

Label (See instructions on page 14.) Use the IRS label. Otherwise, please print or type. Presidential

For the year Jan. 1-Dec. 31, 2008, or other tax year beginning 2008, ending 20. Your first name and initial: TIMOTHY J, Last name: WALZ. If a joint return, spouse's first name and initial: GWEN L, Last name: WALZ. Home address: Mankato MN 56001-2500.

Your social security number [redacted]. Spouse's social security number [redacted]. You must enter your SSN(s) above. Checking a box below will not change your tax or refund. [] You [] Spouse

Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 14) [] You [] Spouse

Filing Status 1 [] Single 2 [X] Married filing jointly (even if only one had income) 3 [] Married filing separately. Enter spouse's SSN above and full name here. 4 [] Head of household (with qualifying person). 5 [] Qualifying widow(er) with dependent child (see page 16)

Exemptions 6a [X] Yourself. 6b [X] Spouse. 6c Dependents: (1) First name, Last name, (2) Dependent's social security number, (3) Dependent's relationship to you, (4) if qual. child for child tax cr. (see page 17). Total number of exemptions claimed: 4

Income 7 Wages, salaries, tips, etc. Attach Form(s) W-2 7 214,659. 8a Taxable interest. 8b Tax-exempt interest. 9a Ordinary dividends. 9b Qualified dividends. 10 Taxable refunds, credits, or offsets of state and local income taxes. 11 Alimony received. 12 Business income or (loss). 13 Capital gain or (loss). 14 Other gains or (losses). 15a IRA distributions, 15b Taxable amount. 16a Pensions and annuities, 16b Taxable amount. 17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E 17 1,292. 18 Farm income or (loss). 19 Unemployment compensation. 20a Social security benefits, 20b Taxable amount. 21 Other income. 22 Add the amounts in the far right column for lines 7 through 21. This is your total income 22 215,951

Adjusted Gross Income 23 Educator expenses. 24 Certain business expenses of reservists, performing artists, and fee-basis government officials. 25 Health savings account deduction. 26 Moving expenses. 27 One-half of self-employment tax. 28 Self-employed SEP, SIMPLE, and qualified plans. 29 Self-employed health insurance deduction. 30 Penalty on early withdrawal of savings. 31a Alimony paid, 31b Recipient's SSN. 32 IRA deduction. 33 Student loan interest deduction. 34 Tuition and fees deduction. 35 Domestic production activities deduction. 36 Add lines 23 through 31a and 32 through 35. 37 Subtract line 36 from line 22. This is your adjusted gross income 37 215,951

Tax and Credits

38 Amount from line 37 (adjusted gross income) 38 215,951

39a Check You were born before January 2, 1944, Blind. Total boxes checked 39a

if: Spouse was born before January 2, 1944, Blind.

b If your spouse itemizes on a separate return or you were a dual-status alien, see page 34 and check here 39b

c Check if standard deduction includes real estate taxes or disaster loss (see page 34) 39c

40 Itemized deductions (from Schedule A) or your standard deduction (see left margin) 40 43,354

41 Subtract line 40 from line 38 41 172,597

42 If line 38 is over \$119,975, or you provided housing to a Midwestern displaced individual, see page 36. Otherwise, multiply \$3,500 by the total number of exemptions claimed on line 6d 42 14,000

43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0- 43 158,597

44 Tax (see page 36). Check if any tax is from: a Form(s) 8814 b Form 4972 44 33,151

45 Alternative minimum tax (see page 39). Attach Form 6251 45 4,251

46 Add lines 44 and 45 46 37,402

47 Foreign tax credit. Attach Form 1116 if required 47

48 Credit for child and dependent care expenses. Attach Form 2441 48 200

49 Credit for the elderly or the disabled. Attach Schedule R 49

50 Education credits. Attach Form 8863 50

51 Retirement savings contributions credit. Attach Form 8880 51

52 Child tax credit (see page 42). Attach Form 8901 if required 52

53 Credits from Form: a 8396 b 8839 c 5695 53

54 Other credits from Form: a 3800 b 8801 c 54

55 Add lines 47 through 54. These are your total credits 55 200

56 Subtract line 55 from line 46. If line 55 is more than line 46, enter -0- 56 37,202

Standard Deduction for—

- People who checked any box on line 39a, 39b, or 39c or who can be claimed as a dependent, see page 34.
- All others:
 - Single or Married filing separately, \$5,450
 - Married filing jointly or Qualifying widow(er), \$10,900
 - Head of household, \$8,000

Other Taxes

57 Self-employment tax. Attach Schedule SE 57

58 Unreported social security and Medicare tax from Form: a 4137 b 8919 58

59 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required 59

60 Additional taxes: a AEIC payments b Household employment taxes. Attach Schedule H 60 2,574

61 Add lines 56 through 60. This is your total tax 61 39,776

Payments

If you have a qualifying child, attach Schedule EIC.

62 Federal income tax withheld from Forms W-2 and 1099 62 36,039

63 2008 estimated tax payments and amount applied from 2007 return 63

64a Earned income credit (EIC) 64a

b Nontaxable combat pay election 64b

65 Excess social security and tier 1 RRTA tax withheld (see page 61) 65

66 Additional child tax credit. Attach Form 8812 66

67 Amount paid with request for extension to file (see page 61) 67

68 Credits from Form: a 2439 b 4136 c 8801 d 8885 68

69 First-time homebuyer credit. Attach Form 5405 69

70 Recovery rebate credit (see worksheet on pages 62 and 63) 70

71 Add lines 62 through 70. These are your total payments 71 36,039

Refund

Direct deposit? See page 63 and fill in 73b, 73c, and 73d, or Form 8888.

72 If line 71 is more than line 61, subtract line 61 from line 71. This is the amount you overpaid 72

73a Amount of line 72 you want refunded to you. If Form 8888 is attached, check here 73a

b Routing number c Type: Checking Savings

d Account number

74 Amount of line 72 you want applied to your 2009 estimated tax 74

75 3,737

Amount You Owe

75 Amount you owe. Subtract line 71 from line 61. For details on how to pay, see page 65 75

76 Estimated tax penalty (see page 65) 76

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see page 66)? Yes. Complete the following. No

Designee's name Preparer Personal identification number (PIN)

Phone no.

Sign Here

Joint return? See page 15. 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. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature CLIENT'S Date Your occupation Daytime phone number

Spouse's signature Date Spouse's occupation

Paid

Preparer's signature Date Check if self-employed Preparer's SSN or PTIN

Preparer's Use Only

Firm's name (or yours if self-employed), address, and ZIP code Frederick & Rosen, Ltd. Minneapolis MN 55416-2811

EIN Phone no.

SCHEDULES A&B

(Form 1040)

Schedule A—Itemized Deductions

(Schedule B is on back)

OMB No. 1545-0074

2008

Attachment Sequence No. **07**

Department of the Treasury
Internal Revenue Service (99)

▶ Attach to Form 1040.

▶ See Instructions for Schedules A&B (Form 1040).

Your social security number

Name(s) shown on Form 1040

TIMOTHY J & GWEN L WALZ

Medical and Dental Expenses

Caution. Do not include expenses reimbursed or paid by others.

| | | |
|---|---|---------|
| 1 | Medical and dental expenses (see page A-1) | |
| 2 | Enter amount from Form 1040, line 38 | 215,951 |
| 3 | Multiply line 2 by 7.5% (.075) | 16,196 |
| 4 | Subtract line 3 from line 1. If line 3 is more than line 1, enter -0- | |

Taxes You Paid

(See page A-2.)

| | | |
|---|--|--------|
| 5 | State and local (check only one box): | 12,864 |
| a | <input checked="" type="checkbox"/> Income taxes, or | |
| b | <input type="checkbox"/> General sales taxes | |
| 6 | Real estate taxes (see page A-5) | 2,055 |
| 7 | Personal property taxes | 64 |
| 8 | Other taxes. List type and amount ▶ | |
| 9 | Add lines 5 through 8 | 14,983 |

Interest You Paid

(See page A-5.)

| | | |
|----|--|--------|
| 10 | Home mortgage interest and points reported to you on Form 1098 | 13,013 |
| 11 | Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see page A-6 and show that person's name, identifying no., and address ▶ | |
| 12 | Points not reported to you on Form 1098. See page A-6 for special rules | |
| 13 | Qualified mortgage insurance premiums (see page A-6) | |
| 14 | Investment interest. Attach Form 4952 if required. (See page A-6.) | |
| 15 | Add lines 10 through 14 | 13,013 |

Note.
Personal interest is not deductible.

Gifts to Charity

If you made a gift and got a benefit for it, see page A-7.

| | | |
|----|--|-------|
| 16 | Gifts by cash or check. If you made any gift of \$250 or more, see page A-7 | 1,630 |
| 17 | Other than by cash or check. If any gift of \$250 or more, see page A-8. You must attach Form 8283 if over \$500 | 475 |
| 18 | Carryover from prior year | |
| 19 | Add lines 16 through 18 | 2,105 |

Casualty and Theft Losses

| | | |
|----|---|--|
| 20 | Casualty or theft loss(es). Attach Form 4684. (See page A-8.) | |
|----|---|--|

Job Expenses and Certain Miscellaneous Deductions

(See page A-9.)

| | | |
|----|---|---------|
| 21 | Unreimbursed employee expenses—job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See page A-9.) ▶ | 3,000 |
| 22 | Tax preparation fees | 432 |
| 23 | Other expenses—investment, safe deposit box, etc. List type and amount ▶ | 14,700 |
| 24 | Add lines 21 through 23 | 18,132 |
| 25 | Enter amount from Form 1040, line 38 | 215,951 |
| 26 | Multiply line 25 by 2% (.02) | 4,319 |
| 27 | Subtract line 26 from line 24. If line 26 is more than line 24, enter -0- | 13,813 |

Other Miscellaneous Deductions

| | | |
|----|--|--|
| 28 | Other—from list on page A-10. List type and amount ▶ | |
|----|--|--|

Total Itemized Deductions

| | | |
|----|--|--------|
| 29 | Is Form 1040, line 38, over \$159,950 (over \$79,975 if married filing separately)? <input 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 | 43,354 |
|----|--|--------|

Yes. Your deduction may be limited. See page A-10 for the amount to enter.
30 If you elect to itemize deductions even though they are less than your standard deduction, check here

* Limited by AGI

Schedule A (Form 1040) 2008

**SCHEDULE E
(Form 1040)**

Supplemental Income and Loss
(From rental real estate, royalties, partnerships,
S corporations, estates, trusts, REMICs, etc.)

OMB No. 1545-0074

2008

Attachment
Sequence No. **13**

Department of the Treasury
Internal Revenue Service (99)

▶ Attach to Form 1040, 1040NR, or Form 1041. ▶ See instructions for Schedule E (Form 1040).

Name(s) shown on return

Your social security number

TIMOTHY J & GWEN L WALZ

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 page E-3). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

| 1 | List the type and address 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: | Yes No | | | | | | | | | |
| A | 2 Bedroom Apartment [Redacted] Mankato MN | <ul style="list-style-type: none"> • 14 days or • 10% of the total days rented at fair rental value? (See page E-3) | <table border="1"> <tr> <td>A</td> <td></td> <td>X</td> </tr> <tr> <td>B</td> <td></td> <td></td> </tr> <tr> <td>C</td> <td></td> <td></td> </tr> </table> | A | | X | B | | | C | | |
| A | | X | | | | | | | | | | |
| B | | | | | | | | | | | | |
| C | | | | | | | | | | | | |
| B | | | | | | | | | | | | |
| C | | | | | | | | | | | | |

| Income: | Properties | | | Totals (Add columns A, B, and C.) |
|--|------------|---|---|--------------------------------------|
| | A | B | C | |
| 3 Rents received | 3 7,500 | | | 3 7,500 |
| 4 Royalties received | 4 | | | 4 |
| Expenses: | | | | |
| 5 Advertising | 5 | | | |
| 6 Auto and travel (see page E-4) | 6 | | | |
| 7 Cleaning and maintenance | 7 | | | |
| 8 Commissions | 8 | | | |
| 9 Insurance | 9 298 | | | |
| 10 Legal and other professional fees | 10 | | | |
| 11 Management fees | 11 | | | |
| 12 Mortgage interest paid to banks, etc. (see page E-5) | 12 2,974 | | | 12 2,974 |
| 13 Other interest | 13 | | | |
| 14 Repairs | 14 244 | | | |
| 15 Supplies | 15 | | | |
| 16 Taxes | 16 470 | | | |
| 17 Utilities | 17 | | | |
| 18 Other (list) ▶ See Statement 3 | 18 19 | | | |
| 19 Add lines 5 through 18 | 19 4,005 | | | 19 4,005 |
| 20 Depreciation expense or depletion (see page E-5) | 20 2,203 | | | 20 2,203 |
| 21 Total expenses. Add lines 19 and 20 | 21 6,208 | | | |
| 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 page E-5 to find out if you must file Form 6198 | 22 1,292 | | | |
| 23 Deductible rental real estate loss. Caution. Your rental real estate loss on line 22 may be limited. See page E-5 to find out if you must file Form 8582. Real estate professionals must complete line 43 on page 2 | 23 0 | | | 24 1,292 |
| 24 Income. Add positive amounts shown on line 22. Do not include any losses | 24 | | | 25 |
| 25 Losses. Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here. | 25 | | | |
| 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 | | | 26 1,292 |

Child and Dependent Care Expenses

Department of the Treasury
Internal Revenue Service (99)

▶ Attach to Form 1040 or Form 1040NR.

▶ See separate instructions.

Attachment
Sequence No. **21**

Name(s) shown on return

Your social security number

TIMOTHY J & GWEN L WALZ

Part I Persons or Organizations Who Provided the Care—You must complete this part.
(If you have more than two care providers, see the instructions.)

| 1 | (a) Care provider's name | (b) Address (number, street, apt. no., city, state, and ZIP code) | (c) Identifying number (SSN or EIN) | (d) Amount paid (see instructions) |
|---|--------------------------|---|-------------------------------------|------------------------------------|
| | See Statement 4 | | | 17,342 |

Did you receive dependent care benefits? No Yes

Complete only Part II below.
Complete Part III on the back next.

Caution. If the care was provided in your home, you may owe employment taxes. See the instructions for Form 1040, line 60, or Form 1040NR, line 56.

Part II Credit for Child and Dependent Care Expenses

2 Information about your qualifying person(s). If you have more than two qualifying persons, see the instructions.

| (a) Qualifying person's name | | (b) Qualifying person's social security number | (c) Qualified expenses you incurred and paid in 2008 for the person listed in column (a) |
|------------------------------|------------|--|--|
| First | Last | | |
| [REDACTED] | [REDACTED] | [REDACTED] | 8,671 |
| [REDACTED] | [REDACTED] | [REDACTED] | 8,671 |

3 Add the amounts in column (c) of line 2. Do not enter more than \$3,000 for one qualifying person or \$6,000 for two or more persons. If you completed Part III, enter the amount from line 35

3 1,000

4 Enter your earned income. See instructions

4 155,514

5 If married filing jointly, enter your spouse's earned income (if your spouse was a student or was disabled, see the instructions); all others, enter the amount from line 4

5 59,145

6 Enter the smallest of line 3, 4, or 5

6 1,000

7 Enter the amount from Form 1040, line 38, or Form 1040NR, line 36

7 215,951

8 Enter on line 8 the decimal amount shown below that applies to the amount on line 7

| If line 7 is: | | | If line 7 is: | | |
|---------------|--------------|-------------------|-----------------|--------------|-------------------|
| Over | But not over | Decimal amount is | Over | But not over | Decimal amount is |
| \$0—15,000 | | .35 | \$29,000—31,000 | | .27 |
| 15,000—17,000 | | .34 | 31,000—33,000 | | .26 |
| 17,000—19,000 | | .33 | 33,000—35,000 | | .25 |
| 19,000—21,000 | | .32 | 35,000—37,000 | | .24 |
| 21,000—23,000 | | .31 | 37,000—39,000 | | .23 |
| 23,000—25,000 | | .30 | 39,000—41,000 | | .22 |
| 25,000—27,000 | | .29 | 41,000—43,000 | | .21 |
| 27,000—29,000 | | .28 | 43,000—No limit | | .20 |

8 X .20

9 Multiply line 6 by the decimal amount on line 8. If you paid 2007 expenses in 2008, see the instructions

9 200

10 Enter the amount from Form 1040, line 46, or Form 1040NR, line 43

10 37,402

11 Enter the amount from Form 1040, line 47, or Form 1040NR, line 44

11

12 Subtract line 11 from line 10. If zero or less, stop. You cannot take the credit

12 37,402

13 Credit for child and dependent care expenses. Enter the smaller of line 9 or line 12 here and on Form 1040, line 48, or Form 1040NR, line 45

13 200

For Paperwork Reduction Act Notice, see page 4 of the instructions. Form **2441** (2008)

Alternative Minimum Tax—Individuals

Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions.

▶ Attach to Form 1040 or Form 1040NR.

Your social security number

Name(s) shown on Form 1040 or Form 1040NR

TIMOTHY J & GWEN L WALZ

Part I Alternative Minimum Taxable Income (See instructions for how to complete each line.)

| | | |
|----|---|---------|
| 1 | If filing Schedule A (Form 1040), enter the amount from Form 1040, line 41 (minus any amount on Form 8914, line 2), and go to line 2. Otherwise, enter the amount from Form 1040, line 38 (minus any amount on Form 8914, line 2), and go to line 7. (If less than zero, enter as a negative amount.) | 172,597 |
| 2 | Medical and dental. Enter the smaller of Schedule A (Form 1040), line 4, or 2.5% (.025) of Form 1040, line 38. If zero or less, enter -0- | |
| 3 | Taxes from Schedule A (Form 1040), line 9 | 14,983 |
| 4 | Enter the home mortgage interest adjustment, if any, from line 6 of the worksheet on page 2 of the instructions | 0 |
| 5 | Miscellaneous deductions from Schedule A (Form 1040), line 27 | 13,813 |
| 6 | If Form 1040, line 38, is over \$159,950 (over \$79,975 if married filing separately), enter the amount from line 11 of the Itemized Deductions Worksheet on page A-10 of the instructions for Schedule A (Form 1040) | 560 |
| 7 | If claiming the standard deduction, enter any amount from Form 4684, line 18a, as a negative amount | |
| 8 | Tax refund from Form 1040, line 10 or line 21 | |
| 9 | Investment interest expense (difference between regular tax and AMT) | |
| 10 | Depletion (difference between regular tax and AMT) | |
| 11 | Net operating loss deduction from Form 1040, line 21. Enter as a positive amount | |
| 12 | Interest from specified private activity bonds exempt from the regular tax | |
| 13 | Qualified small business stock (7% of gain excluded under section 1202) | |
| 14 | Exercise of incentive stock options (excess of AMT income over regular tax income) | |
| 15 | Estates and trusts (amount from Schedule K-1 (Form 1041), box 12, code A) | |
| 16 | Electing large partnerships (amount from Schedule K-1 (Form 1065-B), box 6) | |
| 17 | Disposition of property (difference between AMT and regular tax gain or loss) | |
| 18 | Depreciation on assets placed in service after 1986 (difference between regular tax and AMT) | |
| 19 | Passive activities (difference between AMT and regular tax income or loss) | 211 |
| 20 | Loss limitations (difference between AMT and regular tax income or loss) | 0 |
| 21 | Circulation costs (difference between regular tax and AMT) | |
| 22 | Long-term contracts (difference between AMT and regular tax income) | |
| 23 | Mining costs (difference between regular tax and AMT) | |
| 24 | Research and experimental costs (difference between regular tax and AMT) | |
| 25 | Income from certain installment sales before January 1, 1987 | |
| 26 | Intangible drilling costs preference | |
| 27 | Other adjustments, including income-based related adjustments | |
| 28 | Alternative tax net operating loss deduction | |
| 29 | Alternative minimum taxable income. Combine lines 1 through 28. (If married filing separately and line 29 is more than \$214,900, see page 8 of the instructions.) | 201,044 |

Part II Alternative Minimum Tax (AMT)

| | | | | | | | | | | | | | | |
|--|---|---------------------------------------|-----------------------------------|---------------------------------|-----------------------------|-----------|----------|--|---------|--------|---------------------------|--------|--------|--|
| 30 | Exemption. (If you were under age 24 at the end of 2008, see page 9 of the instructions.) | | | | | | | | | | | | | |
| | <table border="0"> <tr> <td>IF your filing status is . . .</td> <td>AND line 29 is not over...</td> <td>THEN enter on line 30...</td> </tr> <tr> <td>Single or head of household</td> <td>\$112,500</td> <td>\$46,200</td> </tr> <tr> <td>Married filing jointly or qualifying widow(er)</td> <td>150,000</td> <td>69,950</td> </tr> <tr> <td>Married filing separately</td> <td>75,000</td> <td>34,975</td> </tr> </table> | IF your filing status is . . . | AND line 29 is not over... | THEN enter on line 30... | Single or head of household | \$112,500 | \$46,200 | Married filing jointly or qualifying widow(er) | 150,000 | 69,950 | Married filing separately | 75,000 | 34,975 | |
| IF your filing status is . . . | AND line 29 is not over... | THEN enter on line 30... | | | | | | | | | | | | |
| Single or head of household | \$112,500 | \$46,200 | | | | | | | | | | | | |
| Married filing jointly or qualifying widow(er) | 150,000 | 69,950 | | | | | | | | | | | | |
| Married filing separately | 75,000 | 34,975 | | | | | | | | | | | | |
| 30 | | 57,189 | | | | | | | | | | | | |
| 31 | If line 29 is over the amount shown above for your filing status, see page 8 of the instructions. Subtract line 30 from line 29. If more than zero, go to line 32. If zero or less, enter -0- here and on lines 34 and 36 and skip the rest of Part II | 143,855 | | | | | | | | | | | | |
| 32 | <ul style="list-style-type: none"> If you are filing Form 2555 or 2555-EZ, see page 9 of the instructions for the amount to enter. If you reported capital gain distributions directly on Form 1040, line 13; you reported qualified dividends on Form 1040, line 9b; or you had a gain on both lines 15 and 16 of Schedule D (Form 1040) (as refigured for the AMT, if necessary), complete Part III on the back and enter the amount from line 55 here. All others: If line 31 is \$175,000 or less (\$87,500 or less if married filing separately), multiply line 31 by 26% (.26). Otherwise, multiply line 31 by 28% (.28) and subtract \$3,500 (\$1,750 if married filing separately) from the result. | 37,402 | | | | | | | | | | | | |
| 33 | Alternative minimum tax foreign tax credit (see page 9 of the instructions) | | | | | | | | | | | | | |
| 34 | Tentative minimum tax. Subtract line 33 from line 32 | 37,402 | | | | | | | | | | | | |
| 35 | Tax from Form 1040, line 44 (minus any tax from Form 4972 and any foreign tax credit from Form 1040, line 47). If you used Schedule J to figure your tax, the amount from line 44 of Form 1040 must be refigured without using Schedule J (see page 11 of the instructions) | 33,151 | | | | | | | | | | | | |
| 36 | AMT. Subtract line 35 from line 34. If zero or less, enter -0-. Enter here and on Form 1040, line 45 | 4,251 | | | | | | | | | | | | |

**SCHEDULE H
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)
Name of employer

Household Employment Taxes

(For Social Security, Medicare, Withheld Income, and Federal Unemployment (FUTA) Taxes)

▶ Attach to Form 1040, 1040NR, 1040-SS, or 1041.

▶ See separate instructions.

OMB No. 1545-1971

2008

Attachment
Sequence No. **44**

Social security number

Employer identification number

GWEN L WALZ

A Did you pay **any one** household employee cash wages of \$1,600 or more in 2008? (If any household employee was your spouse, your child under age 21, your parent, or anyone under age 18, see the line A instructions on page H-4 before you answer this question.)

- Yes.** Skip lines B and C and go to line 1.
 No. Go to line B.

B Did you withhold federal income tax during 2008 for any household employee?

- Yes.** Skip line C and go to line 5.
 No. Go to line C.

C Did you pay **total** cash wages of \$1,000 or more in **any calendar quarter** of 2007 or 2008 to **all** household employees? (Do not count cash wages paid in 2007 or 2008 to your spouse, your child under age 21, or your parent.)

- No.** **Stop.** Do not file this schedule.
 Yes. Skip lines 1-9 and go to line 10 on the back. (Calendar year taxpayers having no household employees in 2008 do not have to complete this form for 2008.)

Part I Social Security, Medicare, and Federal Income Taxes

| | | | | |
|----------|--|----------|--------|-------|
| 1 | Total cash wages subject to social security taxes (see page H-4) | 1 | 16,110 | |
| 2 | Social security taxes. Multiply line 1 by 12.4% (.124) | 2 | | 1,998 |
| 3 | Total cash wages subject to Medicare taxes (see page H-4) | 3 | 16,110 | |
| 4 | Medicare taxes. Multiply line 3 by 2.9% (.029) | 4 | | 467 |
| 5 | Federal income tax withheld, if any | 5 | | |
| 6 | Total social security, Medicare, and federal income taxes. Add lines 2, 4, and 5 | 6 | | 2,465 |
| 7 | Advance earned income credit (EIC) payments, if any | 7 | | |
| 8 | Net taxes (subtract line 7 from line 6) | 8 | | 2,465 |

9 Did you pay **total** cash wages of \$1,000 or more in **any calendar quarter** of 2007 or 2008 to **all** household employees? (Do not count cash wages paid in 2007 or 2008 to your spouse, your child under age 21, or your parent.)

- No.** **Stop.** Include the amount from line 8 above on Form 1040, line 60, and check box **b** on that line. If you are not required to file Form 1040, see the line 9 instructions on page H-4.
 Yes. Go to line 10 on the back.

For Privacy Act and Paperwork Reduction Act Notice, see page H-7 of the instructions.

Schedule H (Form 1040) 2008

Part II Federal Unemployment (FUTA) Tax

- 10 Did you pay unemployment contributions to only one state?
11 Did you pay all state unemployment contributions for 2008 by April 15, 2009?
12 Were all wages that are taxable for FUTA tax also taxable for your state's unemployment tax?

Table with 3 columns: Question number, Yes, No. Rows 10, 11, 12.

Next: If you checked the "Yes" box on all the lines above, complete Section A.
If you checked the "No" box on any of the lines above, skip Section A and complete Section B.

Section A

13 Name of the state where you paid unemployment contributions
14 State reporting number as shown on state unemployment tax return
15 Contributions paid to your state unemployment fund
16 Total cash wages subject to FUTA tax
17 FUTA tax. Multiply line 16 by .008.

Section B

Table with 10 columns: (a) Name of state, (b) State reporting number, (c) Taxable wages, (d) State experience rate period, (e) State experience rate, (f) Multiply col. (c) by .054, (g) Multiply col. (c) by col. (e), (h) Subtract col. (g) from col. (f), (i) Contributions paid to state unemployment fund.

19 Totals
20 Add columns (h) and (i) of line 19
21 Total cash wages subject to FUTA tax
22 Multiply line 21 by 6.2% (.062)
23 Multiply line 21 by 5.4% (.054)
24 Enter the smaller of line 20 or line 23
25 FUTA tax. Subtract line 24 from line 22.

Part III Total Household Employment Taxes

26 Enter the amount from line 8.
27 Add line 17 (or line 25) and line 26.
28 Are you required to file Form 1040?

Part IV Address and Signature—Complete this part only if required. See the line 28 instructions on page H-5.

Address (number and street) or P.O. box if mail is not delivered to street address
Apt., room, or suite no.
City, town or post office, state, and ZIP code

Under penalties of perjury, I declare that I have examined this schedule, including accompanying statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Employer's signature, Date, Preparer's signature, Date, Check if self-employed, Preparer's SSN or PTIN, Firm's name, EIN, address, and ZIP code, Phone no.

Federal Statements

Statement 1 - Schedule A, Line 21 - Unreimbursed Employee Expenses

| <u>Description</u> | <u>Amount</u> |
|---|-----------------|
| Total reflects \$3,000. IRC 162(a) limit on DC living expenses for Member of Congress | \$ 3,000 |
| Total | <u>\$ 3,000</u> |

Statement 2 - Schedule A, Line 23 - Other Expenses

| <u>Description</u> | <u>Amount</u> |
|---|------------------|
| Washington DC Living Exp per Section 274(d) (1) | \$ 14,700 |
| Total | <u>\$ 14,700</u> |

Federal Statements

2 Bedroom Apartment

Statement 3 - Schedule E, Line 18 - Other Expenses

| <u>Description</u> | <u>Gross Amount</u> | <u>Business Use Percentage</u> | <u>Net Amount</u> |
|-------------------------|---------------------|--------------------------------|-------------------|
| Snow Removal | \$ 100 | | \$ 100 |
| Business Use Adjustment | -81 | | -81 |
| Total | <u>\$ 19</u> | | <u>\$ 19</u> |

Federal Statements

Statement 4 - Form 2441, Part I, Line 1 - Child Care Provider Information

| Provider's Name | Street Address | City State/Zip | SSN or EIN | Amount Paid |
|-----------------|----------------|----------------|------------|------------------|
| [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | \$ 6,163 |
| [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | 10,727 |
| [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | 452 |
| Total | | | | \$ <u>17,342</u> |

M1 MINNESOTA - REVENUE Individual Income Tax 2008

0811

Please print. Leave unused boxes blank. Do not use staples on anything you submit.

Mark an X if a foreign address:
 TIMOTHY J WALZ
 GWEN L WALZ

MANKATO

MN 56001

2008 federal filing status: (1) Single (2) Married filing joint (3) Married filing separate:
 (mark an X in one box): (4) Head of Household (5) Qualifying widow(er)
 Enter spouse's name and Social Security number here

State Elections Campaign Fund

If you want \$5 to go to help candidates for state offices pay campaign expenses, you may each enter the code number for the party of your choice. This will not increase your tax or reduce your refund.

Political party and code number:

Republican 11 Green 14
 Democratic Farmer-Labor 12 General Campaign Fund 15
 Independence 13

Your code: Spouse's code:

From your federal return (for line references see instructions, page 9), enter the amount of:

A Wages, salaries, tips, etc.: 214659 B IRA, Pensions and annuities: C Unemployment: D Federal adjusted gross income: 215951

Do not send W-2s. Enclose Schedule M1W to claim Minnesota withholding.

| | | |
|--|------|--------|
| 1 Federal taxable income (from line 43 of federal Form 1040, line 27 of Form 1040A, or line 6 of Form 1040EZ) | 1 ■ | 158597 |
| 2 State income tax or sales tax addition. If you itemized deductions on federal Form 1040, complete the worksheet on page 9 of the instructions | 2 ■ | 12864 |
| 3 Other additions to your income, including the additional standard deduction for real estate taxes and non-Minnesota bond interest (see instructions, page 10, and enclose Schedule M1M) | 3 ■ | |
| 4 Add lines 1 through 3 (if a negative number, mark an X in the box as indicated) | 4 | 171461 |
| 5 State income tax refund from line 10 of federal Form 1040 | 5 ■ | |
| 6 Net interest or mutual fund dividends from U.S. bonds (see instructions, page 10) | 6 ■ | |
| 7 Qualifying children in grades K-12 (see instructions, page 10, and enclose Schedule M1M) | 7 ■ | 255 |
| 8 Other subtractions (see instructions, page 12, and enclose Schedule M1M) | 8 ■ | |
| 9 Total subtractions. Add lines 5 through 8 | 9 | 255 |
| 10 Minnesota taxable income. Subtract line 9 from line 4 (if result is zero or less, leave blank) | 10 | 171206 |
| 11 Tax from the table on pages 22-27 of the M1 instructions | 11 | 11885 |
| 12 Alternative minimum tax (enclose Schedule M1MT) | 12 ■ | |
| 13 Add lines 11 and 12 | 13 | 11885 |
| 14 Full-year residents: Enter the amount from line 13 on line 14. Skip lines 14a and 14b. Part-year residents and nonresidents: From Schedule M1NR, enter the tax from line 27 on line 14, from line 23 on line 14a, and from line 24 on line 14b (enclose schedule) | 14 | 11885 |

a. ■ 15 Tax on lump-sum distribution (enclose Schedule M1LS)

16 Tax before credits. Add lines 14 and 15 16 11885

| | | | |
|----|--|------|-------|
| 17 | Tax before credits. Amount from line 16 | 17 | 11885 |
| 18 | Marriage credit for joint return when both spouses have taxable earned income or taxable retirement income (determine from instructions, page 14) | 18 ■ | 160 |
| 19 | Credit for long-term care insurance premiums paid (enclose Schedule M1LTI) | 19 ■ | |
| 20 | Credit for taxes paid to another state (enclose Schedule M1CR) | 20 ■ | |
| 21 | Alternative minimum tax credit (enclose Schedule M1MTC) | 21 ■ | |
| 22 | Total credits against tax. Add lines 18 through 21 | 22 | 160 |
| 23 | Subtract line 22 from line 17 (if result is zero or less, leave blank) | 23 | 11725 |
| 24 | Nongame Wildlife Fund contribution. This will reduce your refund or increase amount owed | 24 ■ | |
| 25 | Add lines 23 and 24 | 25 | 11725 |
| 26 | Minnesota income tax withheld. Complete and enclose Schedule M1W to report Minnesota withholding from W-2, 1099 and W-2G forms (do not send in W-2s, 1099s, W-2Gs) | 26 ■ | 12864 |
| 27 | Minnesota estimated tax and extension (Form M13) payments made for 2008 | 27 ■ | |
| 28 | Child and dependent care credit (enclose Schedule M1CD). Enter number of qualifying persons here: | 28 ■ | |
| 29 | Minnesota working family credit (enclose Schedule M1WFC). Enter number of qualifying children here: | 29 ■ | |
| 30 | K-12 education credit (enclose Schedule M1ED). Enter number of qualifying children here: | 30 ■ | |
| 31 | Job Opportunity Building Zone (JOBZ) jobs credit (enclose Schedule JOBZ) | 31 ■ | |
| 32 | Credit for tuberculosis testing on cattle. If you own cattle and had your cattle tested for bovine tuberculosis, see instructions, page 17 | 32 ■ | |
| 33 | Total payments. Add lines 26 through 32 | 33 | 12864 |
| 34 | REFUND. If line 33 is more than line 25, subtract line 25 from line 33 (see instructions, page 17). For direct deposit, complete line 35 | 34 ■ | 1139 |
| 35 | FAST REFUNDS! For direct deposit of the full refund on line 34, enter: | | |
| | Checking Savings | | |
| 36 | AMOUNT YOU OWE. If line 25 is more than line 33, subtract line 33 from line 25 (see instructions, page 18) | 36 ■ | |
| 37 | Penalty amount from Schedule M15 (see instructions, page 18). Also subtract this amount from line 34 or add it to line 36 (enclose Schedule M15) | 37 ■ | |
| | IF YOU PAY ESTIMATED TAX and you want part of your refund credited to estimated tax, enter lines 38 and 39. | | |
| 38 | Amount from line 34 you want sent to you | 38 ■ | |
| 39 | Amount from line 34 you want applied to your 2009 estimated tax | 39 ■ | |

I declare that this return is correct and complete to the best of my knowledge and belief. Paid preparer: You must sign below.

Your signature _____ Date _____

Spouse's signature (if filing jointly) _____  P00057288

Include a copy of your 2008 federal return and schedules.
 Mail to: Minnesota Individual Income Tax
 St. Paul, MN 55145-0040
 To check on the status of your refund, visit www.taxes.state.mn.us

I authorize the Minnesota Department of Revenue to discuss this return with my preparer or the third-party designee indicated on my federal return.

I do not want my preparer to file my return electronically.

MINNESOTA REVENUE
Minnesota Income Tax Withheld 2008

Complete this schedule to report Minnesota income tax withheld.
Include this schedule when you file your return.

TIMOTHY J

WALZ

GWEN L

WALZ



If you received a W-2, 1099, W-2G, Schedule KPI, KS or KF that shows Minnesota income tax was withheld, complete this schedule to determine line 26 of Form M1. List only the forms that report Minnesota income tax withheld. Round dollar amounts to the nearest whole dollar. You must include this schedule when you file your return. **DO NOT** send in your W-2, 1099 or W-2G forms; keep them with your tax records. All instructions are included on this schedule.

1 Minnesota wages and tax withheld from W-2s, other than from W-2G. If you have more than seven W-2s, complete line 5 on the back.

| A If the W-2 is for: • you, enter 1 • spouse, enter 2 | B—Box 13 If Retirement Plan box is checked, mark an X below. | C—Box 15 Employer's 7-digit Minnesota state tax ID number | D—Box 16 State wages, tips, etc. (round to nearest whole dollar) | E—Box 17 Minnesota tax withheld (round to nearest whole dollar) |
|--|---|--|--|---|
| 1 | X | [REDACTED] | 155514 | 9798 |
| 2 | X | [REDACTED] | 59145 | 3066 |

Subtotal for additional W-2s (from line 5 on the back)
Total Minnesota tax withheld from all W-2 forms (add amounts in line 1, column E) 1 **12864**

2 Minnesota tax withheld from 1099 and W-2G forms. If you have more than four forms, complete line 6 on the back.

| A If the 1099 or W-2G is for: • you, enter 1 • spouse, enter 2 | B Payer's 7-digit Minnesota state tax ID number (if unknown, contact the payer) | C Income amount (see the table on the back for amounts to include) | D Minnesota tax withheld (round to nearest whole dollar) |
|---|--|---|--|
| | | | |

Subtotal for additional 1099 and W-2G forms (from line 6 on the back)
Total Minnesota tax withheld from all 1099 and W-2G forms (add amounts in line 2, column D) 2
3 Total Minnesota tax withheld from partnerships, S corporations and fiduciaries, if any 3
 (add line 32 of Schedule KPI, line 30 of Schedule KS and line 12 of Schedule KF)
4 Total. Add the Minnesota tax withheld on lines 1, 2 and 3. 4 **12864**
 Enter the total here and on line 26 of Form M1