

Martin and Cruz Pinellas are residents of Puerto Rico who use the filing status Married Filing Jointly. They are both under 65 and neither is blind. Martin earned \$19,000 in wages from an accounting firm located in Puerto Rico and Cruz earned \$30,000 in wages from the U.S. government. They have a joint bank account in Puerto Rico that earned \$1,200 interest.

Based on the facts given, compute the Pinellas' allowable standard deduction by completing their *Worksheet for Puerto Rico Filers with Exempt Income under Section 933 Who Do Not Itemize Deductions*.

Without closing the PDF window, return to the lesson screen and click **Check My Answer**.

**Worksheet For Puerto Rico Filers With Exempt Income Under Section 933 Who Do Not Itemize Deductions**

1. Enter STANDARD DEDUCTION: If your filing status is

Single or Married filing separately enter \$14,600. . . . . }  
Married filing jointly or Qualifying widow(er) enter \$29,200 . . . . . } \_\_\_\_\_  
Head of Household enter \$21,900. . . . . }

**CAUTION:** If you are 65 or over and/or blind, enter amount from the Standard Deduction Worksheet in the instructions for Form 1040;

**or**

If someone can claim you as a dependent, enter amount from the Standard Deduction Worksheet in the instructions for Form 1040.

2. Allowable portion of STANDARD DEDUCTION:

- a. Gross income subject to U.S. tax . . . . . \_\_\_\_\_
- b. Total gross income from all sources (including exempt P.R. income) . . . . . \_\_\_\_\_
- c. Divide line 2a by line 2b . . . . . \_\_\_\_\_
- d. Multiply Standard Deduction (line 1) by line 2c and enter this amount on Form 1040, line 8 (allowable portion of STANDARD DEDUCTION). . . . . \_\_\_\_\_

Write the following above line 8, Form 1040 "Standard Deduction modified due to exempt income under section 933."