

Form **1040** Department of the Treasury—Internal Revenue Service (99) **U.S. Individual Income Tax Return** **2014** OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2014, or other tax year beginning _____, 2014, ending _____, 20 **See separate instructions.**

Your first name and initial **MICHAEL R** Last name **PENCE** Your social security number **[REDACTED]**

If a joint return, spouse's first name and initial **KAREN S** Last name **PENCE** Spouse's social security number **[REDACTED]**

Home address (number and street). If you have a P.O. box, see instructions. **[REDACTED]** Apt. no. **[REDACTED]** **▲ 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). **INDIANAPOLIS IN 46208-3540**

Foreign country name _____ Foreign province/state/county _____ Foreign postal code _____ **Presidential Election Campaign**
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 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. **2 Married filing jointly (even if only one had income)** 5 Qualifying widow(er) with dependent child
3 Married filing separately. Enter spouse's SSN above and full name here. **Check only one box.**

Exemptions 6a Yourself. If someone can claim you as a dependent, do not check box 6a } **Boxes checked on 6a and 6b** **2**
b Spouse } **No. of children on 6c who:**
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 qual. for child tax credit (see instr.) **• lived with you** **3**
• did not live with you due to divorce or separation (see instructions)
Dependents on 6c not entered above _____
Add numbers on lines above **5**

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> if child under age 17 qual. for child tax credit (see instr.)
MICHAEL J	PENCE	[REDACTED]	Son	<input type="checkbox"/>
CHARLOTTE	PENCE	[REDACTED]	Daughter	<input type="checkbox"/>
AUDREY A	PENCE	[REDACTED]	Daughter	<input type="checkbox"/>

d Total number of exemptions claimed **5**

Income	7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	106,190
	8a	Taxable interest. Attach Schedule B if required	8a	
	b	Tax-exempt interest. Do not include on line 8a	8b	
	9a	Ordinary dividends. Attach Schedule B if required	9a	
	b	Qualified dividends	9b	
	10	Taxable refunds, credits, or offsets of state and local income taxes	10	1,796
	11	Alimony received	11	
	12	Business income or (loss). Attach Schedule C or C-EZ	12	634
	13	Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	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	40,000
	17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	
	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	148,620

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	45
	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	31a	
	b	Recipient's SSN	32	
	32	IRA deduction	32	
	33	Student loan interest deduction	33	952
	34	Tuition and fees. Attach Form 8917	34	
	35	Domestic production activities deduction. Attach Form 8903	35	
	36	Add lines 23 through 35	36	997
	37	Subtract line 36 from line 22. This is your adjusted gross income	37	147,623

Tax and Credits

38	Amount from line 37 (adjusted gross income)	38	147,623
39a	Check <input type="checkbox"/> You were born before January 2, 1950, <input type="checkbox"/> Blind. <input type="checkbox"/> Spouse was born before January 2, 1950, <input type="checkbox"/> Blind. Total boxes checked ▶	39a	
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	12,400
41	Subtract line 40 from line 38	41	135,223
42	Exemptions. If line 38 is \$152,525 or less, multiply \$3,950 by the number on line 6d. Otherwise, see instructions	42	19,750
43	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	115,473
44	Tax (see instr.). Check if any from: a <input type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972 c <input type="checkbox"/>	44	20,581
45	Alternative minimum tax (see instructions). Attach Form 6251	45	
46	Excess advance premium tax credit repayment. Attach Form 8962	46	
47	Add lines 44, 45, and 46	47	20,581
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	3,000
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 credits 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	3,000
56	Subtract line 55 from line 47. If line 55 is more than line 47, enter -0-	56	17,581

Other Taxes

57	Self-employment tax. Attach Schedule SE	57	90
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 type="checkbox"/> Form 8959 b <input type="checkbox"/> Form 8960 c <input type="checkbox"/> Instructions; enter code(s)	62	
63	Add lines 56 through 62. This is your total tax	63	17,671

Payments

64	Federal income tax withheld from Forms W-2 and 1099	64	24,147
65	2014 estimated tax payments and amount applied from 2013 return	65	
66a	Earned income credit (EIC)	66a	
b	Nontaxable combat pay election <input type="checkbox"/> 66b	66b	
67	Additional child tax credit. Attach Schedule 8812	67	
68	American opportunity credit from Form 8863, line 8	68	2,000
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 checked="" type="checkbox"/> Reserved c <input checked="" type="checkbox"/> Reserved d <input type="checkbox"/>	73	
74	Add lines 64, 65, 66a, and 67 through 73. These are your total payments	74	26,147

Refund

75	If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you overpaid	75	8,476
76a	Amount of line 75 you want refunded to you. If Form 8888 is attached, check here ▶ <input type="checkbox"/>	76a	8,476
b	Routing number <input checked="" type="checkbox"/> Checking <input type="checkbox"/> Savings		
d	Account number		
77	Amount of line 75 you want applied to your 2015 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	
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 ▶ STEPHEN REED Personal identification number (PIN) ▶ [Redacted]

Phone no. ▶ 317-549-3091

Sign Here

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 _____ Date _____ Your occupation GOVERNOR

Spouse's signature. If a joint return, both must sign. _____ Date _____ Spouse's occupation TEACHER

If the IRS sent you an Identity Protection PIN, enter it here (see instr.) _____

Print/Type preparer's name: STEPHEN REED Preparer's signature: [Redacted] Date: 02/13/15 Check self-employment PTIN [Redacted]

Paid Firm's name: Cadick Williams McAllister Ford LLC Firm's EIN: [Redacted]

Preparer Firm's address: 2905 East 46th Street Indianapolis IN 46205-2408 Phone no.: 317-549-3091

Use Only

Form **8879**

IRS e-file Signature Authorization

OMB No. 1545-0074

2014

Department of the Treasury
Internal Revenue Service

▶ Do not send to the IRS. This is not a tax return.
▶ Keep this form for your records.
▶ Information about Form 8879 and its instructions is at www.irs.gov/form8879.

Submission Identification Number (SID) ▶

Taxpayer's name MICHAEL R PENCE		Social security number [REDACTED]
Spouse's name KAREN S PENCE		Spouse's social security number [REDACTED]

Part I Tax Return Information — Tax Year Ending December 31, 2014 (Whole Dollars Only)

1	Adjusted gross income (Form 1040, line 38; Form 1040A, line 22; Form 1040EZ, line 4)	1	147,623
2	Total tax (Form 1040, line 63; Form 1040A, line 39; Form 1040EZ, line 12)	2	17,671
3	Federal income tax withheld (Form 1040, line 64; Form 1040A, line 40; Form 1040EZ, line 7)	3	24,147
4	Refund (Form 1040, line 76a; Form 1040A, line 48a; Form 1040EZ, line 13a; Form 1040-SS, Part I, line 13a)	4	8,476
5	Amount you owe (Form 1040, line 78; Form 1040A, line 50; Form 1040EZ, line 14)	5	

Part II Taxpayer Declaration and Signature Authorization (Be sure you get and keep a copy of your return)

Under penalties of perjury, I declare that I have examined a copy of my electronic individual income tax return and accompanying schedules and statements for the tax year ending December 31, 2014, and to the best of my knowledge and belief, it is true, correct, and complete. I further declare that the amounts in Part I above are the amounts from my electronic income tax return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send my return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an ACH electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of my federal taxes owed on this return and/or a payment of estimated tax, and the financial institution to debit the entry to this account. This authorization is to remain in full force and effect until I notify the U.S. Treasury Financial Agent to terminate the authorization. To revoke (cancel) a payment, I must contact the U.S. Treasury Financial Agent at 1-888-363-4537. Payment cancellation requests must be received no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I further acknowledge that the personal identification number (PIN) below is my signature for my electronic income tax return and, if applicable, my Electronic Funds Withdrawal Consent.

Taxpayer's PIN: check one box only

I authorize Cadick Williams McAllister Ford LLC to enter or generate my PIN [REDACTED] as my signature on my tax year 2014 electronically filed income tax return. ERO firm name Enter five digits, but do not enter all zeros

I will enter my PIN as my signature on my tax year 2014 electronically filed income tax return. Check this box **only** if you are entering your own PIN and your return is filed using the Practitioner PIN method. The ERO must complete Part III below.

Your signature ▶ *Michael R Pence* Date ▶ 02/03/15

Spouse's PIN: check one box only

I authorize Cadick Williams McAllister Ford LLC to enter or generate my PIN [REDACTED] as my signature on my tax year 2014 electronically filed income tax return. ERO firm name Enter five digits, but do not enter all zeros

I will enter my PIN as my signature on my tax year 2014 electronically filed income tax return. Check this box **only** if you are entering your own PIN and your return is filed using the Practitioner PIN method. The ERO must complete Part III below.

Spouse's signature ▶ *Karen S Pence* Date ▶ 02/03/15

Practitioner PIN Method Returns Only—continue below

Part III Certification and Authentication — Practitioner PIN Method Only

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN. [REDACTED] Do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature for the tax year 2014 electronically filed income tax return for the taxpayer(s) indicated above. I confirm that I am submitting this return in accordance with the requirements of the Practitioner PIN method and **Publication 1345, Handbook for Authorized IRS e-file Providers of Individual Income Tax Returns.**

ERO's signature ▶ *Stephen Reed* Date ▶ 02/03/15

**ERO Must Retain This Form — See Instructions
Do Not Submit This Form to the IRS Unless Requested To Do So**

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

Form **8879** (2014)

Form **8879**

IRS e-file Signature Authorization

OMB No. 1545-0074

2014

Department of the Treasury
Internal Revenue Service

▶ Do not send to the IRS. This is not a tax return.
▶ Keep this form for your records.
▶ Information about Form 8879 and its instructions is at www.irs.gov/form8879.

Submission Identification Number (SID) ▶

Taxpayer's name MICHAEL R PENCE		Social security number [REDACTED]
Spouse's name KAREN S PENCE		Spouse's social security number [REDACTED]

Part I Tax Return Information — Tax Year Ending December 31, 2014 (Whole Dollars Only)		
1	Adjusted gross income (Form 1040, line 38; Form 1040A, line 22; Form 1040EZ, line 4)	147,623
2	Total tax (Form 1040, line 63; Form 1040A, line 39; Form 1040EZ, line 12)	17,671
3	Federal income tax withheld (Form 1040, line 64; Form 1040A, line 40; Form 1040EZ, line 7)	24,147
4	Refund (Form 1040, line 76a; Form 1040A, line 48a; Form 1040EZ, line 13a; Form 1040-SS, Part I, line 13a)	8,476
5	Amount you owe (Form 1040, line 78; Form 1040A, line 50; Form 1040EZ, line 14)	

Part II Taxpayer Declaration and Signature Authorization (Be sure you get and keep a copy of your return)

Under penalties of perjury, I declare that I have examined a copy of my electronic individual income tax return and accompanying schedules and statements for the tax year ending December 31, 2014, and to the best of my knowledge and belief, it is true, correct, and complete. I further declare that the amounts in Part I above are the amounts from my electronic income tax return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send my return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an ACH electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of my federal taxes owed on this return and/or a payment of estimated tax, and the financial institution to debit the entry to this account. This authorization is to remain in full force and effect until I notify the U.S. Treasury Financial Agent to terminate the authorization. To revoke (cancel) a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537. Payment cancellation requests must be received no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I further acknowledge that the personal identification number (PIN) below is my signature for my electronic income tax return and, if applicable, my Electronic Funds Withdrawal Consent.

Taxpayer's PIN: check one box only

I authorize Cadick Williams McAllister Ford LLC to enter or generate my PIN [REDACTED] as my signature on my tax year 2014 electronically filed income tax return.
ERO firm name
Enter five digits, but do not enter all zeros

I will enter my PIN as my signature on my tax year 2014 electronically filed income tax return. Check this box **only** if you are entering your own PIN and your return is filed using the Practitioner PIN method. The ERO must complete Part III below.

Your signature ▶ _____ Date ▶ 02/03/15

Spouse's PIN: check one box only

I authorize Cadick Williams McAllister Ford LLC to enter or generate my PIN [REDACTED] as my signature on my tax year 2014 electronically filed income tax return.
ERO firm name
Enter five digits, but do not enter all zeros

I will enter my PIN as my signature on my tax year 2014 electronically filed income tax return. Check this box **only** if you are entering your own PIN and your return is filed using the Practitioner PIN method. The ERO must complete Part III below.

Spouse's signature ▶ _____ Date ▶ 02/03/15

Practitioner PIN Method Returns Only—continue below

Part III Certification and Authentication — Practitioner PIN Method Only

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN. [REDACTED]

I certify that the above numeric entry is my PIN, which is my signature for the tax year 2014 electronically filed income tax return for the taxpayer(s) indicated above. I confirm that I am submitting this return in accordance with the requirements of the Practitioner PIN method and **Publication 1345**, Handbook for Authorized IRS e-file Providers of Individual Income Tax Returns.

ERO's signature ▶ _____ Date ▶ 02/03/15

**ERO Must Retain This Form — See Instructions
Do Not Submit This Form to the IRS Unless Requested To Do So**

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

SCHEDULE C (Form 1040)

Profit or Loss From Business

(Sole Proprietorship)

OMB No. 1545-0074

2014

Attachment Sequence No. 09

Department of the Treasury Internal Revenue Service (99)

Information about Schedule C and its separate instructions is at www.irs.gov/schedulec. Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

Name of proprietor: KAREN S PENCE
A Principal business or profession, including product or service (see instructions): WATERCOLOR ARTIST
B Enter code from instructions: 711510
C Business name, if no separate business name, leave blank: KAREN PENCE
D Employer ID number (EIN), (see instr.)
E Business address (including suite or room no.): City, town or post office, state, and ZIP code: IN
F Accounting method: (1) X Cash (2) Accrual (3) Other (specify)
G Did you "materially participate" in the operation of this business during 2014? If "No," see instructions for limit on losses: X Yes
H If you started or acquired this business during 2014, check here
I Did you make any payments in 2014 that would require you to file Form(s) 1099? (see instructions): X Yes
J If "Yes," did you or will you file required Forms 1099?: X Yes

Part I Income
Table with 7 rows: 1 Gross receipts or sales (845), 2 Returns and allowances, 3 Subtract line 2 from line 1 (845), 4 Cost of goods sold, 5 Gross profit (845), 6 Other income, 7 Gross income (845)

Part II Expenses. Enter expenses for business use of your home only on line 30.
Table with 32 rows: 8 Advertising, 9 Car and truck expenses, 10 Commissions and fees, 11 Contract labor, 12 Depletion, 13 Depreciation and section 179 expense deduction, 14 Employee benefit programs, 15 Insurance, 16 Interest, 17 Legal and professional services, 18 Office expense, 19 Pension and profit-sharing plans, 20 Rent or lease, 21 Repairs and maintenance, 22 Supplies, 23 Taxes and licenses, 24 Travel, meals, and entertainment, 25 Utilities, 26 Wages, 27a Other expenses, 27b Reserved for future use, 28 Total expenses (211), 29 Tentative profit or (loss) (634), 30 Expenses for business use of your home, 31 Net profit or (loss) (634), 32 Investment risk options.

**SCHEDULE SE
(Form 1040)**

Self-Employment Tax

OMB No. 1545-0074

► Information about Schedule SE and its separate instructions is at www.irs.gov/schedulese.

2014

► Attach to Form 1040 or Form 1040NR.

Attachment
Sequence No. **17**

Department of the Treasury
Internal Revenue Service (99)

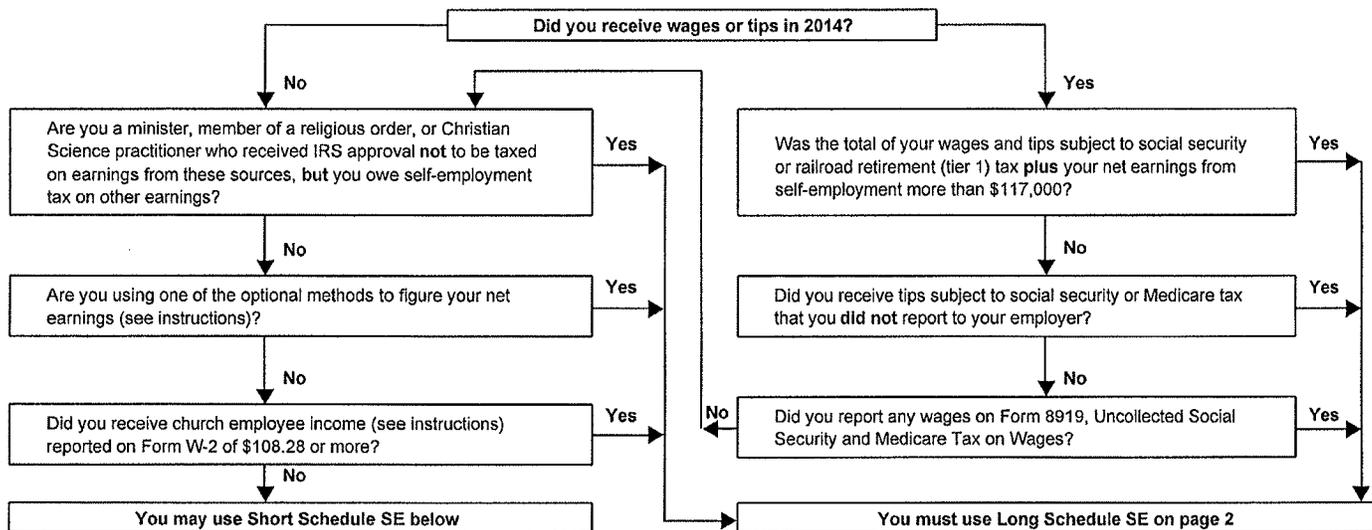
Name of person with self-employment income (as shown on Form 1040 or Form 1040NR)
KAREN S PENCE

Social security number of person with self-employment income ►

Before you begin: To determine if you must file Schedule SE, see the instructions.

May I Use Short Schedule SE or Must I Use Long Schedule SE?

Note. Use this flowchart only if you must file Schedule SE. If unsure, see Who Must File Schedule SE in the instructions.



Section A — Short Schedule SE. Caution. Read above to see if you can use Short Schedule SE.

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 Z	1b	()
2 Net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), box 14, code A (other than farming); and Schedule K-1 (Form 1065-B), box 9, code J1. Ministers and members of religious orders, see instructions for types of income to report on this line. See instructions for other income to report	2	634
3 Combine lines 1a, 1b, and 2	3	634
4 Multiply line 3 by 92.35% (.9235). If less than \$400, you do not owe self-employment tax; do not file this schedule unless you have an amount on line 1b Note. If line 4 is less than \$400 due to Conservation Reserve Program payments on line 1b, see instructions.	4	585
5 Self-employment tax. If the amount on line 4 is: • \$117,000 or less, multiply line 4 by 15.3% (.153). Enter the result here and on Form 1040, line 57, or Form 1040NR, line 55 • More than \$117,000, multiply line 4 by 2.9% (.029). Then, add \$14,508 to the result. Enter the total here and on Form 1040, line 57, or Form 1040NR, line 55	5	90
6 Deduction for one-half of self-employment tax. Multiply line 5 by 50% (.50). Enter the result here and on Form 1040, line 27, or Form 1040NR, line 27	6	45

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

Schedule SE (Form 1040) 2014

Form **5329**

**Additional Taxes on Qualified Plans
(Including IRAs) and Other Tax-Favored Accounts**

OMB No. 1545-0074

2014

Department of the Treasury
Internal Revenue Service (99)

▶ Attach to Form 1040 or Form 1040NR.

▶ Information about Form 5329 and its separate instructions is at www.irs.gov/form5329.

Attachment
Sequence No. **29**

Name of individual subject to additional tax. If married filing jointly, see instructions.

Your social security number

MICHAEL R PENCE



Home address (number and street), or P.O. box if mail is not delivered to your home

Apt. no.

Fill in Your Address Only
If You Are Filing This
Form by Itself and Not
With Your Tax Return

City, town or post office, state, and ZIP code. If you have a foreign address, also complete the spaces below (see instructions).

If this is an amended
return, check here

Foreign country name

Foreign province/state/county

Foreign postal code

If you only owe the additional 10% tax on early distributions, you may be able to report this tax directly on Form 1040, line 59, or Form 1040NR, line 57, without filing Form 5329. See the instructions for Form 1040, line 59, or for Form 1040NR, line 57.

Part I Additional Tax on Early Distributions

Complete this part if you took a taxable distribution before you reached age 59½ from a qualified retirement plan (including an IRA) or modified endowment contract (unless you are reporting this tax directly on Form 1040 or Form 1040NR—see above). You may also have to complete this part to indicate that you qualify for an exception to the additional tax on early distributions or for certain Roth IRA distributions (see instructions).

1	Early distributions included in income. For Roth IRA distributions, see instructions	1	40,000
2	Early distributions included on line 1 that are not subject to the additional tax (see instructions). Enter the appropriate exception number from the instructions: <u>01</u>	2	40,000
3	Amount subject to additional tax. Subtract line 2 from line 1	3	0
4	Additional tax. Enter 10% (.10) of line 3. Include this amount on Form 1040, line 59, or Form 1040NR, line 57 Caution: If any part of the amount on line 3 was a distribution from a SIMPLE IRA, you may have to include 25% of that amount on line 4 instead of 10% (see instructions).	4	

Part II Additional Tax on Certain Distributions From Education Accounts

Complete this part if you included an amount in income, on Form 1040 or Form 1040NR, line 21, from a Coverdell education savings account (ESA) or a qualified tuition program (QTP).

5	Distributions included in income from Coverdell ESAs and QTPs	5	
6	Distributions included on line 5 that are not subject to the additional tax (see instructions)	6	
7	Amount subject to additional tax. Subtract line 6 from line 5	7	
8	Additional tax. Enter 10% (.10) of line 7. Include this amount on Form 1040, line 59, or Form 1040NR, line 57	8	

Part III Additional Tax on Excess Contributions to Traditional IRAs

Complete this part if you contributed more to your traditional IRAs for 2014 than is allowable or you had an amount on line 17 of your 2013 Form 5329.

9	Enter your excess contributions from line 16 of your 2013 Form 5329 (see instructions). If zero, go to line 15	9	
10	If your traditional IRA contributions for 2014 are less than your maximum allowable contribution, see instructions. Otherwise, enter -0-	10	
11	2014 traditional IRA distributions included in income (see instructions)	11	
12	2014 distributions of prior year excess contributions (see instructions)	12	
13	Add lines 10, 11, and 12	13	
14	Prior year excess contributions. Subtract line 13 from line 9. If zero or less, enter -0-	14	
15	Excess contributions for 2014 (see instructions)	15	
16	Total excess contributions. Add lines 14 and 15	16	
17	Additional tax. Enter 6% (.06) of the smaller of line 16 or the value of your traditional IRAs on December 31, 2014 (including 2014 contributions made in 2015). Include this amount on Form 1040, line 59, or Form 1040NR, line 57	17	

Part IV Additional Tax on Excess Contributions to Roth IRAs

Complete this part if you contributed more to your Roth IRAs for 2014 than is allowable or you had an amount on line 25 of your 2013 Form 5329.

18	Enter your excess contributions from line 24 of your 2013 Form 5329 (see instructions). If zero, go to line 23	18	
19	If your Roth IRA contributions for 2014 are less than your maximum allowable contribution, see instructions. Otherwise, enter -0-	19	
20	2014 distributions from your Roth IRAs (see instructions)	20	
21	Add lines 19 and 20	21	
22	Prior year excess contributions. Subtract line 21 from line 18. If zero or less, enter -0-	22	
23	Excess contributions for 2014 (see instructions)	23	
24	Total excess contributions. Add lines 22 and 23	24	
25	Additional tax. Enter 6% (.06) of the smaller of line 24 or the value of your Roth IRAs on December 31, 2014 (including 2014 contributions made in 2015). Include this amount on Form 1040, line 59, or Form 1040NR, line 57	25	

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

Form **8863**

Education Credits
(American Opportunity and Lifetime Learning Credits)

OMB No. 1545-0074

2014

Department of the Treasury
Internal Revenue Service (99)

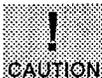
▶ Attach to Form 1040 or Form 1040A.

Attachment
Sequence No. **50**

▶ Information about Form 8863 and its separate instructions is at www.irs.gov/form8863.

Name(s) shown on return
MICHAEL R & KAREN S PENCE

Your social security number



Complete a separate Part III on page 2 for each student for whom you are claiming either credit before you complete Parts I and II.

Part I Refundable American Opportunity Credit

1	After completing Part III for each student, enter the total of all amounts from all Parts III, line 30	1	5,000
2	Enter: \$180,000 if married filing jointly; \$90,000 if single, head of household, or qualifying widow(er)	2	180,000
3	Enter the amount from Form 1040, line 38, or Form 1040A, line 22. If you are filing Form 2555, 2555-EZ, or 4563, or you are excluding income from Puerto Rico, see Pub. 970 for the amount to enter	3	147,623
4	Subtract line 3 from line 2. If zero or less, stop; you cannot take any education credit	4	32,377
5	Enter: \$20,000 if married filing jointly; \$10,000 if single, head of household, or qualifying widow(er)	5	20,000
6	If line 4 is: • Equal to or more than line 5, enter 1.000 on line 6 • Less than line 5, divide line 4 by line 5. Enter the result as a decimal (rounded to at least three places)	6	1.000
7	Multiply line 1 by line 6. Caution: If you were under age 24 at the end of the year and meet the conditions described in the instructions, you cannot take the refundable American opportunity credit; skip line 8, enter the amount from line 7 on line 9, and check this box <input type="checkbox"/>	7	5,000
8	Refundable American opportunity credit. Multiply line 7 by 40% (.40). Enter the amount here and on Form 1040, line 68, or Form 1040A, line 44. Then go to line 9 below	8	2,000

Part II Nonrefundable Education Credits

9	Subtract line 8 from line 7. Enter here and on line 2 of the Credit Limit Worksheet (see instructions)	9	3,000
10	After completing Part III for each student, enter the total of all amounts from all Parts III, line 31. If zero, skip lines 11 through 17, enter -0- on line 18, and go to line 19	10	
11	Enter the smaller of line 10 or \$10,000	11	
12	Multiply line 11 by 20% (.20)	12	
13	Enter: \$128,000 if married filing jointly; \$64,000 if single, head of household, or qualifying widow(er)	13	
14	Enter the amount from Form 1040, line 38, or Form 1040A, line 22. If you are filing Form 2555, 2555-EZ, or 4563, or you are excluding income from Puerto Rico, see Pub. 970 for the amount to enter	14	
15	Subtract line 14 from line 13. If zero or less, skip lines 16 and 17, enter -0- on line 18, and go to line 19	15	
16	Enter: \$20,000 if married filing jointly; \$10,000 if single, head of household, or qualifying widow(er)	16	
17	If line 15 is: • Equal to or more than line 16, enter 1.000 on line 17 and go to line 18 • Less than line 16, divide line 15 by line 16. Enter the result as a decimal (rounded to at least three places)	17	
18	Multiply line 12 by line 17. Enter here and on line 1 of the Credit Limit Worksheet (see instructions)	18	
19	Nonrefundable education credits. Enter the amount from line 7 of the Credit Limit Worksheet (see instructions) here and on Form 1040, line 50, or Form 1040A, line 33	19	3,000

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

Form **8863** (2014)

Name(s) shown on return

MICHAEL R & KAREN S PENCE

Your social security number

[REDACTED]



Complete Part III for each student for whom you are claiming either the American opportunity credit or lifetime learning credit. Use additional copies of Page 2 as needed for each student.

Part III Student and Educational Institution Information

See instructions.

20 Student name (as shown on page 1 of your tax return) MICHAEL J PENCE	21 Student social security number (as shown on page 1 of your tax return) [REDACTED]
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22 Educational institution information (see instructions)

a. Name of first educational institution PURDUE UNIVERSITY	b. Name of second educational institution (if any)
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(1) Address. Number and street (or P.O. box). City, town or post office, state, and ZIP code. If a foreign address, see instructions. 130 HOVDE HALL WEST LAFAYETTE IN 47907	(1) Address. Number and street (or P.O. box). City, town or post office, state, and ZIP code. If a foreign address, see instructions.
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(2) Did the student receive Form 1098-T from this institution for 2014? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	(2) Did the student receive Form 1098-T from this institution for 2014? <input type="checkbox"/> Yes <input type="checkbox"/> No
(3) Did the student receive Form 1098-T from this institution for 2013 with Box 2 filled in and Box 7 checked? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	(3) Did the student receive Form 1098-T from this institution for 2013 with Box 2 filled in and Box 7 checked? <input type="checkbox"/> Yes <input type="checkbox"/> No

If you checked "No" in both (2) and (3), skip (4). (4) If you checked "Yes" in (2) or (3), enter the institution's federal identification number (from Form 1098-T). ** - *** 2041	If you checked "No" in both (2) and (3), skip (4). (4) If you checked "Yes" in (2) or (3), enter the institution's federal identification number (from Form 1098-T).
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23 Has the Hope Scholarship Credit or American opportunity credit been claimed for this student for any 4 tax years before 2014? Yes — Stop! Go to line 31 for this student. No — Go to line 24.

24 Was the student enrolled at least half-time for at least one academic period that began or is treated as having begun in 2014 at an eligible educational institution in a program leading towards a postsecondary degree, certificate, or other recognized postsecondary educational credential? (see instructions) Yes — Go to line 25. No — Stop! Go to line 31 for this student.

25 Did the student complete the first 4 years of post-secondary education before 2014? Yes — Stop! Go to line 31 for this student. No — Go to line 26.

26 Was the student convicted, before the end of 2014, of a felony for possession or distribution of a controlled substance? Yes — Stop! Go to line 31 for this student. No — Complete lines 27 through 30 for this student.



You cannot take the American opportunity credit and the lifetime learning credit for the same student in the same year. If you complete lines 27 through 30 for this student, do not complete line 31.

American Opportunity Credit

27 Adjusted qualified education expenses (see instructions). Do not enter more than \$4,000	27	4,000
28 Subtract \$2,000 from line 27. If zero or less enter -0-	28	2,000
29 Multiply line 28 by 25% (.25)	29	500
30 If line 28 is zero, enter the amount from line 27. Otherwise, add \$2,000 to the amount on line 29 and enter the result. Skip line 31. Include the total of all amounts from all Parts III, line 30 on Part I, line 1	30	2,500

Lifetime Learning Credit

31 Adjusted qualified education expenses (see instructions). Include the total of all amounts from all Parts III, line 31, on Part II, line 10	31	
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Name(s) shown on return

MICHAEL R & KAREN S PENCE

Your social security number



Complete Part III for each student for whom you are claiming either the American opportunity credit or lifetime learning credit. Use additional copies of Page 2 as needed for each student.

Part III Student and Educational Institution Information
See instructions.

<p>20 Student name (as shown on page 1 of your tax return)</p> <p>CHARLOTTE PENCE</p>	<p>21 Student social security number (as shown on page 1 of your tax return)</p> <p>[REDACTED]</p>		
<p>22 Educational institution information (see instructions)</p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%; vertical-align: top;"> <p>a. Name of first educational institution</p> <p>DEPAUL UNIVERSITY</p> <p>(1) Address. Number and street (or P.O. box). City, town or post office, state, and ZIP code. If a foreign address, see instructions. 1 E. JACKSON BLVD. CHICAGO IL 60604</p> <p>(2) Did the student receive Form 1098-T from this institution for 2014? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>(3) Did the student receive Form 1098-T from this institution for 2013 with Box 2 filled in and Box 7 checked? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If you checked "No" in both (2) and (3), skip (4).</p> <p>(4) If you checked "Yes" in (2) or (3), enter the institution's federal identification number (from Form 1098-T). ** - ***7048</p> </td> <td style="width:50%; vertical-align: top;"> <p>b. Name of second educational institution (if any)</p> <p>(1) Address. Number and street (or P.O. box). City, town or post office, state, and ZIP code. If a foreign address, see instructions.</p> <p>(2) Did the student receive Form 1098-T from this institution for 2014? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>(3) Did the student receive Form 1098-T from this institution for 2013 with Box 2 filled in and Box 7 checked? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If you checked "No" in both (2) and (3), skip (4).</p> <p>(4) If you checked "Yes" in (2) or (3), enter the institution's federal identification number (from Form 1098-T).</p> </td> </tr> </table>		<p>a. Name of first educational institution</p> <p>DEPAUL UNIVERSITY</p> <p>(1) Address. Number and street (or P.O. box). City, town or post office, state, and ZIP code. If a foreign address, see instructions. 1 E. JACKSON BLVD. CHICAGO IL 60604</p> <p>(2) Did the student receive Form 1098-T from this institution for 2014? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>(3) Did the student receive Form 1098-T from this institution for 2013 with Box 2 filled in and Box 7 checked? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If you checked "No" in both (2) and (3), skip (4).</p> <p>(4) If you checked "Yes" in (2) or (3), enter the institution's federal identification number (from Form 1098-T). ** - ***7048</p>	<p>b. Name of second educational institution (if any)</p> <p>(1) Address. Number and street (or P.O. box). City, town or post office, state, and ZIP code. If a foreign address, see instructions.</p> <p>(2) Did the student receive Form 1098-T from this institution for 2014? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>(3) Did the student receive Form 1098-T from this institution for 2013 with Box 2 filled in and Box 7 checked? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If you checked "No" in both (2) and (3), skip (4).</p> <p>(4) If you checked "Yes" in (2) or (3), enter the institution's federal identification number (from Form 1098-T).</p>
<p>a. Name of first educational institution</p> <p>DEPAUL UNIVERSITY</p> <p>(1) Address. Number and street (or P.O. box). City, town or post office, state, and ZIP code. If a foreign address, see instructions. 1 E. JACKSON BLVD. CHICAGO IL 60604</p> <p>(2) Did the student receive Form 1098-T from this institution for 2014? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>(3) Did the student receive Form 1098-T from this institution for 2013 with Box 2 filled in and Box 7 checked? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If you checked "No" in both (2) and (3), skip (4).</p> <p>(4) If you checked "Yes" in (2) or (3), enter the institution's federal identification number (from Form 1098-T). ** - ***7048</p>	<p>b. Name of second educational institution (if any)</p> <p>(1) Address. Number and street (or P.O. box). City, town or post office, state, and ZIP code. If a foreign address, see instructions.</p> <p>(2) Did the student receive Form 1098-T from this institution for 2014? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>(3) Did the student receive Form 1098-T from this institution for 2013 with Box 2 filled in and Box 7 checked? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If you checked "No" in both (2) and (3), skip (4).</p> <p>(4) If you checked "Yes" in (2) or (3), enter the institution's federal identification number (from Form 1098-T).</p>		
<p>23 Has the Hope Scholarship Credit or American opportunity credit been claimed for this student for any 4 tax years before 2014?</p> <p><input type="checkbox"/> Yes — Stop! Go to line 31 for this student. <input checked="" type="checkbox"/> No — Go to line 24.</p>			
<p>24 Was the student enrolled at least half-time for at least one academic period that began or is treated as having begun in 2014 at an eligible educational institution in a program leading towards a postsecondary degree, certificate, or other recognized postsecondary educational credential? (see instructions)</p> <p><input checked="" type="checkbox"/> Yes — Go to line 25. <input type="checkbox"/> No — Stop! Go to line 31 for this student.</p>			
<p>25 Did the student complete the first 4 years of post-secondary education before 2014?</p> <p><input type="checkbox"/> Yes — Stop! Go to line 31 for this student. <input checked="" type="checkbox"/> No — Go to line 26.</p>			
<p>26 Was the student convicted, before the end of 2014, of a felony for possession or distribution of a controlled substance?</p> <p><input type="checkbox"/> Yes — Stop! Go to line 31 for this student. <input checked="" type="checkbox"/> No — Complete lines 27 through 30 for this student.</p>			



You cannot take the American opportunity credit and the lifetime learning credit for the same student in the same year. If you complete lines 27 through 30 for this student, do not complete line 31.

American Opportunity Credit

27 Adjusted qualified education expenses (see instructions). Do not enter more than \$4,000	27	4,000
28 Subtract \$2,000 from line 27. If zero or less enter -0-	28	2,000
29 Multiply line 28 by 25% (.25)	29	500
30 If line 28 is zero, enter the amount from line 27. Otherwise, add \$2,000 to the amount on line 29 and enter the result. Skip line 31. Include the total of all amounts from all Parts III, line 30 on Part I, line 1	30	2,500

Lifetime Learning Credit

31 Adjusted qualified education expenses (see instructions). Include the total of all amounts from all Parts III, line 31, on Part II, line 10	31	
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Form **8889**

Health Savings Accounts (HSAs)

OMB No. 1545-0074

2014

Department of the Treasury
Internal Revenue Service

▶ Information about Form 8889 and its separate instructions is available at www.irs.gov/form8889
▶ Attach to Form 1040 or Form 1040NR.

Attachment
Sequence No. **53**

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

MICHAEL R PENCE
KAREN S PENCE

Social security number of HSA
beneficiary. If both spouses have
HSAs, see instructions ▶

Before you begin: Complete Form 8853, Archer MSAs and Long-Term Care Insurance Contracts, if required.

Part I HSA Contributions and Deduction. See the instructions before completing this part. If you are filing jointly and both you and your spouse each have separate HSAs, complete a separate Part I for each spouse.

1	Check the box to indicate your coverage under a high-deductible health plan (HDHP) during 2014 (see instructions) ▶	<input type="checkbox"/> Self-only	<input checked="" type="checkbox"/> Family
2	HSA contributions you made for 2014 (or those made on your behalf), including those made from January 1, 2015, through April 15, 2015, that were for 2014. Do not include employer contributions, contributions through a cafeteria plan, or rollovers (see instructions)	2	
3	If you were under age 55 at the end of 2014, and on the first day of every month during 2014, you were, or were considered, an eligible individual with the same coverage, enter \$3,300 (\$6,550 for family coverage). All others, see the instructions for the amount to enter	3	6,550
4	Enter the amount you and your employer contributed to your Archer MSAs for 2014 from Form 8853, lines 1 and 2. If you or your spouse had family coverage under an HDHP at any time during 2014, also include any amount contributed to your spouse's Archer MSAs	4	
5	Subtract line 4 from line 3. If zero or less, enter -0-	5	6,550
6	Enter the amount from line 5. But if you and your spouse each have separate HSAs and had family coverage under an HDHP at any time during 2014, see the instructions for the amount to enter	6	6,550
7	If you were age 55 or older at the end of 2014, married, and you or your spouse had family coverage under an HDHP at any time during 2014, enter your additional contribution amount (see instructions)	7	1,000
8	Add lines 6 and 7	8	7,550
9	Employer contributions made to your HSAs for 2014	9	2,250
10	Qualified HSA funding distributions	10	
11	Add lines 9 and 10	11	2,250
12	Subtract line 11 from line 8. If zero or less, enter -0-	12	5,300
13	HSA deduction. Enter the smaller of line 2 or line 12 here and on Form 1040, line 25, or Form 1040NR, line 25	13	

Caution: If line 2 is more than line 13, you may have to pay an additional tax (see instructions).

Part II HSA Distributions. If you are filing jointly and both you and your spouse each have separate HSAs, complete a separate Part II for each spouse.

14a	Total distributions you received in 2014 from all HSAs (see instructions)	14a	2,827
b	Distributions included on line 14a that you rolled over to another HSA. Also include any excess contributions (and the earnings on those excess contributions) included on line 14a that were withdrawn by the due date of your return (see instructions)	14b	
c	Subtract line 14b from line 14a	14c	2,827
15	Qualified medical expenses paid using HSA distributions (see instructions)	15	2,827
16	Taxable HSA distributions. Subtract line 15 from line 14c. If zero or less, enter -0-. Also, include this amount in the total on Form 1040, line 21, or Form 1040NR, line 21. On the dotted line next to line 21, enter "HSA" and the amount	16	0
17a	If any of the distributions included on line 16 meet any of the Exceptions to the Additional 20% Tax (see instructions), check here ▶ <input type="checkbox"/>		
b	Additional 20% tax (see instructions). Enter 20% (.20) of the distributions included on line 16 that are subject to the additional 20% tax. Also include this amount in the total on Form 1040, line 62, or Form 1040NR, line 60. On the dotted line next to Form 1040, line 62, or Form 1040NR, line 60, enter "HSA" and the amount	17b	

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

Form **8889** (2014)

Part III **Income and Additional Tax for Failure To Maintain HDHP Coverage.** See the instructions before completing this part. If you are filing jointly and both you and your spouse each have separate HSAs, complete a separate Part III for each spouse.

18 Last-month rule	18	
19 Qualified HSA funding distribution	19	
20 Total income. Add lines 18 and 19. Include this amount on Form 1040, line 21, or Form 1040NR, line 21. On the dotted line next to Form 1040, line 21, or Form 1040NR, line 21, enter "HSA" and the amount	20	
21 Additional tax. Multiply line 20 by 10% (.10). Include this amount in the total on Form 1040, line 62, or Form 1040NR, line 60. On the dotted line next to Form 1040, line 62, or Form 1040NR, line 60, enter "HDHP" and the amount	21	

Form **1040** | **Salaries & Wages Report** | **2014**

Name: MICHAEL R & KAREN S PENCE | Taxpayer Identification Number: [REDACTED]

T/S	Employer	Federal Wages	Federal Withheld	Soc Sec Wages
A	T STATE OF INDIANA	106,190	16,147	110,284
B				
C				
D				
E				
F				
G				
H				
I				
J				
K				
L				
M				
Taxpayer		106,190	16,147	110,284
Spouse				
Totals		106,190	16,147	110,284

	Soc Sec Withheld	Medicare Wages	Medicare Withheld	Soc Sec Tips	Allocated Tips	Dep Care Ben	Other, Box 14
A	6,838	110,284	1,599				
B							
C							
D							
E							
F							
G							
H							
I							
J							
K							
L							
M							
Taxpayer	6,838	110,284	1,599				
Spouse							
Totals	6,838	110,284	1,599				

	State	State Wages	State Withheld	Name of Locality	Local Wages	Local Withheld
A	IN	106,190	3,576	Bartholom	I03 106,190	I03 1,315
B						
C						
D						
E						
F						
G						
H						
I						
J						
K						
L						
M						
Taxpayer		106,190	3,576		106,190	1,315
Spouse						
Totals		106,190	3,576		106,190	1,315