records

Name(s) Shown on Return Haytham Faraj	Social Security Number 321-70-6884
--	---------------------------------------

Part I Cash Contributions Summary

Name of Charitable Organization	(a) Total	(b) 50% Limit	(c) 30% Limit
Trial Lawyers College	100.	100.	
Totals:	100.	100.	

Part II Non-Cash Contributions Summary

Name of Charitable Organization	Total	Other Property		Capital Gain Property	
	(a) Total	(b) 50% Limit	(c) 30% Limit	(d) 30% Limit	(e) 20% Limit
Totals:					

Part III Contribution Carryovers to 2008

	Total	Cash and Other Non-Capital Gain Property		Capital Gain Property	
	(a) Total	(b) 50% Limit	(c) 30% Limit	(d) 30% Limit	(e) 20% Limit
1 2007 contributions	100.	100.			
2 2007 contributions allowed	100.	100.	0.	0.	0.
3 Carryover contributions:					
a From 2006 tax year					
b From 2005 tax year					
c From 2004 tax year					
d From 2003 tax year					
e From 2002 tax year					
4 Carryovers allowed in 2007	0.	0.	0.	0.	0.
5 Carryovers disallowed in 2007	0.	0.	0.	0.	0.
6 Deductions disallowed:					
a 2007 carryover to 2008	0.	0.	0.	0.	0.
b 2006 carryover to 2008					
c 2005 carryover to 2008					
d 2004 carryover to 2008					
e 2003 carryover to 2008					
f 2002 carryover expired					

Part IV Special Situations in Your Return for Current Year Donations

- 1 Was the **entire interest** given for all property donated to all charities? Yes No
- 2 Were **restrictions** attached to any charities's right to use or dispose of any property donated to any charity? ▶ Yes No
- 3 Did you give to anyone other than the charity the right to income from any of the donated property or to possession of any of the donated property? ▶ Yes No
- 4 Was any charity other than a 50% charity? Yes No

► Keep for your records.

Name(s) as shown on return Haytham Faraj	Social Security Number 321-70-6884
--	--

This copy of the worksheet will be on ► **Schedule E, Page 1, Copy 1, Property A**

1 Property location **224 Commerce St. Aurora IL** Property type **Town House**

Check all that apply

<p>A Owned by spouse <input type="checkbox"/></p> <p>C Rental property <input checked="" type="checkbox"/></p> <p>E Commercial property <input type="checkbox"/></p> <p>G Active participation <input checked="" type="checkbox"/></p> <p>I Some investment is not at risk <input type="checkbox"/></p> <p>K Treat all MACRS assets for this activity as qualified Indian reservation property? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>L Treat all assets acquired after August 27, 2005 as qualified GO Zone property? Regular <input type="checkbox"/> Extension <input type="checkbox"/> No <input checked="" type="checkbox"/></p>	<p>B Owned jointly <input type="checkbox"/></p> <p>D Royalty property <input type="checkbox"/></p> <p>F Other passive exceptions <input type="checkbox"/></p> <p>H Material participation <input type="checkbox"/></p> <p>J Complete disposition <input type="checkbox"/></p>
---	--

Ownership Percentage

M Check to allocate income and expenses using ownership percentage

N Enter ownership percentage _____ %

Combined personal residence and rental use

O Check to allocate personal use items

P Percentage of rental use _____ %

Vacation home

Q Check if this is a vacation home property

R Check to allocate interest and taxes using Tax Court Method

S Number of days rented _____

T Number of days personal use _____

U Number of days property owned if less than 365 _____

Income

		% if Different	Total
3 Enter rental income (not reported on 1099)	14,850.		
Rents from 1099-MISC Worksheets			
Total rents received	14,850.	100.000000	14,850.
4 Enter royalties received (not reported on 1099)			
Royalties 1099-MISC and K-1 Worksheets			
Total royalties received			

Expenses

	(a) Total	(b) Enter % if not 100.00	(c) Reported on Schedule E	(d) Vacation Home Loss Limitation	(e) Allocated to Personal Use
5 Advertising	99.		99.		
6a Auto					
b Travel	550.		550.		
7 Cleaning and maintenance	1,620.		1,620.		
8 Commissions					
9a Mortgage insurance qualified					
b Other insurance	362.		362.		
10 Legal and other professional fees					
11 Management fees					
12a Mortgage interest qualified	14,544.		14,544.		
b Mortgage interest other					
13 Other interest					
14 Repairs					
15 Supplies					
16a Real estate taxes	1,316.		1,316.		
b Other taxes					
17 Utilities	186.		186.		
18 Other expenses					
a _____					
b _____					
c _____					
d _____					
e Indirect operating expense					
f Operating expense carryover					
g Vehicle rental					
h Amortization					
19 Add lines 5 through 18	18,677.		18,677.		
20a Depreciation	8,545.		8,545.		
b Depletion					
c Depreciation carryover					
21 Total expenses. Add 19 and 20			27,222.		
22 Income or (loss)			-12,372.		
23 Deductible rental real estate loss			-12,372.		

► Keep for your records.

Name(s) as shown on return Haytham Faraj	Social Security Number 321-70-6884
--	--

This copy of the worksheet will be on ► **Schedule E, Page 1, Copy 1, Property B**

1 Property location 5626 Cambourne Rd. Dearborn Heights, MI Property type Residential rental

Check all that apply

<p>A Owned by spouse <input type="checkbox"/></p> <p>C Rental property <input checked="" type="checkbox"/></p> <p>E Commercial property <input type="checkbox"/></p> <p>G Active participation <input checked="" type="checkbox"/></p> <p>I Some investment is not at risk <input type="checkbox"/></p> <p>K Treat all MACRS assets for this activity as qualified Indian reservation property? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>L Treat all assets acquired after August 27, 2005 as qualified GO Zone property? Regular <input type="checkbox"/> Extension <input type="checkbox"/> No <input checked="" type="checkbox"/></p>	<p>B Owned jointly <input type="checkbox"/></p> <p>D Royalty property <input type="checkbox"/></p> <p>F Other passive exceptions <input type="checkbox"/></p> <p>H Material participation <input type="checkbox"/></p> <p>J Complete disposition <input type="checkbox"/></p>
---	--

Ownership Percentage

M Check to allocate income and expenses using ownership percentage

N Enter ownership percentage _____ %

Combined personal residence and rental use

O Check to allocate personal use items

P Percentage of rental use _____ %

Vacation home

Q Check if this is a vacation home property

R Check to allocate interest and taxes using Tax Court Method

S Number of days rented _____

T Number of days personal use _____

U Number of days property owned if less than 365 _____

Income

		% if Different	Total
3 Enter rental income (not reported on 1099)	12,000.		
Rents from 1099-MISC Worksheets			
Total rents received	12,000.	100.000000	12,000.
4 Enter royalties received (not reported on 1099)			
Royalties 1099-MISC and K-1 Worksheets			
Total royalties received			

Expenses

	(a) Total	(b) Enter % if not 100.00	(c) Reported on Schedule E	(d) Vacation Home Loss Limitation	(e) Allocated to Personal Use
5 Advertising					
6a Auto					
b Travel	900.		900.		
7 Cleaning and maintenance					
8 Commissions					
9a Mortgage insurance qualified					
b Other insurance	1,320.		1,320.		
10 Legal and other professional fees					
11 Management fees					
12a Mortgage interest qualified	7,264.		7,264.		
b Mortgage interest other					
13 Other interest					
14 Repairs					
15 Supplies					
16a Real estate taxes	2,901.		2,901.		
b Other taxes					
17 Utilities	1,800.		1,800.		
18 Other expenses					
a _____					
b _____					
c _____					
d _____					
e Indirect operating expense					
f Operating expense carryover					
g Vehicle rental					
h Amortization					
19 Add lines 5 through 18	14,185.		14,185.		
20a Depreciation	23.		23.		
b Depletion					
c Depreciation carryover					
21 Total expenses. Add 19 and 20			14,208.		
22 Income or (loss)			-2,208.		
23 Deductible rental real estate loss			-2,208.		

Haytham Faraj

321-70-6884

Loss and Expense Carryovers (cont'd)				2006	2007
17	AMT Nonrecap'd net Sec 1231 losses from:	a	2007 . . .	17 a	
		b	2006 . . .	b	
		c	2005 . . .	c	
		d	2004 . . .	d	
		e	2003 . . .	e	
		f	2002 . . .	f	
Credit Carryovers				2006	2007
18	General business credit		18		
19	Adoption credit from:	a	2007	19 a	
		b	2006	b	
		c	2005	c	
		d	2004	d	
		e	2003	e	
		f	2002	f	
20	Mortgage interest credit from:	a	2007	20 a	
		b	2006	b	
		c	2005	c	
		d	2004	d	
21	Credit for prior year minimum tax		21		
22	District of Columbia first-time homebuyer credit		22		
23	Residential energy efficient property credit		23		
24	Amount overpaid less earned income credit		24	0.	
Other Carryovers				2006	2007
25	Section 179 expense deduction disallowed		25		
26	Excess foreign housing deduction:	a	Taxpayer (Form 2555, line 46)	26 a	
		b	Taxpayer (Form 2555, line 48)	b	
		c	Spouse (Form 2555, line 46)	c	
		d	Spouse (Form 2555, line 48)	d	

Haytham Faraj

321-70-6884

Charitable Contribution Carryovers

27 2006 Carryover of charitable contributions from:	Other Property		Capital Gain	
	(a) 50%	(b) 30%	(c) 30%	(d) 20%
a 2006				
b 2005				
c 2004				
d 2003				
e 2002				

28 2007 Carryover of charitable contributions from:	Other Property		Capital Gain	
	(a) 50%	(b) 30%	(c) 30%	(d) 20%
a 2007				
b 2006				
c 2005				
d 2004				
e 2003				

Estimated Rebate Due to Economic Stimulus Act of 2008

29 Total Estimated Rebate:	
a Basic Credit	600.
b Child Credit	0.
c Reduction Due to Adjusted Gross Income Limitation	
d Total Estimated Rebate	600.

Your Name Haytham Faraj	Social Security Number 321-70-6884
----------------------------	---------------------------------------

Occupation in Which You Incurred Expenses
Military officer (attorney)

Line 4 – Other Business Expenses

1	Business gifts	1	
2	Education	2	
3	Home office (QuickZoom to Employee Home Office Wks) ►	3	
4	Trade publications	4	115.
5	Depreciation and amortization (vehicles use the Vehicle Expenses Worksheet)	5	
6	Other:		
	<u>Job search travel and expenses</u>	6	403.
	<u>Uniform purchases and tailoring</u>		840.
	_____		
	_____		
7	Total other business expenses. Add lines 1 through 6. Carries to Form 2106, line 4.	7	1,358.

Line 7 – Allocation of Employer Reimbursements

8	Reimbursements that were not reported in box 1 of Form W-2	8	
9	Total expenses for the period(s) covered by the reimbursements on line 8	9	
10	Meal and entertainment expenses included in line 9	10	
11	Divide line 10 by line 9	11	
12	Employer reimbursement for meals and entertainment. Multiply line 8 by line 11. Carries to Form 2106, line 7, column B.	12	
13	Employer reimbursement for other than meals and entertainment. Subtract line 12 from line 8. Carries to Form 2106, line 7, column A	13	
Department of Transportation (DOT) Employees - complete lines 14 - 19			
14	Employer reimbursement for meals and entertainment expenses	14	
15	Total meals and entertainment expenses for the period(s) covered by the reimbursements on line 14	15	
16	Meal expenses included in line 15 that are covered by DOT rules regarding hours of service limits	16	
17	Divide line 16 by line 15	17	
18	Employer reimbursement for DOT meals. Multiply line 14 by line 17.	18	
19	Employer reimbursement for other meals and entertainment. Subtract line 18 from line 14	19	

Line 10 – Allocation of Business Expenses

(Qualified Performing Artists, Armed Forces Reservists, and Disabled Individuals)

20	Total employee expenses from Form 2106, line 10.	20	1,499.
21	Qualified performing artist expenses. Carries to Form 1040, line 24 (or to Form 1040NR, line 34)	21	
22	Armed Forces Reservists related travel more than 100 miles from home (up to the federal per diem rate). Carries to Form 1040, line 24 (not applicable to Form 1040NR).	22	
23	Impairment-related work expenses. Carries to Schedule A (Form 1040), line 27 (or to Schedule A (Form 1040NR), line 16)	23	
24	Net employee expenses. Subtract lines 21, 22, and 23 from line 20. Carries to Schedule A (Form 1040), line 20 (or to Schedule A (Form 1040NR), line 9)	24	1,499.

Vehicle Expenses Worksheet

2007

▶ Keep for your records

Name(s) Shown on Return <u>Haytham Faraj</u>	Social Security Number <u>321-70-6884</u>
---	--

Activity: Form 2106 Military officer (attorney)

Part I – Vehicle Information

	Vehicle 1	Vehicle 2
	Example: Ford Taurus	
1 Make and model of vehicle	<u>1998 Ford Explorer</u>	_____
	Example: 06/15/07	
2 Date placed in service	<u>11/30/2005</u>	_____
3 Type of vehicle	<u>A2 - Lt truck/van/SUV</u>	_____
	Enter mileage readings, or total miles on line 4c	
4 a Ending mileage reading	_____	_____
b Beginning mileage reading	_____	_____
	Line 4a less line 4b	
c Total miles vehicle was driven during 2007	<u>15,000</u>	_____
5 Number of miles vehicle driven for business	<u>290</u>	_____
	Travel between home and work.	
6 Number of miles driven for commuting	_____	_____
	Line 4c less lines 5 and 6	
7 Number of miles driven for personal purposes	<u>14,710</u>	_____
	Line 5 divided by line 4c	
8 Percent of business use	<u>1.93</u>	_____
9 Average daily round trip commuting mileage	_____	_____
	See Tax Help	
10 Months for special allocation	_____	_____
11 a Do you have evidence to support your deduction?	<input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
b If Yes , is the evidence written?	<input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
12 Do you have another vehicle available for personal use?	<input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
13 Was your vehicle available for personal use during off-duty hours?	<input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>

Part II – Standard Mileage Rate

	Vehicle 1	Vehicle 2
14 Did you own this vehicle, lease this vehicle, or was it not your vehicle?	<input checked="" type="checkbox"/> Own <input type="checkbox"/> Lease <input type="checkbox"/> Not mine	<input type="checkbox"/> Own <input type="checkbox"/> Lease <input type="checkbox"/> Not mine
15 Did you use this vehicle for hire? (Example: Taxicab)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
16 Did you use less than 5 vehicles for business at a time?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
17 If you owned this vehicle, did you use the standard mileage rate for this vehicle's first year, OR if you leased this vehicle, did you use the standard mileage rate for the portion of the lease period after 1997?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Only applies to vehicles placed in service in prior years <input type="checkbox"/> Yes <input type="checkbox"/> No

If you answered Own or Lease to line 14, No to line 15, and Yes to lines 16 and 17 you can take standard mileage for this vehicle:

line 5 times .485

18 **Standard mileage deduction** 141.

Part III - Actual Expenses

1998 Ford Explorer

Table with columns for Vehicle 1 and Vehicle 2, listing expenses from a to k and a subtotal line 20. Includes instructions for line 21-23.

Part IV - Standard Mileage versus Actual Expenses - The program automatically chooses the method that gives you the largest deduction. Check the other method if you want to use it instead.

Table for Part IV with columns for Vehicle 1 and Vehicle 2, rows for Standard mileage (line 24) and Actual expenses (line 25).

Part V - Vehicle Depreciation Information

Vehicle 1 Vehicle 2 Include sales tax. For trade in or vehicle converted from personal use, See Tax Help.

Table for Part V with columns for Vehicle 1 and Vehicle 2, rows 26-37 detailing depreciation information and election options.

Part VI – Disposition of Vehicle – Complete this part only if you sold, abandoned, or otherwise disposed of this vehicle, or removed it from business use in 2007.

Form section for Part VI with columns for Vehicle 1 and Vehicle 2. Includes lines 38-51 for details like date sold, sales price, and depreciation.

Part VII – Detail Vehicle Depreciation Information – This section is calculated for most vehicles from the data entered above. Use Find Next Error feature to check for any required entries.

Form section for Part VII with columns for Vehicle 1 and Vehicle 2. Includes lines 52-59 for vehicle characteristics like 'Truck or van?' and 'Listed property?'.

Regular Depreciation

Form section for Regular Depreciation with columns for Vehicle 1 and Vehicle 2. Includes lines 60-67 for depreciation type, asset class, and basis.

Alternative Minimum Tax Depreciation

Form section for Alternative Minimum Tax Depreciation with columns for Vehicle 1 and Vehicle 2. Includes lines 68-71 for AMT basis and depreciation method.

Form 4562

Depreciation and Amortization Report

2007

Haytham Faraj
Sch E - Town House

Tax Year 2007
► Keep for your records

321-70-6884

Asset Description	Code	Date in Service	Cost (net of land)	Land	Business Use %	Section 179	Special Depreciation Allowance	Depreciable Basis	Life	Method/Convention	Prior Depreciation	Current Depreciation
DEPRECIATION												
Rental Townhouse		05/01/06	235,000		100.00			235,000	27.5	SL/MM		8,545
SUBTOTAL PRIOR YEAR			235,000	0		0	0	235,000			0	8,545
TOTALS			235,000	0		0	0	235,000			0	8,545

Code: S = Sold, A = Auto, L = Listed, H = Home Office

Form 4562

Depreciation and Amortization Report

2007

Haytham Faraj

Tax Year 2007

Sch E - Residential rental

► Keep for your records

321-70-6884

Asset Description	Code	Date in Service	Cost (net of land)	Land	Business Use %	Section 179	Special Depreciation Allowance	Depreciable Basis	Life	Method/ Convention	Prior Depreciation	Current Depreciation
DEPRECIATION												
Residential		01/01/07	660	440	100.00			660	27.5	SL/MM		23
SUBTOTAL CURRENT YEAR			660	440		0	0	660			0	23
TOTALS			660	440		0	0	660			0	23

Code: S = Sold, A = Auto, L = Listed, H = Home Office

Form 4562

Alternative Minimum Tax Depreciation Report

2007

Haytham Faraj
Sch E - Town House

Tax Year 2007
Keep for your records

321-70-6884

Table with 13 columns: Asset Description, Code, Date in Service, Cost (net of land), Land, Business Use %, Section 179, Special Depreciation Allowance, Depreciable Basis, Life, Method/Convention, Prior Depreciation, Current Depreciation, Adjustment/Preference. Rows include DEPRECIATION, Rental Townhouse, SUBTOTAL PRIOR YEAR, and TOTALS.

Code: S = Sold, A = Auto, L = Listed, H = Home Office

Form 4562

Alternative Minimum Tax Depreciation Report

2007

Haytham Faraj

Tax Year 2007

Sch E - Residential rental

▶ Keep for your records

321-70-6884

Asset Description	Code	Date in Service	Cost (net of land)	Land	Business Use %	Section 179	Special Depreciation Allowance	Depreciable Basis	Life	Method/ Convention	Prior Depreciation	Current Depreciation	Adjustment/ Preference
DEPRECIATION													
Residential		01/01/07	660	440	100.00			660	27.5	SL/MM		23	0.
SUBTOTAL CURRENT YEAR			660	440		0	0	660			0	23	0.
TOTALS			660	440		0	0	660			0	23	0.

Code: S = Sold, A = Auto, L = Listed, H = Home Office

Form 4562

Depreciation and Amortization Report

2007

Haytham Faraj

Tax Year 2007

Form 2106 - Military officer (attorney)

► Keep for your records

321-70-6884

Asset Description	Code	Date in Service	Cost (net of land)	Land	Business Use %	Section 179	Special Depreciation Allowance	Depreciable Basis	Life	Method/Convention	Prior Depreciation	Current Depreciation
DEPRECIATION												
1998 Ford Explorer	L	11/30/05			1.93							
SUBTOTAL PRIOR YEAR			0	0		0	0	0			0	0
TOTALS			0	0		0	0	0			0	0

Code: S = Sold, A = Auto, L = Listed, H = Home Office

Form 4562

Alternative Minimum Tax Depreciation Report

2007

Haytham Faraj

Tax Year 2007

Form 2106 - Military officer (attorney)

► Keep for your records

321-70-6884

Asset Description	Code	Date in Service	Cost (net of land)	Land	Business Use %	Section 179	Special Depreciation Allowance	Depreciable Basis	Life	Method/Convention	Prior Depreciation	Current Depreciation	Adjustment/Preference
DEPRECIATION													
1998 Ford Explorer	L	11/30/05			1.93								
SUBTOTAL PRIOR YEAR			0	0		0	0	0			0	0	0.
TOTALS			0	0		0	0	0			0	0	0.

Code: S = Sold, A = Auto, L = Listed, H = Home Office

Tax History Report

2007

▶ Keep for your records

Name(s) Shown on Return

Haytham Faraj

	Five Year Tax History:				
	2003	2004	2005	2006	2007
Filing status					Single
Total income					71,045.
Adjustments to income					
Adjusted gross income					71,045.
Tax expense				5,833.	2,869.
Interest expense				26,615.	18,817.
Contributions					100.
Miscellaneous deductions					135.
Other itemized deductions					
Total itemized/standard deduction				32,448.	21,921.
Exemption amount				3,300.	3,400.
Taxable income					45,724.
Tax				6,351.	7,467.
Alternative minimum tax					
Total credits					
Other taxes					
Payments					13,694.
Form 2210 penalty					
Amount owed					
Applied to next year's estimated tax					
Refund					6,227.
Effective tax rate %					10.51
**Tax bracket %					25

**Tax bracket % is based on Taxable Income.

Tax Summary
 ▶ Keep for your records

2007

Name (s)	SSN
Haytham Faraj	321-70-6884
Total income	71,045.
Adjustments to income	
Adjusted gross income	71,045.
Itemized/standard deduction	21,921.
Exemption amount	3,400.
Taxable income	45,724.
Tentative tax	7,467.
Additional taxes	
Alternative minimum tax	
Total credits	
Other taxes	
Total tax	7,467.
Total payments	13,694.
Estimated tax penalty	
Refund	6,227.
Balance due	0.

Which Form 1040 to file?

You must use Form 1040 because
 you had rental real estate and royalty income(loss).

Compare to U. S. Averages

2007

▶ Keep for your records

Name(s) Shown on Return Haytham Faraj	Social Security No 321-70-6884
--	-----------------------------------

Your 2007 adjusted gross income (AGI) 71,045.
 National adjusted gross income range used below from 50,000. to 99,999.

Note: National average amounts have been adjusted for inflation. See Help for details.

Selected Income, Deductions, and Credits	Actual Per Return	National Average
Salaries and wages	81,468.	66,530.
Taxable interest	332.	1,645.
Tax-exempt interest		6,941.
Dividends		2,820.
Business net income		19,290.
Business net loss		-5,947.
Net capital gain	3,825.	10,460.
Net capital loss		-2,288.
Taxable IRA		14,128.
Taxable pensions and annuities		24,160.
Rent and royalty net income		8,725.
Rent and royalty net loss	-14,580.	-8,345.
Partnership and S corporation net income		21,029.
Partnership and S corporation net loss		-10,352.
Taxable social security benefits		14,292.
Medical and dental expenses		6,550.
Taxes paid deductions	2,869.	6,196.
Interest paid deductions	18,817.	9,536.
Contributions	100.	2,881.
Total itemized deductions	21,921.	20,008.
Child care credit		560.
Credit for the elderly or disabled		0.
Earned income credit		0.
Other Information	Actual Per Return	National Average
Adjusted gross income	71,045.	75,088.
Taxable income	45,724.	50,361.
Alternative minimum tax		1,299.
Total tax liability	7,467.	6,854.

SMART WORKSHEET FOR: Form 1040: Individual Tax Return

Tax Smart Worksheet	
A	Tax <u>7,467.</u>
	Check if from:
1	Tax table <input type="checkbox"/>
2	Tax Computation Worksheet (see instructions) <input type="checkbox"/>
3	Schedule D Tax Worksheet <input type="checkbox"/>
4	Qualified Dividends and Capital Gain Tax Worksheet <input checked="" type="checkbox"/>
5	Schedule J <input type="checkbox"/>
6	Form 8615 <input type="checkbox"/>
7	Foreign Earned Income Tax Worksheet <input type="checkbox"/>
B	Additional tax from Form 8814 _____
C	Additional tax from Form 4972 _____
D	Tax from additional Form(s) 4972 _____
E	Recapture tax from Form 8863 _____
F	IRC Section 197(f)(9)(B)(ii) election for an additional tax _____
G	Tax. Add lines A through F. Enter the result here and on line 44 <u>7,467.</u>

SMART WORKSHEET FOR: Schedule E Worksheet (224 Commerce St. Aurora IL)

Activity Summary Smart Worksheet					
Supporting information provided by program. NO ENTRIES ARE NEEDED.					
A	Ownership <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="padding: 2px;">Taxpayer</td></tr></table>	Taxpayer			
Taxpayer					
B	At-risk status <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="padding: 2px;">All</td></tr></table>	All			
All					
C	Passive status <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="padding: 2px;">Active RE</td></tr></table>	Active RE			
Active RE					
Schedule E					
D	Tentative profit (loss) <table border="1" style="display: inline-table; vertical-align: middle;"><tr><th style="width: 15%;">Regular</th><th style="width: 15%;">AMT</th></tr><tr><td style="text-align: center;">-12,372.</td><td style="text-align: center;">-12,372.</td></tr></table>	Regular	AMT	-12,372.	-12,372.
Regular	AMT				
-12,372.	-12,372.				
E	Other adjustments and preferences <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="background-color: #cccccc;"> </td><td style="background-color: #cccccc;"> </td></tr></table>				
F	At-risk disallowed loss <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td> </td><td> </td></tr></table>				
G	Passive carryover loss <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td> </td><td> </td></tr></table>				
H	Passive disallowed loss <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td> </td><td> </td></tr></table>				
I	Net profit (loss) allowed <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="text-align: center;">-12,372.</td><td style="text-align: center;">-12,372.</td></tr></table>	-12,372.	-12,372.		
-12,372.	-12,372.				
Related Disposition					
J	Tentative profit (loss) <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td> </td><td> </td></tr></table>				
K	At-risk disallowed loss <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td style="background-color: #cccccc;"> </td><td style="background-color: #cccccc;"> </td></tr></table>				
L	Passive carryover loss <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td> </td><td> </td></tr></table>				
M	Passive disallowed loss <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td> </td><td> </td></tr></table>				
N	Net profit (loss) allowed <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td> </td><td> </td></tr></table>				

Activity Summary Smart Worksheet
Supporting information provided by program. NO ENTRIES ARE NEEDED.

A	Ownership	Taxpayer
B	At-risk status	All
C	Passive status	Active RE

	Regular	AMT
Schedule E		
D Tentative profit (loss)	-2,208.	-2,208.
E Other adjustments and preferences		
F At-risk disallowed loss		
G Passive carryover loss.		
H Passive disallowed loss		
I Net profit (loss) allowed	-2,208.	-2,208.
Related Disposition		
J Tentative profit (loss)		
K At-risk disallowed loss		
L Passive carryover loss.		
M Passive disallowed loss		
N Net profit (loss) allowed		