

JACKSON HEWITT TAX PRACTICE TEST (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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Table of Contents

Copyright	1
Table of Contents	2
Introduction	3
How to Use This Guide	4
Questions	5
Answers	8
Explanations	10
Next Steps	15

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

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- 1. Taxpayers apply for an ITIN by filing which form?**
 - A. W-7
 - B. W-9
 - C. 1040
 - D. W-4

- 2. If none of the taxpayers are parents of the child, who is allowed to claim the child?**
 - A. the taxpayer with the highest AGI
 - B. the custodial parent
 - C. the noncustodial parent
 - D. No one can claim the child

- 3. What is the difference between claiming the standard deduction and itemizing deductions?**
 - A. The standard deduction is a fixed amount by filing status; itemized deductions are actual expenses such as mortgage interest, SALT, medical, and charitable giving that, if higher, reduce taxable income more.
 - B. The standard deduction is a fixed amount by filing status; itemized deductions are fixed amounts that never exceed the standard deduction.
 - C. Both deductions are fixed amounts set by the IRS and never change.
 - D. Itemized deductions always exceed the standard deduction.

- 4. What is Form 1099-INT used for?**
 - A. Reporting interest income received during the year.
 - B. Reporting dividend income.
 - C. Reporting rental income.
 - D. Reporting self-employment income.

- 5. Which situation determines the parent who claims the child when the child lived with one parent longer than the other during the year?**
 - A. The parent with the highest filing status
 - B. The parent with the higher W-2 income
 - C. The parent who lived with the child the longest during the year
 - D. The noncustodial parent

6. Which statement best describes the purpose of Form 8606?

- A. Reporting nondeductible contributions to traditional IRAs, distributions from IRAs, and Roth conversions; tracks basis.
- B. Reporting business income and expenses.
- C. Claiming education credits.
- D. Filing estimated tax payments.

7. Which HOH criterion relates specifically to a parent living with the taxpayer?

- A. The parent must be claimed as a dependent and the taxpayer must pay more than half the cost of keeping up the home where the parent lived all year
- B. The parent must be a dependent but not necessary to pay costs
- C. The parent must live with the taxpayer but not be claimed as a dependent
- D. The parent must not be claimed as a dependent

8. Who sets the standard mileage rate?

- A. The annual rate is determined by the IRS and announced each year.
- B. The IRS sets it annually.
- C. Individual taxpayers set their own rate.
- D. The Department of Transportation sets it.

9. What does SALT stand for in tax terminology?

- A. Standard Allowance for Local Taxes
- B. Social And Local Taxes
- C. State and Local Taxes
- D. State and Local Tariffs

10. In itemized deductions, what does SALT stand for?

- A. Sales And Local Taxes
- B. State And Local Taxes
- C. Sales And Local Tariffs
- D. State And Local Taxes withheld

Answers

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1. A
2. A
3. A
4. A
5. C
6. C
7. A
8. B
9. C
10. B

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Explanations

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1. Taxpayers apply for an ITIN by filing which form?

- A. W-7
- B. W-9
- C. 1040
- D. W-4

An ITIN is an Individual Taxpayer Identification Number issued by the IRS for tax reporting when you're not eligible for a Social Security Number. To obtain one, you complete Form W-7, the Application for IRS Individual Taxpayer Identification Number, and submit it with your federal tax return (along with the required documentation proving identity and foreign status). The other forms serve different purposes: W-9 is for U.S. persons to provide their TIN to a payer, a 1040 is the tax return itself, and W-4 is used to determine withholding from wages. So the form used to apply for an ITIN is W-7.

2. If none of the taxpayers are parents of the child, who is allowed to claim the child?

- A. the taxpayer with the highest AGI
- B. the custodial parent
- C. the noncustodial parent
- D. No one can claim the child

When more than one person could claim the same dependent and none is the parent, the IRS uses a tie-breaker. The first and most common tie-breaker is to award the claim to the taxpayer with the higher adjusted gross income. This approach prevents double claiming and allocates the benefit to the person who would benefit more from the tax impact of the credit. So, in this scenario, the taxpayer with the highest AGI is allowed to claim the child because neither claimant is a parent, and the tie-breaker selects the higher-AGI filer. The custodial or noncustodial parent would only apply if one of those individuals actually qualified as a parent, which isn't the case here. And "no one can claim" isn't correct because the tie-breaker provides a way for someone to claim when multiple filers are eligible.

3. What is the difference between claiming the standard deduction and itemizing deductions?

- A. The standard deduction is a fixed amount by filing status; itemized deductions are actual expenses such as mortgage interest, SALT, medical, and charitable giving that, if higher, reduce taxable income more.
- B. The standard deduction is a fixed amount by filing status; itemized deductions are fixed amounts that never exceed the standard deduction.
- C. Both deductions are fixed amounts set by the IRS and never change.
- D. Itemized deductions always exceed the standard deduction.

Choosing between the standard deduction and itemizing deductions is about how much you can subtract from your taxable income. The standard deduction is a fixed amount set by your filing status, so you get that amount regardless of your actual expenses. Itemized deductions, on the other hand, are a lineup of eligible expenses you actually paid—like mortgage interest, state and local taxes (SALT), medical costs, and charitable gifts—and you only get to deduct them if you choose to itemize. The key rule is to take whichever amount is larger, so your taxable income is reduced as much as possible. If your real expenses total more than the standard deduction, itemizing lowers your tax burden more; if not, you'd stick with the standard deduction.

4. What is Form 1099-INT used for?

A. Reporting interest income received during the year.

B. Reporting dividend income.

C. Reporting rental income.

D. Reporting self-employment income.

Form 1099-INT is the document used to report interest income you received during the year. It's issued by banks, credit unions, and other payers that paid you interest and is sent to both you and the IRS. The amount shown reflects the interest you earned and you usually need to include that interest on your tax return, typically on Schedule B if you have substantial interest or certain filing requirements. Payers generally issue a 1099-INT if you earned \$10 or more of interest in the year, and this form helps the IRS match what you report with what was paid. This form is not for dividends, rents, or self-employment income—that's reported on other forms such as 1099-DIV for dividends, 1099-MISC/NEC for rents or nonemployee compensation, etc.

5. Which situation determines the parent who claims the child when the child lived with one parent longer than the other during the year?

A. The parent with the highest filing status

B. The parent with the higher W-2 income

C. The parent who lived with the child the longest during the year

D. The noncustodial parent

The determination hinges on where the child lived for the majority of the year. The parent with whom the child lived the longest is considered the custodial parent and generally has the right to claim the child as a dependent on their tax return. This affects eligibility for dependent-related benefits like the Child Tax Credit and other credits tied to dependents. The noncustodial parent would not claim the child unless the custodial parent signs a Form 8332 releasing that right. Therefore, when one parent cared for the child longer, that parent is the correct one to claim the child, rather than based on filing status, income, or defaulting to the noncustodial parent.

6. Which statement best describes the purpose of Form 8606?

A. Reporting nondeductible contributions to traditional IRAs, distributions from IRAs, and Roth conversions; tracks basis.

B. Reporting business income and expenses.

C. Claiming education credits.

D. Filing estimated tax payments.

Form 8606 is used to report nondeductible contributions to traditional IRAs, distributions from IRAs, and Roth conversions, and it keeps track of the basis in those accounts. Tracking basis is crucial because amounts that were already taxed when you contributed them nondeductibly should not be taxed again when you withdraw or convert. This form helps determine how much of a distribution is taxable and how much is return of basis, and it records the amount converted in a Roth conversion for proper tax treatment. Education credits, on the other hand, are claimed with a different form (Form 8863), not 8606, and other activities like reporting business income or filing estimated tax payments use separate forms or schedules. So the statement that describes Form 8606 as related to education credits doesn't fit its actual purpose.

7. Which HOH criterion relates specifically to a parent living with the taxpayer?

- A. The parent must be claimed as a dependent and the taxpayer must pay more than half the cost of keeping up the home where the parent lived all year**
- B. The parent must be a dependent but not necessary to pay costs
- C. The parent must live with the taxpayer but not be claimed as a dependent
- D. The parent must not be claimed as a dependent

Head of Household status rests on two linked requirements: you must provide more than half the cost of keeping up a home, and there must be a qualifying person living in that home for more than half the year. When the qualifying person is a parent, the rule specifically ties to the parent being claimed as a dependent and you paying more than half the cost of maintaining the home where the parent lived during the year. This is the criterion that directly connects a parent's living arrangement to HOH. The other choices omit the dependency requirement or the cost-of-maintaining requirement, or incorrectly state the dependent status, so they don't fit.

8. Who sets the standard mileage rate?

- A. The annual rate is determined by the IRS and announced each year.
- B. The IRS sets it annually.**
- C. Individual taxpayers set their own rate.
- D. The Department of Transportation sets it.

The standard mileage rate is set by the IRS and updated each year. The IRS reviews vehicle operating costs and publishes the new rate annually through official guidance, and taxpayers use that rate to calculate deductions for business miles (and certain other mileage rules). It isn't determined by individual taxpayers, nor by the Department of Transportation. The best choice states directly that the IRS sets it annually, which aligns with how the rate is established and published each year.

9. What does SALT stand for in tax terminology?

- A. Standard Allowance for Local Taxes
- B. Social And Local Taxes
- C. State and Local Taxes**
- D. State and Local Tariffs

SALT is the acronym used in U.S. tax terminology to refer to the taxes you pay to state and local governments that may be deductible on your federal return if you itemize. It stands for State and Local Taxes. This deduction on your federal return is designed to cover taxes paid to state and local authorities, such as state income taxes or local taxes, and you can choose to deduct either state and local income taxes or state and local sales taxes, plus property taxes, with the overall limit of \$10,000 (a limit that was added by recent tax reforms). The other options aren't correct because they misstate what SALT stands for or refer to something unrelated (for example, tariffs or non-state taxes).

10. In itemized deductions, what does SALT stand for?

- A. Sales And Local Taxes
- B. State And Local Taxes**
- C. Sales And Local Tariffs
- D. State And Local Taxes withheld

State And Local Taxes. SALT is the group of deductions for taxes you pay to state and local governments. On the itemized deduction schedule, you can deduct either state and local income taxes or state and local sales taxes, and you can also include property taxes, but the total SALT deduction is capped (commonly at \$10,000). The other options miss the correct expansion and misdescribe the deduction: one uses "Sales" instead of "State," another talks about tariffs which aren't part of SALT, and the last refers to withholding rather than the actual deductible taxes paid.

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Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

<https://jacksonhewitttax.examzify.com>

We wish you the very best on your exam journey. You've got this!

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