

At the beginning of the current year, Donna Harp was employed as a cinematographer by Farah Movie, Inc., a motion picture company in Los Angeles, California. In June, she accepted a new job with Ocala Production in Orlando, Florida. Donna is single and her social security number is 223-77-6793. She sold her house in California on August 10 for \$500,000. She paid a \$14,000 sales commission. The house was acquired on March 23, 1987, for \$140,000.

The cost of transporting her household goods and personal effects from California to Orlando amounted to \$2,350. To travel from California to Florida, she paid travel and lodging costs of \$370 and \$100 for meals.

On July 15, she purchased a house for \$270,000 on 1225 Minnie Lane in Orlando. To purchase the house, she incurred a 20-year mortgage for \$170,000. To obtain the loan, she paid points of \$3,400. The \$3,600 of property taxes for the house in Orlando were prorated with \$1,950 being apportioned to the seller and \$1,650 being apportioned to the buyer. In December of the current year she paid \$3,600 for property taxes.

Other information related to her return:

Salary from Farah Movie, Inc.	\$30,000
Salary from Ocala Production, Inc.	70,000
Federal income taxes withheld by Farah	6,000
Federal income taxes withheld by Ocala	22,000
FICA taxes withheld by Farah	2,295
FICA taxes withheld by Ocala	5,355
Dividend income	10,000
Interest paid for mortgage:	
Home in California	6,780
Home in Orlando	3,800
Property taxes paid in California	4,100
Sales taxes paid in California and Florida	3,125
State income taxes paid in California	2,900
Interest income from Sun National Bank	1,800

Prepare Form 1040 including Schedules A, B, and D and Form 3903.

~~work sheet on page 12-23 to determine the amount of~~