

For the year Jan. 1 - Dec. 31, 2017, or other tax year beginning , 2017, ending , 20 See separate instructions.

Your first name and initial Last name Your social security number
Panex 1040 Individual 999-99-9999

If a joint return, spouse's first name and initial Last name Spouse's social security number
Panex 1040 Individual - Spouse 999-99-9999

Home address (number and street). If you have a P.O. box, see instructions. Apt. no.
632 Adams St. Ste 400
Make sure the SSN(s) above and on line 6c are correct.

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).
Bowling Green, KY 42101
Presidential Election Campaign

Foreign country name Foreign province/state/county Foreign postal code
Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund. You Spouse

Filing Status
1 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) (see instructions)

Exemptions
6a Yourself. If someone can claim you as a dependent, do not check box 6a.
6b Spouse.
c Dependents:
(1) First name Last name (2) Dependent's social security number (3) Dependent's relationship to you (4) if child under age 17 qualifying for child tax credit (see instructions)
d Total number of exemptions claimed. 2

Income
7 Wages, salaries, tips, etc. Attach Form(s) W-2. 7 600,000.
8a Taxable interest. Attach Schedule B if required. 8a 50,000.
b Tax-exempt interest. Do not include on line 8a. 8b
9a Ordinary dividends. Attach Schedule B if required. 9a 50,000.
9b Qualified dividends. 9b
10 Taxable refunds, credits, or offsets of state and local income taxes. 10
11 Alimony received. 11
12 Business income or (loss). Attach Schedule C or C-EZ. 12
13 Capital gain or (loss). Attach Schedule D if required. If not required, check here. 13
14 Other gains or (losses). Attach Form 4797. 14
15a IRA distributions. 15a b Taxable amount. 15b
16a Pensions and annuities. 16a b Taxable amount. 16b
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E. 17 -112,500.
18 Farm income or (loss). Attach Schedule F. 18
19 Unemployment compensation. 19
20a Social security benefits. 20a b Taxable amount. 20b
21 Other income. List type and amount. 21
22 Combine the amounts in the far right column for lines 7 through 21. This is your total income. 22 587,500.

Adjusted Gross Income
23 Educator expenses. 23
24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ. 24
25 Health savings account deduction. Attach Form 8889. 25
26 Moving expenses. Attach Form 3903. 26
27 Deductible part of self-employment tax. Attach Schedule SE. 27
28 Self-employed SEP, SIMPLE, and qualified plans. 28
29 Self-employed health insurance deduction. 29
30 Penalty on early withdrawal of savings. 30
31a Alimony paid b Recipient's SSN. 31a
32 IRA deduction. 32
33 Student loan interest deduction. 33
34 Tuition and fees. Attach Form 8917. 34
35 Domestic production activities deduction. Attach Form 8903. 35
36 Add lines 23 through 35. 36 0.
37 Subtract line 36 from line 22. This is your adjusted gross income. 37 587,500.

Tax and Credits

Standard Deduction for -

- People who check any box on line 39a or 39b or who can be claimed as a dependent, see instructions.
- All others:
 - Single or Married filing separately, \$6,350
 - Married filing jointly or Qualifying widow(er), \$12,700
 - Head of household, \$9,350

38	Amount from line 37 (adjusted gross income)	38	587,500.
39a	Check <input type="checkbox"/> You were born before January 2, 1953, <input type="checkbox"/> Blind. <input type="checkbox"/> Total boxes checked 39a <input type="checkbox"/> if: <input type="checkbox"/> Spouse was born before January 2, 1953, <input type="checkbox"/> Blind. <input type="checkbox"/>		
b	If your spouse itemizes on a separate return or you were a dual-status alien, check here. 39b <input type="checkbox"/>		
40	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	40	12,700.
41	Subtract line 40 from line 38	41	574,800.
42	Exemptions. If line 38 is \$156,900 or less, multiply \$4,050 by the number on line 6d. Otherwise, see instrs	42	0.
43	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	574,800.
44	Tax (see instructions). Check if any from: a <input type="checkbox"/> Form(s) 8814 c <input type="checkbox"/> b <input type="checkbox"/> Form 4972	44	172,852.
45	Alternative minimum tax (see instructions). Attach Form 6251	45	0.
46	Excess advance premium tax credit repayment. Attach Form 8962	46	
47	Add lines 44, 45, and 46	47	172,852.
48	Foreign tax credit. Attach Form 1116 if required	48	
49	Credit for child and dependent care expenses. Attach Form 2441	49	
50	Education credits from Form 8863, line 19	50	
51	Retirement savings contributions credit. Attach Form 8880	51	
52	Child tax credit. Attach Schedule 8812, if required	52	
53	Residential energy credits. Attach Form 5695	53	
54	Other crs from Form: a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/>	54	
55	Add lines 48 through 54. These are your total credits	55	
56	Subtract line 55 from line 47. If line 55 is more than line 47, enter -0-	56	172,852.

Other Taxes

57	Self-employment tax. Attach Schedule SE	57	
58	Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919	58	
59	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	59	
60a	Household employment taxes from Schedule H	60a	
b	First-time homebuyer credit repayment. Attach Form 5405 if required	60b	
61	Health care: individual responsibility (see instructions) Full-year coverage <input checked="" type="checkbox"/>	61	
62	Taxes from: a <input checked="" type="checkbox"/> Form 8959 b <input checked="" type="checkbox"/> Form 8960 c <input type="checkbox"/> Instrs; enter code(s)	62	6,950.
63	Add lines 56 through 62. This is your total tax	63	179,802.

Payments

If you have a qualifying child, attach Schedule EIC.

64	Federal income tax withheld from Forms W-2 and 1099	64	3,600.
65	2017 estimated tax payments and amount applied from 2016 return	65	
66a	Earned income credit (EIC)	66a	
b	Nontaxable combat pay election	66b	
67	Additional child tax credit. Attach Schedule 8812	67	
68	American opportunity credit from Form 8863, line 8	68	
69	Net premium tax credit. Attach Form 8962	69	
70	Amount paid with request for extension to file	70	
71	Excess social security and tier 1 RRTA tax withheld	71	
72	Credit for federal tax on fuels. Attach Form 4136	72	
73	Credits from Form: a <input type="checkbox"/> 2439 b <input type="checkbox"/> Reserved c <input type="checkbox"/> 8885 d <input type="checkbox"/>	73	
74	Add lines 64, 65, 66a, and 67 through 73. These are your total payments	74	3,600.

Refund

Direct deposit? See instructions.

75	If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you overpaid	75	
76a	Amount of line 75 you want refunded to you. If Form 8888 is attached, check here. <input type="checkbox"/>	76a	
b	Routing number	c	Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings
d	Account number		
77	Amount of line 75 you want applied to your 2018 estimated tax	77	

Amount You Owe

78	Amount you owe. Subtract line 74 from line 63. For details on how to pay, see instructions.	78	176,202.
79	Estimated tax penalty (see instructions)	79	

Third Party Designee

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

Designee's name _____ Phone no. **(214) 526-6644** Personal identification number (PIN) _____

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 accurately list all amounts and sources of income I received during the tax year. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature _____ Date _____ Your occupation _____ Daytime phone number _____

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

Paid Preparer Use Only

Print/Type preparer's name _____ Preparer's signature _____ Date **9/24/18** Check if self-employed PTIN _____

Firm's name **Danny W. Looney, P.C.** Firm's EIN **75-2279553**

Firm's address **2745 Dallas Parkway #455** Phone no. **(214) 526-6644**

Plano, TX 75093

SCHEDULE B
(Form 1040A or 1040)

Department of the Treasury
Internal Revenue Service (99)

Interest and Ordinary Dividends

► **Attach to Form 1040A or 1040.**
► **Go to www.irs.gov/ScheduleB for instructions and the latest information.**

OMB No. 1545-0074

2017

Attachment
Sequence No. **08**

Name(s) shown on return

Your social security number

Panex 1040 Individual and Panex 1040 Individual - Spouse

999-99-9999

Part I

Interest

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

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

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

		Amount
		50,000.
2	Add the amounts on line 1.....	50,000.
3	Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815.....	
4	Subtract line 3 from line 2. Enter the result here and on Form 1040A, or Form 1040, line 8a.	50,000.

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

Part II

Ordinary Dividends

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

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

5 List name of payer ►

		50,000.
6	Add the amounts on line 5. Enter the total here and on Form 1040A, or Form 1040, line 9a.	50,000.

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

Part III

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

Foreign Accounts and Trusts

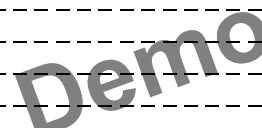
(See instructions.)

7a At any time during 2017, did you have a financial interest in or signature authority over a financial account (such as a bank account, securities account, or brokerage account) located in a foreign country? See instructions.....
If 'Yes,' are you required to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR), to report that financial interest or signature authority? See FinCEN Form 114 and its instructions for filing requirements and exceptions to those requirements.

b If you are required to file FinCEN Form 114, enter the name of the foreign country where the financial account is located ►

8 During 2017, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If 'Yes,' you may have to file Form 3520. See instructions.....

	Yes	No
		X
		X



Name(s) shown on return. Do not enter name and social security number if shown on Page 1.

Your social security number

Panex 1040 Individual and Panex 1040 Individual - Spouse

999-99-9999

Caution: The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

Part II Income or Loss From Partnerships and S Corporations

Note: If you report a loss from an at-risk activity for which any amount is not at risk, you must check the box in column (e) on line 28 and attach Form 6198. See instructions.

27 Are you reporting any loss not allowed in a prior year due to the at-risk, excess farm loss, or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? If you answered "Yes," see instructions before completing this section. Yes No

Table with 5 columns: (a) Name, (b) Enter P for partnership; S for S corporation, (c) Check if foreign partnership, (d) Employer identification number, (e) Check if any amount is not at risk. Rows include Panex Exploration & SWD JV and Sect. 59(e) (2) Deduction.

Table with 5 columns: (f) Passive loss allowed, (g) Passive income from Schedule K-1, (h) Nonpassive loss from Schedule K-1, (i) Section 179 expense deduction from Form 4562, (j) Nonpassive income from Schedule K-1. Totals for 29a, 29b, 30, 31, and 32.

Part III Income or Loss From Estates and Trusts

Table with 2 columns: (a) Name, (b) Employer ID no. Rows A and B.

Table with 4 columns: (c) Passive deduction or loss allowed, (d) Passive income from Schedule K-1, (e) Deduction or loss from Schedule K-1, (f) Other income from Schedule K-1. Totals for 34a, 34b, 35, 36, and 37.

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs) - Residual Holder

Table with 5 columns: (a) Name, (b) Employer identification number, (c) Excess inclusion from Schedules Q, line 2c, (d) Taxable income (net loss) from Schedules Q, line 1b, (e) Income from Schedules Q, line 3b. Row 39.

Part V Summary

Summary table with 2 columns: Description, Amount. Rows 40, 41, 42, 43.

Additional Medicare Tax

- ▶ If any line does not apply to you, leave it blank. See separate instructions.
- ▶ Attach to Form 1040, 1040NR, 1040-PR, or 1040-SS.
- ▶ Go to www.irs.gov/Form8959 for instructions and the latest information.

Name(s) shown on return

Your social security number

Panex 1040 Individual and Panex 1040 Individual - Spouse

999-99-9999

Part I Additional Medicare Tax on Medicare Wages

1	Medicare wages and tips from Form W-2, box 5. If you have more than one Form W-2, enter the total of the amounts from box 5...	1	600,000.	
2	Unreported tips from Form 4137, line 6.	2		
3	Wages from Form 8919, line 6.	3		
4	Add lines 1 through 3.	4	600,000.	
5	Enter the following amount for your filing status: Married filing jointly..... \$250,000 Married filing separately..... \$125,000 Single, Head of household, or Qualifying widow(er).... \$200,000	5	250,000.	
6	Subtract line 5 from line 4. If zero or less, enter -0-	6		350,000.
7	Additional Medicare Tax on Medicare wages. Multiply line 6 by 0.9% (0.009). Enter here and go to Part II.	7		3,150.

Part II Additional Medicare Tax on Self-Employment Income

8	Self-employment income from Schedule SE (Form 1040), Section A, line 4, or Section B, line 6. If you had a loss, enter -0- (Form 1040-PR and Form 1040-SS filers, see instructions.)	8		
9	Enter the following amount for your filing status: Married filing jointly..... \$250,000 Married filing separately..... \$125,000 Single, Head of household, or Qualifying widow(er).... \$200,000	9		
10	Enter the amount from line 4.	10		
11	Subtract line 10 from line 9. If zero or less, enter -0-	11		
12	Subtract line 11 from line 8. If zero or less, enter -0-	12		
13	Additional Medicare Tax on self-employment income. Multiply line 12 by 0.9% (0.009). Enter here and go to Part III.	13		

Part III Additional Medicare Tax on Railroad Retirement Tax Act (RRTA) Compensation

14	Railroad retirement (RRTA) compensation and tips from Form(s) W-2, box 14 (see instructions)	14		
15	Enter the following amount for your filing status: Married filing jointly..... \$250,000 Married filing separately..... \$125,000 Single, Head of household, or Qualifying widow(er).... \$200,000	15		
16	Subtract line 15 from line 14. If zero or less, enter -0-	16		
17	Additional Medicare Tax on railroad retirement (RRTA) compensation. Multiply line 16 by 0.9% (0.009). Enter here and go to Part IV.	17		

Part IV Total Additional Medicare Tax

18	Add lines 7, 13, and 17. Also include this amount on Form 1040, line 62, (Form 1040NR, 1040-PR, and 1040-SS filers, see instructions) and go to Part V.	18		3,150.
----	---	----	--	--------

Part V Withholding Reconciliation

19	Medicare tax withheld from Form W-2, box 6. If you have more than one Form W-2, enter the total of the amounts from box 6.	19	12,300.	
20	Enter the amount from line 1.	20	600,000.	
21	Multiply line 20 by 1.45% (0.0145). This is your regular Medicare tax withholding on Medicare wages.	21	8,700.	
22	Subtract line 21 from line 19. If zero or less, enter -0-. This is your Additional Medicare Tax withholding on Medicare wages.	22		3,600.
23	Additional Medicare Tax withholding on railroad retirement (RRTA) compensation from Form W-2, box 14 (see instructions)	23		
24	Total Additional Medicare Tax withholding. Add lines 22 and 23. Also include this amount with federal income tax withholding on Form 1040, line 64 (Form 1040NR, 1040-PR, and 1040-SS filers, see instructions).	24		3,600.

**Net Investment Income Tax –
 Individuals, Estates, and Trusts**

2017

Attachment
 Sequence No. **72**

▶ Attach to your tax return.
 ▶ Go to www.irs.gov/Form8960 for instructions and the latest information.

Name(s) shown on your tax return: **Panex 1040 Individual and Panex 1040 Individual - Spouse**
 Your social security number or EIN: **999-99-9999**

Part I Investment Income

Section 6013(g) election (see instructions)
 Section 6013(h) election (see instructions)
 Regulations section 1.1411-10(g) election (see instructions)

1	Taxable interest (see instructions)	1	50,000.
2	Ordinary dividends (see instructions)	2	50,000.
3	Annuities (see instructions)	3	
4a	Rental real estate, royalties, partnerships, S corporations, trusts, etc. (see instructions)	4a	-112,500.
4b	Adjustment for net income or loss derived in the ordinary course of a non-section 1411 trade or business (see instructions)	4b	112,500.
4c	Combine lines 4a and 4b	4c	
5a	Net gain or loss from disposition of property (see instructions)	5a	
5b	Net gain or loss from disposition of property that is not subject to net investment income tax (see instructions)	5b	
5c	Adjustment from disposition of partnership interest or S corporation stock (see instructions)	5c	
5d	Combine lines 5a through 5c	5d	
6	Adjustments to investment income for certain CFCs and PFICs (see instructions)	6	
7	Other modifications to investment income (see instructions)	7	
8	Total investment income. Combine lines 1, 2, 3, 4c, 5d, 6, and 7	8	100,000.

Part II Investment Expenses Allocable to Investment Income and Modifications

9a	Investment interest expenses (see instructions)	9a	
9b	State, local, and foreign income tax (see instructions)	9b	
9c	Miscellaneous investment expenses (see instructions)	9c	
9d	Add lines 9a, 9b, and 9c	9d	
10	Additional modifications (see instructions)	10	
11	Total deductions and modifications. Add lines 9d and 10	11	

Part III Tax Computation

12	Net investment income. Subtract Part II, line 11 from Part I, line 8. Individuals complete lines 13-17. Estates and trusts complete lines 18a-21. If zero or less, enter -0-	12	100,000.
Individuals:			
13	Modified adjusted gross income (see instructions)	13	587,500.
14	Threshold based on filing status (see instructions)	14	250,000.
15	Subtract line 14 from line 13. If zero or less, enter -0-	15	337,500.
16	Enter the smaller of line 12 or line 15	16	100,000.
17	Net investment income tax for individuals. Multiply line 16 by 3.8% (.038). Enter here and include on your tax return (see instructions)	17	3,800.
Estates and Trusts:			
18a	Net investment income (line 12 above)	18a	
18b	Deductions for distributions of net investment income and deductions under section 642(c) (see instructions)	18b	
18c	Undistributed net investment income. Subtract line 18b from 18a (see instructions). If zero or less, enter -0-	18c	
19a	Adjusted gross income (see instructions)	19a	
19b	Highest tax bracket for estates and trusts for the year (see instructions)	19b	
19c	Subtract line 19b from line 19a. If zero or less, enter -0-	19c	
20	Enter the smaller of line 18c or line 19c	20	
21	Net investment income tax for estates and trusts. Multiply line 20 by 3.8% (.038). Enter here and include on your tax return (see instructions)	21	

9/24/18

12:53PM

Statement 1
Form 1040
Wage Schedule

<u>Taxpayer - Employer</u>	<u>Wages</u>	<u>Federal W/H</u>	<u>FICA</u>	<u>Medi- care</u>	<u>State W/H</u>	<u>Local W/H</u>
W2	600,000.		7,886.	12,300.		
Grand Total	<u>600,000.</u>	<u>0.</u>	<u>7,886.</u>	<u>12,300.</u>	<u>0.</u>	<u>0.</u>

Demo

Partnership Information
(13J) Amount reported on Schedule K-1
Panex Exploration & SWD JV

Investment \$150,000 x 75% - 1st year deduction.....	\$	112,500.
	Total	<u>\$ 112,500.</u>

Demo

Deduction for Exemptions Worksheet (Form 1040, Line 42)

1. \$4,050 per exemption on Form 1040, line 6d		8,100.
2. Enter amount from Form 1040, line 38	587,500.	
3. Threshold for your filing status	313,800.	
4. Subtract line 3 from line 2	273,700.	
5. Is line 4 more than \$122,500 (\$61,250 if MFS)?		
Yes. Enter -0- on Form 1040, line 42. Do not complete the rest of this worksheet.		
No. Divide line 4 by \$2,500 (\$1,250 if MFS)		
6. Multiply line 5 by 2% (.02)		
7. Multiply line 1 by line 6		_____
8. Deduction for Exemptions (Subtract line 7 from line 1)		=====

Tax Computation Worksheet (Form 1040, Line 44)

Taxable Income	(a)	(b)	(c)	(d)	Tax
If Line 43 is -	Enter the Amount from Line 43	Multi-plication Amount	Multiply (a) by (b)	Subtraction Amount	Subtract (d) from (c) (rounded)
Over \$470,700	574,800.	39.6%	227,620.80	54,769.20	172,852.

Federal Income Tax Withheld

Additional Medicare Tax Withholding (Form 8959)		3,600.
	Total	=====
		3,600.

Client PANEX1

Panex 1040 Individual and Panex 1040 Individual - Spouse

999-99-9999

9/24/18

12:53PM

State and Local Taxes (Schedule A, Line 5)

State and Local Sales Taxes Using the Optional Sales Tax Tables

Available Income:

Adjusted gross income per Form 1040	587,500.
Tax-exempt interest	0.
Nontaxable combat pay	0.
Nontaxable social security benefits	0.
Nontaxable pensions	0.
Nontaxable IRAs	0.
Prior year refundable credits (refundable portion only)	0.
Additional nontaxable amounts	0.
Total Available Income (not less than zero)	<u>587,500.</u>

Number of Exemptions 2.

1. State general sales taxes per Tables	2,058.
2. Local general sales taxes per Tables for certain residents of AK, AZ, AR, CO, GA, IL, LA, MO, MS, NC, NY, SC, TN, UT, and VA (based on a rate of 1%)	0.
3. Local general sales tax rate	
4. If line 2 is zero, enter your state general sales tax rate. Otherwise, skip line 4 and 5, and go to line 6	6.0000
5. Divide line 3 by line 4	
6. Local general sales taxes. If line 2 is zero, multiply line 1 by line 5. Otherwise, multiply line 2 by line 3.	0.
7. State and local general sales taxes (add lines 1 and 6)	2,058.
8. Sales taxes paid on vehicles, boats, etc.	0.
9. Sales tax deduction when using Tables (add lines 7 and 8)	2,058.

State and Local Sales Tax Deduction
(Greater of Taxes Paid or Table Amount)

1. General sales taxes paid	0.
2. Use taxes paid	0.
3. Total actual taxes paid (add lines 1 and 2)	0.
4. Sales taxes using Tables	2,058.
5. Greater of sales taxes paid or Table amount	<u>2,058.</u>

Itemized Deductions Worksheet (Schedule A, Line 29)

1. Add amounts on Schedule A, lines 4, 9, 15, 19, 20, 27, and 28	2,058.
2. Add amounts on Schedule A, lines 4, 14, & 20, plus any gambling losses and casualty or theft losses included on line 28, and any qualified contributions included on line 16	0.
3. Subtract line 2 from line 1	2,058.
4. Multiply line 3 above by 80% (.80)	1,646.
5. Enter amount from Form 1040, line 38	587,500.
6. Threshold based on filing status (\$313,800 if MFJ/QW, \$287,650 if HH, \$261,500 if S, \$156,900 if MFS)	313,800.
7. Subtract line 6 from line 5	273,700.
8. Multiply line 7 above by 3% (.03)	8,211.

Itemized Deductions Worksheet (Schedule A, Line 29) (continued)

9. Enter the smaller of line 4 or line 8	1,646.
10. Total Itemized Deductions (Subtract line 9 from line 1)	<u>412.</u>

**Form 8960, Line 4b
Adjustment For Non-Section 1411 Business**

**Income (Loss)
Line 4a**

**Non-Sec. 1411
Adjustment
Line 4b**

Schedule E, Page 2, K-1

<u>Partnership #1: Panex Exploration & SWD JV</u>		
Net Income (Loss)	\$ -112,500.	
Adjustment for Non-Section 1411 Business		\$ 112,500.
K-1 Subtotal	<u>\$ -112,500.</u>	<u>\$ 112,500.</u>
Total	<u>\$ -112,500.</u>	<u>\$ 112,500.</u>

**Form 8960, Line 13
Modified Adjusted Gross Income Worksheet**

1. Enter your Adjusted Gross Income	\$ 587,500.
2a. Foreign Earned Income Exclusion (Form 2555, line 42)	0.
2b. Deductions reported on Form 2555, line 44 allocable to your Foreign Earned Income Exclusion	0.
3. Adjustments for certain CFCs and certain PFICs	0.
3a. Adjustment from Form 1041, K-1, Code H (if positive amount)	0.
4. Sum of lines 1, 2a, 2b, 3, and 3a	<u>\$ 587,500.</u>

The Tax Reform Impact Summary shows the impact of the Tax Cuts and Jobs Act as if it had been in effect this tax year. It does not attempt to forecast next year's tax return, or account for expiring provisions. Specific limitations in applying the tax law to this return, if any, are noted on continuing pages.

	2017 Tax Law	2018 Tax Law
INCOME		
Total income.....	587,500	587,500
ADJUSTMENTS TO INCOME		
Total adjustments.....	0	0
Adjusted gross income.....	587,500	587,500
ITEMIZED DEDUCTIONS		
Taxes.....	2,058	2,058
Overall itemized deductions limitation.....	-1,646	0
Total itemized deductions.....	412	2,058
TAX COMPUTATIONS		
Standard deduction.....	12,700	24,000
Larger of itemized or standard deduction.....	12,700	24,000
Income prior to exemption deduction.....	574,800	563,500
Exemption deduction.....	0	0
Taxable income.....	574,800	563,500
Tax before credits.....	172,852	148,604
NONREFUNDABLE CREDITS		
Total nonrefundable credits.....	0	0
Tax after credits.....	172,852	148,604
OTHER TAXES		
Other taxes.....	6,950	6,950
Total tax.....	179,802	155,554
REFUNDABLE CREDITS		
Total refundable credits.....	0	0
Total tax after refundable credits.....	179,802	155,554

Demo