

**ATS Test Scenario 6**  
**Taxpayer: Hector Riva**  
**SSN: 400-00-1041**

Test Scenario 6 includes the following forms:

- Form 1040-SS
- Form 499R - 2/W-2PR
- Form 1040 Schedule C
- Form 1040 Schedule SE

Additional Information:

Taxpayer's Date of Birth is February 7, 1985

1st Dependent's Date of Birth is March 6, 2013

2nd Dependent's Date of Birth is September 9, 2014

3rd Dependent's Date of Birth is July 20, 2015

Taxpayer paid \$2,000.00 in estimated tax payments in 2023 (applied from 2022 return).

Department of the Treasury Internal Revenue Service

For the year Jan. 1-Dec. 31, 2023, or other tax year beginning , 2023, and ending , 20

Personal information section including name (Hector Riva), social security number (400-00-1041), address (URB Royal Forest 132 Calle 2, San Juan, PR 00902-0123), and foreign information.

At any time during 2023, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, or otherwise dispose of a digital asset... [X] Yes [ ] No

Part I Total Tax and Credits

1 Filing status. Check the box for your filing status. See instructions. [X] Single [ ] Married filing jointly [ ] Married filing separately (MFS) [ ] Head of household [ ] Qualifying surviving spouse

2 Qualifying children. Complete only if you are a bona fide resident of Puerto Rico and you are claiming the additional child tax credit. See instructions. If more than four qualifying children, see instructions and check here [ ]

Table with 4 columns: (a) First name, Last name, (b) Child's social security number, (c) Child's relationship to you. Rows include Tommy Riva (Son), Luis Riva (Son), and Flor Riva (Daughter).

Main tax calculation table with rows 3 through 16, including self-employment tax, household employment taxes, total tax, and amount you owe.

Third Party Designee section: Do you want to allow another person to discuss this return with the IRS? [ ] Yes. Complete the following. [ ] No

Sign Here section: 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 Use Only section: Print/Type preparer's name, Preparer's signature, Date, Check [ ] if self-employed, PTIN, Firm's name, Firm's address, Firm's EIN, Phone no.

**Part II Bona Fide Residents of Puerto Rico Claiming Additional Child Tax Credit—See instructions.**

<b>1</b>	Do you have one or more qualifying children under age 17 with the required social security number? <input type="checkbox"/> <b>No.</b> Stop. You can't claim the credit. <input checked="" type="checkbox"/> <b>Yes.</b> Go to line 2.		
<b>2</b>	Number of qualifying children under age 17 with the required social security number: _____ x \$1,600. Enter the result . . . . .		<b>2</b>
<b>3</b>	Enter your modified adjusted gross income . . . . .	<b>3</b>	
<b>4</b>	Enter the amount shown below for your filing status . . . . . • Married filing jointly – \$400,000 • All other filing statuses – \$200,000	<b>4</b>	
<b>5</b>	Is the amount on line 3 more than the amount on line 4? <input checked="" type="checkbox"/> <b>No.</b> Leave line 5 blank. Enter the amount from line 2 on line 11, and go to line 12. <input type="checkbox"/> <b>Yes.</b> Subtract line 4 from line 3. If the result isn't a multiple of \$1,000, increase it to the next multiple of \$1,000 (for example, increase \$425 to \$1,000, increase \$1,025 to \$2,000, etc.) . . . . .	<b>5</b>	
<b>6</b>	Multiply the amount on line 5 by 5% (0.05). Enter the result . . . . .		<b>6</b>
<b>7</b>	Number of qualifying children from line 2 x \$2,000. Enter the result . . . . .	<b>7</b>	
<b>8</b>	Number of other dependents, including children who are not under age 17: _____ x \$500. Enter the result. See instructions . . . . .	<b>8</b>	
<b>9</b>	Add lines 7 and 8 . . . . .	<b>9</b>	
<b>10</b>	Is the amount on line 9 more than the amount on line 6? <input type="checkbox"/> <b>No.</b> Stop. You can't claim the credit. <input type="checkbox"/> <b>Yes.</b> Subtract line 6 from line 9. Enter the result . . . . .		<b>10</b>
<b>11</b>	Enter the <b>smaller</b> of line 2 or line 10 . . . . .		<b>11</b>
<b>12a</b>	Enter one-half of self-employment tax from Part I, line 3 . . . . .	<b>12a</b>	
<b>b</b>	Enter one-half of the Additional Medicare Tax you paid on self-employment income (Form 8959, line 13) . . . . .	<b>12b</b>	
<b>c</b>	Add lines 12a and 12b. . . . .	<b>12c</b>	
<b>13a</b>	Enter the amount, if any, of withheld social security, Medicare, and Additional Medicare taxes from Puerto Rico Form(s) 499R-2/W-2PR ( <b>attach copy of form(s)</b> ). If married filing jointly, include your spouse's amounts with yours . . . . .	<b>13a</b>	
<b>b</b>	Enter the amount, if any, of employee social security and Medicare tax on tips not reported to employer from Form 4137 and shown on the dotted line next to Part I, line 6 . . . . .	<b>13b</b>	
<b>c</b>	Enter the amount, if any, of uncollected employee social security and Medicare tax on wages from Form 8919 shown on the dotted line next to Part I, line 6 . . . . .	<b>13c</b>	
<b>d</b>	Enter the amount, if any, of uncollected employee social security tax and Medicare tax on tips and group-term life insurance (see instructions for Part I, line 6) shown on the dotted line next to Part I, line 6 . . . . .	<b>13d</b>	
<b>e</b>	Enter the amount, if any, of Additional Medicare Tax on Medicare wages (Form 8959, line 7) . . . . .	<b>13e</b>	
<b>f</b>	Add lines 13a through 13e . . . . .	<b>13f</b>	
<b>14</b>	Add lines 12c and 13f. Enter the result . . . . .	<b>14</b>	
<b>15</b>	Enter the amount, if any, of Additional Medicare Tax withheld (Form 8959, line 22) . . . . .	<b>15</b>	
<b>16</b>	Subtract line 15 from line 14. Enter the result . . . . .	<b>16</b>	
<b>17</b>	Enter the amount, if any, from Part I, line 8 . . . . .	<b>17</b>	
<b>18</b>	Is the amount on line 16 more than the amount on line 17? <input type="checkbox"/> <b>No.</b> Stop. You can't claim the credit. <input checked="" type="checkbox"/> <b>Yes.</b> Subtract line 17 from line 16. Enter the result . . . . .		<b>18</b>
<b>19</b>	Additional child tax credit. Enter the smaller of line 11 or line 18 here and on Part I, line 9 . . . . .		<b>19</b>



**COMPROBANTE DE RETENCIÓN - WITHHOLDING STATEMENT**

**222**

1. Nombre - First Name <b>Hector</b>		3. Núm. Seguro Social Social Security No. <b>400-00-1041</b>		INFORMACIÓN PARA EL DEPARTAMENTO DE HACIENDA - DEPARTMENT OF THE TREASURY INFORMATION		INFORMACIÓN PARA EL SEGURO SOCIAL SOCIAL SECURITY INFORMATION	
Apellido(s) - Last Name(s) <b>Riva</b>		4. Núm. de Ident. Patronal Employer Ident. No. (EIN) <b>00-0000055</b>		7. Sueldos - Wages <b>35,058</b>		20. Total Sueldos Seguro Social Social Security Wages <b>35,058</b>	
Dirección Postal del Empleado - Employee's Mailing Address <b>URB Royal Forest 132 Calle 2 San Juan PR 009902-0123</b>		5. Costo de cubierta de salud auspiciada por el patrono - Cost of employer-sponsored health coverage <b>0</b>		8. Comisiones - Commissions <b>0</b>		21. Seguro Social Retenido Social Security Tax Withheld <b>2,174</b>	
Fecha de Nacimiento: Día <u>7</u> Mes <u>2</u> Año <u>1985</u> Date of Birth: Day _____ Month _____ Year _____		6. Donativos Charitable Contributions <b>0</b>		9. Concesiones - Allowances <b>0</b>		22. Total Sueldos y Pro. Medicare Medicare Wages and Tips <b>35,058</b>	
2. Nombre y Dirección Postal del Patrono Employer's Name and Mailing Address <b>Ponce Cement 2986 MFW PR 123 Ponce, PR 00730</b>		Indique si la remuneración incluye pagos al empleado por: - Indicate if the remuneration includes payments to the employee for:		10. Propinas - Tips <b>0</b>		23. Contrib. Medicare Retenida Medicare Tax Withheld <b>508</b>	
Número de Teléfono del Patrono Employer's Telephone Number		A- <input type="checkbox"/> Médico cualificado (Ver instrucciones) Qualified physician (See instructions)		11. Total = 7 + 8 + 9 + 10 <b>35,058</b>		24. Propinas Seguro Social Social Security Tips <b>0</b>	
Correo Electrónico del Patrono Employer's E-mail		B- <input type="checkbox"/> Servicios domésticos Domestic services		12. Gastos Reemb. y Beneficios Marginales Reimb. Expenses and Fringe Benefits <b>2,103</b>		25. Seguro Social no Retenido en Propinas - Uncollected Social Security Tax on Tips <b>0</b>	
Fecha Cese de Operaciones: Día _____ Mes _____ Año _____ Cease of Operations Date: Day _____ Month _____ Year _____		C- <input type="checkbox"/> Trabajo agrícola Agricultural labor		13. Cont. Retenida - Tax Withheld <b>2,103</b>		26. Contrib. Medicare no Retenida en Propinas - Uncollected Medicare Tax on Tips <b>0</b>	
Número Confirmación de Radicación Electrónica Electronic Filing Confirmation Number <b>W1234567890</b>		D- <input type="checkbox"/> Ministro de una iglesia o miembro de una orden religiosa - Minister of a church or member of a religious order		14. Fondo de Retiro Gubernamental Governmental Retirement Fund <b>0</b>			
Número Control - Control Number		E- <input type="checkbox"/> Profesionales de la salud (Ver instrucciones) Health professionals (See instructions)		15. Aportaciones a Planes Calificados Contributions to CODA PLANS <b>0</b>			
Fecha de radicación: <b>31 de enero</b> Filing date: <b>January 31</b>		F- <input type="checkbox"/> Empleo directo (Ver instrucciones) Direct employment (See instructions) (i) Horas trabajadas Hours worked _____ (ii) EIN _____		Salarios Exentos (Ver instrucciones) Exempt Salaries (See instructions) Código/Code _____			
Año: <b>2023</b> Year: <b>2023</b>		G- <input type="checkbox"/> Otros - Others: _____		16. Código/Code _____			
				17. Código/Code _____			
				18. Código/Code _____			
				19. Aportaciones al Programa Ahorra y Duplica tu Dinero - Contributions to the Save and Double your Money Program			

**SCHEDULE C  
(Form 1040)**

Department of the Treasury  
Internal Revenue Service

**Profit or Loss From Business  
(Sole Proprietorship)**

Attach to Form 1040, 1040-SR, 1040-SS, 1040-NR, or 1041; partnerships must generally file Form 1065.  
Go to [www.irs.gov/ScheduleC](http://www.irs.gov/ScheduleC) for instructions and the latest information.

OMB No. 1545-0074

**2023**

Attachment  
Sequence No. **09**

Name of proprietor <b>Hector Riva</b>		Social security number (SSN) <b>400--00-1041</b>
<b>A</b> Principal business or profession, including product or service (see instructions) <b>Produce Stand</b>	<b>B</b> Enter code from instructions <b>1   1   1   2   1   0</b>	
<b>C</b> Business name. If no separate business name, leave blank.	<b>D</b> Employer ID number (EIN) (see instr.)	
<b>E</b> Business address (including suite or room no.) City, town or post office, state, and ZIP code		
<b>F</b> Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify)		
<b>G</b> Did you "materially participate" in the operation of this business during 2023? If "No," see instructions for limit on losses <input type="checkbox"/> Yes <input type="checkbox"/> No		
<b>H</b> If you started or acquired this business during 2023, check here <input type="checkbox"/>		
<b>I</b> Did you make any payments in 2023 that would require you to file Form(s) 1099? See instructions <input type="checkbox"/> Yes <input type="checkbox"/> No		
<b>J</b> If "Yes," did you or will you file required Form(s) 1099? <input type="checkbox"/> Yes <input type="checkbox"/> No		

**Part I Income**

<b>1</b> Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked <input type="checkbox"/>	<b>1</b>	
<b>2</b> Returns and allowances	<b>2</b>	
<b>3</b> Subtract line 2 from line 1	<b>3</b>	
<b>4</b> Cost of goods sold (from line 42)	<b>4</b>	
<b>5</b> <b>Gross profit.</b> Subtract line 4 from line 3	<b>5</b>	
<b>6</b> Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	<b>6</b>	0
<b>7</b> <b>Gross income.</b> Add lines 5 and 6	<b>7</b>	

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

<b>8</b> Advertising	<b>8</b>	1,890	<b>18</b> Office expense (see instructions)	<b>18</b>	1,000
<b>9</b> Car and truck expenses (see instructions)	<b>9</b>		<b>19</b> Pension and profit-sharing plans	<b>19</b>	
<b>10</b> Commissions and fees	<b>10</b>		<b>20</b> Rent or lease (see instructions):		
<b>11</b> Contract labor (see instructions)	<b>11</b>	1,750	<b>a</b> Vehicles, machinery, and equipment	<b>20a</b>	
<b>12</b> Depletion	<b>12</b>		<b>b</b> Other business property	<b>20b</b>	
<b>13</b> Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	<b>13</b>		<b>21</b> Repairs and maintenance	<b>21</b>	290
<b>14</b> Employee benefit programs (other than on line 19)	<b>14</b>		<b>22</b> Supplies (not included in Part III)	<b>22</b>	
<b>15</b> Insurance (other than health)	<b>15</b>		<b>23</b> Taxes and licenses	<b>23</b>	
<b>16</b> Interest (see instructions):			<b>24</b> Travel and meals:		
<b>a</b> Mortgage (paid to banks, etc.)	<b>16a</b>		<b>a</b> Travel	<b>24a</b>	
<b>b</b> Other	<b>16b</b>		<b>b</b> Deductible meals (see instructions)	<b>24b</b>	
<b>17</b> Legal and professional services	<b>17</b>		<b>25</b> Utilities	<b>25</b>	
<b>28</b> <b>Total expenses</b> before expenses for business use of home. Add lines 8 through 27b	<b>28</b>		<b>26</b> Wages (less employment credits)	<b>26</b>	
<b>29</b> Tentative profit or (loss). Subtract line 28 from line 7	<b>29</b>		<b>27a</b> Other expenses (from line 48)	<b>27a</b>	
<b>30</b> Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method. See instructions. <b>Simplified method filers only:</b> Enter the total square footage of (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30	<b>30</b>		<b>b</b> Energy efficient commercial bldgs deduction (attach Form 7205)	<b>27b</b>	
<b>31</b> <b>Net profit or (loss).</b> Subtract line 30 from line 29. • If a profit, enter on both <b>Schedule 1 (Form 1040), line 3</b> , and on <b>Schedule SE, line 2</b> . (If you checked the box on line 1, see instructions.) Estates and trusts, enter on <b>Form 1041, line 3</b> . • If a loss, you <b>must</b> go to line 32.	<b>31</b>				
<b>32</b> If you have a loss, check the box that describes your investment in this activity. See instructions. • If you checked 32a, enter the loss on both <b>Schedule 1 (Form 1040), line 3</b> , and on <b>Schedule SE, line 2</b> . (If you checked the box on line 1, see the line 31 instructions.) Estates and trusts, enter on <b>Form 1041, line 3</b> . • If you checked 32b, you <b>must</b> attach <b>Form 6198</b> . Your loss may be limited.			<b>32a</b> <input type="checkbox"/> All investment is at risk.		
			<b>32b</b> <input type="checkbox"/> Some investment is not at risk.		



**SCHEDULE SE  
(Form 1040)**

**Self-Employment Tax**

OMB No. 1545-0074

Department of the Treasury  
Internal Revenue Service

Attach to Form 1040, 1040-SR, 1040-SS, or 1040-NR.

**2023**  
Attachment  
Sequence No. **17**

Go to [www.irs.gov/ScheduleSE](http://www.irs.gov/ScheduleSE) for instructions and the latest information.

Name of person with self-employment income (as shown on Form 1040, 1040-SR, 1040-SS, or 1040-NR)

Social security number of person  
with self-employment income

Hector Riva

400-00-1041

**Part I Self-Employment Tax**

**Note:** If your only income subject to self-employment tax is **church employee income**, see instructions for how to report your income and the definition of church employee income.

**A** If you are a minister, member of a religious order, or Christian Science practitioner **and** you filed Form 4361, but you had \$400 or more of **other** net earnings from self-employment, check here and continue with Part I

Skip lines 1a and 1b if you use the farm optional method in Part II. See instructions.

**1a** Net farm profit or (loss) from Schedule F, line 34, and farm partnerships, Schedule K-1 (Form 1065), box 14, code A

**1a**

**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 AQ

**1b**

Skip line 2 if you use the nonfarm optional method in Part II. See instructions.

**2** Net profit or (loss) from Schedule C, line 31; and Schedule K-1 (Form 1065), box 14, code A (other than farming). See instructions for other income to report or if you are a minister or member of a religious order

**2**

**3** Combine lines 1a, 1b, and 2

**3**

**4a** If line 3 is more than zero, multiply line 3 by 92.35% (0.9235). Otherwise, enter amount from line 3

**4a**

**Note:** If line 4a is less than \$400 due to Conservation Reserve Program payments on line 1b, see instructions.

**b** If you elect one or both of the optional methods, enter the total of lines 15 and 17 here

**4b**

**c** Combine lines 4a and 4b. If less than \$400, **stop**; you don't owe self-employment tax. **Exception:** If less than \$400 and you had **church employee income**, enter -0- and continue

**4c**

**5a** Enter your **church employee income** from Form W-2. See instructions for definition of church employee income

**5a**

**b** Multiply line 5a by 92.35% (0.9235). If less than \$100, enter -0-

**5b**

0

**6** Add lines 4c and 5b

**6**

**7** Maximum amount of combined wages and self-employment earnings subject to social security tax or the 6.2% portion of the 7.65% railroad retirement (tier 1) tax for 2023

**7**

160,200

**8a** Total social security wages and tips (total of boxes 3 and 7 on Form(s) W-2) and railroad retirement (tier 1) compensation. If \$160,200 or more, skip lines 8b through 10, and go to line 11

**8a**

**b** Unreported tips subject to social security tax from Form 4137, line 10

**8b**

**c** Wages subject to social security tax from Form 8919, line 10

**8c**

**d** Add lines 8a, 8b, and 8c

**8d**

**9** Subtract line 8d from line 7. If zero or less, enter -0- here and on line 10 and go to line 11

**9**

**10** Multiply the **smaller** of line 6 or line 9 by 12.4% (0.124)

**10**

**11** Multiply line 6 by 2.9% (0.029)

**11**

**12 Self-employment tax.** Add lines 10 and 11. Enter here and on **Schedule 2 (Form 1040), line 4, or Form 1040-SS, Part I, line 3**

**12**

**13 Deduction for one-half of self-employment tax.**

Multiply line 12 by 50% (0.50). Enter here and on **Schedule 1 (Form 1040), line 15**

**13**

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

Cat. No. 11358Z

Schedule SE (Form 1040) 2023

**Part II Optional Methods To Figure Net Earnings** (see instructions)

**Farm Optional Method.** You may use this method **only** if **(a)** your gross farm income<sup>1</sup> wasn't more than \$9,840, **or (b)** your net farm profits<sup>2</sup> were less than \$7,103.

<b>14</b> Maximum income for optional methods . . . . .	<b>14</b>	6,560
<b>15</b> Enter the <b>smaller</b> of: two-thirds ( $\frac{2}{3}$ ) of gross farm income <sup>1</sup> (not less than zero) <b>or</b> \$6,560. Also, include this amount on line 4b above . . . . .	<b>15</b>	

**Nonfarm Optional Method.** You may use this method **only** if **(a)** your net nonfarm profits<sup>3</sup> were less than \$7,103 and also less than 72.189% of your gross nonfarm income,<sup>4</sup> **and (b)** you had net earnings from self-employment of at least \$400 in 2 of the prior 3 years. **Caution:** You may use this method no more than five times.

<b>16</b> Subtract line 15 from line 14 . . . . .	<b>16</b>	
<b>17</b> Enter the <b>smaller</b> of: two-thirds ( $\frac{2}{3}$ ) of gross nonfarm income <sup>4</sup> (not less than zero) <b>or</b> the amount on line 16. Also, include this amount on line 4b above . . . . .	<b>17</b>	

<sup>1</sup> From Sch. F, line 9; and Sch. K-1 (Form 1065), box 14, code B.

<sup>2</sup> From Sch. F, line 34; and Sch. K-1 (Form 1065), box 14, code A—minus the amount you would have entered on line 1b had you not used the optional method.

<sup>3</sup> From Sch. C, line 31; and Sch. K-1 (Form 1065), box 14, code A.

<sup>4</sup> From Sch. C, line 7; and Sch. K-1 (Form 1065), box 14, code C.

DRAFT AS OF  
August 8, 2023  
DO NOT FILE