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1-27-2020

Release 2

New Jersey
Special Handling



4012

Windows Tip:
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VITA/TCE Volunteer Resource Guide

Volunteer Income Tax Assistance (VITA) / Tax Counseling for the Elderly (TCE)

2019 RETURNS



Take your VITA/TCE training online at www.irs.gov (keyword: Link & Learn Taxes). Link to the Practice Lab to gain experience using tax software and take the certification test online, with immediate scoring and feedback.



How to Get Technical Updates?

Updates to the volunteer training materials will be contained in Publication 4491-X, VITA/TCE Training Supplement. The most recent version can be downloaded from the IRS website.

Volunteer Standards of Conduct

VITA/TCE Programs

The mission of the VITA/TCE return preparation programs is to assist eligible taxpayers in satisfying their tax responsibilities by providing **free** tax return preparation. To establish the greatest degree of public trust, volunteers are required to maintain the highest standards of ethical conduct and provide quality service.

All VITA/TCE volunteers (whether paid or unpaid workers) must complete the Volunteer Standards of Conduct (VSC) certification and agree to adhere to the VSC by signing Form 13615, Volunteer Standards of Conduct Agreement, prior to working at a VITA/TCE site. In addition, return preparers, quality reviewers, and VITA/TCE tax law instructors must certify in tax law prior to signing this form. This form is not valid until the site coordinator, sponsoring partner, instructor, or IRS contact confirms the volunteer's identity and signs and dates the form.

As a volunteer in the VITA/TCE Programs, you must:

1. Follow the Quality Site Requirements (QSR).
2. Not accept payment, solicit donations, or accept refund payments for federal or state tax return preparation from customers.
3. Not solicit business from taxpayers you assist or use the knowledge you gained (their information) about them for any direct or indirect personal benefit for you or any other specific individual.
4. Not knowingly prepare false returns.
5. Not engage in criminal, infamous, dishonest, notoriously disgraceful conduct, or any other conduct deemed to have a negative effect on the VITA/TCE Programs.
6. Treat all taxpayers in a professional, courteous, and respectful manner.

Failure to comply with these standards could result in, but is not limited to, the following:

- Your removal from all VITA/TCE Programs;
- Inclusion in the IRS Volunteer Registry to bar future VITA/TCE activity indefinitely;
- Deactivation of your sponsoring partner's site VITA/TCE EFIN (electronic filing ID number);
- Removal of all IRS products, supplies, loaned equipment, and taxpayer information from your site;
- Termination of your sponsoring organization's partnership with the IRS;
- Termination of grant funds from the IRS to your sponsoring partner; and
- Referral of your conduct for potential TIGTA and criminal investigations.

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Confidentiality Statement:

All tax information you receive from taxpayers in your volunteer capacity is strictly confidential and should not, under any circumstances, be disclosed to unauthorized individuals.

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How to Use This Guide

This publication is designed as a guide to assist you in preparing a return using TaxSlayer.* Not all forms are authorized for all volunteer programs. Forms intended specifically for the Military VITA Program will be annotated as such. Volunteers should only provide tax assistance based on their level of certification—Basic, Advanced, Military, International, and/or Health Savings Accounts, Foreign Student and Puerto Rico 1 & 2.

The screening sheets/decision trees, charts and interview tips are from your training materials and Publication 17, Your Federal Income Tax Guide For Individuals. Use these tools during the dialogue with the taxpayer—“ask the right questions; get the right answers.”

Interactive Tax Assistant (ITA), is an excellent tool to guide you through answers to tax law questions and is available on the IRS website.

SPEC allows volunteers to use the IRS provided software to prepare and electronically file their own tax return and the returns of family and friends. Unlike VITA/TCE returns, these returns have no income or tax law limitations.



The software may change after this publication becomes available. Screen shots in this guide may depict last year's version of the software. Follow the menus and prompts to enter current year tax information in the software. If additional information is needed, refer to TaxSlayer's VITA/TCE Blog. The blog will keep you up to date with any changes and notifications regarding preparing, creating or modifying returns. Publication 4491X, VITA/TCE Training Supplement, will be released in January to notify volunteers of any tax law and software updates. **Release 2 includes 4491X revisions.**

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Scope of Service with Tax-Aide Scope Notes for TY2019

When using the list, please note that columns 3, 4, and 5 do not stand alone. Additional information contained in columns 4 and 5 may include topics or certification levels that affect whether volunteers may or may not prepare the return under the provisions of the Volunteer Protection Act.

If no certification level is listed, the topic is in scope for all certification levels.

Many forms and schedules that are out of scope are included as reference. If a form or schedule is not listed, it is out of scope because no training has been provided. In addition, if a volunteer has not been trained on an in-scope tax law topic, that topic is out of scope for that volunteer.

Prior year scope information can be found in the Tax-Aide Scope Manual in the Portal library.

F(orm) S(chedule) #	Line / Box #	In Scope? Y / N	Scope Limitations	Tax-Aide Scope: Form 1040 Not in Scope for:	Certification Levels
F 1040	1	Yes	Wages, salaries, tips, etc.	--MFS in community proper states, see F 8958 limitations	Advanced certification required for unreported tip income.
F 1040	2a, b	Yes	Tax-exempt and taxable interest See F 1099-INT for limitations	--Non-resident aliens who do not meet green card or substantial presence test and are not married to a US citizen or resident; nor for dual-status individuals	
F 1040	3a, b	Yes	Qualified and Ordinary dividends See F 1099-DIV for limitations	--Taxpayers who cannot establish their identity	Basic certification if taxable amount is determined. Advanced certification required if taxable amount is NOT determined.
F 1040	4a, b, c, d	Yes	IRAs, pensions and annuities See F 1099-R for limitations • Foreign retirement arrangements that may need special reporting on FINCEN 114 or F 8938		
F 1040	5a, b	Yes	Social Security benefits Not in scope for: • Foreign social security from Canada or Germany that is treated as U.S. Social Security	In scope for Tax-Aide	
F 1040	6	Yes	Capital gain or loss. See F 8949 limitations		Advanced certification required.
F 1040	9	Yes	Standard deduction or Itemized deductions See F 1040 Schedule A limitations		Advanced certification required for itemized deductions.
F 1040	10	Yes	Qualified Business Income deduction In scope for: • The 20% deduction for sole proprietors and taxpayers with qualifying REIT dividends Not in scope for: • Taxable income over \$160,700 (\$321,400 if MFJ) • Publicly traded partnership income		
F 1040	12a	Yes	Tax See Schedule 2 for limitations	See F 8615, F 8814, F 4972. For Tax-Aide: Not in scope for Special taxes or recaptures - see F 1040 instructions	
F 1040	13a	Yes	Child tax credit/credit for other dependents		
F 1040	15	Yes	Other taxes See limitations on Schedule 2		
F 1040	17	Yes	Federal income tax withheld from Forms W-2 and 1099		
F 1040	18a, b, c, and d	Yes	Other payments and refundable credits (EIC, Additional child tax credit, American opportunity credit) See Schedule 3 for limitations		
F 1040	21a, b, c, and d	Yes	Direct deposit of refund See also F 8888		
F 1040	22	Yes	Refund applied to 2020 estimated tax		
F 1040	23	Yes	Amount you owe		
F 1040	24	No	Estimated tax penalty		
F 1040-ES		Yes	Estimated Tax for Individuals		

F(orm) S(chedule) #	Line / Box #	In Scope? Y / N	Scope Limitations	Certification Levels
F 1040-NR F 1040-NR-EZ		Yes	U.S. Nonresident Alien Income Tax In scope (with Foreign Student certification only) for: <ul style="list-style-type: none"> • Students on F, J, M, or Q Visa • Teacher or trainee on J Visa Not in scope for: <ul style="list-style-type: none"> • Individuals having a dual status for the tax year • Nonresident aliens who do not meet the green card or substantial presence test and are not married to a U.S. citizen or resident alien 	Foreign Student certification required
F 1040-PR		Yes*	Self-Employment Tax Return – Puerto Rico (in Spanish) *Not in scope for Tax-Aide	Puerto Rico certification required
F 1040-SR		Yes	U.S. Income Tax Return for Seniors See limitations for F 1040	
F 1040-SS		Yes*	U.S. Self-Employment Tax Return (Including the Additional Child Tax Credit for Bona Fide Residents of Puerto Rico) *Not in scope for Tax-Aide	Puerto Rico certification required
F 1040-X		Yes	Amended U.S. Individual Income Tax Return Not in scope for: <ul style="list-style-type: none"> • Original return was out of scope and is not brought into scope by the amendment • Taxpayers who may qualify for an exception to the three-year time limit for filing an amended return except for applying for standard refund of tax on military disability payments 	Advanced certification required
F W-2		Yes	Wage and Tax Statement See F 8615 limitations for children with unearned income Not in scope for: <ul style="list-style-type: none"> • Box 12 codes: -- Q (Military certification required. Active duty military taxpayer returns only) -- R, T -- FF if premium tax credits are involved -- W (HSA certification required) <ul style="list-style-type: none"> • Ministers • Other members of the clergy who present issues such as: parsonage/housing allowance, whether earnings are covered under FICA or Self-Employed Contributions Act (SECA) or rules for determining exemption from coverage 	All certification levels International certification required for foreign employer compensation
F W-2G		Yes	Certain Gambling Winnings Not in scope for: <ul style="list-style-type: none"> • Professional gamblers who use Schedule C 	
F W-7		Yes	Application for IRS Individual Taxpayer Identification Number	
S 1	1	Yes	Taxable refunds, credits or offsets of state or local income taxes Not in scope for: <ul style="list-style-type: none"> • Refund for other than previous tax year In scope for Tax-Aide if clearly fully taxable or fully nontaxable 	
S 1	2a, b	Yes	Alimony received Not in scope for: <ul style="list-style-type: none"> • Pre-1985 divorces 	
S 1	3	Yes	Business income or loss See Schedule C limitations	Advanced certification required
S 1	4	No	Other gains or (losses)	
S 1	5	Yes*	Rental real estate, royalties, partnerships, S corporations, trusts, etc. *See Schedule E limitations	Military certification required for rentals along with active duty military taxpayer
S 1	6	No	Farm income or (loss)	
S 1	7	Yes	Unemployment compensation	
S 1	8	Yes	Other income See F 1099-MISC, F 1099-PATR, F 1099-Q, F 1099-QA, F 1099-SA, F 982 and F 2555 for limitations In scope for: For Tax-Aide, if AGI would be zero, in scope to enter \$1 as Other Income and describe as "IN ORDER TO EFILE." <ul style="list-style-type: none"> • Cancellation of nonbusiness credit card debt • Discharge of qualified principal residence indebtedness (if extended) Not in scope for: <ul style="list-style-type: none"> • Cancellation of other debt income • Rental, hobby or other income when "not for profit" • Net operating loss deduction 	

F(orm) S(chedule) #	Line / Box #	In Scope? Y / N	Scope Limitations	Certification Levels
S 1	10	Yes	Educator expenses	
S 1	11	Yes	Certain business expenses of reservists, performing artists and fee-basis government officials. See F 2106 limitations	Military certification required
S 1	12	Yes	Health saving account deduction See F 8889 limitations	HSA certification required
S 1	13	Yes	Moving expenses for members of the Armed Forces See F 3903 limitations	Military certification required
S 1	14	Yes	Deductible part of self-employment tax	Advanced certification required
S 1	15	No	Self-employed SEP, SIMPLE and qualified plans	
S 1	16	Yes	Self-employed health insurance deduction See Schedule C for limitations and Tax-Aide "Schedule C Guidelines" in Portal library Not in scope for: • When taxpayer is eligible for Premium Tax Credit and the Marketplace premiums are needed for this deduction.	Advanced certification required
S 1	17	Yes	Penalty on early withdrawal of savings	
S 1	18a, b, and c	Yes	Alimony paid Not in scope for: • Pre-1985 divorces	
S 1	19	Yes	IRA deduction In scope for: • Deductible IRA contributions Not in scope for: • Nondeductible IRA contributions (except for Roth IRAs)	Advanced certification required
S 1	20	Yes	Student loan interest deduction	
S 1	21	Yes	Tuition and fees deduction (if extended)	
S 2	1	No	Alternative minimum tax	
S 2	2	Yes	Excess advance premium tax credit repayment See F 8962 limitations	Advanced certification required
S 2	4	Yes	Self-employment tax	Advanced certification required
S 2	5	Yes	Unreported Social Security and Medicare tax In scope for: • F 4137 Not in scope for: • F 8919	Advanced certification required
S 2	6	Yes	Additional tax on IRAs, other qualified retirement plans, and other tax-favored accounts See F 5329 for limitations Not in scope for: • Taxpayers subject to additional tax due to excess IRA contributions	Basic certification if additional tax applies Advanced certification required if exceptions to the additional tax apply
S 2	7a	No	Household employment taxes	
S 2	7b	Yes	Repayment of first-time homebuyer credit from Form 5405 See F 5405 for limitations	
S 2	8	Yes	Taxes from F 8959, F 8960 (and other forms, including F 8889 HSA) See F 8889 limitations Not in scope for: • F 8959 or F 8960	HSA certification required
S 2	9	No	Section 965 net tax liability installment from F 965-A	
S 3	1	Yes	Foreign tax credit See F 1116 for limitations	Advanced certification required for FTC without F 1116 International certification required for F 1116
S 3	2	Yes	Credit for child and dependent care expenses	
S 3	3	Yes	Education credits Not in scope for: • Taxpayers who must repay (recapture) part or all of an education credit claimed in a prior year	
S 3	4	Yes	Retirement savings contribution credit	

F(orm) S(chedule) #	Line / Box #	In Scope? Y / N	Scope Limitations	Certification Levels
S 3	5	Yes	Residential energy credit (if extended) See F 5695 for limitations	Advanced certification required
S 3	6a, b, and c	Yes	Other credits from F 3800, 8801, and (write-in) • Box c is in scope for Schedule R Not in scope for: • Boxes a and b	
S 3	8	Yes	2019 estimated tax payments and amount applied from 2018 return	
S 3	9	Yes	Net premium tax credit See F 8962 for limitations	Advanced certification required
S 3	10	Yes	Amount paid with request for extension to file	
S 3	11	Yes	Excess Social Security and tier 1 RRTA tax withheld	
S 3	12	No	Credit for federal tax on fuels	
S 3	13	No	Credits from Forms 2439, 8885 (and other tax payments)	
S A		Yes	Itemized Deductions Not in scope for: • Investment interest • Taxpayers affected by a charitable contribution carryover • Taxpayers affected by limits on charitable deductions or with charitable contribution carryover • F 8283 (noncash contribution exceeding \$500) See Form 8283 with noncash contributions of \$5,000 or less for Tax-Aide • Form 1098-C, Contributions of Motor Vehicles, Boats and Airplanes • Donation of property previously depreciated • Donation of capital gain property (appreciable properties such as securities or art work) • Casualty or theft losses	Advanced certification required
S B		Yes	Interest and Ordinary Dividends See FinCEN F 114, F 3520 and F 8938 for limitations See F 1099-INT, F 1099-DIV, and F 1099-OID for limitations	
S C		Yes	Profit or Loss from Business (Sole Proprietorship) See also "Schedule C Guidelines" See F 1099-K for limitations See F 1099-MISC for limitations Not in scope for: • Hobby income or not for profit activity • Professional gamblers • Bartering • Any transactions involving virtual currency (bitcoins) • Method of accounting other than cash • Taxpayers who do not materially participate in the business • Payments made that require F 1099 to be filed • Returns and allowances • Cost of goods sold (inventory) • Total expenses over \$25,000 • Vehicle expenses reported as actual expenses • Contract labor • Depletion • Depreciation or when F 4562 is required • Expenses for employees • Car rental or lease more than 30 days (use standard mileage rate method only) • Casualty losses, amortization • Business use of home • Net losses	Advanced certification required

F(orm) S(chedule) #	Line / Box #	In Scope? Y / N	Scope Limitations	Certification Levels
S D		Yes	<p>Capital Gains and Losses See F 8949 for limitations See F 1099-B for limitations</p> <p>Not in scope for: Lines 4 and 11</p> <ul style="list-style-type: none"> • Taxpayers who sold any assets other than stock, mutual funds, or a personal residence • Taxpayers who trade in options, futures, or other commodities, whether or not they disposed of any during the year • Taxpayers who have transactions using Bitcoins or other virtual currencies • Determination of basis issues: <ul style="list-style-type: none"> - Basis of any asset acquired other than by purchase or inheritance, such as a gift or employee stock option, unless the taxpayer provides the basis and holding period - Basis of inherited property determined by a method other than the FMV of the property on the date of the decedent's death, unless the taxpayer provides the basis and holding period • Like-kind exchanges and worthless securities Worthless securities in scope for Tax-Aide if identified on brokers' statement • Reduced exclusion computations/determinations for the sale of a home • Married homeowners who do not meet all requirements to claim the maximum exclusion on the sale of a home • Decreases to basis, including deductible casualty losses and gains a taxpayer postponed from the sale of a previous home before May 7, 1997 • Depreciation during the time the home was used for business purposes or as rental property • Taxpayers with "nonqualified use" issues • Sale of a home used for business purposes or as rental property 	Advanced certification required
S E		Yes	<p>Supplemental Income and Loss (Rental) Rental of bare land with no expenses, reported on 1099-MISC or received as cash in scope for Tax-Aide See F 1099-MISC and S K-1 for limitations</p> <p>In scope for:</p> <ul style="list-style-type: none"> • Royalties reported on Form 1099-MISC, if there are no associated expenses (Advanced) • Certain income from Schedules K-1 (Forms 1065, 1120S, and 1041) (Advanced) • Home rental (including Part I, lines 5-19) if military certified and taxpayer is active duty military • Rental of personal residence for less than 15 days for the year is not considered a rental activity and is not taxable income (Advanced) unless taxpayer is in the rental business or cleaning, linen, food or similar services were provided during the rental period (out of scope) <p>Not in scope for:</p> <ul style="list-style-type: none"> • Rental income and expenses for nonmilitary taxpayers • Taxpayers who rent their property at less than fair rental value • Rental-related interest expenses other than mortgage interest • The actual expense method (auto and travel expense deductions) • Casualty loss • Completing Form 8582 if volunteers are required to enter additional data in Form 8582 in the software • Completing Form 4562 • Taxpayers who are unable to provide an amount for depreciation • Taxpayers who filed or need to file Form(s) 1099 	<p>Advanced certification required for royalties reported on Form 1099-MISC and Schedule K-</p> <p>Military certification required for rental income with active duty military taxpayer</p> <p>For Tax-Aide: if less than 15-day rental income is reported on 1099-Misc, deduct identical amount as other expense on Schedule E</p>
S EIC		Yes	Earned Income Credit	
S F		No	Profit or Loss From Farming	
S H		No	Household Employment Taxes	
S J		No	Income Averaging for Farmers and Fishermen	
S K-1		Yes	<p>Beneficiary, Partner or Shareholder's Share of Income, Deductions, Credits, etc.</p> <p>In scope for:</p> <ul style="list-style-type: none"> • Schedules K-1 (Forms 1065, 1120S, and 1041). <ul style="list-style-type: none"> - Taxable and tax-exempt interest income - Dividend and Qualified dividends income - Net short- and long-term capital gains and losses - Royalty income (Schedule E) with no associated expenses <p>Not in scope for:</p> <ul style="list-style-type: none"> • Other income, deductions, and credits not listed above 	<p>Taxpayers who have foreign tax paid reported on S K-1 and can elect to report foreign tax credits subject to Form 1116 limitations.</p>
S Q (F 1066)		No	Quarterly Notice to Resident Interest Holder of REMIC Taxable Income or Net Loss Allocation	
S R		Yes	Credit for the Elderly or the Disabled	

F(orm) S(chedule) #	Line / Box #	In Scope? Y / N	Scope Limitations	Certification Levels
S SE		Yes	Self-Employment Tax Not in scope for: • Ministers or church workers if special rules apply	...such as parsonage/housing allowance, whether earnings are covered under FICA or Self Employed Contributions Act (SECA) or rules for determining exemption from coverage
S 8812		Yes	Additional Child Tax Credit	
F T (Timber)		No	Forest Activities Schedule	
F 56		No	Notice Concerning Fiduciary Relationship	
F 709		No	United States Gift (and Generation-Skipping Transfer) Tax Return	
F 843		No	Claim for refund and request for abatement	
F 982		Yes	Reduction of Tax Attributes Due to Discharge of Indebtedness (and Section 1082 Base Adjustment) – (if extended) In scope for: • Line 1e • Line 2 • Line 10b Not in scope for: • Issues other than discharge of qualified principal residence indebtedness • Principal residence used in business or as rental property • Taxpayer filed bankruptcy or was insolvent immediately before the debt was canceled	Advanced certification required
F 1040-C		No	U.S. Departing Alien Income Tax Return	
F 1045		No	Application for Tentative Refund	
F 1066 (Sch Q)		No	Quarterly Notice to Resident Interest Holder of REMIC Taxable Income or Net Loss Allocation	
F 1095-A		Yes	Health Insurance Marketplace Statement	Out of scope for Allocation of policy amounts or the Alternate calculation for year of marriage
F 1095-B		Yes	Health Coverage	
F 1095-C		Yes	Employer Provided Health Insurance Offer and Coverage	
F 1098		Yes	Mortgage Interest Statement	Advanced certification required
F 1098-C		No	Contributions of Motor Vehicles, Boats, Airplanes	For Tax-Aide: In scope only if provided as confirmation of a donated vehicle worth \$500 or less - no entry other than value required
F 1098-E		Yes	Student Loan Interest Statement	
F 1098-MA		No	Mortgage Assistance Payments	
F 1098-Q		Yes	Qualifying Longevity Annuity Contract Information (information only) No tax reporting required.	
F 1098-T		Yes	Tuition Statement Not in scope for: • Boxes 4 and 6 (Adjustments)	
F 1099-A		Yes	Acquisition or Abandonment of Secured Property See F 982 for limitations In scope for: • Qualified principal residence (if extended)	Advanced certification required
F 1099-B		Yes	Proceeds from Broker and Barter Exchange Transactions Not in scope for: • FATCA filing requirement box checked • Boxes 1f and 7-11, 13	Advanced certification required
F 1099-C		Yes	Cancellation of Debt See F 982 for limitations In scope only for: • Nonbusiness credit card debt cancellation including interest in box 3 when taxpayer is solvent before the cancellation • Discharge of qualified principal residence indebtedness (if extended) Not in scope for: • Cancellation of debt when Form 1099-C includes an amount for interest (exception listed above)	Advanced certification required
F 1099-CAP		Yes	Changes in Corporate Control and Capital Structure (information only) No tax reporting required.	

F(orm) S(chedule) #	Line / Box #	In Scope? Y / N	Scope Limitations	Certification Levels
F 1099-DIV		Yes	Dividends and Distributions See F 8615 for limitations (children with unearned income) Not in scope for: <ul style="list-style-type: none"> Boxes labeled Unrecap Sec. 1250 gain, Section 1202 gain, Cash liquidation distributions, and Noncash liquidation distributions Section 1250 gains in scope for Tax-Aide 2d Collectibles (28%) gain FATCA filing requirement box checked 	
F 1099-G		Yes	Certain Government Payments In scope for: <ul style="list-style-type: none"> Unemployment compensation Refunds, credits, or offsets of state or local income tax Not in scope for: <ul style="list-style-type: none"> Box 3 is other than the current tax year Boxes 7-9 	
F 1099-H		No	Health Coverage Tax Credit	
F 1099-INT		Yes	Interest Income See F 8615 for limitations (children with unearned income) Not in scope for: <ul style="list-style-type: none"> Taxpayer is a nominee An adjustment is needed to any amount reported Amounts reported in the box labeled Specified private activity bond interest if AMT applies FATCA filing requirement box checked Amounts reported in the box labeled Bond premium that exceed amounts reported in the box labeled Interest Accrued bond interest other than for savings bonds Bonds bought or sold between interest payment dates other than for savings bonds Tax-Aide: in scope if shown on 1099-INT 	Military certification required for Box 1 Basic certification required for Box 3 Advanced certification required for all other entries
F 1099-K		Yes	Payment Card and Third Party Network Transactions Not in scope for: <ul style="list-style-type: none"> Any adjustment to amount reported on F 1099-K 	
F 1099-LTC		Yes	Long-Term Care and Accelerated Death Benefits	Advanced certification required
F 1099-MISC		Yes	Miscellaneous Income Not in scope for: <ul style="list-style-type: none"> Tax-Aide: in scope for land rental with no expenses. Box 5 Fishing boat proceeds Boxes 8-15 FATCA filing requirement box checked 	Military certification required for Box 1 Advanced certification required for all other entries
F 1099-OID		Yes	Original Issue Discount Not in scope for: <ul style="list-style-type: none"> FATCA filing requirement box checked Box 6 Acquisition premium Adjustment needed, or no form received 	
F 1099-PATR		Yes	Taxable Distributions Received From Cooperatives In scope for: <ul style="list-style-type: none"> Box 1 if for personal use only 	Advanced certification required
F 1099-Q		Yes	Payment From Qualified Education Programs (under section 529 and 530) Not in scope for: <ul style="list-style-type: none"> Distributions from Educational Savings Accounts if: <ul style="list-style-type: none"> Funds were not used for qualified education expenses or Distribution was more than the amount of the qualified expenses 	
F 1099-QA		Yes	Distribution from ABLE Account Not in scope for: <ul style="list-style-type: none"> Distribution from ABLE Account that was more than the amount of the qualified expenses 	
F 1099-R F CSA 1099-R		Yes	Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc. For Tax-Aide: Distributions from Roth IRAs if initial contribution or last conversion was less than five years ago are not in scope. Not in scope for: <ul style="list-style-type: none"> IRA rollovers that do not meet the tax-free requirements except conversions to Roth IRAs Taxpayers who used the General Rule to figure the taxable portion of pensions and/or annuities for past years Code D if taxable amount is not shown (General Rule applies) Box 7 code 2, if the IRA/SEP/SIMPLE box is checked and there were nondeductible contributions Box 7 codes 6, U and W in scope for Tax-Aide, and Codes J and T if distribution is not taxable and if first-time homeowner exception does not apply Box 7 codes 5, 6, 8, 9, A, E, J, K, N, P, R, T, U, W 	Basic certification if taxable amount is determined Advanced certification required if taxable amount is NOT determined

F(orm) S(chedule) #	Line / Box #	In Scope? Y / N	Scope Limitations	Certification Levels
F RRB-1099		Yes	Payments by the Railroad Retirement Board Annuities or Pensions by the Railroad Retirement Board	Advanced certification required
F 1099-S		Yes	Proceeds from Real Estate Transactions In scope for: • Personal residence Not in scope for: • Home was used for rental purposes • Sales of business property • Installment sales income • Like-kind exchanges	Advanced certification required
F 1099-SA		Yes	Distributions From an HSA, Archer MSA or Medicare Advantage MSA See F 8889 for limitations Not in scope for: • Archer MSA • Medicare Advantage MSA	HSA certification required
F SSA-1099		Yes	Social Security Benefit Statement	
F 1116		Yes	Foreign Tax Credit (Individual, Estate or Trust) In scope for: • Taxpayers who have foreign tax paid reported on F 1099-INT, F 1099-DIV, or S K-1 and can elect to report foreign tax without filing Form 1116 (Advanced certification) Not in scope for: • Taxpayers who may deduct a foreign income tax that is not allowed as a credit in certain circumstances • Certain expenses deducted to reduce foreign gross income • Taxpayers who must report a carryback or carryover on Form 1116 • Taxpayers who must file a separate Form 1116 required for foreign income from a sanctioned country, using the "Section 901(j) income" category	International certification required for F 1116
F 1127		No	Extension of Time for Payment of Tax Due to Undue Hardship	
F 1310		Yes	Statement of Person Claiming Refund Due a Deceased Taxpayer	
F 2106		Yes	Employee Business Expenses In scope for: • Reservist expenses (adjustment to gross income) • U.S. Armed Forces members who were provided a commuter highway vehicle (such as a van) by their employer	Military certification required
F 2120		Yes	Multiple Support Declaration	
F 2210		No	Underpayment of Estimated Tax by Individuals, Estates and Trusts	
F 2439		No	Notice to Shareholder of Undistributed Long-Term Capital Gains	
F 2441		Yes	Child and Dependent Care Expenses Out of scope for: • Taxpayers who need assistance in determining if employment taxes are owed for household employees	
F 2555		Yes	Foreign Earned Income	International certification required
F 2848		Yes	Power of Attorney and Declaration of Representative (Very limited uses in form instructions)	
F 3468		No	Investment Credit	
F 3520		No	Foreign Trusts/Foreign Gifts	
F 3800		No	General Business Credit	
F 3903		Yes	Moving Expenses In scope for: • Active duty military taxpayer only	Military certification required
F 4136		No	Credit for Federal Tax Paid on Fuels	
F 4137		Yes	Social Security and Medicare Taxes on Unreported Tip Income	Advanced certification required
F 4562		No	Depreciation and Amortization (including information on listed property)	
F 4684		No	Casualties and Thefts	
F 4797		No	Sales of Business Property	
F 4835		No	Farm Rental Income and Expenses	

F(orm) S(chedule) #	Line / Box #	In Scope? Y / N	Scope Limitations	Certification Levels
F 4852		Yes	Substitute for F W-2 or F 1099-R	
F 4868		Yes	Application for Automatic Extension of Time to File U.S. Individual Income Tax Return	
F 4952		No	Investment Interest Expense Deduction	
F 4972		No	Tax on Lump-Sum Distributions	
F 5329		Yes	Additional Tax on Qualified Plans (including IRAs) and Other Tax-Favored Accounts In scope for: • Part I and Part IX for Tax-Aide Not in scope for: • IRA minimum distributions not withdrawn when required • Excess contributions to an IRA that are not withdrawn by the due date of the return including extensions • Parts II through IX Parts II through IIX for Tax-Aide	Advanced certification required
F 5405		Yes	Repayment of the First-Time Homebuyer Credit Not in scope for: • Taxpayers who claimed credit and their home is destroyed, condemned or disposed of under threat of condemnation • Taxpayers who claimed the first-time homebuyer credit may be required to repay the credit in the year of sale. The repayment is limited to the amount of gain on the sale. This situation is out of scope for VITA/TCE.	Advanced certification required
F 5498		Yes	IRA Contribution Information Not in scope for: • SEP or SIMPLE contributions • Nondeductible contributions In scope for Tax-Aide	Advanced certification required
F 5498-ESA		Yes	Coverdell ESA Contribution Information (Information only) No tax reporting required	
F 5498-QA		Yes	ABLE Account Contribution Information (Information only) No tax reporting required	
F 5498-SA		Yes	HSA, Archer MSA or Medicare Advantage MSA Information Not in scope for: • Archer MSA • Medicare Advantage MSA	HSA Certification Required
F 5695		Yes	Residential Energy Credit – (if extended) Not in scope for: • Resident Energy Efficient Property Credit (Part I)	Advanced certification required
F 6251		Yes	Alternative Minimum Tax In scope for: • Interest from private activity bond on Line 12 Out of scope if AMT applies	
F 6252		No	Installment Sales Income	
F 6781		No	Gains and Losses From Section 1256 Contracts and Straddles	
F 8275		No	Disclosure Statement	
F 8275 R		No	Regulation Disclosure Statement	
F 8283 *		No	Noncash Charitable Contributions *In scope for Tax-Aide - see limitations →	Not in scope for: --Total non-cash contributions in excess of \$5,000 --Donation of any vehicle, airplane or boat worth more than \$500 --Donation of capital gain property
F 8332		Yes	Release/Revocation of Release of Claim to Exemption for Child by Custodial Parent	
F 8379		Yes	Injured Spouse Allocation See F 8958 limitations (community property states)	
F 8396		No	Mortgage Interest Credit	--Donation of assets used in a business
F 8453		Yes	U.S. Individual Income Tax Transmittal for an IRS e-file Return	--Sections A, Part II and Section B
F 8582		No	Passive Activity Loss Limitations	
F 8606		No *	Nondeductible IRAs *Parts I and II only in scope for Tax-Aide	
F 8615		Yes	Tax for Certain Children Who Have Unearned Income (also known as Kiddie Tax) In scope for: • Students electing to include unearned income such as scholarships/grants as income on the return All unearned income in scope for Tax-Aide	Out of scope if taxpayer elects to use parent's tax rates
F 8621		No	Information Return by A Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund	

F(orm) S(chedule) #	Line / Box #	In Scope? Y / N	Scope Limitations	Certification Levels
F 8801		No	Credit for Prior Year Minimum Tax	
F 8805		No	Foreign Partner's Information Statement of Section 1446 Withholding Tax	
S 8812		Yes	Additional Child Tax Credit	
F 8814		No	Parent's Election to Report Child's Interest and Dividends	
F 8815		No	Exclusion of Interest From Series EE and I U.S. Savings Bonds Issued after 1989	
F 8821		No	Tax Information Authorization	
F 8829		No	Expenses for Business Use of Your Home	
F 8833		No	Treaty-Based Return Positive Disclosure Under Section 6114 or 7701 (b)	
F 8834		No	Plug-In Electric Vehicle Credit	
F 8839		No	Qualified Adoption Expenses	
F 8848		No	Consent to Extend the Time to Access the Branch Profits Tax Under Regulations Section 1.884-2 (a) and (c)	
F 8853		Yes	Archer MSAs and Long-Term Care Insurance Contracts In scope for: • Section C	
F 8857		No	Request for Innocent Spouse Relief	
F 8862		Yes	Information to Claim Earned Income Credit After Disallowance	
F 8863		Yes	Education Credits (American Opportunity and Lifetime Learning Credits)	
F 8865		No	Return of U.S. Persons With Respect to Certain Foreign Partnerships	
F 8880		Yes	Credit for Qualified Retirement Savings Contributions	
F 8885		No	Health Coverage Tax Credit	
F 8886		No	Reportable Transaction Disclosure Statement	
F 8888		Yes	Allocation of Refund (Including Savings Bond Purchases)	
F 8889		Yes	Health Savings Accounts (HSAs) Not in scope for: • Excess contributions to an HSA that are not withdrawn in a timely fashion • Qualified HSA funding distributions from an IRA • Death of an HSA holder (when spouse is not the designated beneficiary) • Additional Tax for Failure to Maintain HDHP Coverage • Deemed distributions from an HSA due to prohibited transactions, such as using an HSA as a security for a loan • Archer Medical Saving Accounts (MSA) • Medicare Advantage MSA • Health Reimbursement Arrangement • Part III, lines 18-21	HSA Certification Required
F 8903		No	Domestic Production Activities Deduction	
F 8908		No	Energy Efficient Home Credit	
F 8910		No	Alternate Motor Vehicle Credit	
F 8911		No	Alternative Fuel Vehicle Refueling Property Credit	
F 8915-A		No	Qualified 2016 Disaster Retirement Plan Distributions and Repayments	
F 8915-B		No	Qualified 2017 Disaster Retirement Plan Distributions and Repayments	
F 8917		Yes	Tuition and Fees Deduction (if extended)	
F 8919		No	Uncollected Social Security and Medicare Tax on Wages	
F 8936		No	Qualified Plug-in Electric Drive Motor Vehicle Credit	
F 8938		No	Statement of Specified Foreign Assets	
F 8948		No	Preparer Explanation for Not Filing Electronically • Not applicable to volunteers	

F(orm) S(chedule) #	Line / Box #	In Scope? Y / N	Scope Limitations	Certification Levels
F 8949		Yes	<p>Sales and other Dispositions of Capital Assets</p> <p>In scope for: Sale of bonds that mature or are sold with no gain or loss</p> <ul style="list-style-type: none"> • Sale of stocks, mutual fund shares and personal residences • Bond sales reported on a brokerage statement with capital gain or loss only (no ordinary income/loss) • Capital gains and losses reported on K-1 • Capital loss carryovers • Inherited property of types listed above in this section and, if inherited in 2010, taxpayer provides the basis • Wash sales if reported on brokerage or mutual fund statement <p>Not in scope for:</p> <ul style="list-style-type: none"> • Adjustment codes N, Q, X, R, S or C • Reduced exclusion on sale of home • Residence inherited or received as gift and not used as personal residence. If used as personal residence, taxpayer must provide basis. • Taxpayers who have sold any assets other than stock, mutual funds, or a personal residence • Taxpayers who trade in options, futures, or other commodities, whether or not they disposed of any during the year • Determination of basis issues: <ul style="list-style-type: none"> - Basis of any asset acquired other than by purchase or inheritance, such as a gift or employee stock option, unless the taxpayer provides the basis and holding period - Basis of inherited property determined by a method other than the FMV of the property on the date of the decedent's death, unless the taxpayer provides the basis and holding period • Like-kind exchanges and worthless securities See "worthless securities" above for Tax-Aide • Form 1099-B, boxes with entries for any of the following: Bartering; Profit or (loss) realized on closed contracts; Unrealized profit (loss) on open contracts – prior year; Unrealized profit or (loss) on open contracts – current year; or Aggregate profit (loss) on contracts; Proceeds from collectibles; or FATCA filing requirement • Reduced exclusion computations/determinations for the sale of a home • Married homeowners who do not meet all requirements to claim the maximum exclusion on the sale of a home • Decreases to basis, including: Deductible casualty losses and gains a taxpayer postponed from the sale of a previous home before May 7, 1997 • Depreciation during the time the home was used for business purposes or as rental property • Taxpayers with "nonqualified use" issues • Sale of a home used for business purposes or as rental property <p>Also in scope for Tax-Aide: --Gifted property of types listed above in this section and taxpayer provides the acquisition date and basis --Worthless securities if reported on brokerage statement</p>	Advanced certification required
F 8958		Yes	<p>Allocation of Tax Amounts Between Certain Individuals in Community Property States</p> <p>In scope for:</p> <ul style="list-style-type: none"> • Taxpayers who are not certain they are in a common law marriage (rules are complex and differ from state to state) • Applicable returns as limited by Regional or State Coordinator • Depending on your tax assistance program, community property tax laws for married taxpayers who file a separate return from their spouse 	
F 8959		No	Additional Medicare Tax	
F 8960		No	Net Investment Income Tax – Individuals, Estates and Trusts	
F 8962		Yes	<p>Premium Tax Credit (PTC)</p> <p>Not in scope for:</p> <ul style="list-style-type: none"> • Self-employed health coverage deductions for taxpayers who are also allowed a PTC • Form 8962 Part IV, Allocation of Policy Amounts, and Part V, Alternative Calculation for Year of Marriage • Individuals eligible for the health coverage tax credit • If there is a code FF on Form W-2, box 12 and the employee has a Marketplace policy and is otherwise eligible for PTC 	Advanced certification required
F 8995		Yes	<p>Qualified Business Income Deduction Not in scope for: Certain rental real estate enterprises treated as a single trade or business</p> <p>Form 8995-A is out of scope.</p>	Advanced certification required
F 9452		No	Filing Assistance Program	
F 9465		Yes	Installment Agreement Request (See fee schedule)	
F 13844		No	Application For Reduced User Fee For Installment Agreement	
F 14039		Yes	Identity Theft Affidavit	
F SS-8		No	Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding	
FinCEN F 114		No	Report of Foreign Bank and Financial Accounts	

VITA/TCE Quality Site Requirements

All taxpayers using the services offered through the Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) Programs should be confident they are receiving accurate tax return preparation and quality service. The purpose of the ten **Quality Site Requirements (QSR)** is to ensure quality and accurate tax return preparation and consistent site operations. The QSR are required to be communicated to all volunteers and partners to ensure IRS and partner mutual objectives are met. The 10 requirements are listed below.

1. Certification
2. Intake/Interview & Quality Review Process
3. Photo ID and Taxpayer ID Numbers
4. Reference Materials
5. Volunteer Agreement
6. Timely Filing
7. Civil Rights
8. Site Identification Number (SIDN)
9. Electronic Filing Identification Number (EFIN)
10. Security

For additional information refer to Publication 5166, VITA/TCE Quality Site Requirements.

For additional information refer to the Tax-Aide Policy, Procedures Manual and the Volunteer Policy and Procedures, and the Local Coordinator presentations in the Volunteer Portal.



These provisions, which previously expired at the end of 2017, have been renewed through tax year 2020. Refer to this tab and the Legislative Extenders lesson in Publication 4491 for information about these provisions.

Discharge of Qualified Principal Residence Indebtedness

Use the job aid on the following page to determine if the debt forgiveness on the main home is within scope.

Taxpayers may exclude from income certain debt forgiven or canceled debt on their principal residence. This exclusion is applicable to the discharge of “qualified principal residence indebtedness.” If the canceled debt qualifies for exclusion from gross income, the debtor may be required to reduce tax attributes (certain credits, losses, and basis of assets) by the amount excluded.

If a property was taken by the lender (foreclosure) or given up by the borrower (abandonment), the lender usually sends the taxpayer Form 1099-A, Acquisition or Abandonment of Secured Property. Form 1099-A will have information needed to determine the gain or loss due to the foreclosure or abandonment.

If the debt is canceled, the taxpayer will receive Form 1099-C, Cancellation of Debt. If foreclosure/abandonment and debt cancellation occur in the same calendar year, the lender may issue only Form 1099-C, including the information that would be reported on Form 1099-A.

Volunteers may assist taxpayers who meet the following requirements:

- The home was never used in a business or as rental property
- The debt was not canceled because the taxpayer filed bankruptcy
- The taxpayer isn't in bankruptcy when he/she comes to the site for assistance
- Form 1099-C doesn't include an amount for interest
- The debt must be a mortgage used only to buy, build, or substantially improve the taxpayer's primary residence, i.e., this money was not used to pay off credit cards, medical/dental expenses, vacations, etc.
- The mortgage was secured by the taxpayer's primary residence
- The mortgage was not more than \$2 million (\$1 million if Married Filing Separately)



TaxSlayer Hint: To exclude debt forgiven on principal residence, go to Other Income, Cancellation of Debt then Exclusions (Form 982).

Note 1: Form 1099-C, Box 3 (Interest if included in Box 2, Amount of Debt Canceled) and Box 16 Out of Scope.

Note 2: If a bankruptcy, Out of Scope.

Note 3: If personally liable for the debt, sales price is the lesser of balance of principal outstanding (Form 1099-A, box 2) or fair market value of property (Form 1099-A, box 4); if not personally liable on the debt, sales price is the balance or principal outstanding.



Screening Sheet for Foreclosures/Abandonments and Cancellation of Debt

If the taxpayer is in bankruptcy, the tax return is Out of Scope for the VITA/TCE Programs.

Instructions: Use this Screening Sheet to assist taxpayers with Form(s) 1099-A and/or 1099-C with cancellation of debt issues.

- Use Part I for taxpayers with only Form 1099-A for a foreclosure or abandonment of their principal residence.
- Use Part II for taxpayers with Form 1099-C, or both Forms 1099-A and 1099-C resulting from cancellation of debt on a home mortgage loan.
- Use Publication 4731, Screening Sheet for Nonbusiness Credit Card Debt Cancellation, for taxpayers with Form 1099-C resulting from cancellation of credit card debt.

Part I – Home Mortgage Loan

STEP 1	Did the taxpayer receive Form 1099-A, Acquisition or Abandonment of Secured Property, from their home mortgage lender?	YES – Go to Step 2 NO – Advise the taxpayer to get the documentation from the home mortgage lender.
STEP 2	Did the taxpayer ever use the home in a trade or business or as rental property?	YES – Go to Step 6 NO – Go to Step 3
STEP 3	Is box 5 of Form 1099-A checked indicating a recourse loan in which the taxpayer is personally liable?	YES – The sales price is the lesser of box 2 (Balance of principal outstanding) or box 4 (Fair Market Value of Property) on Form 1099-A. NO – The sales price is the amount in box 2 (Balance of principal outstanding) on Form 1099-A. The taxpayer is not personally liable (nonrecourse loan).
STEP 4	Ask the taxpayer for the cost or basis of the home. Refer to Publication 523, Selling your Home, for further information, if needed.	
STEP 5	Report the sale of the personal residence on Form 8949, Sales and Other Disposition of Capital Assets, and Schedule D, Capital Gains and Losses. If the disposition of the property results in a: Gain – The taxpayer may qualify for the Section 121 exclusion (\$250,000 or \$500,000 if Married Filing Jointly) of the gain on the sale of a principal residence, if all requirements are met. Loss – The taxpayer cannot claim a loss on the sale or disposition of a principal residence. Use adjustment Code L on Form 8949 to exclude this loss. Refer to Publication 4012 (Legislative Extenders Tab), “Entering Forgiveness of Qualified Principal Residence Indebtedness” for further information.	
STEP 6	These tax issues are outside the scope of the volunteer program. Refer the taxpayer to: <ul style="list-style-type: none">• IRS website for the most up-to-date information.• The Taxpayer Advocate Service (TAS): 1-877-777-4778, TTY/TDD 1-800-829-4059. TAS may help if the problem cannot be resolved through normal IRS channels.• A professional tax preparer.	Additional Resources: <ul style="list-style-type: none">• Publication 523, Selling your Home• Publication 525, Taxable and Nontaxable Income• Publication 4681, Canceled Debts, Foreclosures, Repossessions, and Abandonments



Screening Sheet for Foreclosures/Abandonments and Cancellation of Debt

If the taxpayer is in bankruptcy, the tax return is Out of Scope for the VITA/TCE Programs.

Instructions: Use this Screening Sheet to assist taxpayers with Form(s) 1099-A and/or 1099-C with cancellation of debt issues.

- Use Part I for taxpayers with only Form 1099-A for a foreclosure or abandonment of their principal residence.
- Use Part II for taxpayers with Form 1099-C, or both Forms 1099-A and 1099-C resulting from cancellation of debt on a home mortgage loan.
- Use Publication 4731 for taxpayers with Form 1099-C resulting from cancellation of credit card debt.

Part II – Home Mortgage Loan

STEP 1 Did the taxpayer receive Form 1099-C, Cancellation of Debt, from their home mortgage lender and is the information shown on the form correct? **YES** – Go to Step 2
NO – Go to Step 6

Note: Answer “yes” if the taxpayer has received a Form 1099-A and Form 1099-C.

STEP 2 Did the taxpayer ever use the home in a trade or business or as rental property? **YES** – Go to Step 6
NO – Go to Step 3

STEP 3 Does box 3 of Form 1099-C show any interest or does box 6 show code A indicating bankruptcy? **YES** – Go to Step 6
NO – Go to Step 4

Note: If box 6 is not marked with code A but the taxpayer has subsequently filed bankruptcy, answer “yes.”

STEP 4 Ask the following questions to determine if the discharged debt is “qualified principal residence indebtedness.”

a. Was the mortgage taken out to buy, build, or substantially improve the taxpayer’s principal residence? (**Note:** A principal residence is generally the home where the taxpayer lives most of the time. A taxpayer can have only one principal residence at any one time.) a. **YES** – Go to Step 4b
NO – Go to Step 6

b. Was the mortgage secured by the taxpayer’s principal residence? b. **YES** – Go to Step 4c
NO – Go to Step 6

c. Was any part of the mortgage used to pay off credit cards, purchase a car, pay for tuition, pay for a vacation, pay medical/dental expenses, or used for any other purpose other than to buy, build, or substantially improve the principal residence? c. **YES** – Go to Step 6
NO – Go to Step 4d

d. Was the mortgage amount more than \$2 million (\$1 million if Married Filing Separately)? d. **YES** – Go to Step 6
NO – Go to Step 5

STEP 5 The discharged debt is “qualified principal residence indebtedness.”

The Mortgage Forgiveness Debt Relief Act of 2007 allows for the exclusion of discharged qualified principal residence indebtedness canceled in 2007, 2008, and 2009; the Emergency Economic Stabilization Act of 2008 extended the exclusion for tax years 2010 through 2012; the American Taxpayer Relief Act of 2012 extended the exclusion to 12/31/2013; and the Tax Increase Prevention Act of 2014 extended the exclusion to 12/31/2014. The Protecting Americans From Tax Hikes Act of 2015 extended the exclusion for tax years 2015 and 2016, and allowed for debt discharge after 2016 to be excluded from taxable income if the taxpayer entered into a binding written agreement before January 1, 2017.

The volunteer should complete the applicable lines on Form 982, and file it with the taxpayer’s return. If the residence was disposed of, the taxpayer may be required to report the disposition (sale) on Form 8949 and Schedule D.

STEP 6 These tax issues are outside the scope of the volunteer program. The taxpayer may qualify to exclude all or some of the discharged debt. However, the rules involved in the mortgage debt relief exclusions are complex.

Refer the taxpayer to:

- IRS website for the most up-to-date information.
- The Taxpayer Advocate Service (TAS): 1-877-777-4778, TTY/TDD 1-800-829-4059. TAS may help if the problem cannot be resolved through normal IRS channels.
- A professional tax preparer.

Additional Resources:

- Publication 523, Selling your Home
- Publication 525, Taxable and Nontaxable Income
- Publication 4681, Canceled Debts, Foreclosures, Repossessions, and Abandonments
- Form 982, Reduction of Tax Attributes Due to Discharge of Indebtedness (and Section 1082 Basis Adjustment) and Instructions

Entering Forgiveness of Qualified Principal Residence Indebtedness



TaxSlayer Navigation: Income >Other Income>Cancellation of Debts>Exclusions

Reduction of Tax Attributes

Part I: General Information

Form belongs to

- Taxpayer Example
- Spouse Example

Amount excluded is due to (check applicable boxes):

- Discharge of indebtedness in a title 11 case.
- Discharge of indebtedness to the extent insolvent (not in a title 11 case).
- Discharge of qualified farm indebtedness.
- Discharge of qualified real property business indebtedness.
- Discharge of qualified principal residence indebtedness.

Total amount of discharged indebtedness excluded from gross income *

\$

- Check here if you elect to treat all real property described in section 1221(a)(1), relating to property held for sale to customers in the ordinary course of a trade or business, as if it were depreciable property.

Part II: Reduction of Tax Attributes

Enter amount excluded from gross income:

Discharge of qualified real property business indebtedness

\$

Use the job aid on the preceding pages to determine if the debt forgiveness on the main home is within scope.

Form 982, Reduction of Tax Attributes Due to Discharge of Indebtedness, must be filed with the taxpayer's return to report the excluded amount of discharged indebtedness and the reduction of certain tax attributes:

- Indicate whether the Form 1099-C was issued to the taxpayer or spouse
- Check the box for Discharge of qualified principal residence indebtedness
- Enter the amount of primary mortgage debt cancelled (Form 1099-C, Box 2)

Entering Forgiveness of Qualified Principal Residence Indebtedness (continued)

Elect under section 108(b)(5) to reduce basis. (If you enter anything here, you must write an explanation below)

\$

Any net operating loss

\$

Any general business credit

\$

Any minimum tax credit carryover

\$

Any net capital loss

\$

Basis of nondepreciable and depreciable property (line 10a)

\$

Basis of your principal residence (line 10b)

\$

Farm depreciable property used or held for use in business

\$

Farm land used or held for use in business

\$

If the taxpayer had a portion of the mortgage debt canceled but kept the home (loan modification or mortgage workout):

- Enter the amount of debt canceled in Part II, Reduction of Tax Attributes, on the line for "Basis of your principal residence" (line 10b).

Foreclosure and Abandonment Key Highlights

If the taxpayer disposed of the home due to foreclosure or abandonment, and the lender canceled the remaining mortgage debt:

- No entry is made in Part II, Reduction of Tax Attributes
- Report the gain or loss from Form 1099-A in the Schedule D, Capital Gains section
 - The basis is the taxpayer's adjusted basis in the home
 - The sale price (amount realized) is based on whether the taxpayer is personally liable (recourse loan) or not personally liable (nonrecourse loan) for the debt:
 - If the taxpayer is personally liable, the sale price is the lesser of the balance of the principal mortgage debt outstanding or the fair market value
 - If the taxpayer isn't personally liable, then the sale price is the full amount of the outstanding debt, as reflected on Form 1099-A
 - For both recourse and nonrecourse loans, add any proceeds the taxpayer received from the foreclosure sale to the amount realized.
 - If the taxpayer ends up with a gain on the sale, some or all of the gain can be excluded under the rules for sale of main home, if the taxpayer qualifies
 - A loss on the main home **can't** be deducted

Tuition and Fees Deduction at a Glance

Don't rely on this table alone. Refer to Publication 17 complete details.

Question	Answer
What is the maximum benefit?	You can reduce your income subject to tax by up to \$4,000.
Limit on modified adjusted gross income (MAGI)	\$160,000 if married filing joint return; \$80,000 if single, head of household, or qualifying widow(er). MFS is not eligible.
Where is the deduction taken?	As an adjustment to income on Schedule 1.
For whom must the expenses be paid?	A student enrolled in an eligible educational institution who is either: <ul style="list-style-type: none">• you• your spouse, or• your dependent for whom you claim an exemption
What tuition and fees are deductible?	Tuition and fees required for enrollment or attendance at an eligible postsecondary educational institution, but not including personal, living or family expenses, such as room and board.
What records does the taxpayer need?	Beginning in tax year 2016, the tuition and fees deduction won't be allowed unless the taxpayer possesses a valid information return (Form 1098-T, Tuition Statement) from the educational institution.

Residential Energy Credits



TaxSlayer Navigation: Federal Section>Deductions>Credits>Residential Energy Credit; or Keyword “5695”

Part I of Form 5695, Residential Energy Efficient Property Credit, is available for taxpayers who purchased qualified residential alternative energy equipment, such as solar hot water heaters, geothermal heat pumps and wind turbines. This part of the form is Out of Scope. Taxpayers that have these expenses should be referred to a professional tax preparer.

Part II, Form 5695 - Key points about the Nonbusiness Energy Property Credit:

- A total combined credit limit of \$500 (\$200 limit for windows) for all tax years after 2005.
- The maximum credit for residential energy property costs is \$50 for any advanced main air circulating fan; \$150 for any qualified natural gas, propane, or oil furnace, or hot water boiler; and \$300 for any item of energy-efficient building property. Any of the following that meet the required efficiency rating may qualify as energy-efficient building property. See the Instructions for Form 5695 for details:
 - Electric heat pump water heater; electric heat pump; central air conditioner; natural gas, propane, or oil water heater; a stove that uses the burning of biomass fuel to heat your home or heat water for your home.
- The credit applies to:
 - Qualified energy efficiency improvements such as adding insulation, energy-efficient exterior windows and doors, and qualifying metal or asphalt roofs. (doesn't include labor costs for onsite preparation, assembly or installation)
 - Qualified residential energy property improvements such as energy-efficient heating and air conditioning systems. For a complete list of items see Form 5695. (includes labor costs for onsite preparation, assembly, or original installation)
- The improvements must be made to the taxpayer's main home located in the United States (must be existing home).
- Qualifying improvements must be placed into service by the taxpayer during the tax year.
- Expenditures which are made from subsidized energy financing can't be used to figure the credit.
- The credit is taken on Part II, Form 5695. See Form 5695 and Instructions for more information.

Note: Not all ENERGY STAR products qualify for a tax credit. Since 2016, exterior doors, exterior windows, and skylights are only eligible for the nonbusiness energy property credit if they meet or exceed the specific requirements of the version 6.0 Energy Star program. For detailed information about qualifying improvements, visit the U.S. Department of Energy's EnergyStar website.

Manufacturers must certify that their products meet new standards and they must provide a written statement to the taxpayer such as with the product packaging or in a printable format on the manufacturer's website. Taxpayers should keep a copy of the manufacturer's certification statement and receipts with their other important tax records.

Chart A – For Most People Who Must File

If you may be claimed as a dependent by another taxpayer, you must file as a dependent whether you are being claimed or not. See Chart B.

If your filing status is...	AND at the end of 2019 you were...*	THEN file a return if your gross income was at least...**
Single	under 65	\$12,200
	65 or older	\$13,850
Married filing jointly***	under 65 (both spouses)	\$24,400
	65 or older (one spouse)	\$25,700
	65 or older (both spouses)	\$27,000
Married filing separately (see the Instructions for Form 1040)	any age	\$5
Head of household (see the Instructions for Form 1040)	under 65	\$18,350
	65 or older	\$20,000
Qualifying widow(er) (see the Instructions for Form 1040)	under 65	\$24,400
	65 or older	\$25,700

* If you were born on January 1, 1955 you are considered to be age 65 at the end of 2019. (If your spouse died in 2019 or if you are preparing a return for someone who died in 2019, see Publication 501)

** **Gross income** means all income you received in the form of money, goods, property, and services that isn't exempt from tax, including any income from sources outside the United States or from the sale of your main home (even if you can exclude part or all of it).

- Do not include any social security benefits unless
 - (a) you are married filing a separate return and you lived with your spouse at any time in 2019 or
 - (b) one-half of your social security benefits plus your other gross income and any tax-exempt interest is more than \$25,000 (\$32,000 if married filing jointly).

If (a) or (b) applies, see the Form 1040 Instructions to figure the taxable part of social security benefits you must include in gross income.

- Gross income includes gains, but not losses, reported on Form 8949 or Schedule D.
- Gross income from a business means, for example, the amount on Schedule C, line 7, or Schedule F, line 9. But, in figuring gross income, don't reduce your income by any losses, including any loss on Schedule C, line 7, or Schedule F, line 9.

*** If you didn't live with your spouse at the end of 2019 (or on the date your spouse died) and your gross income was at least \$5, you must file a return regardless of your age.

Individuals who do not have a filing requirement based on this chart should also check Chart C, Other Situations When You Must File, and Chart D, Who Should File. Individuals with earned income but who do not have a filing requirement may be eligible for the Earned Income Credit.

Zero-AGI returns:

To assist in identifying and preventing tax identity theft, Tax-Aide recommends that all taxpayers e-file even if not required. Because -0- AGI returns cannot be e-filed, enter \$1 as other income on Schedule 1 and describe a "IN ORDER TO E-FILE."

Chart B – For Children and Other Dependents

If your parent (or any other taxpayer) may claim you as a dependent, use this chart to see if you must file a return.

In this chart, **unearned income** includes taxable interest, ordinary dividends, and capital gain distributions. It also includes unemployment compensation, taxable social security benefits, pensions, annuities, and distributions of unearned income from a trust. **Earned income** includes salaries, wages, tips, professional fees, and taxable scholarship and fellowship grants. **Gross income** is the total of your unearned and earned income.

Single Dependents	
Either 65 or over or blind	You must file a return if any of the following apply. <ol style="list-style-type: none"> 1. Your unearned income was over \$2,750 (\$4,400 if 65 or older and blind). 2. Your earned income was over \$13,850 (\$15,500 if 65 or older and blind). 3. Your gross income was more than the larger of — <ol style="list-style-type: none"> a. \$2,750 (\$4,400 if 65 or older and blind) or b. Your earned income (up to \$11,850) plus \$2,000 (\$3,650 if 65 or older and blind).
Under 65 and not blind	You must file a return if any of the following apply. <ol style="list-style-type: none"> 1. Your unearned income was over \$1,100. 2. Your earned income was over \$12,200. 3. Your gross income was more than the larger of — <ol style="list-style-type: none"> a. \$1,100, or b. Your earned income (up to \$11,850) plus \$350.
Married Dependents	
Either age 65 or older or blind	You must file a return if any of the following apply. <ol style="list-style-type: none"> 1. Your unearned income was over \$2,400 (\$3,700 if 65 or older and blind). 2. Your earned income was over \$13,500 (\$14,800 if 65 or older and blind). 3. Your gross income was at least \$5 and your spouse files a separate return and itemizes deductions. 4. Your gross income was more than the larger of — <ol style="list-style-type: none"> a. \$2,400 (\$3,700 if 65 or older and blind), or b. Your earned income (up to \$11,850) plus \$1,650 (\$2,950 if 65 or older and blind).
Under age 65 and not blind	You must file a return if any of the following apply. <ol style="list-style-type: none"> 1. Your unearned income was over \$1,100. 2. Your earned income was over \$12,200. 3. Your gross income was at least \$5 and your spouse files a separate return and itemizes deductions. 4. Your gross income was more than the larger of — <ol style="list-style-type: none"> a. \$1,100, or b. Your earned income (up to \$11,850) plus \$350.

Form 8615, Tax for Certain Children who have Unearned Income (Kiddie Tax)

Children under age 18 and certain older children who are required to file a tax return and have unearned income over \$2,200 must file Form 8615. For this purpose, “unearned income” includes all taxable income other than earned income, such as taxable interest, ordinary dividends, capital gains, rents, royalties, etc. It also includes taxable social security benefits, pension and annuity income, taxable scholarship and fellowship grants not reported on Form W-2, unemployment compensation, alimony, and income received as the beneficiary of a trust. Form 8615 is in scope, with limitations. See Tab H, Other Taxes, Payments and ACA.

Note: Taxable scholarships and fellowship grants are considered as earned income for the purpose of determining if a dependent must file a tax return and for calculating the standard deduction for dependents. Taxable scholarships and fellowship grants not reported on Form W-2 are considered to be unearned income for the purpose of calculating kiddie tax.

Chart C – Other Situations When You Must File

You must file a return if any of the conditions below apply for 2019.

1. You owe any special taxes, including any of the following.
 - a. Alternative minimum tax.
 - b. Additional tax on a qualified plan, including an individual retirement arrangement (IRA), or other tax-favored account. But if you are filing a return only because you owe this tax, you can file Form 5329 by itself.
 - c. Household employment taxes. But if you are filing a return only because you owe this tax, you can file Schedule H by itself.
 - d. Social security and Medicare tax on tips you did not report to your employer or on wages you received from an employer who did not withhold these taxes.
 - e. Recapture of first-time homebuyer credit. See Instructions for Form 1040, Schedule 2.
 - f. Write-in taxes, including uncollected social security and Medicare or RRTA tax on tips you reported to your employer or on group-term life insurance and additional taxes on health savings accounts. See the Instructions for Form 1040.
 - g. Recapture taxes. See the Instructions for Form 1040.
2. You (or your spouse, if filing jointly) received HSA, Archer MSA or Medicare Advantage MSA distributions.
3. You had net earnings from self-employment of at least \$400.
4. You had wages of \$108.28 or more from a church or qualified church-controlled organization that is exempt from employer social security and Medicare taxes.
5. Advance payments of the premium tax credit were made for you, your spouse, or a dependent who enrolled in coverage through the Marketplace. You or whoever enrolled you should have received Form(s) 1095-A showing the amount of the advance payments.
6. Advance payments of the health coverage tax credit were made for you, your spouse, or a dependent. You or whoever enrolled you should have received Form(s) 1099-H showing the amount of the advance payments.
7. You are required to include amounts in income under section 965 or you have a net tax liability under section 965 that you are paying in installments under section 965(h) or deferred by making an election under 965(i).

Chart D – Who Should File

Even if a taxpayer is not required to file a federal income tax return, they should file if any of the following situations below apply.

1. You had income tax withheld from your pay, pension, social security or other income.
2. You made estimated tax payments for the year or had any of your overpayment for last year's estimated tax applied to this year's taxes.
3. You qualify for the earned income credit. See Publication 596, Earned Income Credit (EIC), for more information.
4. You qualify for the additional child tax credit. See Form 1040 Instructions for more information on this credit.
5. You qualify for the refundable credit for prior year minimum tax. See Form 8801, Credit for Prior Year Minimum Tax — Individuals, Estates, and Trusts. (Out of Scope)
6. You qualify for a refundable American Opportunity Credit.
7. You receive a 1099-B and the gross proceeds plus other income exceeds the filing limits in Chart A.
8. You receive Form 1099-S, Proceeds From Real Estate Transactions.
9. You qualify for the federal tax on fuels (Out of Scope).
10. You are required to file a state return.
11. You qualify for the Premium Tax Credit.

Form 1040 Job Aid

Form 1040	Department of the Treasury—Internal Revenue Service (99)	2019	OMB No. 1545-0074	IRS Use Only—Do not write or staple in this space.																																																												
Filing Status <input type="checkbox"/> Single <input type="checkbox"/> Married filing jointly <input type="checkbox"/> Married filing separately (MFS) <input type="checkbox"/> Head of household (HOH) <input type="checkbox"/> Qualifying widow(er) (QW) Check only one box. If you checked the MFS box, enter the name of spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent. ▶																																																																
Your first name and middle initial		Last name		Your social security number																																																												
If joint return, spouse's first name and middle initial		Last name		Spouse's social security number																																																												
Home address (number and street). If you have a P.O. box, see instructions.			Apt. no.	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. <input type="checkbox"/> You <input type="checkbox"/> Spouse																																																												
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).																																																																
Foreign country name		Foreign province/state/county		Foreign postal code																																																												
If more than four dependents, see instructions and ✓ here ▶ <input type="checkbox"/>																																																																
Standard Deduction Someone can claim: <input type="checkbox"/> You as a dependent <input type="checkbox"/> Your spouse as a dependent <input type="checkbox"/> Spouse itemizes on a separate return or you were a dual-status alien																																																																
Age/Blindness You: <input type="checkbox"/> Were born before January 2, 1955 <input type="checkbox"/> Are blind Spouse: <input type="checkbox"/> Was born before January 2, 1955 <input type="checkbox"/> Is blind																																																																
Dependents (see instructions):																																																																
(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) ✓ if qualifies for (see instructions): Child tax credit Credit for other dependents																																																												
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<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:15%;">1</td> <td style="width:45%;">Wages, salaries, tips, etc. Attach Form(s) W-2</td> <td style="width:15%;">1</td> <td style="width:25%;"></td> </tr> <tr> <td>2a</td> <td>Tax-exempt interest</td> <td>2a</td> <td></td> </tr> <tr> <td>3a</td> <td>Qualified dividends</td> <td>3a</td> <td></td> </tr> <tr> <td>4a</td> <td>IRA distributions</td> <td>4a</td> <td></td> </tr> <tr> <td>c</td> <td>Pensions and annuities</td> <td>4c</td> <td></td> </tr> <tr> <td>5a</td> <td>Social security benefits</td> <td>5a</td> <td></td> </tr> <tr> <td>6</td> <td>Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ <input type="checkbox"/></td> <td>6</td> <td></td> </tr> <tr> <td>7a</td> <td>Other income from Schedule 1, line 9</td> <td>7a</td> <td></td> </tr> <tr> <td>b</td> <td>Add lines 1, 2b, 3b, 4b, 4d, 5b, 6, and 7a. This is your total income ▶</td> <td>7b</td> <td></td> </tr> <tr> <td>8a</td> <td>Adjustments to income from Schedule 1, line 22</td> <td>8a</td> <td></td> </tr> <tr> <td>b</td> <td>Subtract line 8a from line 7b. This is your adjusted gross income ▶</td> <td>8b</td> <td></td> </tr> <tr> <td>9</td> <td>Standard deduction or itemized deductions (from Schedule A)</td> <td>9</td> <td></td> </tr> <tr> <td>10</td> <td>Qualified business income deduction. Attach Form 8995 or Form 8995-A</td> <td>10</td> <td></td> </tr> <tr> <td>11a</td> <td>Add lines 9 and 10</td> <td>11a</td> <td></td> </tr> <tr> <td>b</td> <td>Taxable income. Subtract line 11a from line 8b</td> <td>11b</td> <td></td> </tr> </table>					1	Wages, salaries, tips, etc. Attach Form(s) W-2	1		2a	Tax-exempt interest	2a		3a	Qualified dividends	3a		4a	IRA distributions	4a		c	Pensions and annuities	4c		5a	Social security benefits	5a		6	Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ <input type="checkbox"/>	6		7a	Other income from Schedule 1, line 9	7a		b	Add lines 1, 2b, 3b, 4b, 4d, 5b, 6, and 7a. This is your total income ▶	7b		8a	Adjustments to income from Schedule 1, line 22	8a		b	Subtract line 8a from line 7b. This is your adjusted gross income ▶	8b		9	Standard deduction or itemized deductions (from Schedule A)	9		10	Qualified business income deduction. Attach Form 8995 or Form 8995-A	10		11a	Add lines 9 and 10	11a		b	Taxable income. Subtract line 11a from line 8b	11b	
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Standard Deduction for— <ul style="list-style-type: none"> • Single or Married filing separately, \$12,200 • Married filing jointly or Qualifying widow(er), \$24,400 • Head of household, \$18,350 • If you checked any box under Standard Deduction, see instructions. 																																																																
For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.																																																																
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- Tab B
- Tab F
- Tab C
- Tab D
- Tab E
- Tab F

Form 1040 Job Aid (continued)

Form 1040 (2019) Page **2**

12a	Tax (see inst.) Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/>	12a	
b	Add Schedule 2, line 3, and line 12a and enter the total		12b
13a	Child tax credit or credit for other dependents	13a	
b	Add Schedule 3, line 7, and line 13a and enter the total		13b
14	Subtract line 13b from line 12b. If zero or less, enter -0-		14
15	Other taxes, including self-employment tax, from Schedule 2, line 10		15
16	Add lines 14 and 15. This is your total tax		16
17	Federal income tax withheld from Forms W-2 and 1099		17
18	Other payments and refundable credits:		
a	Earned income credit (EIC)	18a	
b	Additional child tax credit. Attach Schedule 8812	18b	
c	American opportunity credit from Form 8863, line 8	18c	
d	Schedule 3, line 14	18d	
e	Add lines 18a through 18d. These are your total other payments and refundable credits		18e
19	Add lines 17 and 18e. These are your total payments		19
Refund	20 If line 19 is more than line 16, subtract line 16 from line 19. This is the amount you overpaid		20
	21a Amount of line 20 you want refunded to you . If Form 8888 is attached, check here <input type="checkbox"/>		21a
Direct deposit? See instructions.	b Routing number	c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings	
	d Account number		
	22 Amount of line 20 you want applied to your 2020 estimated tax	22	
Amount You Owe	23 Amount you owe . Subtract line 19 from line 16. For details on how to pay, see instructions		23
	24 Estimated tax penalty (see instructions)	24	
Third Party Designee	Do you want to allow another person (other than your paid preparer) to discuss this return with the IRS? See instructions. <input type="checkbox"/> Yes . Complete below. <input type="checkbox"/> No		
(Other than paid preparer)	Designee's name	Phone no.	Personal identification number (PIN)
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.		
Joint return? See instructions. Keep a copy for your records.	Your signature	Date	Your occupation
	Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation
	Phone no.	Email address	
Paid Preparer Use Only	Preparer's name	Preparer's signature	Date
	Firm's name	Phone no.	PTIN
	Firm's address	Firm's EIN	Check if: <input type="checkbox"/> 3rd Party Designee <input type="checkbox"/> Self-employed

- Tab H
- Tab G, J
- Tab H
- Tabs I, G, J, H
- Tabs K, P

Form 1040 Schedules

Below is a general guide to what schedule(s) you will need to file, based on your circumstances.

If You...	Then Use...	Refer to:
Have additional income, such as unemployment compensation, prize or award money, or gambling winnings. Have any deductions to claim, such as student loan interest deduction, self-employment tax, or educator expenses.	Schedule 1, Additional Income and Adjustments to Income	Tabs D, E, and F
Owe AMT or need to make an excess advance premium tax credit repayment. Owe other taxes, such as self-employment tax, household employment taxes, additional tax on IRAs or other qualified retirement plans and tax-favored accounts or need to repay FTHB Credit.	Schedule 2, Additional Taxes FTHB = First Time Home Buyer	Tab H
Can claim a nonrefundable credit other than the child tax credit or the credit for other dependents, such as the foreign tax credit, education credits, or general business credit. Can claim a refundable credit other than the earned income credit, American opportunity credit, or additional child tax credit. Have other payments, such as an amount paid with a request for an extension to file or excess Social Security tax withheld.	Schedule 3, Additional Credits and Payments	Tabs G, H, J

Form 13614-C Job Aid for Volunteers

Use 2019 AARP Intake Booklet NOT the IRS form

View photo ID's for each taxpayer and spouse (if filing a joint return).	Name as shown on Social Security records (see Tab B Determining the Last Name of Taxpayer).	Taxpayer's current address where IRS should mail refund and/or other correspondence.	Use Tab C to verify taxpayer and spouse's dependency status.	Refer to Tab P if taxpayer is a victim of identity theft.	Refer to Pub 4012, for definition of Legally Blind, Totally and Permanently Disabled and Full Time Student. See Tab R Glossary	If not a US citizen, use Tab L Resident or Nonresident Alien Decision Tree to determine if return is within scope.
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Form 13614-C (October 2019) Department of the Treasury - Internal Revenue Service Intake/Interview & Quality Review Sheet OMB Number 1545-1064

You will need:

- Tax Information such as Forms W-2, 1099, 1098, 1095.
- Social security cards or ITIN letters for all persons on your tax return.
- Picture ID (such as valid driver's license) for you and your spouse.

 Please complete pages 1-4 of this form. You are responsible for the information on your return. Please provide complete and accurate information. If you have questions, please ask the IRS-certified volunteer preparer.

Volunteers are trained to provide high quality service and uphold the highest ethical standards. To report unethical behavior to the IRS, email us at wi.voltax@irs.gov.

Part I - Your Personal Information (If you are filing a joint return, enter your names in the same order as last year's return)

1. Your first name, M.I., Last name, Daytime telephone number, Are you a U.S. citizen? Yes No

2. Your spouse's first name, M.I., Last name, Daytime telephone number, Is your spouse a U.S. citizen? Yes No

3. Mailing address, Apt #, City, State, ZIP code

4. Your Date of Birth, 5. Your job title, 6. Last year, were you: a. Full-time student Yes No b. Totally and permanently disabled Yes No c. Legally blind Yes No

7. Your spouse's Date of Birth, 8. Your spouse's job title, 9. Last year, was your spouse: a. Full-time student Yes No b. Totally and permanently disabled Yes No c. Legally blind Yes No

10. Can anyone claim you or your spouse as a dependent? Yes No Unsure

11. Have you, your spouse, or dependents been a victim of tax related identity theft or been issued an Identity Protection PIN? Yes No

Part II - Marital Status and Household Information

1. As of December 31, 2019, what was your marital status? Never Married (This includes registered domestic partnerships, civil unions, or other formal relationships under state law) a. If Yes, Did you get married in 2019? Yes No b. Did you live with your spouse during any part of the last six months of 2019? Yes No Divorced Date of final decree _____ Legally Separated Date of separate maintenance decree _____ Widowed Year of spouse's death _____

2. List the names below of:

- everyone who lived with you last year (other than your spouse)
- anyone you supported but did not live with you last year

 If additional space is needed check here and list on page 3

Name (first, last) Do not enter your name or spouse's name below	Date of Birth (mm/dd/yy)	Relationship to you (for example: son, daughter, parent, none, etc)	Number of months lived in your home last year	US Citizen (yes/no)	Resident of US, Canada, or Mexico last year (yes/no)	Single or Married as of 12/31/19 (S/M)	Full-time Student last year (yes/no)	Totally and Permanently Disabled (yes/no)	Is this person a qualifying child/relative of any other person? (yes/no)	Did this person provide more than 50% of his/her own support? (yes/no)	Did this person have less than \$4,200 of income? (yes/no)	Did the taxpayer(s) provide more than 50% of support for this person? (yes/no/N/A)	Did the taxpayer(s) pay more than half the cost of maintaining a home for this person? (yes/no)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)					

To be completed by a Certified Volunteer Preparer

Taxpayer must include everyone who lived with the taxpayer and anyone the taxpayer supported who lived elsewhere. Always confirm this information during the interview process, especially if the taxpayer did not list anyone.	Verify birth date for each person included on the tax return. Note: Incorrect birth dates may cause efile rejection.	Verbally confirm the number of months each person listed lived in the home. Note: Consider any temporary absences.	If not a US citizen, use Tab L Resident or Nonresident Alien Decision Tree to determine if return is within scope.	If taxpayer's marital status changed in 2019 (Married or Divorced), verify how it may affect ACA and if the return is within scope.	The Certified Volunteer Preparer will complete these questions for each listed person during the interview.	See Page 3 to verify if taxpayer listed additional names.
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Important Reminder: Review all information in Part II before using Tabs B and C to determine Dependency Exemptions and Filing Status.

Important Reminder: The Intake/Interview process may be considered incomplete if:

- questions are left unanswered in Parts I thru V
- "Unsure" answers are not addressed with the taxpayer and then annotated to "Yes" or "No".
- applicable Certified Volunteer Preparer shaded area is not completed.

Important Reminder: Do not refer taxpayers to the Voltax e-mail address for IRS help or refund information. Refer to the back cover of Pub 4012 for appropriate IRS referrals.

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Important Reminder: During the interview, question taxpayers about any items marked "Unsure" and mark them "Yes" or "No". Modify any taxpayer answers to correctly reflect all information obtained during the interview.

<p>Certification indicators (B, A, HSA, M) should only be used to assign returns to preparers.</p> <p>Final certification level determinations should be made by using the Scope of Service Chart after completing the interview.</p>	<p>Part III – Income – Last Year, Did You (or Your Spouse) Receive</p>		See Tab D Form W-2 Instructions
	<input type="checkbox"/>	1. (B) Wages or Salary? (Form W-2) If yes, how many jobs did you have last year? _____	
	<input type="checkbox"/>	2. (A) Tip Income?	If yes, verify tips were reported to employer. If not, complete Form 4137 (Advanced).
	<input type="checkbox"/>	3. (B) Scholarships? (Forms W-2, 1098-T)	See Tab D for information on how to enter taxable scholarships.
	<input type="checkbox"/>	4. (B) Interest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV)	Verify the return is within the scope of VITA/TCE Programs.
	<input type="checkbox"/>	5. (B) Refund of state/local income taxes? (Form 1099-G)	
	<input type="checkbox"/>	6. (B) Alimony income or separate maintenance payments?	If yes, determine if taxable.
	<input type="checkbox"/>	7. (A) Self-Employment income? (Form 1099-MISC, cash)	
	<input type="checkbox"/>	8. (A) Cash/check payments for any work performed not reported on Forms W-2 or 1099?	
	<input type="checkbox"/>	9. (A) Income (or loss) from the sale of Stocks, Bonds or Real Estate? (including your home) (Forms 1099-S, 1099-B)	
	<input type="checkbox"/>	10. (B) Disability income? (such as payments from insurance, or workers compensation) (Forms 1099-R, W-2)	
	<input type="checkbox"/>	11. (A) Retirement income or payments from Pensions, Annuities, and or IRA? (Form 1099-R)	
	<input type="checkbox"/>	12. (B) Unemployment Compensation? (Form 1099G)	
	<input type="checkbox"/>	13. (B) Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099)	
	<input type="checkbox"/>	14. (M) Income (or loss) from Rental Property?	
<input type="checkbox"/>	15. (B) Other income? (gambling, lottery, prizes, awards, jury duty, Sch K-1, royalties, foreign income, etc.) Specify _____		
<p>Not all of these items are reported on Schedule 1, Line 8. See Pub 17. See Tab D</p>	<p>Part IV – Expenses – Last Year, Did You (or Your Spouse) Pay</p>		See Tab E for definition of alimony.
<input type="checkbox"/>	1. (B) Alimony or separate maintenance payments? If yes, do you have the recipient's SSN? <input type="checkbox"/> Yes <input type="checkbox"/> No		See Tab J and compare credits and adjustments.
<input type="checkbox"/>	2. Contributions to a retirement account? <input type="checkbox"/> IRA (A) <input type="checkbox"/> 401K (B) <input type="checkbox"/> Roth IRA (B)		
<input type="checkbox"/>	3. (B) College or post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T)		Advise taxpayer of records requirements (Sch A) see Pub 17.
<input type="checkbox"/>	4. (A) Any of the following? <input type="checkbox"/> Medical & Dental (including insurance premiums) <input type="checkbox"/> Mortgage Int <input type="checkbox"/> Taxes (State, Real Estate, Personal Property, Sales) <input type="checkbox"/> Charitable C		
<input type="checkbox"/>	5. (B) Child or dependent care expenses such as daycare?		If yes, ask taxpayer for child care provider's TIN.
<input type="checkbox"/>	6. (B) For supplies used as an eligible educator such as a teacher, teacher's aide, counselor, etc.?		
<input type="checkbox"/>	7. (A) Expenses related to self-employment income or any other income you received?		
<input type="checkbox"/>	8. (B) Student loan interest? (Form 1098-E)		
<input type="checkbox"/>	<p>Part V – Life Events – Last Year, Did You (or Your Spouse)</p>		See Tab I, Tab G or Tab J for impact of a "Yes" answer on any credits for this year.
<input type="checkbox"/>	1. (HSA) Have a Health Savings Account? (Forms 5498-SA, 1099-SA, W-2 with code W in box 12)		
<input type="checkbox"/>	2. (A) Have credit card or mortgage debt cancelled/forgiven by a lender or have a home foreclosure? (Forms 1099-C)		
<input type="checkbox"/>	3. (A) Adopt a child?		
<input type="checkbox"/>	4. (B) Have Earned Income Credit, Child Tax Credit or American Opportunity Credit disallowed in a prior year?		
<input type="checkbox"/>	5. (A) Purchase and install energy-efficient home items? (such as windows, furnace, insulation, etc.)		
<input type="checkbox"/>	6. (A) Receive the First Time Homebuyers Credit in 2008?		
<input type="checkbox"/>	7. (B) Make estimated tax payments or apply last year's refund to this year's tax? If so how much? _____		
<input type="checkbox"/>	8. (A) File a federal return last year containing a "capital loss carryover" on Form 1040 Schedule D?		Taxpayer must provide a copy of Form 1095-A if they received insurance through the Marketplace.
<input type="checkbox"/>	9. (A) Have health coverage through the Marketplace (Exchange)? [Provide Form 1095-A]		

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<p>Ask your Site Coordinator where to record the email address.</p> <p>See Tab K on how to enter information about a refund.</p> <p>Check for tax benefits for declared disaster areas.</p>	1. Provide an email address (optional) (this email address will not be used for contacts from the Internal Revenue Service)		<p>The Presidential Election Campaign Fund answer will be entered into TaxSlayer software.</p> <p>Determine if the letter may impact the return and refer them to any available resources if help is needed.</p> <p>Answers to these questions will be transferred and collected inside TaxSlayer software.</p>
	2. Presidential Election Campaign Fund (If you check a box, your tax or refund will not change)	Check here if you, or your spouse if filing jointly, want \$3 to go to this fund <input type="checkbox"/> You <input type="checkbox"/> Spouse	
	3. If you are due a refund, would you like:	a. Direct deposit <input type="checkbox"/> Yes <input type="checkbox"/> No b. To purchase U.S. Savings Bonds <input type="checkbox"/> Yes <input type="checkbox"/> No c. To split <input type="checkbox"/> Yes <input type="checkbox"/> No	
	4. If you have a balance due, would you like to make a payment directly from your bank account?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
	5. Live in an area that was declared a Federal disaster area?	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, where? _____	
	6. Did you, or your spouse if filing jointly, receive a letter from the IRS?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
	<p>Many free tax preparation sites operate by receiving grant money or other federal financial assistance. The data from the this site to apply for these grants or to support continued receipt of financial funding. Your answer will be used only for statistical purposes.</p>		
	7. Would you say you can carry on a conversation in English, both understanding & speaking?	<input type="checkbox"/> Very well <input type="checkbox"/> Well <input type="checkbox"/> Not well	
	8. Would you say you can read a newspaper or book in English?	<input type="checkbox"/> Very well <input type="checkbox"/> Well <input type="checkbox"/> Not well <input type="checkbox"/> None	
	9. Do you or any member of your household have a disability?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Prefer not to answer	
	10. Are you or your spouse a Veteran from the U.S. Armed Forces?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Prefer not to answer	
11. Your race?	<input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or other Pacific Islander <input type="checkbox"/> Wh		

Important Reminder: A Quality Review of each return must be completed using the Quality Review Checklist in Page K-7

Starting a New Return

Welcome to SUPPORT

Message Center 0 Rejected Clients 0

Start New 2018 Tax Return
Create a brand new tax return for a client.

The Start a New Tax Return option enables you to begin the data input process for a taxpayer. →

Client Search
Edit returns you previously started.

Review Returns
Returns that are currently waiting to be reviewed

Configuration
Setup the configuration options for your office.

Reports
Print acks, mailing labels, bank reports, and old reports.

Transmissions
Transmit returns to IRS.

Note: These options will not appear for all users.

Social Security Number Entry

The next step in creating a new tax return is entering the taxpayer's Social Security number (SSN) in the space provided. To ensure accuracy, you are required to enter the SSN twice.

Available Taxpayer Profiles ▶

Enter Social Security Number ▼

Social Security Number

- -

Confirm Social Security Number

- -

If the SSN is already in use, or the two entries don't match, the software will display an error message. Re-enter the numbers.

Starting a New Return (continued)

Pulling Prior Year Data

If prior year data is found for this SSN, TaxSlayer Pro displays the following:

Pull Data To Current Return

TaxSlayer Pro will automatically transfer your name, address and filing status from last year's return when you start this year's return. Please review the additional information below before pulling it forward to your current return. Uncheck any item(s) that you do not wish to pull forward. When you are done, choose "Continue to Next Step" at the bottom of the page.

Please review your information below and uncheck any item(s) that you do not wish to import to this year's return.

Here Are the Items We Will Pull Forward

Select All Available Toggle all details

Dependents Close Details

PULL ITEM?	SSN	FIRST	LAST	AGE
<input checked="" type="checkbox"/>	[REDACTED]	child one	[REDACTED]	1
<input checked="" type="checkbox"/>	[REDACTED]	child two	[REDACTED]	2

****We have pulled the following information from last year: Social security number, first & last name, date of birth, number of months they lived with you, and whether or not they were disabled or a full time student. When you get to the dependent section of your return please verify all information.**

2017 Help &

W-2 Items Close Details

PULL ITEM?	EMPLOYEE	EMPLOYER
<input checked="" type="checkbox"/>	Spouse	Abigails Bed
<input checked="" type="checkbox"/>	Taxpayer	Mall Center

Form 1099R Items Close Details

PULL ITEM?	OWNER	FIRST
<input checked="" type="checkbox"/>	Taxpayer	Peace of Mind Funds
<input checked="" type="checkbox"/>	Taxpayer	Pleasant Retirement Homes

Schedule B Items Close Details

PULL ITEM?	OWNER	TYPE	PAYER
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Only check the boxes for the Forms W-2, 1099, etc. that the taxpayer received for the year being prepared. W2s that are carried forward and not used will need to be deleted.

Select what you would like to pull forward by checking the boxes to the left of the items listed on the Pull Data to Current Return screen and select **Yes, Import My Data**. Your prior year information will then be pulled to the current year tax return.

W-2 Items Close Details

PULL ITEM?	EMPLOYEE	EMPLOYER
<input checked="" type="checkbox"/>	Taxpayer	Employer

No Data Found to Pull Forward

Form 1099R Items No Prior Data Found

Schedule A Miscellaneous Deductions No Prior Data Found

Schedule B Items No Prior Data Found

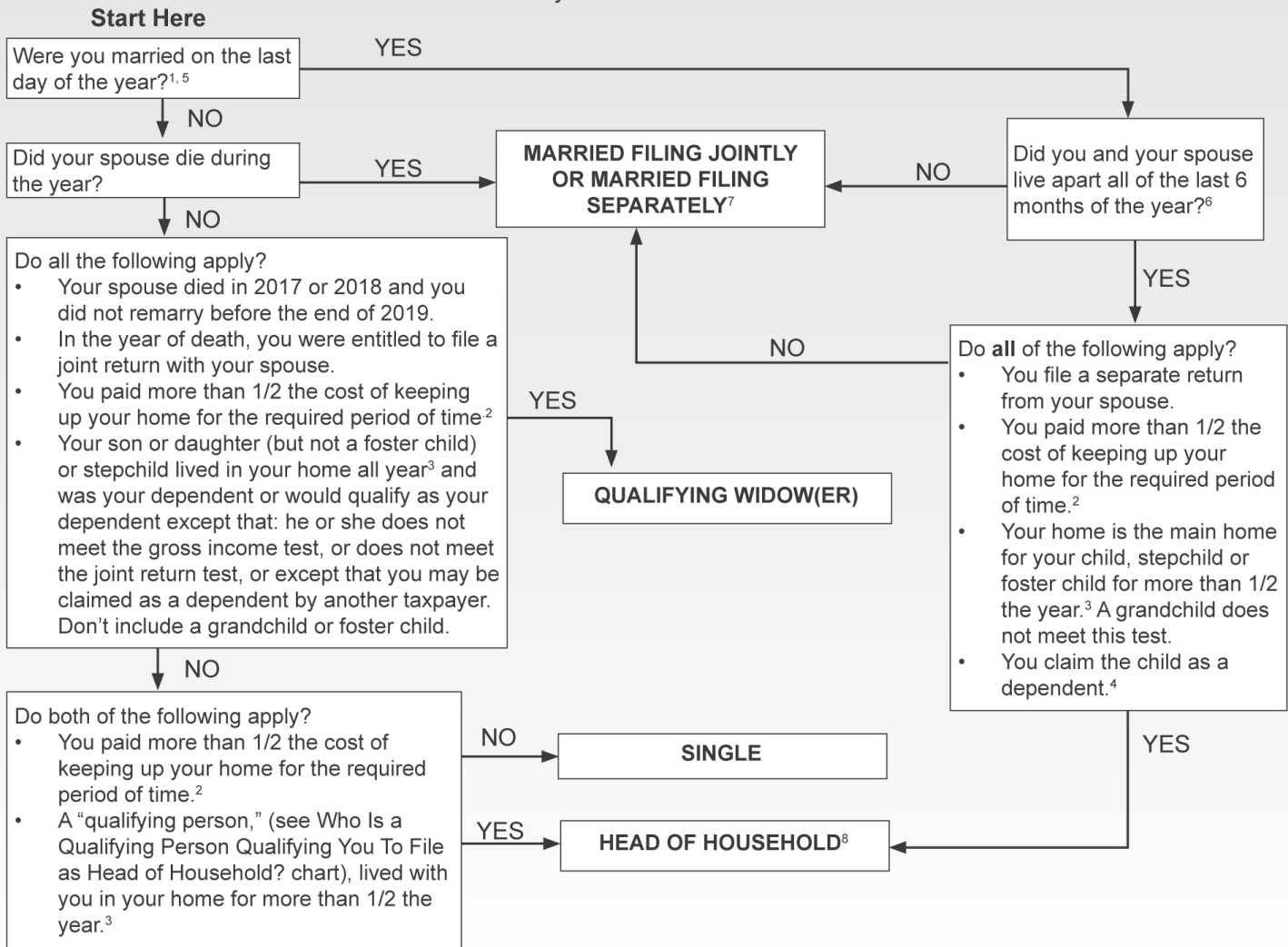
SHOW ALL



Be sure to verify that all EINs and addresses on Forms W-2 and 1099-R are still the same as the prior year when using carryforward.

Determination of Filing Status – Decision Tree

See TaxSlayer entries later in this tab.



Footnotes

- ¹ Answer "NO" to this question if, on the last day of the year, you were legally separated from your spouse under a divorce or separate maintenance decree. Answer "NO" for individuals who have entered into a registered domestic partnership, civil union, or other similar relationship that is not called a marriage under state (or foreign) law. Answer YES if taxpayer is married regardless of where the spouse lives.
- ² Include in the cost of upkeep expenses such as rent, mortgage interest, real estate taxes, insurance on the home, repairs, utilities and food eaten in the home. Under proposed regulations, a taxpayer may treat a home's fair market rental value as a cost of maintaining a household instead of the sum of payments for mortgage interest, property taxes and insurance. See "Cost of Keeping Up a Home" worksheet later in this tab.
- ³ See Publication 17, Filing Status, for rules applying to birth, death, or temporary absence during the year. There are special rules for claiming your parent as a qualifying person for head of household. See the Who Is a Qualifying Person Qualifying You To File as Head of Household? chart later in this tab)
- ⁴ Unless the child's other parent claims him or her under rules for children of divorced or separated parents or parents who lived apart.
- ⁵ You are considered unmarried for head of household purposes if your spouse was a nonresident alien at any time during the year and you do not choose to treat your nonresident spouse as a resident alien. However, your spouse is not a qualifying person for head of household purposes. You must have another qualifying person (see the Who Is a Qualifying Person Qualifying You To File as Head of Household? chart later in this tab) and meet the other tests to be eligible to file as a head of household.
- ⁶ Your spouse is considered to live in your home even if he or she is temporarily absent due to illness, education, business, vacation, military service, or incarceration.
- ⁷ If the taxpayer wants to file MFS, emphasize the advantages to Married Filing Jointly and the possibility of filing Form 8379, Injured Spouse Claim & Allocation (if appropriate). See Pub 17, Filing Status, MFS Special Rules for list of disadvantages. Respect a taxpayer's decision to file MFS. If domiciled in a community property state see Pub 555.
- ⁸ There can be multiple households within a shared living quarters if certain requirements are met.

Note: If one spouse dies and the other remarries in the same year, the deceased spouse files Married Filing Separately.

Filing Status - Interview Tips

Probe/Action: Ask the taxpayer:

<p>step 1</p>	<p>Were you married on December 31 of the tax year?⁶ You are considered unmarried if, on the last day of the year, you were legally separated from your spouse under a divorce or separate maintenance decree. State law governs whether you are married or legally separated under a divorce or separate maintenance decree. Individuals who have entered into a registered domestic partnership, civil union, or other similar relationship that is not called a marriage under state (or foreign) law are not considered married. A taxpayer is married regardless of where the spouse lives.</p>	<p>If YES, go to Step 2. If NO, go to Step 4.</p>
<p>step 2</p>	<p>Do you and your spouse wish to file a joint return?</p>	<p>If YES, your filing status is If NO, go to Step 3.²</p>
<p>step 3</p>	<p>Do all the following apply?</p> <ul style="list-style-type: none"> • You file a separate return from your spouse • You paid more than half the cost of keeping up your home for the required period of time.¹ • Your spouse didn't live in your home during the last 6 months of the tax year³ • Your home was the main home of your child, stepchild, or foster child for more than half the year. Include any individual who would qualify as your dependent except: he or she does not meet the gross income test, does not meet the joint return test, or if you could be claimed as a dependent of another taxpayer. (a grandchild doesn't meet this test) • You claim an exemption for the child (unless the noncustodial parent claims the child under rules for divorced or separated parents or parents who live apart) 	<p>If YES, STOP. You are considered unmarried and your filing status is head of household. If NO, STOP. Your filing status is separately⁵.</p>
<p>step 4</p>	<p>Did your spouse die in 2017 or 2018?</p>	<p>If YES, go to Step 5. If NO, go to Step 6.</p>
<p>step 5</p>	<p>Do all the following apply?</p> <ul style="list-style-type: none"> • You were entitled to file a joint return with your spouse for the year your spouse died • You didn't remarry before the end of this tax year • You have a child or stepchild who lived with you all year, except for temporary absences or other limited exceptions, and who is your dependent or who would qualify as your dependent except that: he or she does not meet the gross income test, does not meet the joint return test, or except that you may be claimed as a dependent by another taxpayer. Don't include a grandchild or foster child. • You paid more than half the cost of keeping up the home for the required period of time.¹ 	<p>If YES, STOP. Your filing status is qualifying widow(er) with dependent child. If NO, go to Step 6.</p>
<p>step 6</p>	<p>Do both of the following apply?</p> <ul style="list-style-type: none"> • You paid more than 1/2 the cost of keeping up your home for the required period of time.¹ • A "qualifying person," (see Who Is a Qualifying Person Qualifying You To File as Head of Household? chart), lived with you in your home for more than 1/2 the year.⁴ 	<p>YES – Head of Household NO – Single</p>

Note: There may be two heads of household in shared living quarters if no-one from one household would win the tiebreaker for anyone in the other household.

Footnotes

- ¹ Include in the cost of upkeep expenses such as rent, mortgage interest, real estate taxes, insurance on the home, repairs, utilities and food eaten in the home. Under proposed regulations, a taxpayer may treat a home's fair market rental value as a cost of maintaining a household instead of the sum of payments for mortgage interest, property taxes and insurance. See "Cost of Keeping Up a Home" worksheet later in this tab.
- ² You are considered unmarried for head of household purposes if your spouse was a nonresident alien at any time during the year and you do not choose to treat your nonresident spouse as a resident alien. However, your spouse is not a qualifying person for head of household purposes. You must have another qualifying person (see Who Is a Qualifying Person Qualifying You To File as Head of Household? chart later in this tab) and meet the other tests to be eligible to file as a head of household.
- ³ Your spouse is considered to live in your home even if he or she is temporarily absent due to illness, education, business, vacation, military service, or incarceration.
- ⁴ You can't use head of household filing status based on any person who is your dependent only because he or she lived with you for the entire year (for example, a companion or a friend).
- ⁵ If filing a MFS return in a community property state, allocate income and expense according to state law. This situation may be treated as Out of Scope.
- ⁶ If your spouse died during the year, you are considered married for the whole year for filing status purposes. If you didn't remarry before the end of the year, you can file a joint return for yourself and your deceased spouse. If you remarried before the end of the tax year, you can file a joint return with your new spouse. In that case, your deceased spouse's filing status is married filing separately for that year. **If elect to treat nonresident spouse as a resident alien, must attach a statement to the return to that effect and include name, SSN and address for both spouses. Worldwide income must be declared.**

Who Is a Qualifying Person Qualifying You To File as Head of Household?¹

DON'T use this chart alone. Use as directed by the interview tips on the previous page.

IF the person is your . . .	AND . . .	THEN that person is . . .
qualifying child (such as a son, daughter, or grandchild who lived with you more than half the year and meets certain other tests) ²	he or she is single	a qualifying person, whether or not you can claim the person as a dependent.
	he or she is married <u>and</u> you can claim him or her as a dependent	a qualifying person.
	he or she is married <u>and</u> you can't claim him or her as a dependent	not a qualifying person. ³
qualifying relative ⁴ who is your father or mother	you can claim him or her as a dependent ⁵	a qualifying person. ⁶
	you can't claim him or her as a dependent	not a qualifying person.
qualifying relative ⁴ other than your father or mother.	he or she lived with you more than half the year, <u>and</u> you can claim him or her as a dependent, <u>and</u> is one of the following: son, daughter, stepchild, foster child, or a descendant of any of them; your brother, sister, half brother, half sister or a son or daughter of any of them; an ancestor or sibling of your father or mother; or stepbrother, stepsister, stepfather, stepmother, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law or sister-in-law ⁵	a qualifying person.
	he or she didn't live with you more than half the year	not a qualifying person.
	he or she isn't related to you in one of the ways listed above <u>and</u> is your qualifying relative only because he or she lived with you all year as a member of your household (for example, a companion or a friend)	not a qualifying person.
	you can't claim him or her as a dependent	not a qualifying person.

Footnotes

¹ A person can't qualify more than one taxpayer to use the head of household filing status for the year.

² The term "qualifying child" is covered in Tab C, Dependents. **Note:** If you are a noncustodial parent, the term "qualifying child" for head of household filing status doesn't include a child who is your dependent only because of the rules described in the Children of Divorced or Separated Parents table. If you are the custodial parent and those rules apply, the child generally is your qualifying child for head of household filing status even though the child isn't a qualifying child who you can claim as a dependent.

³ This person is a qualifying person if the only reason you can't claim him or her as a dependent is that you can be claimed as a dependent on someone else's return.

⁴ The term "qualifying relative" is covered in Tab C, Dependents.

⁵ If you can claim a person as a dependent only because of a multiple support agreement, that person isn't a qualifying person. See Multiple Support Agreement, in Publication 17, Your Federal Income Tax For Individuals.

⁶ You are eligible to file as head of household even if your parent, whom you can claim as a dependent, doesn't live with you. You must pay more than half the cost of keeping up a home that was the main home for the entire year for your parent. This test is met if you pay more than half the cost of keeping your parent in a rest home or home for the elderly.

Explanation of Filing MFJ with Nonresident Alien (NRA) Spouse

This is an election. A statement must be attached to the return in the first year the election is made. Once made, the election is binding for future years. The NRA spouse must report and pay tax on worldwide income, including self-employment tax. See Pub 519 for details. Making the election is out of scope, but later years are in scope.

If the U.S. citizen/resident taxpayer who is filing with a NRA spouse lives in a community property state, community property rules apply. If MFS is chosen in a future year, the return is **out of scope**.

See also Tab L on ITIN returns.

Death of Spouse

If your spouse died during the year and you file a joint return for yourself and your deceased spouse, you generally can a Joint return.

If you remarried during the year, you can't file a joint return your deceased spouse.

If you are a surviving spouse and you remarry in the year your spouse died, you can file a joint return with your new spouse and your deceased spouse would file married filing separately.

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Cost of Keeping Up a Home

Keep for Your Records

	Amount You Paid	Total Cost
Property Taxes*	\$ _____	\$ _____
Mortgage interest expenses*	\$ _____	\$ _____
Rent	\$ _____	\$ _____
Utility charges	\$ _____	\$ _____
Property insurance*	\$ _____	\$ _____
Food eaten in the home	\$ _____	\$ _____
Other household expenses	\$ _____	\$ _____
Fair market rental value*	\$ _____	\$ _____

*Under proposed regulations, fair market rental value may be used (instead of the sum of payments for property taxes, mortgage interest expenses, and property insurance)

Totals

Minus total amount you paid (_____)

Amount others paid \$ _____

If the total amount you paid is more than the amount others paid, you meet the requirement of paying more than half the cost of keeping up the home

Note:

Costs you include. Include in the cost of keeping up a home expenses such as rent, mortgage interest, real estate taxes and insurance on the home, repairs, utilities, and food eaten in the home. As an alternative to including mortgage interest, real estate taxes, and insurance under proposed regulations, you may include the fair market rental value of the home.

Costs you don't include. Don't include the cost of clothing, education, medical treatment, vacations, life insurance, or transportation. Also, don't include the value of your services or those of a member of your household.

Note: Payments received under Temporary Assistance for Needy Families or other public assistance programs used to pay the costs of keeping up the home can be counted as money you paid. Amounts paid out of funds received in the child's or qualifying person's name, such as social security, are considered paid by the child, not you.

Entering Basic Information



TaxSlayer Navigation: Basic Information>Filing Status

After collecting necessary information from Form 13614-C, Intake/Interview & Quality Review Sheet, and properly applying the tax law, you should choose the taxpayer's filing status.

What's your filing status?

- Single
- Married Filing Joint
- Married Filing Separate
- Head of Household
- Qualifying Widow(er) with Dependent Children
- Nonresident Alien

Use the Filing Status Interview Tips to determine the correct filing status.

Need help determining your filing status?

FILING STATUS WIZARD

Note: Most nonresident aliens and dual status aliens have different filing requirements and may have to file Form 1040-NR or Form 1040-NR-EZ. In this case, the return is Out of Scope. Refer the taxpayer to a site with Foreign Student certification. Resident aliens generally are taxed the same as U.S. citizens.

The second screen titled Married Separate, is used to determine the spouse's return status.

Married Separate

Check here if the Spouse lived with the Taxpayer at any time during the year

BACK **CONTINUE**

Determining the Last Name of Taxpayer

A name control is a sequence of letters derived from a taxpayer's last name that is used by IRS in processing the tax return filed by the taxpayer. It is important that the combination of name control and taxpayer identification number (TIN) provided on an electronically filed return match IRS's record of name controls and TINs.

In e-file, a taxpayer's TIN and name control must match the data in the IRS database. If they don't match, the e-filed return will reject and generate an Error Reject Code.

Individuals may create a mySocialSecurity account to see how their information shows up on Social Security Administration records. For additional information, visit the Social Security Administration's website.

Name Controls for Individual Tax Returns

1. Primary Name Control (SEQ 0050) of Form 1040 must equal the first significant characters of the primary taxpayer's last name. No leading or embedded spaces are allowed. The first left-most position must contain an alpha character. Omit punctuation marks (except hyphens), titles and suffixes within last name field.

Examples:

Individual Name Primary/Secondary Name Control

Individual Name on SSN/ITIN Card(s)	Enter in TaxSlayer		IRS Database Primary/Secondary Name Control
	First Name Field	Last Name Field	
John Brown	John	Brown	BROW
Walter Di Angelo	Walter	Di Angelo	DIAN
Ronald En, Sr.	Ronald	En	EN
Thomas Lea-Smith	Thomas	Lea-Smith	LEA-
Joseph Corn & Mary Smith	Joseph	Corn	CORN
	Mary	Smith	SMIT
Roger O'Neil	Roger	O'Neil	ONEI
Kenneth McCarty	Kenneth	McCarty	MCCA
FNU Smith (First Name Unknown)	FNU	Smith	SMIT
Smith (No First Name)		Smith	SMIT

Determining the Last Name of Taxpayer (continued)

- Consider certain suffixes as part of the last name (i.e., Armah-Bey, Paz-Ayala, Allar-Sid). Particular attention must be given to those names that incorporate a mother's maiden name as a suffix to the last name. For example, traditional Hispanic last names include the taxpayer's father's name followed by a space and the taxpayer's mother's maiden name. A married taxpayer's last name remains the same and either simply adds on the spouse's father's name (resulting in 3 names forming the last name) or deletes the mother's maiden name and adds on the spouse's father's name (sometimes the spouse's father's name is preceded by "de").

Examples:

Individual Name Primary Name Control

Individual Name on SSN/ ITIN Card	Enter in TaxSlayer		IRS Database Primary Name Control
	First Name Field	Last Name Field	
Abdullah Allar-Sid	Abdullah	Allar-Sid	ALLA
Jose Alvarado Nogales	Jose	Alvarado Nogales	ALVA
Juan de la Rosa Y Obregon	Juan	de la Rosa Y Obregon	DELA
Pedro Paz-Ayala	Pedro	Paz-Ayala	PAZ-
Donald Vander Neut	Donald	Vander Neut	VAND
Otto Von Wodtke	Otto	Von Wodtke	VONW
John Big Eagle	John	Big Eagle	BIGE
Mary Her Many Horses	Mary	Her Many Horses	HERM
Ted Smith Gonzalez	Ted	Gonzalez	GONZ
Maria Acevedo Smith	Maria	Smith	SMIT
Robert Garcia Garza Hernandez	Robert	Garza Hernandez	GARZ

- Below are examples of Indo-Chinese last names and the derivative Name Control. Some Indo-Chinese names have only two characters. Indo-Chinese names often have a middle name of "Van" (male) or "Thi" (female).

Examples:

Individual Name Primary/Secondary Name Control

Individual Name on SSN/ ITIN Card	Enter in TaxSlayer		IRS Database Primary Name Control
	First Name Field	Last Name Field	
Binh To La	Binh	La	LA
Kim Van Nguyen	Kim	Nguyen	NGUY
Nhat Thi Pham	Nhat	Pham	PHAM
Jin Zhang Qui & Yen Yin Chiu	Jin Zhang	Qui	QUI
	Yen Yin	Chiu	CHIU

Entering Basic Information (continued)



TaxSlayer Navigation: Basic Information>Personal Information

The input screens below gather the taxpayer's personal information.

Taxpayer Information

Primary First Name * MI

Last Name * Suffix (Jr, Sr, etc.)

Social Security Number * - -

Date of Birth * / /

Occupation

You must input a birth date. Use drop down boxes to select Month, Date and Year.

This section is important for calculation of filing status, standard deduction, Presidential Election Fund, and military status.

- the Taxpayer can be claimed as a dependent on someone else's return.
- Taxpayer was over age 18 and a full-time student at an eligible educational institution.
- Taxpayer is blind.
- Taxpayer is deceased.
- the Taxpayer wishes to contribute \$3 to the Presidential Election Campaign Fund.
- Taxpayer or Spouse served in a combat zone during the current tax year.
- Taxpayer was a nonresident alien for any part of the year.
- Taxpayer or Spouse was affected by a natural disaster during the current tax year.

Check the box if the taxpayer is between the ages of 18 and 24 and is a full-time student during some part of each of any 5 calendar months of the year. See Tab R, Glossary and Index for definition of a full-time student.

Check the Taxpayer is deceased box to generate a Date of Death box, which must be completed. The word Deceased and the date of death will print next to the deceased person's name at the top of Form 1040 page 1, as required by the IRS.

Checking the "yes" box to contribute to the Presidential Election Campaign Fund does not increase the amount of tax that taxpayers owe, nor does it decrease any refund to which they are entitled.

Do not mark the taxpayer was a nonresident alien box if taxpayer or spouse is married to a citizen or resident alien and they have elected to treat the nonresident alien as a resident alien.

Entering Basic Information (continued)

Spouse Information

Spouse First Name * MI

Last Name * Suffix (Jr, Sr, etc.)

Social Security Number * - -

Date of Birth * MM DD YYYY

Occupation

Verify the spouse's last name with their Social Security card. If different from the taxpayer's, correct the autofilled entry.

Enter spouse's SSN. If the taxpayer is filing MFS and does not know the SSN of the spouse, enter the spouse's SSN as 111-00-1111. You may leave the spouse's DOB blank. Without the spouse's SSN, the return must be marked for paper filing. It will be rejected if filed electronically.

TIP ID Theft PINs are entered in the Miscellaneous Forms Menu.

Address and Phone Number

I have a stateside military address.

Check here if foreign address

Address (Number and Street) *

Apartment

ZIP Code * -

City, Town, or Post Office *

State *

Resident State as of 12/31/2017 *

Daytime Telephone Number * () -

Secondary Telephone Number () -

Check the Military or foreign address boxes if they apply.

Entering the ZIP code will cause the city and state to auto-fill. Correct the city name if needed.

See Note on following page for residency status.

Always ask for the best telephone number (i.e. cell phone) to contact the taxpayer so the site can follow up with clients about return rejects or if additional information is needed.

Entering Basic Information (continued)

Note: Resident State Return - This option will allow you to select the taxpayer's state of residency. Once the state has been chosen, selecting **Continue** will prompt the state questions. The program will create the state return based on the state selected. The program will automatically transfer basic information into the state return for you. Any additional states that are needed will be selected within the State Return section of the return. If a taxpayer lived in more than one state during the year, enter the state he or she lived in with the highest federal poverty level (FPL). That FPL will be used to make ACA calculations. If there isn't a state return to complete, select **None** from the list.

Entering Dependent/Qualifying Person



TaxSlayer Navigation: Basic Information>Dependents/Qualifying Person

Note: To determine if a person qualifies as the taxpayer's dependent, see Tab C, Dependents.

Dependents or Qualifying Person(s)

Do you have any dependents or qualifying person(s) to claim on your return?

Individuals who rely on you for support and reside in your house generally qualify for dependent tax exemptions. However, there are situations when a child's exemption status is more complicated. The IRS has special rules for these situations.

YES

NO

Note: In order for the IRS to accept the tax return electronically, ensure that:

- The correct date of birth is entered
- The dependent's name is spelled correctly
- The correct social security number is entered

If any of these three items are entered incorrectly, the IRS will reject the tax return for electronic filing purposes.

Entering Dependent/Qualifying Person (continued)

Dependent/Qualifying Child Information

CANCEL
CONTINUE

First Name * Middle

Last Name *

Date of Birth *
 MM DD YYYY

Social Security Number *
 - -

Check box if the dependent does not have an SSN/ITIN/ATIN

Was this person a U.S. citizen, U.S. national, or U.S. resident alien? (See Pub. 519 for the definition of a U.S. national or U.S. resident alien) If they were not, you can't claim the child tax credit or the credit for other dependents for this person. *

Yes
 No

Relationship *

Number of months this person lived in your home during 2018

Note: If this dependent was born in 2018, you must select 12 months

Check All That Apply:

This person was over age 18 and a full-time student at an eligible educational institution.

Check if this person was DISABLED.

Check if this qualifying child is NOT YOUR DEPENDENT.

Check if you wish NOT to claim this dependent for Earned Income Credit purposes.

Check if this dependent is married.

This dependent made over \$4,150 of income

This dependent qualifies for a Multiple Support Declaration.

The taxpayer's name carries forward to the dependent. Make changes as needed based on the dependent's social security card.

When a dependent's information is carried forward, be sure to check the citizenship box.

If the taxpayer has a dependent whose relationship is not listed, pick the relationship that has the same tax treatment. For example, if the taxpayer's dependent is their great-grandchild, select **grandchild** for the relationship.

Select the "dependent does not have an SSN/ITIN/ATIN" check box if applicable. If checked, the software will ask if the dependent will be completing a Form W-7, Application for ITIN. The Form W-7 is located in the Federal Section, Miscellaneous Forms. If not applying for an ITIN, answer no and enter the reason (such as the death of the child) that the child does not have a TIN.

If you are the noncustodial parent claiming your child as a dependent, select **Divorce/ Separation** for the number of months.

Carefully read the selections under the "Please answer the following" list. Check all that apply.

If the dependent is not your qualifying child for EIC, select the "You wish to NOT claim this dependent for Earned Income Credit purposes" box.

Select the not your dependent box if the custodial parent is not claiming the child because either:
 - the child provides more than half of his or her own support, or
 - the noncustodial parent is claiming the dependent.
Select this box if person meets all requirements for dependent other than support (for EIC eligibility)

Qualifying Child(ren) for Earned Income Credit (EIC):

EIC is considered for every return unless the program determines that it is not viable. Verify names, SSNs, and dates of birth with social security cards to prevent rejected returns.

TaxSlayer calculates the amount of earned income credit if the client qualifies based on income and other requirements. Reminder: Although age, relationship and residency requirements are the same for EIC as for dependency, support is NOT an issue for EIC (it does not matter whether or not the child, parent, or another provides over half of the child's support).

Enter the number of months each individual lived in the taxpayer's home or select **Lived in Mexico** if the dependent lived in Mexico or **Lived in Canada** if the dependent lived in Canada – use the drop-down list. Enter 12 months if the dependent was born or died during the year or was temporarily absent (school, vacation, etc.).

Overview of the Rules for Claiming a Dependent



This table is only an overview of the rules. For details, see Publication 17, Your Federal Income For Individuals.

- You can't claim any dependents if you, or your spouse if filing jointly, could be claimed as a dependent by another taxpayer.
- You can't claim a married person who files a joint return as a dependent unless that joint return is only to claim a refund of income tax withheld or estimated tax paid.
- You can't claim a person as a dependent unless that person is a U.S. citizen, U.S. resident alien, U.S. national, or a resident of Canada or Mexico.¹
- You can't claim a person as a dependent unless that person is your **qualifying child** or **qualifying relative**.

Tests To Be a Qualifying Child

Tests To Be a Qualifying Relative

<p>1. The child must be your son, daughter, stepchild, foster child, brother, sister, half brother, half sister, stepbrother, stepsister, or a descendant of any of them.</p> <p>An adopted or fostered individual is treated as if biologically related. For example, an adopted sibling is treated as the other sibling's biological brother or sister.</p>	<p>1. The person can't be your qualifying child or the qualifying child of any other taxpayer. A child isn't the qualifying child of any other taxpayer if the child's parent (or any other person for whom the child is defined as a qualifying child) isn't required to file an income tax return or files an income tax return only to get a refund of income tax withheld.</p>
<p>2. The child must be: (a) under age 19 at the end of the year and younger than you (or your spouse, if filing jointly), (b) under age 24 at the end of the year, a full-time student, and younger than you (or your spouse, if filing jointly), or (c) any age if permanently and totally disabled.</p>	<p>2. The person either (a) must be related to you in one of the ways listed under Relatives who don't have to live with you (see Table 2, step 2), or (b) must live with you all year as a member of your household² (and your relationship must not violate local law).</p>
<p>3. The child must have lived with you for more than half of the year.²</p>	<p>3. The person's gross income for the year must be less than \$4,200.³ Gross income means all income the person received in the form of money, goods, property and services, that isn't exempt from tax. Don't include social security benefits unless the person is married filing a separate return and lived with their spouse at any time during the tax year or if 1/2 the social security benefits plus their other gross income and tax exempt interest is more than \$25,000 (\$32,000 if MFJ).</p>
<p>4. The child must not have provided more than half of his or her own support for the year.⁵</p>	<p>4. You must provide more than half of the person's total support for the year.^{4, 5}</p>
<p>5. The child isn't filing a joint return for the year (unless that joint return is filed only to claim a refund of income tax withheld or estimated tax paid).</p>	
<p>6. If the child meets the rules to be a qualifying child of more than one person, you must be the person entitled to claim the child as a qualifying child. See the "Qualifying Child of More Than One Person" chart.</p>	

Footnotes

¹ There is an exception for certain adopted children.

² There are exceptions for temporary absences, children who were born or died during the year, children of divorced or separated parents or parents who live apart, and kidnapped children. If you obtained a final decree of divorce or separate maintenance during the year, you can't take your former spouse as a dependent. This rule applies even if you provided all of your former spouse's support.

³ There is an exception if the person is disabled and has income from a sheltered workshop.

⁴ There are exceptions for multiple support agreements, children of divorced or separated parents or parents who live apart, and kidnapped children.

⁵ A worksheet for determining support is provided later in this tab. If a person receives social security benefits and uses them toward his or her own support, those benefits are considered as provided by the person. Benefits provided by the state to a needy person are generally considered support provided by the state. A proposed rule on which taxpayers may choose to rely treats governmental payments made to a recipient that the recipient uses, in part, to support others as support of the others provided by the recipient, whereas any part of such payment used for the support of the recipient would constitute support of the recipient by a third party. For example, if a mother receives Temporary Aid to Needy Families (TANF) and uses the TANF payments to support her children, the proposed regulations treat the mother as having provided that support.

Qualifying Child of More Than One Person

Tiebreaker Rules

If the child meets the conditions to be the qualifying child of more than one person, only one person can claim the child as a qualifying child dependent for all tax benefits associated with an exemption unless the special rule for children of divorced or separated parents applies¹.

- Credit for other dependents
 - Head of Household
 - Credit for Child and Dependent Care Expenses
 - Child Tax Credit
 - Earned Income Credit
 - Exclusion from income for Dependent Care Benefits
-

No other person can take any of the six tax benefits listed above unless he or she has a different qualifying child. To determine which person can treat the child as a qualifying child to claim these six tax benefits, the following tiebreaker rules apply. Subject to these tiebreaker rules, the taxpayer and the other person may be able to choose which person claims the child as a qualifying child.

If only one of the persons is the child's parent, the child is treated as the qualifying child of the parent.

If the parents file a joint return together and can claim the child as a qualifying child, the child is treated as the qualifying child of the parents.

If the parents don't file a joint return together but both parents claim the child as a qualifying child, the IRS will treat the child as the qualifying child of the parent with whom the child lived for the longer period of time during the year. If the child lived with each parent for the same amount of time, the IRS will treat the child as the qualifying child of the parent who had the higher adjusted gross income (AGI) for the year.

If no parent can claim the child as a qualifying child, the child is treated as the qualifying child of the person who had the highest AGI for the year.

If a parent can claim the child as a qualifying child but no parent claims the child, the child is treated as the qualifying child of the person who had the highest AGI for the year, but only if that person's AGI is higher than the highest AGI of any of the child's parents who can claim the child. If the child's parents file a joint return with each other, this rule can be applied by dividing the parents' combined AGI equally between the parents.

Example: Your daughter meets the conditions to be a qualifying child for both you and your mother. Under the rules above, you are entitled to treat your daughter as a qualifying child for all of the six tax benefits listed above for which you otherwise qualify. Your mother isn't entitled to take any of the six tax benefits listed above unless she has a different qualifying child. However, if your mother's AGI is higher than yours, you can let your mother treat your daughter as her qualifying child. If you do that, your daughter isn't your qualifying child for any of the six benefits.

For more details and examples, see Publications 17 and 501 Exemptions, Standard Deduction, and Filing Information.

Footnote

¹ When the special rule for children of divorced or separated parents applies (see Table 3, later in this tab) and the non-custodial parent claims the child as a dependent, the non-custodial parent may also claim the child tax credit and any educational benefit, if all other rules are met. The custodial parent should enter the child as a non-dependent in the software (see software entries in Tab B, Starting a Return and Filing Status), because they may be eligible for the EIC, Child and Dependent Care Credit, Exclusion from income for Dependent Care Benefits and Head of Household filing status.

Note: If more than one person qualifies to claim the child, test both returns to see which is more beneficial. The custodial parent can choose not to claim the child and to follow the last rule (above) instead.

Table 1: All Dependents

Begin with this table to determine both Qualifying Child and Qualifying Relative dependents.

Probe/Action: Ask the taxpayer:

step 1	Can you or your spouse (if filing jointly) be claimed as a dependent on another taxpayer's tax return this year? ⁵	If YES : If you can be claimed as a dependent by another taxpayer, you may not claim anyone else as your dependent. If NO : Go to Step 2
step 2	Was the person married as of December 31, 2019?	If YES : Go to Step 3 If NO : Go to Step 4
step 3	Is the person filing a joint return for this tax year? (Answer "NO" if the person is filing a joint return only to claim a refund of income tax withheld or estimated tax paid.)	If YES : You can't claim this person as a dependent. If NO : Go to Step 4
step 4	Was the person a U.S. citizen, U.S. resident alien, U.S. national, or a resident of Canada or Mexico? (Answer "YES" if you are a U.S. citizen or U.S. national and you adopted a child who lived with you as a member of your household all year.)	If YES : Go to Step 5 If NO : You can't claim this person as a dependent.
step 5	Was the person your son, daughter, stepchild, eligible foster child, brother, sister, half brother, half sister, stepbrother, stepsister, or a descendant of any of them (i.e., your grandchild, niece, or nephew)? ⁴	If YES : Go to Step 6 If NO : This person isn't your qualifying child. Go to Table 2: Qualifying Relative Dependents
step 6	Was the person: -under age 19 at the end of the year and younger than you (or your spouse, if filing jointly) OR -under age 24 at the end of the year, a full-time student (see definition in the glossary) and younger than you (or your spouse, if filing jointly) OR -any age if permanently and totally disabled ¹ at any time during the year?	If YES : Go to Step 7 If NO : This person isn't your qualifying child. Go to Table 2: Qualifying Relative Dependents
step 7	Did the person live with you as a member of your household, except for temporary absences ² , for more than half the year? (Answer "YES" if the child was born or died during the year.)	If YES : Go to Step 8 (Use Table 3 to see if the dependency for children of divorced or separated parents or parents who live apart applies.) If NO : This person isn't your qualifying child. Go to Table 2: Qualifying Relative Dependents
step 8	Did the person provide more than half of his or her own support ³ for the year?	If YES : You can't claim this person as a dependent If NO : Go to Step 9
step 9	Is the person a qualifying child of any other taxpayer?	If YES : Go to the chart: Qualifying Child of More Than One Person If NO : You can claim this person as a dependent

Footnotes

¹ A person is permanently and totally disabled if he or she can't engage in any substantial gainful activity because of a physical or mental condition, AND a doctor determines the condition has lasted or can be expected to last continuously for at least a year or can lead to death.

² A child is considered to have lived with you during periods of time when one of you, or both, are temporarily absent due to illness, education, business, vacation, military service, institutionalized care for a child who is permanently and totally disabled, or incarceration. In most cases a child of divorced or separated parents is the qualifying child of the custodial parent. See Table 3: Children of Divorced or Separated Parents or Parents Who Live Apart to see if an exception applies. There is an exception for kidnapped children. See Publication 17.

³ A worksheet for determining support is included later in this tab. If a child receives social security benefits and uses them toward his or her own support, those benefits are considered as provided by the child. Benefits provided by the state to a needy person (welfare, food stamps, housing, SSI) are generally considered support provided by the state.

⁴ An adopted child is treated the same as a natural child for the purposes of determining whether a person is related to you in any of these ways. For example, an adopted brother or sister is your brother or sister. An adopted child includes a child who was lawfully placed with a person for legal adoption.

⁵ An individual is not a dependent of a person if that person is not required to file an income tax return and either does not file an income tax return or files an income tax return solely to claim a refund of estimated or withheld taxes.

Table 2: Qualifying Relative Dependents

You must start with Table 1. (To claim a qualifying relative dependent, you must first meet the Dependent Taxpayer, Joint Return and Citizen or Resident Tests in steps 1-4 of Table 1)

Probe/Action: Ask the taxpayer:

step 1	Is the person your qualifying child or the qualifying child of any other taxpayer? A child isn't the qualifying child of any other taxpayer if the child's parent (or any other person for whom the child is defined as a qualifying child) isn't required to file a U.S. income tax return or files an income tax return only to get a refund of income tax withheld.	If YES , the person isn't a qualifying relative. (See Table 1: All Dependents) If NO , go to Step 2.
step 2	Was the person your son, daughter, stepchild, foster child, or a descendant of any of them (i.e., your grandchild)? OR Was the person your brother, sister, half-brother, half-sister, or a son or daughter of any of them? OR Was the person your father, mother, or an ancestor or sibling of either of them? OR Was the person your stepbrother, stepsister, stepfather, stepmother, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law? ¹	If NO , go to Step 3. If YES , go to Step 4. Note: The relatives listed in Step 2 are considered "Relatives who don't have to live with you" Note: To enter into TaxSlayer a qualifying relative who did not live with the taxpayer more than 6 months, choose "Other reasons" from the months dropdown menu.
step 3	Was the person any other person (other than your spouse) who lived with you all year as a member of your household? ²	If NO , you can't claim this person as a dependent. If YES , go to Step 4. Note: There are exceptions for kidnapped children; a child who was born or died during the year; certain temporary absences— school, vacation, medical care, etc. Divorced or separated spouse. If you obtained a final decree of divorce or separate maintenance during the year, you can't take your former spouse as a dependent. This rule applies even if you provided all of your former spouse's support.
step 4	Did the person have gross income of less than \$4,200 in 2019? ³	If NO , you can't claim this person as a dependent. If YES , go to Step 5.

continued on next page

Footnotes

¹ An adopted child is treated the same as a natural child for the purposes of determining whether a person is related to you in any of these ways. For example, an adopted brother or sister is your brother or sister. An adopted child includes a child who was lawfully placed with a person for legal adoption. Any of these relationships that were established by marriage aren't ended by death or divorce.

² A person doesn't meet this test if at any time during the year the relationship between you and that person violates local law.

³ For purposes of this test, the gross income of an individual who is permanently and totally disabled at any time during the year doesn't include income for services the individual performs at a sheltered workshop.

Gross income means all income the person received in the form of money, goods, property and services, that isn't exempt from tax. Don't include social security benefits unless the person is married filing a separate return and lived with their spouse at any time during the tax year or if 1/2 the social security benefits plus their other gross income and tax exempt interest is more than \$25,000 (\$32,000 if MFJ).

Table 2: Qualifying Relative Dependents

Continued

Probe/Action: Ask the taxpayer:

step 5	Did you provide more than half the person's total support for the year? ⁴	If YES , you can claim this person as your qualifying relative dependent. (Use Table 3 to see if the exception for children of divorced or separated parents or parents who live apart applies.) If NO , go to Step 6.
step 6	Did another person provide more than half the person's total support?	If YES , you can't claim this person as a dependent. If NO , go to Step 7.
step 7	Did two or more people, each of whom would be able to take the dependent but for the support test, together provide more than half the person's total support?	If YES , go to Step 8. If NO , you can't claim this person as a dependent.
step 8	Did you provide more than 10% of the person's total support for the year?	If YES , go to Step 9. If NO , you can't claim this person as a dependent.
step 9	Did the other person(s) providing more than 10% of the person's total support for the year provide you with a signed statement agreeing not to claim the dependent?	If YES , you can claim this person as a dependent. You must file Form 2120, Multiple Support Declaration, with your return. If NO , you can't claim this person as a dependent.

Footnote

⁴ A worksheet for determining support is included at the end of this section.

See Table 3 for the exception to the support test for children of divorced or separated parents or parents who live apart.

If a child receives social security benefits and uses them toward his or her own support, those benefits are considered as provided by the child. Benefits provided by the state to a needy person are generally considered support provided by the state. A proposed rule, on which taxpayers may choose to rely, treats governmental payments made to a recipient that the recipient uses, in part, to support others as support of the others provided by the recipient, whereas any part of such payment used for the support of the recipient would constitute support of the recipient by a third party. For example, if a mother receives TANF and uses the TANF payments to support her children, the proposed regulations treat the mother as having provided that support.

Table 3: Children of Divorced or Separated Parents or Parents Who Live Apart

Use this table when directed from Table 1 or Table 2 to determine if the exception applies to the qualifying child residency test or the qualifying relative support test

Probe/Action: Ask the taxpayer:

<p>step 1</p>	<p>Did the child receive over half of his or her support from the parents who are: Divorced OR Legally separated under a decree of divorce or separate maintenance OR Separated under a written separation agreement OR Lived apart at all times during the last 6 months of the year?</p>	<p>If YES, go to Step 2. If NO, Table 3 doesn't apply.</p>
<p>step 2</p>	<p>Was the child in the custody of one or both parents for more than half the year?¹</p>	<p>If YES, go to Step 3. If NO, Table 3 doesn't apply.</p>
<p>step 3</p>	<p>Did the custodial parent (parent with whom the child lived for the greater number of nights during the year) provide the taxpayer a signed written declaration (Form 8332, Release/Revocation of Release of Claim to Exemption to Child by Custodial Parent, a copy of Form 8332, or similar document) releasing his or her claim to the child as a dependent?</p>	<p>If YES, the Table 3 exception applies.² Return to the appropriate step in Table 1 or Table 2. If NO, go to Step 4.</p>
<p>step 4</p>	<p>Are either of the following statements true? The taxpayer has a Post-1984 and Pre-2009 decree³ or agreement that is applicable for the current tax year and states <i>all three of the following</i>?</p> <ol style="list-style-type: none"> 1. The noncustodial parent can claim the child as a dependent without regard to any condition, such as payment of support. 2. The other parent won't claim the child as a dependent for the year. 3. The years for which the noncustodial parent can claim the child as a dependent. <p style="text-align: center;">OR</p> <p>The taxpayer has a Pre-1985 decree of divorce or separation maintenance or written separation agreement between the parents that provide that the noncustodial parent can claim the child as a dependent, and the noncustodial parent provides at least \$600 for support of the child during the current tax year?</p>	<p>If YES, the Table 3 exception applies. Return to the appropriate step in Table 1 or Table 2. If NO, Table 3 doesn't apply.</p>

Footnotes

¹ If the child is emancipated under state law, either by reaching age of majority or other means, child is treated as not living with either parent (see Publication 17).

² **Post-2008 decree or agreement.** If the divorce decree or separation agreement went into effect after 2008, the noncustodial parent can't attach pages from the decree or agreement instead of Form 8332. The custodial parent must sign, and the noncustodial parent must attach to his or her return, either Form 8332, or a copy of Form 8332 or a substantially similar statement the only purpose of which is to release the custodial parent's claim to a child. For efiled returns, inform the taxpayer of the Form 8332 and that the IRS may request it be mailed.

³ **Post-1984 and Pre-2009 divorce decrees or agreements:**

The noncustodial parent must attach all of the following pages from the decree or agreement.

- Cover page (include the other parent's SSN on that page)
- The pages that include all the information identified in (1) through (3) above
- Signature page with the other parent's signature and date of agreement.

Release of certain tax benefits revoked

A custodial parent who has revoked his or her previous release of a claim to certain tax benefits for a child must attach a copy of the revocation to his or her return. For the revocation to be effective for the current tax year, the custodial parent must have given (or made reasonable efforts to give) written notice of the revocation to the noncustodial parent in the prior tax year or earlier. (See Form 8332 for more details)

Other decrees or agreements that don't meet step 4: Non-custodial parents must attach the Form 8332, or a copy of Form 8332 or similar statement to their return. **Tax-Aide does not attach any document to an e-filed return. Inform the taxpayer that the IRS may ask them to send copy of Form 8332 or equivalent statement.**

Notes and
Definitions see
following page

Worksheet for Determining Support

Funds Belonging to the Person You Supported

1. Enter the total funds belonging to the person you supported, including income received (taxable and nontaxable) and amounts borrowed during the year, plus the amount in savings and other accounts at the beginning of the year. Don't include funds provided by the state; include those amounts on line 23 instead..... 1. _____
2. Enter the amount on line 1 that was used for the person's support..... 2. _____
3. Enter the amount on line 1 that was used for other purposes..... 3. _____
4. Enter the total amount in the person's savings and other accounts at the end of the year..... 4. _____
5. Add lines 2 through 4. (This amount should equal line 1.)..... 5. _____

Expenses for Entire Household (where the person you supported lived)

6. Lodging (complete line 6a or 6b):
 - a. Enter the total rent paid 6a. _____
 - b. Enter the fair rental value of the home. If the person you supported owned the home, also include this amount in line 21..... 6b. _____
7. Enter the total food expenses..... 7. _____
8. Enter the total amount of utilities (heat, light, water, etc. not included in line 6a or 6b)..... 8. _____
9. Enter the total amount of repairs (not included in line 6a or 6b)..... 9. _____
10. Enter the total of other expenses. Don't include expenses of maintaining the home, such as mortgage interest, real estate taxes, and insurance..... 10. _____
11. Add lines 6a through 10. These are the total household expenses..... 11. _____
12. Enter total number of persons who lived in the household..... 12. _____

Expenses for the Person You Supported

13. Divide line 11 by line 12. This is the person's share of the household expenses..... 13. _____
14. Enter the person's total clothing expenses..... 14. _____
15. Enter the person's total education expenses..... 15. _____
16. Enter the person's total medical and dental expenses not paid for or reimbursed by insurance..... 16. _____
17. Enter the person's total travel and recreation expenses..... 17. _____
18. Enter the total of the person's other expenses..... 18. _____
19. Add lines 13 through 18. This is the total cost of the person's support for the year..... 19. _____

Did the Person Provide More Than Half of His or Her Own Support?

20. Multiply line 19 by 50% (0.50)..... 20. _____
21. Enter the amount from line 2, plus the amount from line 6b if the person you supported owned the home. This is the amount the person provided for his or her own support..... 21. _____
22. Is line 21 more than line 20?
 - No.** You meet the support test for this person to be your qualifying child. If this person also meets the other tests to be a qualifying child, stop here; don't complete lines 23–26. Otherwise, go to line 23 and fill out the rest of the worksheet to determine if this person is your qualifying relative.
 - Yes.** You don't meet the support test for this person to be either your qualifying child or your qualifying relative. Stop here.

Did You Provide More Than Half?

23. Enter the amount others provided for the person's support. Include amounts provided by state, local, and other welfare societies or agencies. Don't include any amounts included on line 1..... 23. _____
24. Add lines 21 and 23..... 24. _____
25. Subtract line 24 from line 19. This is the amount you provided for the person's support..... 25. _____
26. Is line 25 more than line 20?
 - Yes.** You meet the support test for this person to be your qualifying relative.
 - No.** You don't meet the support test for this person to be your qualifying relative. You can't claim this person as a dependent unless you can do so under a multiple support agreement, the support test for children of divorced or separated parents, or the special rule for kidnapped children. See Multiple Support Agreement, Support Test for Children of Divorced or Separated Parents (or Parents Who Live Apart), or Kidnapped child under Qualifying Relative.

Note: Taxpayers should keep a completed copy of this worksheet for their records.

Determining Support (continued)

The following items aren't included in total support:

- Federal, state, and local income taxes paid by persons from their own income
- Social security and Medicare taxes paid by persons from their own income
- Life insurance premiums
- Funeral expenses
- Scholarships received by your child if your child is a student
- Survivors' and Dependents' Educational Assistance payments used for the support of the child who receives them

Note A: Social Security payments are considered provided by the person for whose benefit they are.

Note B: TANF (Temporary Assistance to Needy Families) payments that come to you for others are considered provided by you.

Note C: Income from a sheltered workshop is not included in income or considered as "substantial gainful activity".

Definitions:

Student (for this worksheet): To qualify as a student, your child must be, during some part of each of any 5 calendar months of the year: 1. A full-time student at a school that has a regular teaching staff, course of study, and a regularly enrolled student body at the school, or 2. A student taking a full-time, on-farm training course given by a school described in (1), or by a state, county, or local government agency. The 5 calendar months do not have to be consecutive. An on-the-job training course, correspondence school, or school offering courses only through the internet does not count as a school for dependency exemption purposes.

Sheltered workshop: A private non-profit, state or local government institution that provides employment opportunities for individuals who are developmentally, physically, or mentally impaired, to prepare for gainful work in the general economy. These services may include physical rehabilitation, training in basic work and life skills (e.g. how to apply for a job, attendance, personal grooming, and handling money), training on specific job skills, and providing work experience in the workshop.

Income Quick Reference Guide

This list is a quick reference and volunteers should refer to Publication 17 for more information. Don't rely on this list alone. **Some of the income items on this chart are Out of Scope for VITA/TCE.** Review the Scope of Service chart to identify Out of Scope items. Refer taxpayers with Out of Scope income to a professional tax preparer. Confirm that all income received by the taxpayer has been discussed and shown on the return, if required.

Table A – Examples of Taxable Income

(Examples of income to consider when determining whether a return must be filed or if a person meets the gross income test for qualifying relative)

Wages, salaries, bonuses, commissions	Military pension
Alimony (for divorce before 2019, see How/Where to Enter Income, later)	Nonemployee compensation
Annuities	Notary fees
Awards	Partnership, Estate and S-Corporation income (Schedule K-1s, Taxpayer's share)
Back pay	Pensions
Breach of contract payment	Prizes
Business income/Self-employment income	Punitive damage award
Cash income	Railroad retirement—Tier I (portion may be taxable)
Compensation for personal services	Railroad retirement—Tier II
Canceled debts ¹	Recovery of prior year deduction ² (medical, property taxes, etc.)
Director's fees	Refunds of State and local income tax (if reportable) ²
Disability benefits (employer-funded)	Rents (gross rent)
Discounts	Rewards
Dividends	Royalties
Employee awards	Severance pay
Employee bonuses	Self-employment (gross income)
Estate and trust income	Social security benefits - portion may be taxable - (See Tab D, Income, Railroad Retirement, Civil Service, and Social Security Benefits)
Farm income	Supplemental unemployment benefits
Fees	Taxable scholarships and grants
Gains from sale of property or securities	Tips and gratuities
Gambling winnings	Tribal per capita payments
Hobby income	Unemployment compensation
Interest	
Interest on life insurance dividends	
IRA distributions	
Jury duty fees	
Military pay (not exempt from taxation)	

Table B – Examples of Nontaxable Income

(Examples of income items to exclude when determining whether a return must be filed)

Aid to Families with Dependent Children (AFDC)	Payments to the beneficiary of a deceased employee
Child support	Payments in lieu of worker's compensation
Civil damages, restitution or other monetary award paid to someone because that person was wrongfully incarcerated	Reimbursements for ordinary or necessary actual expenses
Damages for physical injury (other than punitive)	Relocation payments
Death payments	Rebate/Patronage Dividends issued by co-ops for personal use are not taxable.
Dividends on life insurance	Rental less than 15 days ⁵
Federal Employees' Compensation Act payments	Rental allowance of clergyman
Federal income tax refunds	Reverse mortgages
Gifts	Sickness and injury payments
Inheritance ³ or bequest	Social security benefits - portion may not be taxable (See Tab D, Income, Railroad Retirement, Civil Service, and Social Security Benefits)
Insurance proceeds (Accident, Casualty, Health, Life)	Supplemental Security Income (SSI)
Interest on tax-free securities	Temporary Assistance for Needy Families (TANF)
Interest on EE/I bonds redeemed for qualified higher education expenses	Veterans' benefits
Meals and lodging for the convenience of employer	Welfare payments (including TANF) and food stamps
Olympic and Paralympic Games medals and prizes ⁴	Worker's compensation and similar payments

Footnotes

¹ If the taxpayer received a Form 1099-C, Cancellation of Debt, in relation to their main home, it can be nontaxable

² If itemized in year paid and taxes were reduced because of deduction

³ An inheritance isn't reported on the income tax return, but a distribution from an inherited pension or annuity is subject to the same tax as the original owner would have had to pay.

⁴ The exclusion does not apply to a taxpayer for any year in which the taxpayer's AGI exceeds \$1 million (or \$500,000 for an individual filing a MFS return).

⁵ If you use a dwelling unit as a home and you rent it less than 15 days during the year, you are not required to report the rental income and rental expenses from this activity. See Publication 527, Residential Rental Property. (Military Certification only)

Armed Forces Gross Income

Members of the Armed Forces receive many different types of pay and allowances. Some are included in gross income while others are excluded from gross income. **Table 1** lists included items that are subject to tax and must be reported on your tax return. **Table 2** lists excluded items that are not subject to tax, but may have to be shown on your tax return. See Publication 3, Armed Forces' Tax Guide, for additional information.

Table 1—Included Items

These items are included in gross income, unless the pay is for service in a combat zone

Basic pay	<ul style="list-style-type: none"> Active duty Attendance at a designated service school Back wages Drills (Inactive Duty Training) Reserve training Training Duty 	Special pay (cont.)	<ul style="list-style-type: none"> Hostile fire or imminent danger Medical and dental officers Nuclear-qualified officers Optometry Other Health Professional Special Pay (for example, nurse, physician assistant, social work, etc.) Pharmacy Special compensation for assistance with activities of daily living (SCAADL) Special duty assignment pay Veterinarian Voluntary Separation Incentive 	Incentive pay	<ul style="list-style-type: none"> Submarine Flight Hazardous duty High altitude/Low altitude (HALO)
				Other pay	<ul style="list-style-type: none"> Accrued leave CONUS COLA High deployment per diem Personal money allowances paid to high ranking officers Student loan repayment from programs such as the Department of Defense Educational Loan Repayment Program when year's service (requirement) isn't attributable to a combat zone
Special pay	<ul style="list-style-type: none"> Aviation career incentives Career sea Diving duty Foreign duty (outside the 48 contiguous states and the District of Columbia) Foreign language proficiency Hardship duty 	Bonus pay	<ul style="list-style-type: none"> Career status Continuation pay Enlistment Officer Overseas extension Reenlistment 	In-kind military benefits	<ul style="list-style-type: none"> Personal use of government-provided vehicle

Table 2—Excluded Items

The exclusion for certain items applies whether the item is furnished in-kind or is a reimbursement or allowance. There is no exclusion for the personal use of a government-provided vehicle.

Combat zone and qualified hazardous duty area pay	<ul style="list-style-type: none"> Compensation for active service while in a combat zone Note: Limited amount for commissioned officers Leave earned or accrued while performing service in a combat zone 	Family allowances	<ul style="list-style-type: none"> Certain educational expenses for dependents Emergencies Evacuation to a place of safety Separation 	Travel allowances	<ul style="list-style-type: none"> Annual round trip for dependent students Leave between consecutive overseas tours Reassignment in a dependent restricted status Transportation for you or your dependents during ship overhaul or inactivation Per diem
Other pay	<ul style="list-style-type: none"> Certain amounts received under Armed Force Health Professions Scholarship and Financial Assistance Program payments Disability, including payments received for injuries incurred as a direct result of a terrorist or military action Disability severance payments Group-term life insurance Professional education ROTC educational and subsistence allowances State bonus pay for service in a combat zone Survivor and retirement protection plan premiums Uniform allowances Uniforms furnished to enlisted personnel 	Living allowances	<ul style="list-style-type: none"> BAH (Basic Allowance for Housing) BAS (Basic Allowance for Subsistence) Housing and cost-of-living allowances abroad paid by the U.S. Government or by a foreign government OHA (Overseas Housing Allowance) 	In-kind military benefits	<ul style="list-style-type: none"> Dependent-care assistance program Defense Counsel Services Legal assistance Medical/dental care Commissary/exchange discounts Space-available travel on government aircraft Uniforms furnished to enlisted personnel
Death allowances	<ul style="list-style-type: none"> Burial services Death gratuity payments to eligible survivors Travel of dependents to burial site 	Moving allowances	<ul style="list-style-type: none"> Dislocation Military base realignment and closure benefit (the exclusion is limited as described above) Move-in housing Move household and personal items Moving trailers or mobile homes Storage Temporary lodging and temporary lodging expenses 		

How/Where to Enter Income



TaxSlayer Navigation: Federal Section>Income

- Select **Guide Me** to launch a step-by-step series of questions to help determine the various types of income that should be entered on the tax return.
- Select **Enter Myself** if you prefer to enter items of income without help.
- Regardless of which path you choose, the tax form entry screens are the same.
- If you don't need to enter or correct any income items, you can skip this section.
- See Tab O, Using TaxSlayer® Pro Online, for additional instructions.

To go directly to a specific form, use the box to enter the form number or name. See Tab O, Using TaxSlayer® Pro Online, for entries.

If the taxpayer received a state refund in 2019 and itemized deductions for 2018 that included a deduction for state income tax, select the State and Local Refunds option and complete the State Refund worksheet.

Select **Quick File** from this pull-down menu to create a list of entry screens for this return.

The screenshot displays the 'Income' entry screen for the year 2018. The main area lists various income sources with corresponding action buttons: 'Wages and Salaries Form W-2' (EDIT), 'State and Local Refunds Form 1099-G Box 2' (BEGIN), 'Interest and Dividends Form 1099-INT / 1099-DIV' (EDIT), 'IRA/Pension Distributions Form 1099-R / RRB, SSA' (EDIT), 'Unemployment Compensation Form 1099-G Box 1' (BEGIN), 'Form 1099-Misc' (EDIT), 'Profit or Loss From A Business Schedule C' (EDIT), 'Payment Card and Third Party Network Transactions Form 1099-K' (EDIT), 'Rents and Royalties Schedule E' (BEGIN), 'Capital Gain and Losses Schedule D' (EDIT), 'Profit or Loss From Farming Schedule F' (BEGIN), 'Alimony Received' (BEGIN), and 'Other Income' (BEGIN). On the right side, a summary box shows: '\$75,663 AGI AMOUNT', '\$739 FEDERAL REFUND', and '\$83 GA REFUND AMOUNT'. At the top right, there are links for 'Help & Support', 'Taxpayer Sample', and 'Logout'. At the top left, there is a search box labeled 'Enter the Form Number...'. On the left side, there is a navigation menu with 'Income' selected. Below the 'Alimony Received' link, there is a note about alimony inclusion.

You can go directly to the Income section from the quick link.

Alimony received pursuant to a divorce or separation instrument executed on or before December 31, 2018 is included as income on the return. For divorces after December 31, 2018, alimony is not included as income on the return.

To enter Taxable Scholarship, Prisoner Earned Income, or Foreign Compensation - select Other Income then choose Other Compensation.

To enter unemployment compensation, select **Begin** on the unemployment line. If unemployment benefits are repaid in the same year received, enter the unemployment received. Then enter the repaid amount by selecting that option on the unemployment screen.

Also, the alimony is not included if the instrument is modified after December 31, 2018, and the modification expressly provides that the amendments made by the Tax Cuts and Jobs Act, Section 11051, apply to the modification.

Form W-2 Instructions



TaxSlayer Navigation: Federal Section>Income>Wages; or Keyword “W”

W-2

CANCEL

This is a standard W-2

This is a corrected W-2

This is a substitute W-2 ←

This is a railroad W-2

Control Number is not needed for e-filing

If taxpayer has not received a W-2 from all employers by the end of January, they should contact their employer for missing copy.

If a Form W-2 can't be obtained from the employer, select the box to indicate this is a substitute W-2. TaxSlayer will generate a Form 4852, Substitute for Form W-2, Wage and Tax Statement. The taxpayer will need to provide total income and withholding from their year-end pay stub.

Employee

Whose W-2 is this? *

Taxpayer Sample

Spouse Sample

Check here if foreign address

Address (Number and Street) *

123 Fake Dr

ZIP Code *

29841 -

City, Town, or Post Office *

North Augusta

State *

South Carolina ▾

Employer

Note: Information entered below must match the IRS Master File. **Please Verify.**

b EIN *

-

c Employer Name *

-

Check here if foreign address

Address (Number and Street) *

-

ZIP Code *

-

City, Town, or Post Office *

-

State *

- Please Select - ▾

Indicate if W-2 is for Taxpayer or Spouse. The software will not allow you to proceed until this is completed.

ITIN SSN:

- -

If the taxpayer has an ITIN, you will be prompted to enter the ITIN or SSN as shown on the original W-2.

Compare the taxpayer's address to Form W-2 address. If the address on the W-2 is different, correct the W-2 address here to match the original Form W-2. This won't change the tax return address.

Note: A taxpayer with multiple Forms W-2 could possibly have a different address on several of the Forms W-2. Check them carefully; the change must be made on every Form W-2 that is different from the current address. Be sure to enter every item from the taxpayer's original W-2 – key what you see.

Form W-2 Instructions (continued)

Wages	
1 Wages, Tips \$	2 Federal Tax Withheld \$
3 SS Wages \$	4 Soc. Sec. Tax Withheld \$
5 Medicare Wages \$	6 Medicare Tax \$
7 SS Tips \$	8 Allocated Tips \$
9 IRS Verification Code (If provided) 	10 Dependent Care \$
11 NonQual Plan \$	Unreported Tips \$

Review box 2 and box 17 to ensure tax withheld was entered and is correct.

The entries in boxes 3, 4, 5, 6 and 16 will auto-populate based on the Box 1 entry. If the figures don't match taxpayer's Form W-2, correct the data so that it matches the information on Form W-2.

If there is an entry in Box 10, Form 2441, Child and Dependent Care Expenses, must be completed.

Be sure to complete Box 11 if there is an entry on the original Form W-2. An entry here may indicate that the taxpayer is receiving deferred compensation earned in a prior year.



IRS requires that information on electronically filed Form(s) W-2 match the printed Form(s) W-2 exactly if possible. For example, the name cannot be changed, and the software will not accept special characters.



If the taxpayer earned tips that weren't reported to the employer, enter in the Unreported Tips box. This will add Form 4137, Social Security and Medicare Tax on Unreported Tip Income, to the return. If the taxpayer received tips that weren't reported to the employer because they were less than \$20 a month, go to other taxes, select Form 4137 and also enter the amount there. If a taxpayer wishes to use their tip log instead of allocated tips in box 8, leave box 8 blank and report it as unreported tips within the W-2.

Form W-2 Instructions (continued)

For Box 12 and 14, choose the code from the drop-down menu and enter the dollar amount. If there are more than 4 items in box 12, enter the items that impact the tax return (Code D, E, G, P, Q, T, W, AA, BB, EE).

Be sure to select the correct items for Box 13 as indicated on Forms W-2. This is important in calculating the deductibility of IRA contributions.

If statutory employee is marked, employment taxes are withheld by the employer, but the taxpayer will report income and deduct expenses using Schedule C. Re-enter income as statutory income on Schedule C Income screen. Also enter related expenses. Do not mix statutory employee income with other income on the same Schedule C.

12

Code	Amount
a <input type="text"/>	\$ <input type="text"/>
+ add another row	

14

Code	Amount
<input type="text"/>	\$ <input type="text"/>
+ add another row	

Third party pay, Box 13, is taxable and reported in Box 1

See Medicare Waiver Payments page D-58 for recent developments before completing any return containing such payments.

State Information Clear

15 State Name - Please Select -	State EIN <input type="text"/>	16 St Wages \$ <input type="text"/>	17 St Tax Paid \$ <input type="text"/>
	18 Local Wages \$ <input type="text"/>	19 Local Tax Paid \$ <input type="text"/>	20 Local Name <input type="text"/>

Select from the drop-down list for box 14. If the amount is eligible for the retirement saver's contributions credit, select Retirement (Not in Box 12)- Carry to Form 8880.

If Box 16 and Box 17 are both blank, leave Box 15 blank.

Excludable Medicaid waiver payments are certain payments received for providing nonmedical support services under a plan of care to someone living in the taxpayer's home. For more information about these payments, see Publications 17 or 525.

If the Form W-2 shows withholding from more than one state, select the **Add State** button to add the additional information.

To qualify for Box 14 code indicating eligibility for retirement credit, must be a voluntary - not a mandatory - contribution.

Note: If W-2 only reporting nontaxable sick pay (Code J in Box 12) and Box 1=0, no need to include on return unless withholding (if so, enter under Payments & Estimates, Other Federal Withholding).

Form W-2 Reference Guide for Common Box 12 Codes

A Uncollected social security or RRTA tax on tips	R Employee Contributions to MSA, Out of Scope
B Uncollected Medicare tax on tips	T Adoption benefits (Out of Scope)
D Elective deferrals to a section 401(k) cash or deferred arrangement	W Employer contributions (including amounts the employee contributes through a cafeteria plan) to employee's health savings account (HSA certification)
E Elective deferrals to a section 403(b) salary reduction agreement	AA Designated Roth contributions under a section 401(k) plan
G Elective deferrals and employer contributions (including nonelective deferrals) to a section 457(b) deferred compensation plan	BB Designated Roth contributions under a section 403(b) plan
J Nontaxable sick pay	EE Designated Roth contributions under a governmental section 457(b) plan
P Excludable moving expense reimbursements paid directly to employee	
Q Nontaxable combat pay (Military certification)	

Codes D, E, and G indicate elective (voluntary) contributions which qualify for Retirement Savings Credit.

C Taxable cost of group term life insurance over \$50,000 included in boxes 1, 3 *up to social security wage base) & 5.
H Elected deferrals under section 501(c)(18)(D) tax-exempt organization plan. Included in Box 1 as wages, but see Pub 525 Taxable and Nontaxable Income instructions on how to deduct on 1040.

AA, BB and **EE** also indicate elective (voluntary) contributions which qualify for retirement savings credit. See G-14.
DD Cost of employer-sponsored health coverage (not taxable)

Interest Income



TaxSlayer Navigation: Federal Section>Income>Interest and Dividends>Interest Income; or Keyword "INT"

Interest and Dividend Income

Interest or Dividend Income

Did you have interest in a foreign bank account?

Exclusion of Interest from Series EE & I US Savings Bonds

If the aggregate value of foreign financial accounts exceeds \$10,000 at any time during the year, the FinCEN Report 114 is required to be filed electronically with Treasury, and the return is Out of Scope.

If U.S. Savings Bond interest is used to pay for higher education expenses, return is Out of Scope.

1099 Description Schedule B

Choose the type of Interest or Dividend item you want to enter:

- Interest Income, Form 1099-INT, (including interest income < 1,500)
- Original Issue Discount, Form 1099-OID
- Dividend Income, Form 1099-DIV
- Seller Financed Interest Income

Form 1099-OID interest is treated like other interest.
• Starting in 2019, Boxes 5 and 10 are in scope.
No screen shot shown.

Scope Note: Return is Out of scope if there is a FATCA filing requirement, or if an alternative minimum tax is generated on Form 6251. This may occur with a large amount of dividends or interest.

Interest Income (continued)

Interest Income

CANCEL
SAVE & ENTER ANOTHER
CONTINUE

Type of transaction
Interest Income

Payer's Name *

Payer TIN or EIN

 -

Payer's Address

Check here if foreign address

Address (Number and Street)

ZIP Code

 -

City, Town, or Post Office

State

- Please Select - ▾

Taxpayer, Spouse, or Joint?

Taxpayer ▾

Interest Income (Box 1)

Early Withdrawal Penalty (Box 2)

Interest on U.S. Savings Bonds and Treasury obligations (Box 3)
(Note: Enter Taxable amount only)

Federal Tax Withheld (Box 4)

Investment Expenses (Box 5)

Foreign Tax Withheld (Box 6)

Interest (Box 8)

Enter the name of payer. Don't use punctuation.

Enter each Form 1099-INT separately.

Enter the taxable interest paid in box 1. This doesn't include interest shown in box 3.

The early withdrawal penalty is carried as an adjustment to Form 1040.

Enter any taxable amount from box 3 on the Interest on U.S. Savings Bonds and Treasury obligations line.

If 1099-INT shows foreign tax paid, enter it in box 6 if the taxpayer is eligible to use the Simplified Limitation Election. See Tab G, Nonrefundable Credits, for details.

Annotating who received interest is important for state tax purposes.

A warning may appear if tax withheld is more than 40% of Box 1. If your entries are correct, ignore the warning.

Interest Income (continued)

Scope Note: Starting in 2019, boxes 10, 11, 12 and 13 are in scope

Enter the amount of tax-exempt interest from Box 8 of Form 1099-INT.

The entry for "Specified Private Activity Bond" will automatically carry to Form 6251, Alternative Minimum Tax, when applicable. If the entry into Other Taxes on Form 6251 results in an alternative minimum tax (AMT), the return is out of scope.

IMPORTANT – Entries are transferred directly when a state return is added. If state tax law treats the interest differently, include the exempt interest amount and select the state from the drop down list.

Generally, interest on U.S. government obligations (such as savings bonds, treasury bonds/bills/notes) is taxable on the federal return but isn't taxable on the state return.

Nominee interest – Interest transferred to another person – Out of Scope.

Accrued interest – Interest paid to seller at time of purchase – Out of Scope.

Accrued Market Discount – gain in value of discount bond - Out of Scope

(Box 6)

Tax Exempt Interest (Box 8)
\$

Specified Private Activity Bond (Box 9)
\$

Market Discount (Box 10)
\$

Bond Premium (Box 11)
\$

Bond Premium on Treasury Obligations (Box 12)
\$

Bond Premium on Tax-exempt bond (Box 13)
\$

Amount of Interest on U.S. Savings Bonds and Treasury Obligations that you want subtracted from your state return
\$

Taxable State Interest
ADD INTEREST ITEMS

Nominee Interest
\$

Decedent Interest
\$

Accrued Interest
\$

Accrued Market Discount
\$

If Box 9 does not accept an amount, enter directly on Form 6251 Key 6251

Scope Note Box 11: Bond Premium – If less than the amount reported as interest in Box 1 – In Scope. If greater than the amount reported as interest in Box 1 – Out of Scope.

TaxSlayer TIP: If there is an amount in Box 13, subtract it from the amount in Box 8 and enter the result in Box 8. Make a note on the paper form 1099-INT.

If any of the tax exempt interest isn't exempt from state taxes, select the Add/Edit button to add a Taxable State Interest item.

Interest on out-of-state municipal bonds isn't taxable on the federal return but is generally taxable on the state return.

Taxable State Interest Item

Enter the state and amount and select Continue To Next Step.

State *

- Please Select - ▾

Amount

\$



Always enter tax-exempt interest or dividend income. This may affect the amount of Social Security income that is taxable.

Note: Interest on in-state municipal bonds is generally not taxable on the federal and state returns.

Note: Income from a reverse mortgage is not considered a taxable event because it is a loan.

Seller Financed Mortgage Interest



TaxSlayer Navigation: Federal Section>Income>Interest and Dividends>Seller Financed Interest Income;
or Keyword "INT"



Must have identification number of payer to e-file the return.

Schedule B Seller Financed Interest

CANCEL **SAVE & ENTER ANOTHER** **CONTINUE**

Type of transaction
Seller Financed Interest Income

Payer's Name *

Payer's Social Security Number *
 - -

Payer's Address
Address (Number and Street)

ZIP Code
 -

City, Town, or Post Office

State

Interest Income *

Nominee Interest
Out of scope

Decedent Interest
Out of scope

Dividend Income (Form 1099-DIV)



TaxSlayer Navigation: Federal Section>Income>Interest and Dividends>Dividend Income; or Keyword "D"

Dividend Income (Form 1099-DIV)

CANCEL **SAVE & ENTER ANOTHER** **CONTINUE**

Type of transaction
Dividend Income

Payer's Name * Enter each Form 1099-DIV separately. Enter the name of payer. Don't use punctuation.

Payer TIN or EIN
 -

Payer's Address
 Check here if foreign address
Address (Number and Street)

ZIP Code
 -

City, Town, or Post Office

State

Taxpayer, Spouse, or Joint?
 Select whether the dividend income belongs to the taxpayer, the spouse, or if it is joint income.

Ordinary Dividends (Box 1a)
\$

Qualified Dividends (amount of ordinary dividends that are considered qualified) (Box 1b)
\$

Capital Gain to Schedule D (Box 2a)
\$ In the capital gain line, enter box 2a total capital gain distributions from a regulated investment company (mutual fund) or real estate investment trust. This entry flows to Schedule D.

Unrecaptured Section 1250 Gain (Box 2b)
\$

Section 1202 Gain (Box 2c)
\$

Scope Note: Return is out of scope if there is a FATCA filing requirement, or if an alternative minimum tax is generated on Form 6251. This may occur with a large amount of dividends or interest.

Definition: A dividend reinvestment plan (DRIP) is when the cash dividend is automatically used to buy more shares. The dividend is income and included on 1099-DIV. The payer/broker will keep track of the new purchase.

Dividend Income (Form 1099-DIV) (continued)

\$

Section 1202 Gain (Box 2c)
 \$ **Out of scope**

Collectibles (28%) Gain (Box 2d)
 \$ **Out of scope**

Nondividend Distributions (Box 3)
 \$

Federal Income Tax Withheld (Box 4)
 \$

Section 199A dividends (Box 5)
 \$

Investment Expenses (Box 6)
 \$

Foreign Tax Withheld (Box 7)
 \$

Cash Liquidation Distributions (Box 9)
 \$ **Out of Scope**

Noncash Liquidation Distributions (Box 10)
 \$ **Out of Scope**

Exempt Interest Dividends (Box 11)
 \$

Specified Private Activity Bond (Box 12)
 \$

Amount of Interest on U.S. Savings Bonds and Treasury obligations that you want subtracted from your state return
 \$

Taxable State Dividend
 ADD DIVIDEND ITEMS


Nominee Dividend
 \$

Decedent Dividend
 \$

Nondividend distribution is a return of basis, not taxed until all cost is recovered. The taxpayer must reduce their cost by these distributions at the time of sale. Once all costs are recovered, report as capital gain.

Box 5 amount is carried to qualified business income deduction. No additional entry needed.

An entry in Foreign tax withheld (box 7) will flow as a foreign tax credit to Form 1040.

 Only the simplified limitation method is in scope. If total foreign taxes exceed \$300 (\$600 if filing joint), the simplified method cannot be used. In that case Form 1116, Foreign Tax Credit, is required, with International certification only. See Tab G, Nonrefundable Credits for Foreign Tax Credit information.

Note: If Box 12 does not accept an amount, enter directly on Form 6251 Key 6251

On the amount of interest on U.S. Savings Bonds and Treasury obligations line, enter dividends from federal bond funds which are fully taxable on the federal return but tax exempt on the state return.

State and Local Refund Worksheet



TaxSlayer Navigation: Federal Section>Income>State and Local Refunds; or Keyword “G”



CAUTION Use this worksheet only if the taxpayer itemized deductions last year claiming state income taxes as a deduction and received a state or local income tax refund.



TIP None of your refund is taxable if, in the year you paid the tax, you either:

- (a) didn't itemize deductions, or
- (b) elected to deduct state and local general sales taxes instead of state and local income taxes.



TIP You may need to look up the sales tax that could have been deducted using the IRS sales tax calculator on irs.gov

State Refund Worksheet

CANCEL
CONTINUE

Bypass State Refund Worksheet
Enter an amount here to bypass worksheet and enter the full amount as taxable on form 1040

\$

Section 1 - State and Local Refunds ←

State Tax Refunds (all refunds from 1099-G or similar statements)

\$

Last year's (2017 Tax Return) Standard/Itemized Deductions found on line 40 Form 1040 or line 24 Form 1040A. If you filed your 2017 return on form 1040EZ, please enter 0.

\$

Last Year's (2017 Tax Return) Filing Status *

Select one... ▼

Last Year's (2017 Tax Return) Deductions for Age 65 and over or Blind:

Check here if Taxpayer claimed the Age 65 and older deduction last year.

Check here if the Spouse claimed the Age 65 and older deduction last year.

Check here if the Taxpayer claimed the Blind deduction last year.

Check here if the Spouse claimed the Blind deduction last year.

Section 2 - If the filing status on your 2017 Form 1040 was married filing separately and you were forced to itemize because your spouse itemized in 2017, fill out this section ONLY. ←

State Tax Refunds (all refunds from 1099-G or similar statements)

\$

Prior Year Taxes

Total Amount of Prior Year State Tax Withheld (including State Estimated Payments)

\$ ←

Prior Year Sales Tax Deduction

\$ ←

For state income tax refunds from years earlier than prior year, if taxpayer:

1. Did not itemize, or claimed sales tax deduction instead, refund is not taxable.
2. Itemized and claimed state income tax deduction, and taxpayer agrees fully taxable (the Refund Calculator at cotaxaide.org/tools should not be used for prior years).

Section 1 – Use this worksheet to determine the portion of the taxpayer's prior year state refund that is considered taxable in the current year. Use a copy of the taxpayer's previous year return to enter all amounts in the spaces provided. The taxable portion will be included on the return as taxable income.

Section 2 – For taxpayers who filed a MFS tax return in the previous year and were forced to itemize deductions because their spouse itemized deductions, enter the amount from all current year Form 1099-G statements. This amount will be included on the return as taxable income.

Include state tax withheld and state estimated payments made during 2018.

If the taxpayer itemized in the prior year, enter sales tax deduction that could have been claimed in 2019 (for tax year 2018).
If the amount is not shown on last year's return, you can go to the IRS's Sales Tax Deduction Calculator to determine the amount.

Note: See Instructions for Recipient for box 2 on Form 1099-G for amounts which may appear in the unnumbered box beside box 9. Amounts in this unnumbered box are interest and are in scope. Report it as interest income on the tax refund.

Use refund calculator at cotaxaide.org/tools if:

1. 2018 federal return showed negative taxable income on the 1040 line 43.
2. There were unused nonrefundable credits on the 2018 federal return.
3. Taxpayer made estimated state tax payments for 2018 and 4th payment was in 2019 (special pro rate rule applies).
4. Taxpayer had recoveries of other prior year deductions, e.g., medical reimbursement for a 2018 medical deduction.

The refund calculator does not cover situations where federal itemized deductions limited in 2018. If access to 2018 return in TaxSlayer, try with-and-without test. Refund taxable only if, and to the extent, there was tax benefit for the deduction. If Alternative Minimum Tax applied in 2018, and a state tax refund for 2018 was received in 2019, the return is out of scope

Schedule C Self-Employment Income

For NTTTC guidance on Schedule C income & expenses, see: [Volunteer Portal >Libraries >](#)

[Tax-Aide: Training and Tax Law \(NEW\)>Tax Law>Schedule C Guidelines](#) or search "Schedule C"



TaxSlayer Navigation: Federal Section>Income

If any of the self-employment income is reported on Form 1099-MISC, Miscellaneous Income, select Form 1099-Misc first. In most cases, self-employment income reported on a Form 1099-MISC will be in Box 7, Nonemployee compensation.

Income	
Wages and Salaries Form W-2	EDIT
State and Local Refunds Form 1099-G Box 2	BEGIN
Interest and Dividends Form 1099-INT / 1099-DIV	BEGIN
IRA/Pension Distributions Form 1099-R / RRB, SSA	EDIT
Unemployment Compensation Form 1099-G Box 1	BEGIN
Form 1099-Misc	EDIT
Profit or Loss From A Business Schedule C Print	EDIT
Payment Card and Third Party Network Transactions Form 1099-K	EDIT

Select Profit or Loss From A Business (Schedule C) to enter self-employment income that isn't reported on a Form 1099-MISC. This would include income reported on Form 1099-K, Payment Card and Third Party Network Transactions, as well as all other cash and any other income received related to the business activity. Also, enter expenses related to the self-employment income.

Note: A taxpayer that received less than \$600 in income from one payer may not receive a Form 1099-MISC or Form 1099-K. This income must still be reported.

See Publication 334, Tax Guide for Small Business, and Publication 525, Taxable and Nontaxable Income, for additional information.

Form 1099-MISC



TaxSlayer Navigation: Federal Section>Income>Form 1099-Misc; or Keyword "MIS"

Form 1099-MISC

- (1) Add a 1099-MISC in for each 1099-MISC received.
- (2) Enter amount in the TaxSlayer box that directs the income to the correct location even if different from the paper 1099-MISC
- (3) (see examples below).

Whose 1099-MISC is this?

Recipient *

- Taxpayer Example
- Spouse Example

On a joint return, indicate if the Form 1099-MISC recipient is the Taxpayer or the Spouse.

Payer Information

Use Payer's SSN as ID

Payer's Federal ID *

-

The Payer Information relates to the entity that paid the taxpayer and issued the Form 1099-MISC. In most cases, the Federal ID will be an employer identification number, not an SSN.

EXAMPLES:

- Box 2 Royalties for use of property, e.g. for oil and gas: enter in Box 2 so the income goes to Sch E.
- Box 2 Royalties as result of self-employment (writers, singers, etc): enter in Box 7 so goes to Sch C.
- Box 3 Other Income not reported elsewhere (prizes, awards, etc): enter in Box 3 so goes to Sch 1, line 8.
- Box 3 Other Income that is misreported self-employment: enter in Box 7 so goes to Sch C.
- Box 7 Nonemployee compensation that is not really a business (honorarium for speech where no continuing relationship and no expectations of doing again): enter in Box 3 so goes to Sch 1, ln 8.

1099-MISC Information

1 Rents

\$

2 Royalties

\$

3 Other income

\$

4 Federal income tax withheld

\$

5 Fishing boat proceeds

\$

6 Medical and health care payments

\$

7 Nonemployee compensation

\$

8 Substitute payments in lieu of dividends or interest

\$

9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale

Some income that isn't self-employment, such as prizes and awards, is reported in box 3, Other income.

Note: There is usually no income tax withholding on a Form 1099-MISC. But always double check to make sure.

Sometimes income reported in box 7, Nonemployee compensation is related to a hobby - an activity that isn't engaged in for profit. Activities not for profit are Out of Scope. See Publication 525, Taxable and Nontaxable Income, for more complete information about not-for-profit activities.

Self-employment income generally appears in box 7, Nonemployee compensation. If there is income reported in other boxes and it was earned by the business, it should also be reported as other business income on the Schedule C.

Connecting the Form 1099-Misc to Schedule C

Where would you like to add the income?

Create a New Schedule C Income from Business
 Note: If more than one business, you must use separate Schedule C for each.

[Continue](#)

If the Form 1099-MISC income is self-employment, create a Schedule C by selecting the Create a New Schedule C link.

Note: If there is more than one Form 1099-MISC for the same business, the first Schedule C will be listed after adding the new Form 1099-MISC. Select the edit icon for the first Schedule C to add the additional Form 1099-MISC to it.

Form 1099-MISC

Add a Form 1099-MISC

Owner	Payer	Carried To	
Taxpayer	Payer 1	None	
Taxpayer	Payer 2	Schedule C	
Taxpayer	Payer 3	Line 21	

Add a Form 1099-MISC

[Continue to Income](#)

CAUTION If the Carried To section says "None" the income is not being reported on the return. Select Edit and link to the appropriate Schedule.

TIP Check to ensure the Form 1099-MISC is carried to the correct section of Form 1040.

Note 1: Earnings of newspaper carrier under 18 years of age goes on Schedule 1 Line 8 because earnings are not subject to self-employment tax. See Instructions for Schedule SE.

Note 2: Notary income is also not subject to the self-employment tax or EIC. Go to Self-Employment Tax, Schedule SE, and enter the net profit from the notary business (Schedule C line 31) in the box Exempt Notary Income.

Schedule C - Menu



TaxSlayer Navigation: Federal Section>Income>Form 1099-Misc; or Keyword "SC"



Businesses with inventory, employees, contract labor, depreciation, business use of the home, expenses over \$25,000 or a net loss are Out of Scope. **Scope Note:** Out-of-scope if any purchased equipment item is not expensed as a de minimis asset or cost more than \$2,500.

Schedule C		
Basic Information About Your Business	←	EDIT
Questions About the Operation of Your Business	←	BEGIN
Income	←	EDIT
Cost of Goods Sold	Out of Scope	BEGIN
General Expenses	←	BEGIN
Car And Truck Expenses		BEGIN
Depreciation	Out of Scope	BEGIN
Other Expenses	←	BEGIN
Qualified Business Income Deduction	←	BEGIN
Expenses for Business Use of Your Home	Out of Scope	BEGIN
Restart Schedule C Guide		BEGIN
		CONTINUE

Complete Basic Information About your Business and Questions About the Operation of Your Business for every Schedule C.

Select Income to enter any income for the business that was not reported on Form 1099- MISC, such as cash income or income from a Form 1099-K.

Most business expenses are entered in the General Expenses section.

Select Other expenses to enter any expenses not listed under General Expenses.

Qualified Business Income Deduction - See Tab F

If business accepted credit or debit cards in payment or received payments via 3rd party network, it may receive Form 1099-K Payment Card and Third Party Network Transactions (see note below)

Note: Income reported on Form 1099-K is in scope if received for self-employment income (such as shared-economy driving). Make sure the total shown on the 1099-K is included, along with any cash income, on Schedule C income section.

A Form 1099-K received for the sale of goods held in inventory or for rental income is Out of Scope (unless certified in Military).



Income from the manufacture, distribution, or trafficking of controlled substances (such as marijuana) is Out of Scope.

Schedule C - Questions about your Business

Schedule C Questions

CANCEL **CONTINUE**

Questions about your Business

Accounting Method *

Cash ←
 Accrual
 Other

Method used to value closing inventory *

Cost
 Lower of cost or market
 Not Applicable

Check here if there were any changes in determining inventory.
 Check here if this is the first Sch. C filed by you for this business.
 Check here if you "materially participated" in the operation of this business during the tax year. ←

This box must be checked to allow a net loss on your return.

Prior year unallowed loss (ONLY enter an amount if current year's activity is a net profit.)

\$ ←

Check here if you made any payments in 2018 that would require you to file Form(s) 1099. ←
 Check here for Qualified Joint Venture. (Ownership between Taxpayer and Spouse must be 50/50. If you are filing Business Use of Home deductions or using the Clergy Worksheet, you will need to file separate Schedule C forms, one for each spouse)
 Check here to Prorate Expenses for Minister/Clergy.

To be in scope, the accounting method must be Cash method and there can be no inventory, no cost of goods sold, no employees, no business use of the home, and no depreciation (completing Form 4562, Depreciation and Amortization).

In most cases, the taxpayers do materially participate in the business. This means that the taxpayer ran the business and did the work.

If the taxpayer has a business loss carried over from another tax year or is required to file a Form 1099, the tax return is Out of Scope.

Business Expenses You May Be Able To Deduct (see Pub 535, Business Expenses, for more detail):

- Advertising
- Bank fees
- Donations to business organizations
- Education expenses
- Energy efficient commercial buildings deduction expenses
- Environmental cleanup costs
- Insurance
- Interest on debts related to the business
- Interview expense allowance
- Legal & professional fees
- Licenses & regulatory fees
- Moving machinery
- Outplacement services
- Penalties and fines you pay for late or non-performance of a contract
- Rent
- Repairs that keep your property in a normal operating condition
- Repayments of income
- Subscriptions to trade or professional pubs
- Taxes (not based on net income)
- Telephone costs (but must be dedicate phone or, if on personal phone, business calls only)
- Travel and meals related to the business (subject to imitations)
- Utilities
- Vehicle mileage.

Not in scope: payments to individuals that would require Form 1099 to be filed; home office deduction



Schedule C - General Expenses

“SC” TaxSlayer Navigation: Federal Section>Income>Profit or Loss from a Business>General Expenses; or Keyword
Note: All allowable & documented expenses must be reported on Sch C. If any deductible expenses out-of-scope for Tax-Aide per Scope Manual, entire return out-of scope and taxpayer referred to professional preparer. There is no option to disregard allowable expenses

Note: The following expenses are Out of Scope:

Contract Labor, Depletion, Employee benefit program, Health Insurance, Mortgage interest, Pension and profit sharing, and Wages. **Note:** Health Insurance in scope for Self-employment Health Insurance deduction only

Schedule C - Expenses

<p>Advertising \$ <input type="text"/></p> <p>Contract Labor \$ Out of Scope</p> <p>Commission and fees \$ <input type="text"/></p> <p>Depletion \$ Out of Scope</p> <p>Employee benefit programs \$ Out of Scope</p> <p>Health Insurance (will carry automatically to worksheet) \$ <input type="text"/></p> <p>Insurance (other than health) \$ <input type="text"/></p> <p>Mortgage interest \$ Out of Scope</p> <p>Other interest \$ <input type="text"/></p> <p>Legal and professional services \$ <input type="text"/></p> <p>Office expense \$ <input type="text"/></p>	<p>Pension and profit sharing \$ Out of Scope</p> <p>Rent or lease of equipment \$ <input type="text"/></p> <p>Rent or lease of property \$ <input type="text"/></p> <p>Repairs and maintenance \$ <input type="text"/></p> <p>Supplies \$ <input type="text"/></p> <p>Taxes and licenses \$ <input type="text"/></p> <p>Travel \$ <input type="text"/></p> <p>Meals and entertainment (50%) Enter 100% of the expenses. \$ <input type="text"/></p> <p>Meals and entertainment (80%) Enter 100% of the expenses. \$ <input type="text"/></p> <p>Utilities \$ <input type="text"/></p> <p>Wages (less employment credits) \$ Out of Scope</p>
--	---

Note: Use the TaxSlayer Schedule C entry screen Health Insurance box for this Self-Employed Health Insurance Deduction See Page E-4.1 for Details about this deduction.

Scope Note: Calculations with Premium Tax Credit are Out of Scope with respect to the self-employed health insurance deduction UNLESS other health insurance that cover the taxpayer’s maximum SEHI deduction (92.94% of the Schedule C profit).

Note: Assets or repairs to assets that cost less than \$2,500 per item or invoice can be deducted without depreciating it. Enter it on the Other Expense page labeled "de minimis asset."

To be deductible, a business expense must be both ordinary and necessary. An ordinary expense is one that is common and accepted in your industry. A necessary expense is one that is helpful and appropriate for your trade or business. An expense does not have to be indispensable to be considered necessary. Taxpayers can deduct the cost of their own education expenses (including certain related travel) related to the trade or business. They must be able to show the education maintains or improves skills required in their trade or business, or that it is required by law or regulations for keeping their license to practice, status, or job.

Note: Car and truck expenses aren’t entered on this page. Those expenses are entered on a separate page.

Note: Rentals or leases of a vehicle for more than 30 days are Out of Scope.



Expenses that aren’t deductible include bribes and kickbacks; charitable contributions; demolition expenses or losses; and dues paid to business, social, athletic, luncheon, sporting, airline, and hotel clubs.

Schedule C - Car and Truck Expenses



TaxSlayer Navigation: Federal Section>Income>Profit or Loss from a Business>Car and Truck Expenses; or Keyword "SC"

Schedule C Car and Truck Expenses

Car and Truck Expenses

Please Note: Actual car or truck expenses must be entered in the depreciation menu for this business.

Description of Vehicle *

Date you placed your vehicle in service for business purposes *

Of the total number of miles you drove your vehicle during the tax year, enter the number of miles you used your vehicle for each of the following.

Business miles * Commuting Other

Check if you have (or your spouse has) another vehicle available for personal use.

Check if your vehicle was available for personal use during off-duty hours.

Check if you have evidence to support your deduction.

If yes, check if the evidence is written.

Cancel Continue

Using actual expense deductions, such as gas, repairs, and depreciation, is Out of Scope.

Enter a brief description of the vehicle; for example, 2008 Ford.

Other: Miles driven for personal purposes.

Business miles: Miles related to the business activity that aren't commuting miles. For-hire drivers who have mileage in between customer pick-ups can claim the mileage as a business expense.

Commuting miles: Miles driven each day from home to the first business location and driven from the last business location back home.

Note: The total of Business, Commuting and Other miles should add up to the total miles on the vehicle for the year.



Refer to Publication 463, Travel, Entertainment, Gift, and Car Expenses, for help determining deductible business mileage and nondeductible commuting mileage.

Note: The car and truck expense deduction will automatically be calculated using the standard mileage rate, based on the number of business miles entered. The rate is 58 cents per mile for tax year 2019. In addition, the taxpayer can deduct the cost of business parking and tolls.

Note: If you are self-employed and use your car in your business, you can deduct the business part of state and local personal property taxes on motor vehicles on Schedule C. Enter this on the Taxes line on the Schedule C Expenses screen. If you are self-employed and use your car in your business, you can deduct that part of the interest expense that represents your business use of the car. You cannot deduct the part of the interest expense that represents your personal use of the car. Enter the deductible amount on the Other Interest line on the Schedule C Expenses screen.

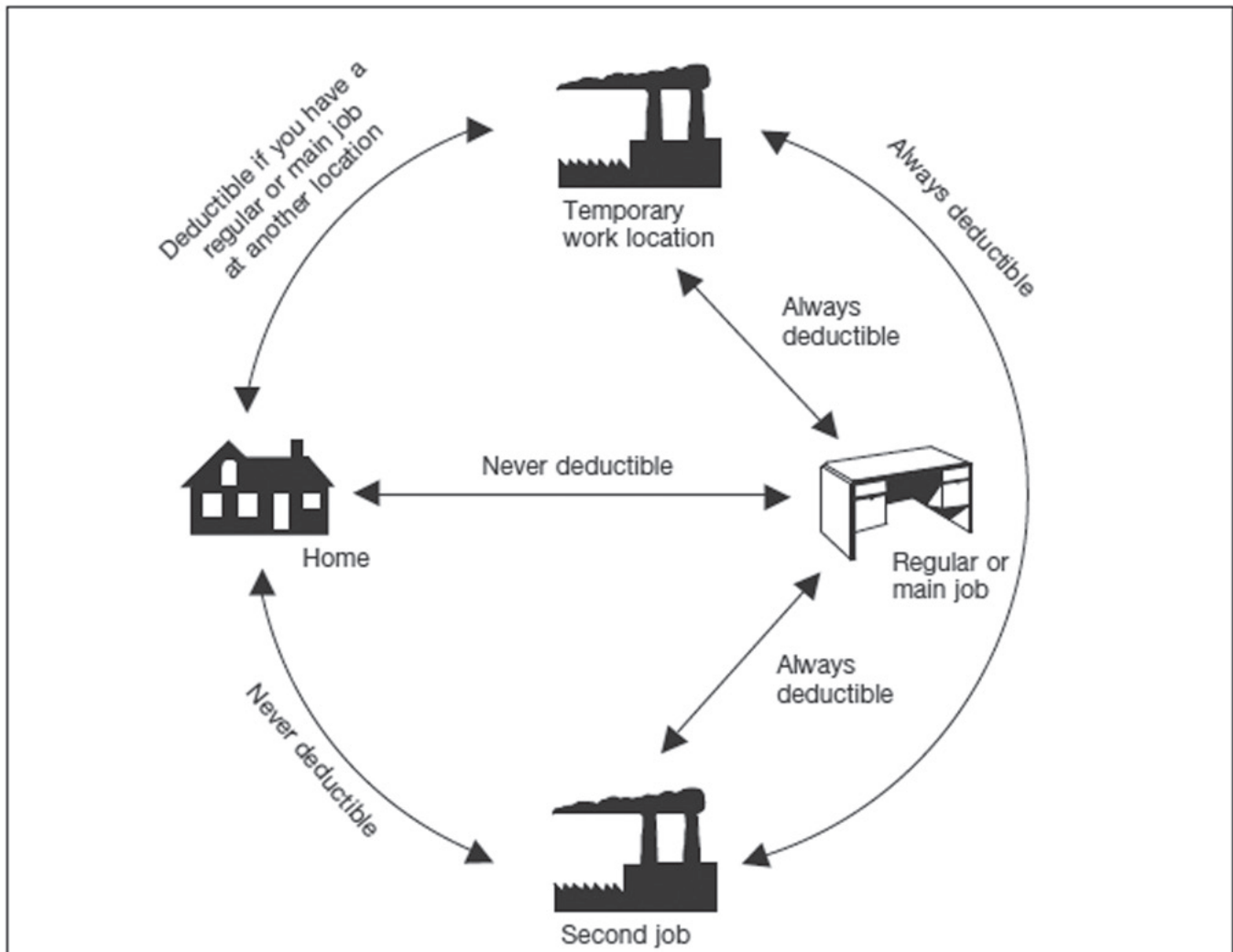
Note: If you are an employee, you cannot deduct any interest paid on a car loan. This applies even if you use the car 100% for business as an employee.

Note: The standard mileage deduction includes depreciation, gas/oil, repairs, insurance, and nontax portion of registration, but not parking, tolls, or business part of registration tax. Taxpayer should have a written record (log or appointment book).

Schedule C - Car and Truck Expenses (continued)

The chart may be used by Armed Forces reservists, qualified performing artists, fee-basis state or local government officials, and employees with impairment-related work expenses. **Due to the suspension of miscellaneous itemized deductions subject to the 2% floor under section 67(a), employees who do not fit into one of the listed categories may not use Form.**

self-employed persons can use this chart. (Don't use this chart if your home is your principal place of business. See *Office in the home.*)



Home: The place where you reside. Transportation expenses between your home and your main or regular place of work are personal commuting expenses.

Regular or main job: Your principal place of business. If you have more than one job, you must determine which one is your regular or main job. Consider the time you spend at each, the activity you have at each, and the income you earn at each.

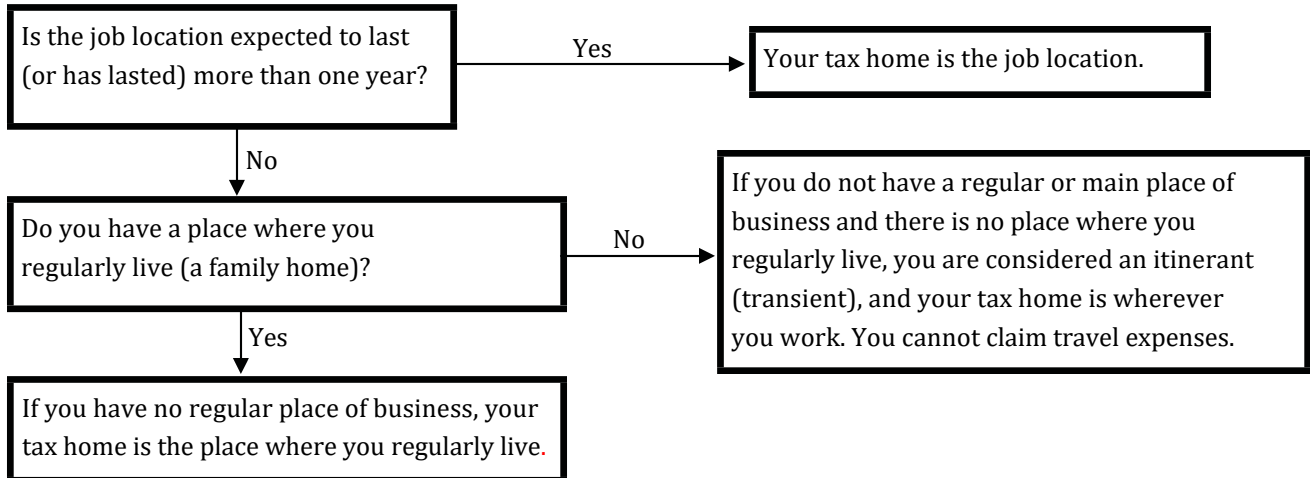
Temporary work location: A place where your work assignment is realistically expected to last (and does in fact last) one year or less. Unless you have a regular place of business, you can only deduct your transportation expenses to a temporary work location outside your metropolitan area.

Second job: If you regularly work at two or more places in one day, whether or not for the same employer, you can deduct your transportation expenses of getting from one workplace to another. If you do not go directly from your first job to your second job, you can only deduct the transportation expenses of going directly from your first job to your second job. You cannot deduct your transportation expenses between your home and a second job on a day off from your main job.

Helpful Guide for Self-Employed Person Filing Schedule C Travel Expenses When Working Outside Your Metropolitan Area

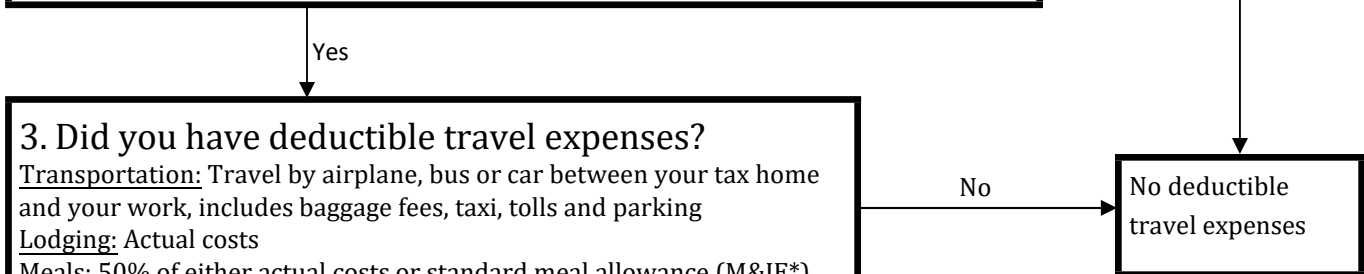
1. Where is your tax home?

TAX HOME: Regular place of business or post of duty, regardless of where you maintain your family home. It includes the entire city or general area in which your business or work is located.



2. Did you travel away from your tax home?

TRAVELING AWAY FROM HOME: Duties require you to be away from your tax home substantially longer than a day's work, and you need to sleep or rest while away from home.



3. Did you have deductible travel expenses?

Transportation: Travel by airplane, bus or car between your tax home and your work, includes baggage fees, taxi, tolls and parking

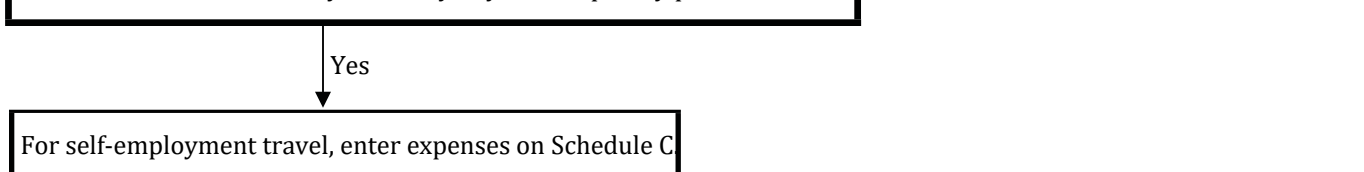
Lodging: Actual costs

Meals: 50% of either actual costs or standard meal allowance (M&IE*)

M&IE = see www.gsa.gov Per Diem Rates

Miscellaneous: Cleaning, phone calls, tips, other

Going home on days off: You can claim these expenses up to the amount it would have cost you to stay at your temporary place of work



Travel expenses are the ordinary and necessary expenses of traveling away from home for your business, profession, or job. For additional information for deductible expense see Tax Topic No. 511 Business Travel Expenses.

* M&IE = Meals and Incidental Expenses

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Schedule D Capital Gains and Losses



TaxSlayer Navigation: Income>Capital Gain and Losses>Capital Gain and Loss Items; or Keyword "10"

Schedule D Capital Gains

Capital Gains and Loss Items

Additional Capital Gains Distributions

Other Capital Gains Data (including Capital Loss Carryover)

Sale of Main Home Worksheet

Enter all capital transactions here. The software will carry the transactions to the appropriate Form 8949, Sales and Other Dispositions of Capital Assets. The totals for each Form 8949 will automatically carry to the correct line of Schedule D.

Note: Taxpayers who have transactions using Bitcoins or other virtual currencies are out of scope for VITA/TCE programs.

Other Capital Gains Data

Adjust Section 1250 Amounts

Adjust 28% Gain

Short Term Loss Carryover from 2017 (enter as a **positive** number)
 ← 2018

Long Term Loss Carryover from 2017 (enter as a **positive** number)
 ← 2018

Capital losses that exceeded the \$3,000 limit deduction (\$1,500 if married filing separately) in prior years can be carried forward and used in future years until the capital loss is completely used up.

If the taxpayer has a short-term or long-term capital loss carryover from the prior year, enter on the appropriate line.

Note: Compare fields automatically filled with carryover amounts to the prior year return. Also, remember to print the Capital Loss Carryover Worksheet for the taxpayer to keep as part of their records.

Entering Capital Gains and Losses

If you check the box for Alternate Option for Date Acquired or Date Sold, a pick list will appear. Choose the correct option for the transaction.

- Select if Applicable -
 Various - Short Term
 Various - Long Term
 Inherited - Long Term

- Select if Applicable -
 Worthless - Short Term
 Worthless - Long Term
 Bankrupt - Short Term
 Bankrupt - Long Term

Short term = 1 year or less
 Long term = more than 1 year

Capital Gains Transaction

Description of Property *

The sale of bonds that have matured, or are sold with no gain or loss, or are reported on a brokerage statement with a capital gain or loss are in scope and are entered on the Capital Gains Transaction Worksheet. If there is ordinary income associated with the transaction it is Out of Scope.

Date Acquired

* Alternate Option: If Date Acquired is not known, leave the date blank and select an option here

MM ▾ DD ▾ YYYY ▾

Form 1099-B box 1b

Date Sold

* Alternate Option:
 Check here if a short sale.

MM ▾ DD ▾ YYYY ▾

For securities reported on a brokerage statement as "Worthless" use the Alternate Option and "Worthless" for the date sold. If securities have any value (even \$1) they are not worthless.

Form 1099-B box 1c

Note: If various (short or long-term) is selected as an Alternative Option for Date Acquired, do not enter entry for Date Sold and select M- Reporting Multiple Transactions on a Single Row under Adjustments.

Sales Price

* Alternate Option: If Sale Price is Expired, leave the sales price blank and select an option here

\$

Form 1099-B box 1d

Select cost basis type *

- Please Select - ▾

Choose the cost basis type that applies to this transaction.

- Please Select -
 1099-B, Box 3 Cost Basis Reported to the IRS
 1099-B, Box 3 Cost Basis NOT Reported to the IRS
 Did not receive Form 1099-B

Sale of Securities Received as a Gift or inherited; Taxpayer must provide the basis and holding period (FOR GIFTS) or the transaction is Out of Scope and Taxpayer should be referred to a professional tax preparer. Normally the cost basis for inherit stocks is the value on the date inherited.

Entering Capital Gains and Losses (continued)

Cost

* **Alternate Option:** If Cost is Expired, leave the cost blank and select an option here

\$

Adjustments

Enter any necessary adjustments to Gain or Loss

NOTE: If this entry is to be shown as a loss, please enter a negative sign before the number.

\$

If you entered an adjustment amount above, please select all adjustment explanations that apply.

- Form 1099-B with Basis shown in Box 3 is Incorrect
- Form 1099-B & Type of Gain/Loss shown in Box 1c is Incorrect
- Received 1099-B/1099-S as a Nominee for the Actual Owner of the Property
- Exclude Some/All of the Gain from the Sale of Your Main Home
- Form 1099-B showing accrued market discount in box 1g
- Exclude Part of the Gain from the Sale of Qualified Small Business Stock
- Exclude Gain from DC Zone Assets or Qualified Community Assets
- Rollover of Gain from QSB Stock, Empowerment Zone, Publicly Traded Securities
- Nondeductible Loss from a Wash Sale
- Nondeductible Loss other than a Wash Sale
- Form 1099-B or 1099-S with Selling Expenses or Options not Reflected on Form
- Loss from the Sale of Small Business Stock more than Allowable Ordinary Loss
- Disposed of Collectibles
- Reporting Multiple Transactions on a Single Row
- Other Adjustment Not Explained Above

Collectible Exchange

Is this a Collectible Exchange?

Form 1099-B box 1e or provided by taxpayer. If the statement or taxpayer does not provide cost basis, historical data can be used. See Publication 551, Basis of Assets, for details. If basis can't be determined, use zero. Special rules apply to property inherited from a decedent who died in 2010. If the taxpayer cannot provide the basis for the property, refer the taxpayer to a professional tax preparer. For more information, search historical Publication 4895, Tax Treatment of a Property Acquired from a Decedent Dying in 2010 (Rev. October 2011) under Prior Year Forms and Instructions on irs.gov.

For most transactions, no adjustment to gain or loss is needed. If an adjustment to basis or net capital gain is required, enter the adjustment amount and mark the reason(s) from the list. You may need to enter an adjustment if the basis provided is incorrect, another situation applies that requires a change to the basis, or if the taxpayer is able to exclude some or all of the capital gain.

If summarizing transactions, check the box for Reporting Multiple Transactions on a Single Row.

If you have no more transactions to enter, select **Continue** (this will also save your entry.)

Select **Save & Enter Another** if you have more capital gain transactions to enter.

Entering Capital Gains and Losses (continued)

Exception to Entering Each Transaction on a Separate Row

When a taxpayer's Form 1099-B includes so many transactions that it isn't practical to enter each one into TaxSlayer, use the following procedure.

1. Divide the transactions into four categories:
 - Short term transactions with basis reported to the IRS - categorized as "Box A."
 - Short term transactions with basis not reported to the IRS - categorized as "Box B."
 - Long term transactions with basis reported to the IRS - categorized as "Box D."
 - Long term transactions with basis not reported to the IRS - categorized as "Box E."
2. Enter the total of each category on the capital gain entry screen.
3. If any of the transactions requires an adjustment to the reported basis, select the reason from the check box that includes that transaction.
4. If there are transactions with basis not reported to the IRS, the broker's list of transactions must be submitted as an attachment to the tax return. **Tax-Aide does not attach any document to an e-filed return. Inform the taxpayer that the IRS may ask them to send copies of the brokerage statements for transactions with no basis reported to IRS.**



Common Items Found on Brokers' Statements

Look for all of the following items: (You may or may not find them all.)

1. 1099-INT (Summary-NOT detail)
2. 1099-DIV (Summary-NOT detail)
3. 1099-B (Summary and Detail) and "Cost basis" or "Transaction detail" for sale of stock: Input as capital gains or losses.
4. If there are dividends from mutual funds, look for an insert or chart that says what percentage came from federal government interest: Enter on the dividend input screen and select your state (check your state rules).
5. The chart should also show what percent came from municipal bonds from each state: Input exempt interest from states other than yours by selecting tax exempt interest income and making the state adjustment (check your state rules).
6. Foreign taxes paid: Enter foreign taxes paid on the dividend input screen only if all foreign taxes relate to passive income and the total on all tax statements (1099, etc.) is less than \$300 (\$600 MFJ); otherwise, in scope only if certified in International.

Note: Net losses greater than \$3000 (\$1500 if MFS) will carry forward to future tax years.

Adjustments to Basis in TaxSlayer



Enter Capital Gain/Loss Transactions in TaxSlayer

For most transactions, you do not need to adjust the basis. You may need to adjust the basis if you received a Form 1099-B or 1099-S (or substitute statement) that is incorrect, are excluding or postponing a capital gain, have a disallowed loss, or certain other situations. Details are in the table below.

In Scope Transactions

IF...	THEN...	Select from the dropdown list	Adjustment Code that will appear on Form 8949
You received a Form 1099-B (or substitute statement) and the basis shown in box 3 is incorrect...	If the basis was not reported to the IRS, report the correct basis and make no adjustment. If the basis was reported to the IRS...	Form 1099-B with Basis in Box 3 is Incorrect & Correct Basis is Lower or Higher	B
You received a Form 1099-B or 1099-S (or substitute statement) and there are selling expenses that are not reflected on the form or schedule...	Enter the proceeds as reported in Box 1d. Enter as an adjustment using a minus sign for any selling expenses that you paid (and that are not reflected on the form or statement you received).	Form 1099-B with Basis in Box 3 is Incorrect & Correct Basis is Lower or Higher	E
You sold or exchanged your main home at a gain, must report the sale or exchange and can exclude some or all of the gain...	Report the sale or exchange as you would if were not taking the exclusion. Then enter the amount of excluded (nontaxable) gain as a negative number.	Exclude Some/All of the Gain from the Sale of Your Main Home	H
You have a nondeductible loss other than a loss indicated by code W...	Report the sale or exchange and enter the amount of the nondeductible loss as an adjustment. See Nondeductible Losses in the Instructions for Schedule D.	Nondeductible loss other than a Wash Sale* <i>See Glossary (Tab R) for definition of wash sale.</i>	L
You report multiple transactions on a single row as described in Exception to Reporting each Transaction on a Separate Row...	Enter -0- as the adjustment amount unless an adjustment is required because of another code.	Reporting Multiple Transactions on a Single Row	M
You received a Form 1099-B (or substitute statement) and the type of gain or loss (short term or long term) shown in box 1c is incorrect...	Enter transaction with correct term (long or short). Enter -0- as the adjustment amount unless an adjustment is required because of another code.	Form 1099-B and Type of Gain/Loss indicated in Box 2 is incorrect	T
You have a nondeductible loss from a wash sale* ...	Report the sale or exchange and enter the amount of the nondeductible loss as an adjustment.	Nondeductible loss from a Wash Sale*	W
You have an adjustment not explained earlier in this column...	Report the appropriate adjustment amount.	Other adjustment	O

Adjustments to Basis in TaxSlayer (continued)

Out of Scope Transactions:

IF...	Adjustment Code
You received a Form 1099-B or 1099-S (or substitute statement) as a nominee for the actual owner of the property.	N
You sold or exchanged qualified small business stock and can exclude part of the gain.	Q
You can exclude all or part of your gain under the rules explained in the Schedule D instructions for DC Zone assets or qualified community assets.	X
You are electing to postpone all or part of your gain under the rules explained in the Schedule D instructions for any rollover of gain (for example, rollover of gain from QSB stock or publicly traded securities).	R
You had a loss from the sale, exchange, or worthlessness of small business (section 1244) stock and the total loss is more than the maximum amount that can be treated as an ordinary loss.	S
You disposed of collectibles (see the Schedule D instructions).	C

* Wash sales are in scope only if reported on Form 1099-B or on a brokerage or mutual fund statement.

Capital Gains or Losses Sale of Main Home

The sale or exchange of a main home must be reported as a Capital Gain or Loss if:

- The taxpayer can't exclude all of their gain from income,
- The taxpayer has a gain and chooses not to exclude it, or
- The taxpayer received a Form 1099-S for the sale or exchange.

Taxpayer's "main" home is where they live most of the time. It does not have to be a traditional house; e.g. may be a houseboat, mobile home, coop apartment, or condo but must have cooking, sleeping, and bathroom facilities. Taxpayers with more than one home cannot choose which home to designate as their main home.

Note: The taxpayer does not have to report the sale of their main home if they qualify and choose to exclude all of their gain and did not receive Form 1099-S.

Generally, if the following two tests below are met, the taxpayer can exclude up to \$250,000 of gain. If both the taxpayer and their spouse meet these tests and file a joint return, they can exclude up to \$500,000 of gain (but only one spouse needs to meet the ownership requirement in Test 1). Reduced exclusions are Out of Scope.

- Test 1. During the 5-year period ending on the date the taxpayer sold or exchanged their home, they owned it for 2 years or more (the ownership requirement) and lived in it as their main home for 2 years or more (the use requirement).

Note: Military members may be able to suspend the 5-year period while serving on qualified official extended duty.

- Test 2. The taxpayer hasn't excluded gain on the sale or exchange of another main home during the 2-year period ending on the date of the sale or exchange of their home.

If the taxpayer has a gain that can't be excluded, it is taxable.

Death of spouse. If the taxpayer sells their home within 2 years after their spouse dies and has not remarried as of the sale date, they can count any time their spouse owned the home as time they owned it and any time when the home was their spouse's residence as time when it was their residence. In addition, the taxpayer may be able to increase their exclusion amount from \$250,000 to \$500,000 if the taxpayer or their deceased spouse meet the requirements for Test 1 and both the taxpayer and their deceased spouse meet the requirement for Test 2.

Sale of Home

Basic Info about the Sale

Date of purchase *

MM DD YYYY

Purchase price *

\$

Date of sale *

MM DD YYYY

Sale price *

\$

Allowable Depreciation related to the business use or rental of the home

Out of scope

Depreciation taken after 05/06/1997

Out of scope

If the taxpayer is required to report the sale and it results in a gain, enter the purchase date, sale date, purchase price, and sales price in the Sale of Home Worksheet (you will enter capital improvements and other adjustments to basis on the next screen).

Scope Note: Sale of any Home received through inheritance or as a gift is out of scope unless it has been used as a personal residence by the Taxpayer or spouse. Taxpayer must provide cost basis of the residence. Tests 1 and 2 then apply to exclude gain.

Capital Gains or Losses Sale of Main Home (continued)

Enter the number of days the dwelling was used as the main home (separate entry for spouse).

Enter the number of days the taxpayer owned the home (separate entry for spouse).

Info about your home

How many days in the last 5 years was the home your main home?

How many days in the last 5 years did you own your home?

How many days in the last 5 years was the home your spouse's main home?

How many days in the last 5 years did your spouse own your home?

Check here if you received the First-time Homebuyers Credit AND you received the credit in 2008 OR you did NOT meet the minimum ownership requirements to exclude repayment of the credit.

Check here if you qualify for the Maximum Exclusion or the Reduced Maximum Exclusion.

Cancel

Continue

If the taxpayer received the 2008 First-Time Homebuyers Credit, select the box. Form 5405, Repayment of the First-Time Homebuyer Credit, will be required to determine how much of the credit must be repaid.

If the taxpayer meets the ownership, residence, and look-back requirements, taking the exceptions into account, then the Eligibility Test is met and the taxpayer is eligible for the Maximum Exclusion, select the box (reduced maximum exclusion is Out of Scope; refer to a professional).

Select **Continue**

Adjustments

Fees you may have paid when you bought your home

Legal fees

Surveys

Title Insurance

Fees that the seller owed that you agreed to pay

Other fees

- The HUD-1 Settlement Statement will give details about closing costs.
- If the sale must be reported and results in a gain, it will be listed on the appropriate Form 8949 (basis type C or F). The gain will be included with the other capital gains and losses on Schedule D.
- Enter the fees from the purchase of the home that weren't included in the purchase price already entered.

Capital Gains or Losses Sale of Main Home (continued)

- Enter the selling expenses, cost of improvements and other increases or decreases to the basis of the home. See Publication 523, *Selling Your Home*, for more information about basis.
- This will calculate the adjusted basis of the home, which will be shown on Form 8949.
- The information will carry to Form 8949 and Schedule D.
- If you've checked the box to exclude the entire gain, Form 8949 will show the adjustment as a negative number in the amount of the net gain, with adjustment code H and basis type F and no net gain/loss.

Additions or improvements to a home having a useful life of more than one year increase the basis. Repairs that maintain the home in good condition are not considered improvements and do not increase the basis. See Basis Adjustments-Details and Exceptions, in Publication 523, *Selling Your Home*, for further definitions.

General Adjustments

Selling expenses
\$

Cost of additions and improvements that you made to your home
\$

Tax assessments that you paid for sidewalks, streets, and other local improvements
\$

Other increases to your basis
\$

Decreases to your basis
\$

If the sale resulted in a gain but was not eligible for the exclusion, it will be reported on the appropriate Form 8949 as a gain.

1	(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold or disposed of (Mo., day, yr.)	(d) Proceeds (sales price) (see instructions)	(e) Cost or other basis. See the Note below and see <i>Column (e)</i> in the separate instructions	Adjustment, if any, to gain or loss. If you enter an amount in column (g), enter a code in column (f). See the separate instructions.		(h) Gain or (loss). Subtract column (e) from column (d) and combine the result with column (g)
						(f) Code(s) from instructions	(g) Amount of adjustment	
	MAIN HOME	03/04/20XX	02/02/20XX	200000	150000	H	-2500	47500

Capital Gains or Losses Sale of Main Home (continued)

If the sale is a loss but must be reported because Form 1099-S was received:

Loss on the sale of a main home can't be deducted. To report the sale, you must enter the sale as a capital gain or loss item:

- You can use the Sale of Main Home worksheet to assist you in determining the basis, but the information will NOT carry to Form 8949
- Add a new Capital Gain or Loss Item
- Enter the dates, sales price and adjusted basis amount
- The basis type will be "Did not receive Form 1099-B"
- Enter an adjustment in the amount of the loss as a positive number

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold or disposed of (Mo., day, yr.)	(d) Proceeds (sales price) (see instructions)	(e) Cost or other basis. See the Note below and see <i>Column (e)</i> in the separate instructions	Adjustment, if any, to gain or loss. If you enter an amount in column (g), enter a code in column (f). See the separate instructions.		(h) Gain or (loss). Subtract column (e) from column (d) and combine the result with column (g)
					(f) Code(s) from instructions	(g) Amount of adjustment	
MAIN HOME	02/03/20XX	09/04/20XX	190000	203800	L	13800	

<input type="checkbox"/> W - Nondeductible Loss from a Wash Sale
<input checked="" type="checkbox"/> L - Nondeductible Loss other than a Wash Sale
<input type="checkbox"/> E - Form 1099-B or 1099-S with Selling Expenses or Options not Reflected on Form

Select the adjustment reason as "nondeductible loss other than a wash sale" which will show as adjustment code L.

IRA/Pension Distributions (Form 1099-R, Form SSA-1099)



TaxSlayer Navigation: Federal Section>Income>IRA/Pension Distributions

There are four items to choose from, and within each item you can make entries for as many documents as needed.

IRA/Pension Distributions

Add or Edit a 1099-R Begin

RRB-1099-R Begin

Social Security Benefits/RRB-1099 Begin

Nontaxable Distributions Begin

Continue to Income

Select Nontaxable Distributions to record Qualified Charitable Distributions (QCD), qualified Health Savings Accounts funding distributions, and eligible retired public safety officer distributions for health insurance premiums.

Form 1099-R Entry Variations

Example 1 (most common)—An amount is shown in Box 1, Box 2a is blank or the same amount as Box 1, the distribution code in Box 7 is “7,” and nothing is entered in Box 5 or 9b. The amount in Box 1 is fully taxable. TaxSlayer will transfer the amount in Box 1 to Box 2 and to Form 1040 Line 4b or 4d.

Example 2—An amount is shown in Box 1, Box 2a is blank, the distribution code is “7,” and an amount is entered in Box 9b. The Simplified Method Section may have to be completed to determine what portion of the amount from Box 9b will be tax free. Click on the text below Box 2a and begin “Simplified General Rule Worksheet.” See “Form 1099-R Simplified Method” in this Tab. When you have completed the worksheet, return to the 1099-R and complete it. TaxSlayer will transfer the taxable amount to Form 1040 Lines 4a and 4b.

Example 3—(Revised for Release 2) An amount is shown in Box 1, Box 2a is blank and Box 7 includes a code containing D. If there is an amount in Box 5, subtract it from Box 1 to get the Box 2a amount (if less than zero enter zero). If there is nothing in Box 5 to identify the tax-free portion and there is an amount in Box 9b the General Rule must be applied thus the return is out of scope. If both Boxes 5 & 9b are empty ask the taxpayers if this is an employer plan or a commercial annuity (one that they purchased). If it is an employer plan the distribution is fully taxable whether Box 2b is checked or not. If it is a commercial annuity the return is out of scope.

Example 4—An amount is shown in Box 1, Box 2a is blank or zero, an amount is in Box 5, and the distribution code is “7.” Except in the case of a CSF or CSA 1099-R, the amount in Box 5 should be nontaxable and therefore should be subtracted from Box 1 and the result entered in Box 2a.

Example 5—An amount is shown in Box 1, Box 2a is blank or zero, Box 2b “Taxable amount not determined” is NOT checked, and the distribution code is “7” or “3.” If this is a disability pension for an on-the-job injury and the taxpayer confirms it is not taxable, enter zero in Box 2. If the retiree is below the employer’s minimum retirement age, check the box so the disability pension is reported as wages. If this is a disability benefit from workers’ compensation or if the premiums for the disability policy were paid by the employee with after tax money the benefit is generally not taxable, then enter zero in Box 2 (really, no 1099-R should have been received).

Example 6—Box 2b and IRA/SEP/SIMPLE boxes are both checked. Ask taxpayer if any non-deductible contributions were made to any IRA. If so, see D-33.

Form 1099-R

See the Box 7 Distribution Codes on Pages D-39 and D-40 for scope limitation.



TaxSlayer Navigation: Federal Section>Income>IRA/Pension Distributions>Add or Edit a 1099-R; or Keyword "R"



Box 2a will automatically fill in with the amount in Box 1. If a different amount is shown on the document, enter that amount directly. If the taxable amount is not determined, Box 2b will be marked, and Box 2a may be blank, zero or the same as Box 1. In that case, you may need to use the Simplified Method. **Simplified Method cannot be used for Code "D" or other Non-Qualified Plan distributions.** Make sure Box 2a reflects any changes due to Simplified Method, Public Safety Officer (PSO) health insurance, rollovers, qualified charitable contributions, return of capital, etc.

Taxable amounts from Form 8606 will NOT carry to the 1040. Any taxable amount should be entered in box 2a.

Check here if this is a substitute 1099-R.



Only the amount entered in box 2a will be considered taxable.

Whose 1099-R is this?

Recipient *

- Taxpayer Sample
 Spouse Sample

Payer Information

Payer's ID *

 -

Payer Name *

Check here if foreign address

Address (Number and Street) *

ZIP Code *

 -

City, Town, or Post Office *

1099-R Information

1 Gross Distribution *

 \$

2a Taxable Amount

 \$

Does not qualify for Form 8880

Do you need to calculate your taxable amount?
Click here for options.

2b

- Taxable amount not determined
 Total distribution

3 Capital gain

 \$

4 Federal income tax withheld

 \$

If a joint return, choose who the document belongs to.

EIN must be entered accurately. Incorrect EIN is a common e-file reject.

If marked, the taxable amount will not carry to Form 8880, Line 4 as a current year distribution. See Tab G-14, Nonrefundable Credits.

If Simplified Method is required or if the taxpayer has public safety officer health insurance deduction, click here for worksheet.

Box 2b indicates "Taxable amount not determined" and "Total distribution". Mark exactly as shown on document.

If Box 4 has an entry, ensure that the tax withheld is entered and is correct.

or use annuity worksheet at cotaxaide.org/tools

Distribution from IRA if Any Contributions Were Not Deductible (would be partially taxable Box 2a)

- You must create a Form 8606 Nondeductible IRAs in TaxSlayer so that it's included in the tax return.
- NAVIGATION: (Federal Section > Deductions > Adjustments > Nondeductible IRAs)
- Hint: use the Bogart 8606 Calculator especially if multiple IRAs need to be added together for the computation.)
- TaxSlayer can generate only one 8606 per person. May need a second Form 8606 if each spouse has basis in their IRAs or if it is an inherited IRA. If the same person needs more than one 8606, the first 8606 can be created in TaxSlayer and printed to paper or pdf. Complete the second 8606 and all 1099-R input. The first 8606 will need to be attached to the return
- Form 8606, Part III, is out-of-scope.

Form 1099-R (continued)

Box 5 on the document may be current year's amount of employee contributions or insurance premiums (recovery of cost basis or investment in the contract). If Box 5 is the same as Box 1, none of the distribution is taxable. If the payer has calculated the taxable amount of the pension in Box 2, generally the difference between Boxes 1 and 2 will appear in Box 5. If Box 5 is the amount of health insurance premiums, (typically only on a CSA 1099-R) you must manually carry the amount to the Schedule A, Itemized Deductions, Medical or Dental Expenses.

The diagram shows a portion of Form 1099-R with several fields highlighted by arrows pointing to explanatory text boxes. The fields shown are:

- State *
- Zip Code *
- Recipient Information
- Check here if foreign address
- Address (Number and Street) *
- City, Town, or Post Office *
- State *
- Zip Code *
- 5 Employee contributions or insurance premiums
- 6 Net unrealized appreciation in employer's securities
- 7 Distribution Code(s) *
- IRA/SEP/Simple
- 8 Other (Not collected)
- 9a Your percentage of total distribution
- 9b Total employee contributions
- 10 Amount allocable to IRR within 5 years

Arrows point from the following text boxes to these fields:

- From the top text box to Box 5.
- From the red text box to the State and Zip Code fields.
- From the bottom-left text box to Box 7.
- From the bottom-right text box to Box 9b.

If you enter a foreign address from a country does not use postal codes, enter 0 (zero) for the postal code.

Box 7 is a required entry – Enter exactly as shown on document. If IRA/SEP/Simple is marked, check to enter exactly as on document. See Distribution Codes Chart in this tab. [D-39](#)

Box 9b shows the total employee contributions and may be needed if Box 2 has no entry – usually requires Simplified Method Worksheet (see Box 2a).

Note: Tax Law for Disaster Victims

At certain times, 401(k) and similar employer-sponsored retirement plans can make loans and hardship distributions to an individual whose principal place of abode is located in a disaster area and who sustained an economic loss. **Taxpayers impacted by federally declared disasters in 2018, 2019, or 60 days from the December 30, 2020 enactment date of Public Law 116-94 H.R. 1865, Further Consolidated Appropriations Act, 2020 are allowed to obtain tax-favored withdrawals from retirement plans, by providing an exception to the 10 percent early retirement plan withdrawal penalty for qualified disaster relief distributions, providing favorable repayment terms over 3 years, and allowing taxpayers the option of spreading out income inclusion resulting from such withdrawals over a 3-year period. Search the IRS website for "Tax Relief in Disaster Situations" for more information.** Any options that require the completion of Forms 8915 and/or 8606 are out of scope.

Taxable Amount Not Determined (Special Circumstances)



TaxSlayer Navigation: Federal Section>Income>IRA/Pension Distributions>Add or Edit a 1099-R> Calculate taxable amount; or Keyword “R”

The following screen is displayed when “Click here for options” link under “Do you need to calculate your taxable income?” is selected.

Calculate Taxable Amount

Simplified Method Worksheet **BEGIN**

Public Safety Officers Distribution **BEGIN**

CONTINUE

Select begin for the Simplified Method Worksheet. If the taxpayer has both retired public safety officer (PSO) health insurance exclusion and Simplified Method features, select the Simplified Method Worksheet.

If the retired PSO does not need a Simplified Method calculation, select the PSO Distribution.

Public Safety Officers Distribution

Public Safety Officer Exclusion for Health Insurance Premiums

\$

Cancel **Continue**

Enter the amount of PSO health insurance premiums paid from the pension (up to \$3,000). Deduct any amount of premiums paid in excess of \$3,000 as an itemized deduction.

Distributions Used To Pay Insurance Premiums for Public Safety Officers

If you are an eligible retired public safety officer (police/law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew), you can elect to exclude from income distributions made from an eligible retirement plan that are used to pay the premiums for accident or health insurance or long-term care insurance. The premiums can be for coverage for you, your spouse, or dependents. The distribution must be made directly from the plan to the insurance provider. You can exclude from income the smaller of the amount of the insurance premiums or \$3,000. You can only make this election for amounts that would otherwise be included in your income. The amount excluded from your income can't be used to claim a medical expense deduction.

Form 1099-R Simplified Method



TaxSlayer Navigation: Federal Section>Income>IRA/Pension Distributions>Add or Edit a 1099-R>”Click here for options” (under box 2a Taxable Amount); or Keyword “R”

If the taxpayer made after-tax contributions toward a pension, a portion of the annuity payment has already been taxed and isn't taxable now. Generally, if the starting date of the payments was prior to July 2, 1986, the Simplified Method wouldn't apply. If the taxpayer used the 3-year rule, the annuity is fully taxable. If they used the general rule, refer the taxpayer to a professional tax preparer. **The annuity calculator at cotaxaide.org/tools can be used, especially for first year, to compute ages when annuity started and print out the amortization schedule so that basis is not over-recovered. Optional: enter the results in TaxSlayer so they carry to subsequent years.**

Simplified Method Worksheet

CANCEL
CONTINUE

Hint: If you use TS's Simplified Method worksheet, to help next year's preparer, enter a Note with the taxpayer's annuity start date, age at the start date, and amounts previously recovered.

Gross distribution amount (from 1099-R)

Plan cost at annuity start date

Starting date of annuity *

Check here if this is a Joint or Survivor Annuity.

Death benefit exclusion

Age of recipient at start date *

If joint or survivor annuity, add ages of recipients

Number of months paid in 2018 *

Amounts previously recovered

Public Safety Officer Exclusion

Enter the Plan cost (shown in Box 9b of 1099-R).

Enter the annuity start date. If the disability benefits were paid under this plan during the tax year, enter the date beginning after the taxpayer reached minimum retirement age as the annuity start date. The plan administrator should issue two separate 1099-R statements. If not, prorate the amount to be treated as wages based on the annuity start date.

Enter the age of the taxpayer on the date the pension started – this may be different than the taxpayer's age at the end of that year.

For a joint or survivor annuity, add the ages of both spouses on the start date. For the beneficiary of an employee who died, see Publication 575, Pensions and Annuities.

For a joint and survivor annuity that starts:
-After the death of the employee, use only the survivor's age.
-Before the death of either beneficiary, continue with the same exclusion amount after the first death.

Enter the amount that could have been recovered tax free in prior years even if not claimed. Look at last year's tax return to find this amount, or calculate the amount using the monthly tax free amount computed by TaxSlayer for the 2019 tax year times the number of months prior to 2019. For annuitants who retired between July 2, 1986 and Dec. 31, 1986, enter zero.

The taxable amount is calculated and carried to box 2a on Form 1099-R.

Form CSA 1099-R - Civil Service Retirement Benefits -The Office of Personnel Management issues Form CSA 1099-R for annuities paid or Form CSF 1099-R for survivor annuities paid. The CSA-Form 1099-R box numbers reflect the standard numbering on a Form 1099-R. If the taxable amount isn't calculated in box 2 the Simplified Method must be used

Form 1099-R Rollovers and Disability Under Minimum Retirement Age

If any portion was rolled over, check to bring up screen to enter the amount. Even if Box 7 is Code G, this entry must be made.

Rollover or Disability

Check here if all/part of the distribution was rolled over, and enter the rollover amount.

Rollover Amount *

\$

Also, enter the difference between the gross distribution (Box 1) and the rollover amount as the taxable distribution in Box 2a.

Check here to report on Form 1040, Line 1 (Distribution code must be a "3")

Hint on Disability: Two 1099-R's should be issued by the plan administrator for the year that minimum retirement age occurs. If not preparer will have to prorate amount to be treated as wages based on this date entry.

Check if Code 3 is in box 7 and the taxpayer is disabled and under the minimum retirement age* of the employer's plan. This will reclassify the disability income as wages on Form 1040. It will be considered earned income in the calculation of some credits. Note: There is no cost recovery of employee contributions prior to minimum retirement age.

*Minimum retirement age generally is the age at which you can first receive a pension or annuity if you aren't disabled.

Internal Revenue Code 402(c). Extended rollover period for plan loan offset amounts.

Provides that the period during which a qualified plan loan offset amount may be contributed to an eligible retirement plan as a rollover contribution is extended from 60 days after the date of the offset to the due date (including extensions) for filing the Federal income tax return for the taxable year in which the plan loan offset occurs, that is, the taxable year in which the amount is treated as distributed from the plan.

Rollovers

- A taxpayer should not receive a Form 1099-R for a trustee-to-trustee transfer from one IRA to another, but should receive a Form 1099-R for a trustee-to-trustee direct rollover from an employer qualified plan to an IRA with code G.
- A rollover that involves a distribution of funds to the participant isn't taxable if the funds are deposited into an IRA (or the same IRA) or an employer plan within 60 days. Form 1099-R will have either a code 1 or code 7. Subtract the rollover amount from the gross distribution (Box 1) and enter the difference as the taxable amount in Box 2a.
- A participant is allowed only one rollover from an IRA to another (or the same) IRA in any 12-month period, regardless of the number of IRAs owned. However, you can continue to make unlimited trustee-to-trustee transfers between IRAs because it is not considered a rollover.
- Sometimes a distribution includes both a regular distribution (generally taxable) and a rollover (generally nontaxable). The Form 1099-R Rollover or Disability section is used to input the amount that won't be taxed and Box 2a needs to be adjusted.
- If taxpayer inadvertently missed the 60-day rollover deadline for one of several reasons, they can submit a certification to the trustee, and the amount can be considered a rollover on his tax return. See Revenue Procedure 2016-47 for details. [Details added by NTTC at bottom of subsequent page, 1099-R Nontaxable Income.](#)

Note: The above applies to pre-tax accounts (e.g. traditional IRAs) and to post-tax accounts (e.g. Roth IRAs) within each group. If rolling or converting from pre-tax to post-tax, the amount will generally be taxable.

Form 1099-R Roth IRA and Conversion from Traditional IRA

The basis of property distributed from a Roth IRA is its fair market value (FMV) on the date of distribution, whether or not the distribution is a qualified distribution.

You don't include in your gross income qualified distributions or distributions that are a return of your regular contributions from your Roth IRA(s).

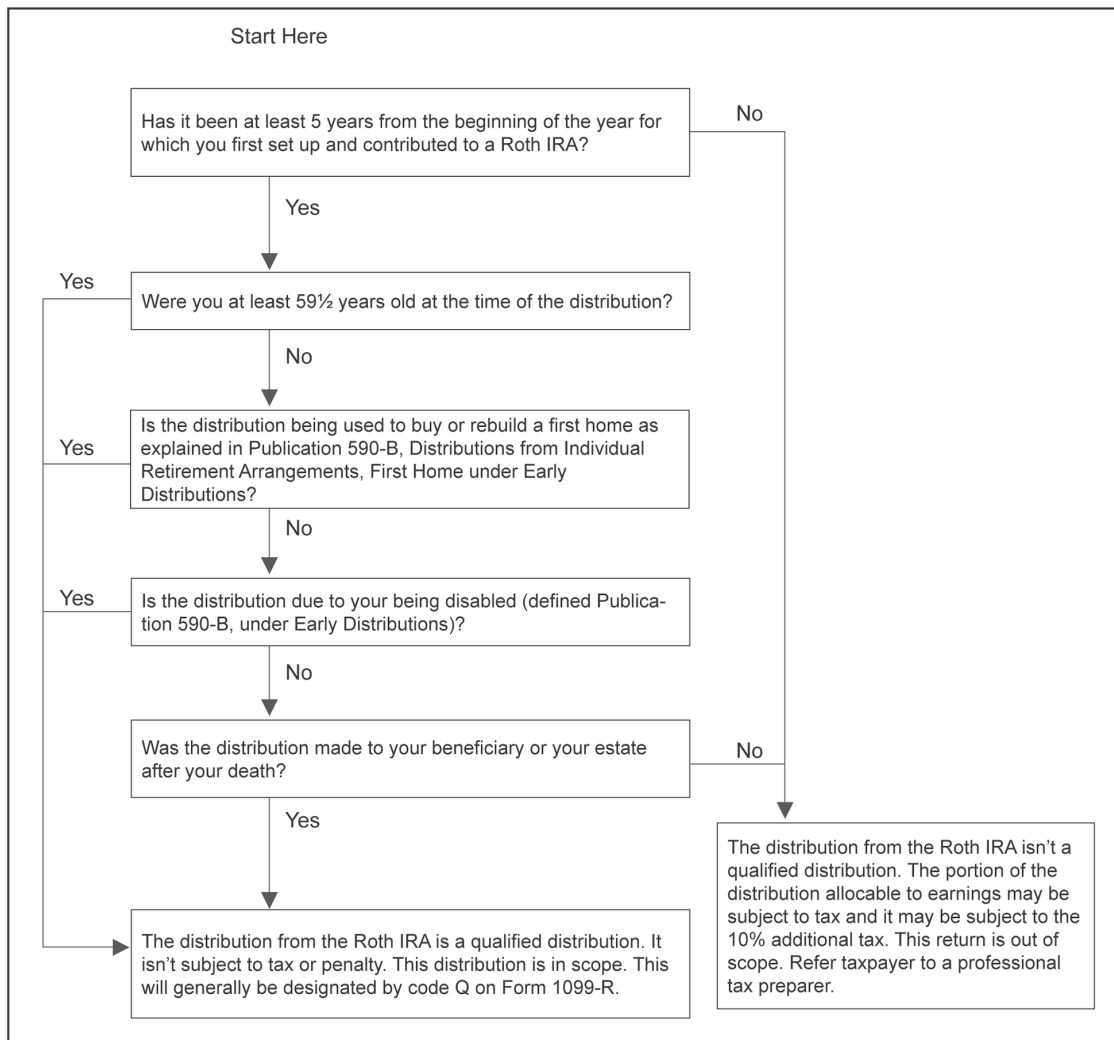
Distributions from a Roth IRA are tax free and may be excluded from income if the following requirements are met:

- The distribution is made after the 5-year period beginning with the first day of the first taxable year for which a contribution was made to a Roth IRA set up for the taxpayer's benefit, and
- The distribution is:
 - Made on or after age 59½, or
 - Made because the taxpayer was disabled, or
 - Made to a beneficiary or to an estate, or
 - To pay certain qualified first-time homebuyer amounts (up to a \$10,000 lifetime limit)

Scope Note: Not in scope for Box 7 codes J or T when either the original Roth contribution or the last conversion was done within the last 5 years.

Is the Distribution From Your Roth IRA a Qualified Distribution?

See the list of Roth IRA distribution codes on the following page that are in scope and out of scope for the VITA/TCE programs.



Conversion from a Traditional to Roth IRA: 1099-R box 7 Code 2 (participant is under age 59½) or Code 7 (the participant is at least age 59½). The amount converted is taxable income, but not subject to the additional 10% early distribution tax. If box 7 is Code 1, use Form 5329 and reason "Other" to eliminate the additional tax or the amount converted to a Roth.

1. Enter the amount converted in Box 1 and Box 2a on the 1099-R entry page.
2. Search for Form 8606 and enter the amount converted. If the traditional IRA had a basis, complete Part I of Form 8606

Form 1099-R Box 7 Distribution Codes

Box 7 Distribution Codes	Explanations
1 — Early distribution, no known exception	<ul style="list-style-type: none"> If this amount was rolled over within 60 days of the withdrawal and—if the distribution was from an IRA—no prior rollover was made in the same 12-month period. Check the box under Rollover or Disability on Form 1099-R, and enter the amount rolled over. Trustee to trustee transfer isn't considered a prior rollover. If more than one rollover from an IRA in the 12-month period, return is Out of Scope. <i>See also self-certify procedure on D-41 if 60-day period was missed for one of the listed reasons.</i> If this wasn't rolled over, a 10% additional tax will be applied unless the taxpayer qualifies for an exception. See Tab H, Other Taxes, Payments and ACA, for a list of exceptions. If the taxpayer qualifies for an exception, go to Form 5329, Additional Taxes on Qualified Plans and Other Tax-Favored Accounts, enter the amount that qualifies for an exception and select the reason for the exception from the dropdown list.
2 — Early distribution, exception applies	Code 2 applies if the taxpayer is under 59 ½ but the payer knows that an exception to the additional tax applies. If the IRA/SEP/SIMPLE box ISN'T checked, no further action needed. If the IRA/SEP/SIMPLE box IS checked, additional reporting may be required on Form 8606, <i>Form 8606 Part I and Part II only are in scope for Tax-Aide.</i>
3 — Disability	Code 3 is for a disability pension. <ul style="list-style-type: none"> If the taxpayer is under the minimum retirement age for the company he retired from, then check the box under Rollover or Disability that says, "Check here to report as wages on the Form 1040." This will reclassify the disability income as wages. It will also include the amount in earned income for calculation of the earned income credit, the dependent care credit and the additional child tax credit. If the taxpayer has reached the minimum retirement age, no further action is needed.
4 — Death	Code 4 is for a survivor's benefit or an inherited IRA. If it's a pension, the original retiree has died, and the survivor is receiving his or her share of the pension. If the original pensioner was using the Simplified Method, continue to use it for the survivor. <i>(If it's an inherited IRA and the original owner had a basis, the survivor takes over that basis and the return is out of scope)</i>
5 — Prohibited transaction	This code is Out of Scope.
6 — Tax-free Section 1035 exchange	<i>Amount is not taxable but must be reported. Enter -0- in Box 2a. In Scope for Tax-Aide Only</i>
7 — Normal distribution <i>NOTE for Code 7: If the recipient is a retired public safety officer, health and long term care insurance premiums (up to \$3,000) withheld from his pension can be subtracted from Box 1 and result entered in Box 2a.</i>	Code 7 is for normal distributions. It may occur in several different situations: <ul style="list-style-type: none"> If the amounts in Box 1 and 2a are the same, and Box 2b isn't checked, the pension is fully taxable. If the taxpayer makes a rollover from one IRA to another and holds the money less than 60 days, enter the amount rolled over into the Rollover or Disability field. If the Box 2b is checked and there is an amount in Box 9b, complete the Simplified Method. Be sure to use the taxpayer's age at the time of retirement—not current age. If there is an amount in Box 2 that is different than Box 1, no further action is needed. If there is no amount (or zero) in Box 2a, check to see if there is an amount in Box 5. If this is the same amount as Box 1, the distribution is the taxpayer's own money coming back. None of the distribution will be taxed. If a distribution was sent directly from the trustee to a charity, the taxpayer is over 70 1/2 years old, and if any quid pro quo received (such as a state tax credit) was no more than 15% of the distribution, reduce the taxable amount in box 2a by the whole amount of such distribution. Hit Continue and at the IRA/Pensions Distributions page, select Nontaxable Distributions and check the box to mark that there is a Qualified Charitable Distribution (QCD). No charitable deduction may be taken for the donation. If the quid pro quo is more than 15% of a distribution, none of that distribution qualifies for QCD treatment. See also F-10.
8 — Excess contributions	This code is Out of Scope.
9 — Cost of current life insurance	This code is Out of Scope

Form 1099-R Box 7 Distribution Codes (continued)

Box 7 Distribution Codes	Explanations
A — May be eligible for 10-year tax option	This code is Out of Scope.
B — Designated Roth account distribution	Code B is for a distribution from a designated Roth account. This code is in scope only if taxable amount has been determined.
D — Annuity payments from nonqualified annuities	Code D is used for a distribution from a private annuity in conjunction with the regular code. The distribution is subject to the net investment income tax. If the taxpayer has AGI over a threshold amount (\$200,000 for a single taxpayer or HoH; \$250,000 MFJ or QW; \$125,000 MFS), then this code means the return is Out of Scope. If the AGI is less than the threshold amount the return is in scope and no further action is needed. Code D is out-of-scope if taxable amount is not shown on 1099-R Box 2a (General Rule applies). Exception if Box 5 is greater or equal to the distribution (Box 1) the taxable amount is \$0 and in scope.
E — Distributions under Employee Plans Compliance Resolution System (EPCRS)	This code is Out of Scope.
F — Charitable gift annuity	Code F are annuity payments from a charitable gift annuity. To determine the amount to enter in box 2a (taxable amount), subtract the amounts in box 3 (cap gains) and box 5 (Employee Contribution), from the gross distribution (box 1) and enter the result 1099R screen box 2a. The amount in Box 3, also enter in Income>Capital Gains and Losses>Additional Capital Gain Distributions.
G — Direct rollover of distribution and direct payment	Code G is for a direct rollover from a qualified plan to an eligible retirement plan. If box 2a, taxable amount, is zero or blank, it won't be taxed. If there is an amount in box 2a, the direct rollover is fully or partially taxable. No further action is needed.
H — Direct rollover of a designated Roth account distribution to a Roth IRA	Code H is for a direct rollover of a distribution from a designated Roth account to a Roth IRA. It won't be taxed. No further action is needed. Box 2a should be blank. Place check mark in box IRA/SEP/SIMPLE.
J — Early distribution from a Roth IRA	This code is Out of Scope unless it is in error, and it is a qualified distribution (except first-time homebuyer exception is out of scope). See earlier page, Form 1099-R Roth IRA.
K — Distribution of Traditional IRA assets not having a readily available FMV	This code is Out of Scope.
L — Loans treated as deemed distributions	Code L is for loans treated as deemed distributions. This code could possibly be combined with codes 1, 4, or B. For more information on how it is treated see the codes on this chart.
N — Recharacterized IRA contribution	This code is Out of Scope.
P — Excess contributions plus earnings/excess deferrals	This code is Out of Scope.
Q — Qualified distribution from a Roth IRA	This distribution isn't taxable. TaxSlayer enters the distribution amount on Form 1040 on the IRAs, pensions, and annuities line. No further action is needed. Box 2a should be blank
R — Recharacterized IRA contribution	This code is Out of Scope.
S — Early distribution from a SIMPLE IRA in the first 2 years, no known exception	A 25% additional tax will be applied unless the taxpayer qualifies for an exception. See Tab H for a list of exceptions. If the taxpayer qualifies for an exception, go to Form 5329 and enter the amount of the distribution not subject to the additional tax and the code for the exception and the amount that qualifies for it.
T — Roth IRA distribution, exception applies	This code is Out of Scope unless it is in error, and it is a qualified distribution (except first-time homebuyer exception is out of scope). See earlier page, Form 1099-R Roth IRA.
U — Dividends distributed from an ESOP	This code is in Scope for Tax- Aide, treat just like Code 7
W — Charges or payments for LTC contracts	This code is in scope for Tax-Aide Amount is not taxable but must be reported. Enter -0- in Box 2a and--if itemizing--reduce the MAGI in the sales tax calculation by the amount in Box 1.

Form 1099-R Nontaxable Income



TaxSlayer Navigation: Federal Section>Income>IRA/Pension Distribution>Go to Nontaxable Distributions

Qualified Charitable Distribution (QCD) may be used if the person was at least 70½.
This makes that portion of the distribution nontaxable.

1099-R Nontaxable Income

Nontaxable Distribution

If part or all of your 1099-R distribution(s) was for any of the following reasons, please check the appropriate box.

Important: The amount that you enter as the Taxable Amount in Box 2a for each 1099-R will be carried to your return as taxable income. If any of the exclusions apply, do not include the excludable amount in Box 2a for the appropriate 1099-R. Only include in Box 2a the amount that you want reported on your return as taxable income.

Exceptions:

- Check here to mark this as a Qualified Charitable Distribution (QCD) on your return.
- Check here to mark this as a qualified health savings account (HSA) funding distribution (HFD) on your return.
- Check here if you are an eligible retired public safety officer, and part of your distribution was used to pay the premiums for accident or health insurance, or to pay long-term care insurance.

Cancel

Continue

Do not use this checkbox. See Tab D, Income, Taxable Amount Not Determined (Special Circumstances) page.

Qualified Health Savings Account funding distribution from an IRA (related to a Form 1099-R) if rolled over, is Out of Scope.

Qualified Charitable Distributions:

- The QCD is not included in income.
- The QCD is not allowed as a charitable deduction.
- The QCD counts toward the taxpayer's Minimum Required Distribution.
- It must be a direct distribution from the trustee to the qualified charitable organization.
- The amount of the QCD should be deducted from the gross distribution and **the result** entered in box 2A on the Form 1099-R input screen.

Tax Note: For more information on QCD Refer to Portal document "QCD for Taxpayers 2020".

Missed 60-day Roll-over Deadline

Self-certification procedure for recipients of retirement plan distributions (such as 401(k)s or IRAs) who inadvertently miss the 60-day time limit for properly rolling these amounts into another retirement plan or individual retirement arrangement (IRA). Eligible taxpayers can qualify for a waiver of the 60-day time limit and avoid possible taxes and penalties on early distributions, if they meet certain circumstances:

- An error was committed by the financial institution making the distribution or receiving the contribution.
- The distribution was in the form of a check and the check was misplaced and never cashed.
- The distribution was deposited into and remained in an account that I mistakenly thought was a retirement plan or IRA.
- Taxpayer's principal residence was severely damaged.
- Death of family member, recipient or family member was seriously ill, incarceration, restrictions were imposed by a foreign country.
- A postal error occurred.
- The distribution was made on account of an IRS levy and the proceeds of the levy have been returned to me.
- The party making the distribution delayed providing information that the receiving plan or IRA required to complete the rollover despite reasonable efforts to obtain the information.

A self-certification is not a waiver by the IRS of the 60-day rollover requirement. However, once self-certified, the taxpayer may report the contribution as a valid rollover unless later informed otherwise by the IRS. The IRS, in the course of an examination, may consider whether a taxpayer's contribution meets the requirements for a waiver. You may make the certification by using the model letter in the appendix to the Revenue Procedure 2016-47 or by a similar letter.

Form RRB-1099-R Distributions



TaxSlayer Navigation: Federal Section>Income>IRA/Pension Distributions>RRB-1099-R; or Keyword "RR"

Railroad Retirement Benefits (RRB) are reported on two forms and require two entry screens. Social Security Equivalent Benefits, Form RRB 1099 Tier 1 (Blue Form) are entered on the Social Security Benefits screen. Treat the benefits reported on the Blue Form just like the information reported on Form SSA-1099. The screenshot below shows the entry screen for Form RRB 1099-R Tier 2 (Green Form).

Note: See Publication 915, Social Security and Equivalent Railroad Retirement Benefits, and Publication 575, Pensions and Annuity Income, for additional information.

RRB-1099-R

Whose RRB-1099-R is this? Recipient Taxpayer	RRB-1099-R Information 3 Total employee contributions \$ <input type="text"/>
Payer Information Payer's ID * <input type="text"/> - <input type="text"/>	4 Contributory Amount Paid Not needed for e-filing
Payer Name * <input type="text"/>	5 Vested Dual Benefit Not needed for e-filing
<input type="checkbox"/> Check here if foreign address Address (Number and Street) * <input type="text"/>	6 Supplemental Annuity Not needed for e-filing
ZIP Code * <input type="text"/> - <input type="text"/>	7 Total Gross Paid * \$ <input type="text"/>
City, Town, or Post Office * <input type="text"/>	7a Taxable Amount \$ <input type="text"/>
State * - Please Select -	Do you need to calculate your taxable amount? Click here for options. ←
Recipient Information <input type="checkbox"/> Check here if foreign address Address (Number and Street) * <input type="text"/>	8 Repayments Not needed for e-filing
ZIP Code * <input type="text"/> - <input type="text"/>	9 Federal income tax withheld \$ <input type="text"/>
City, Town, or Post Office * <input type="text"/>	10 Rate of Tax Not needed for e-filing
State * - Please Select -	11 Country Not needed for e-filing
	12 Medicare Premium Total Not needed for e-filing
	<input type="checkbox"/> Check here to report on Form 1040, Line 7

CANCEL **SAVE & ENTER ANOTHER** **CONTINUE**

Taxable amount may have to be determined using Simplified Method.

Generally, use the combined ages to calculate the taxable amount for the employee's pension.

For a joint and survivor annuity that starts BEFORE the death of either beneficiary, continue with the same combined age after the first death. For a survivor annuity that starts AFTER the death of the employee, use only the survivor's age.

Form SSA-1099/RRB-1099 Tier 1 Distributions



TaxSlayer Navigation: Federal Section>Income>IRA/Pension Distributions>Social Security Benefits/RRB-1099; or Keyword "SSA"

Social Security SSA-1099/RRB-1099 Tier I

Taxpayer's Social Security Benefit (Generally Box 5 of Form SSA-1099)

\$

Taxpayer's Federal Tax Withheld (Amount from Box 6 of Form SSA-1099)

\$

Taxpayer's Medicare Premiums

\$

Spouse's Social Security Benefit (Generally box 5 of Form SSA-1099)

\$

Spouse's Federal Tax Withheld (Amount from Box 6 of Form SSA-1099)

\$

Spouse's Medicare Premiums

\$

Lump-Sum Payments

Enter amount from Box 5 of Form SSA-1099 or from Form RRB-1099 - Tier 1 (Blue form) Net Social Security Equivalent Benefits (SSEB).

Be sure to check for any tax withheld. Often taxpayers choose this option. This is found in box 6 of the SSA-1099 and box 10 of the RRB-1099.

Enter the total of Medicare Parts A, B, C, and D. Repeat for spouse.

If Medicare premiums have been added for the Self Employed Health Insurance deduction, do NOT enter on this screen.

If an amount is present in the description of Box 3 on Form SSA-1099, or boxes 7, 8 and 9 on Form RRB-1099, the taxpayer received benefits attributable to a prior year. If the taxpayer is able to provide prior year tax returns, use the Social Security Lump-Sum Payment worksheet on the next page to see if the taxable amount of social security is reduced.

Canadian or German Social Security
 Canada Pension Plan, Quebec Pension Plan and Old Age Security from Canada and Germany are treated like US Social Security. Add amounts (converted to US dollars by the taxpayer) to amounts on Social Security SSA-1099 entry screen.

All other foreign old age pensions are out of scope.

Form SSA-1099 Lump-Sum Distributions

Social Security Lump-Sum Payment

Year the lump sum payment was made for

Enter relevant year, as shown on Form SSA-1099.

Filing Status in Earlier Year *

- Please Select -
- Single
- Married Filing Joint
- Married Filing Separate
- Head of Household
- Qualifying Widow(er) with Dependent Children
- Nonresident Alien

If more than one year has prior year payments use additional Lump-Sum worksheet.

Dropdown menu is available for prior year Filing Status.

Modified Adjusted Gross Income for Earlier Year *

Taxable Benefits Reported in Earlier Year

Social Security Lump-Sum Payment

Year the lump sum payment was made for

Filing Status in Earlier Year *

SSA Payments received in Earlier Year

If it was an MFJ return, include SSA payments received that year by BOTH taxpayer and spouse.

Select the appropriate drop-down options and enter the correct fill-in boxes. Leave the 3rd and/or 6th box empty if not applicable. All other boxes require entries.

Portion of this years SSA for Earlier year *

Modified Adjusted Gross Income for Earlier Year *

The calculation won't be correct without the prior year Modified AGI.

Taxable Benefits Reported in Earlier Year

The software will determine total taxable Social Security based on these entries.

CANCEL

CONTINUE

Modified AGI is defined as AGI plus tax-exempt interest and any adjustments from Schedule 1.

Entering K-1 Information in TaxSlayer

Schedule K-1

Schedule K-1 Form 1065	←	The taxpayer's Schedule K-1 may come from a Form 1065 (Partnership), Form 1120S (S-Corporation) or Form 1041 (Estate) Tax Return. Be careful to choose the right form.	BEGIN
Schedule K-1 Form 1120S	←		BEGIN
Schedule K-1 Form 1041	←		BEGIN
Schedule E (Page 2) Question			BEGIN

CONTINUE

Schedule E (Page 2) Question

Check here if you are reporting losses not allowed in prior years due to the at-risk or basis limitations, passive losses not reported on Form 8582, or unreimbursed partnership expenses ←

CANCEL This situation would be Out of Scope. CONTINUE

Entering K-1 Information in TaxSlayer (continued)

Income reported on Schedule K-1 that is within the scope of the VITA/TCE programs includes:

- Interest income
- Dividend income
- Qualified Dividends income
- Net short-term capital gains and losses (Schedule D)
- Net long-term capital gains and losses (Schedule D)
- Tax-exempt interest income
- Royalty income (Schedule E)

If the K-1 includes any deductions, expenses, credits, or other items not listed above, the return is Out of Scope.

Note: Most in scope K-1s will be from a passive entity, and the taxpayer's investment will be at risk. Be sure to select these boxes in the software, if applicable. TaxSlayer may give you a warning if the At-Risk box is left blank.

Schedule K-1 Scope

OOS = Out of Scope

Final K-1 Amended K-1 OMB No. 1545-0092

Schedule K-1
(Form 1041)
Department of the Treasury
Internal Revenue Service

2019

For calendar year 2019, or tax year

beginning / / 2019 ending / /

661117

Part III Beneficiary's Share of Current Year Income, Deductions, Credits, and Other Items

Beneficiary's Share of Income, Deductions, Credits, etc. ▶ See back of form and instructions.

Part I Information About the Estate or Trust		Part III Beneficiary's Share of Current Year Income, Deductions, Credits, and Other Items	
<p>A Estate's or trust's employer identification number</p>		<p>1 Interest income</p>	<p>11 Final year deductions</p>
<p>B Estate's or trust's name</p>		<p>2a Ordinary dividends</p>	<p>B Short term capital loss</p>
<p>C Fiduciary's name, address, city, state, and ZIP code</p>		<p>2b Qualified dividends</p>	<p>C Long term capital loss</p>
<p>D <input type="checkbox"/> Check if Form 1041-T was filed and enter the date it was filed _____</p>		<p>3 Net short-term capital gain</p>	<p>Other codes OOS</p>
<p>E <input type="checkbox"/> Check if this is the final Form 1041 for the estate or trust</p>		<p>4a Net long-term capital gain</p>	
<p>Part II Information About the Beneficiary</p>		<p>4b 28% rate gain</p> <p style="text-align: center;">OOS</p>	<p>12 Alternative minimum tax adjustment</p> <p style="text-align: center;">OOS</p>
<p>F Beneficiary's identifying number</p>		<p>4c Unrecaptured section 1250 gain</p> <p style="text-align: center;">OOS</p>	
<p>G Beneficiary's name, address, city, state, and ZIP code</p>		<p>5 Other portfolio and nonbusiness income</p> <p style="text-align: center;">OOS</p>	
<p>H <input type="checkbox"/> Domestic beneficiary <input type="checkbox"/> Foreign beneficiary</p>		<p>6 Ordinary business income</p> <p style="text-align: center;">OOS</p>	
		<p>7 Net rental real estate income</p> <p style="text-align: center;">OOS</p>	<p>13 Credits and credit recapture</p> <p style="text-align: center;">OOS</p>
		<p>8 Other rental income</p> <p style="text-align: center;">OOS</p>	<p>14 Other information</p>
		<p>9 Directly apportioned deductions</p> <p style="text-align: center;">OOS</p>	<p>A Tax-exempt interest</p>
		<p>10 Estate tax deduction</p> <p style="text-align: center;">OOS</p>	<p>B Foreign tax</p>
			<p>Other codes OOS</p>
		<p>*See attached statement for additional information. Note: A statement must be attached showing the beneficiary's share of income and directly apportioned deductions from each business, rental real estate, and other rental activity.</p>	
		<p style="writing-mode: vertical-rl; transform: rotate(180deg);">For IRS Use Only</p>	

Box 14b does not appear in the TaxSlayer Form 1041 K-1 entry screen. Instead make the following entries:

- 1) Enter amounts for Code B in Deductions>Credits>Foreign Taxes Paid.
- 2) Enter in state as needed.

For Paperwork Reduction Act Notice, see the Instructions for Form 1041. www.irs.gov/Form1041 Cat. No. 11380D Schedule K-1

Schedule K-1 Scope (continued)



Schedule K-1 (Form 1120S) - S Corporation income passes directly to shareholders.

Schedule K-1 (Form 1120-S)
 Department of the Treasury
 Internal Revenue Service

For calendar year 2019, or tax year

beginning / / 2019 ending / /

Shareholder's Share of Income, Deductions, Credits, etc. ▶ See back of form and separate instructions.

Part I Information About the Corporation

A Corporation's employer identification number

B Corporation's name, address, city, state, and ZIP code

C IRS Center where corporation filed return

Part II Information About the Shareholder

D Shareholder's identifying number

E Shareholder's name, address, city, state, and ZIP code

671119
 OMB No. 1545-0123

Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss)	OOS	13	Credits	OOS
2	Net rental real estate income (loss)	OOS			
3	Other net rental income (loss)	OOS			
4	Interest income				
5a	Ordinary dividends		14	Foreign transactions	
5b	Qualified dividends		A	Country or Various	
6	Royalties		B	Foreign income	
7	Net short-term capital gain (loss)		C	Income sourced by shareholder	
8a	Net long-term capital gain (loss)		F	Passive category	
8b	Collectibles (28%) gain (loss)	OOS	P,Q	Foreign tax	
8c	Unrecaptured section 1250 gain	OOS		A,B,F,P,Q in scope	
9	Net section 1231 gain (loss)	OOS		Other codes OOS	
10	Other income (loss)	OOS	15	Alternative minimum tax (AMT) items	OOS

No need to enter in TaxSlayer



Schedule K-1 (Form 1065)
 Department of the Treasury
 Internal Revenue Service

For calendar year 2019, or tax year

beginning / / 2019 ending / /

Partner's Share of Income, Deductions, Credits, etc. ▶ See back of form and separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number

B Partnership's name, address, city, state, and ZIP code

C IRS Center where partnership filed return

D Check if this is a public reporting burden

Part II Information About the Partner

E Partner's identifying number

F Partner's name, address, city, state, and ZIP code

G General partner or LLC member-manager Limited partner or other LLC member

H Domestic partner Foreign partner

I Disregarded entity

J What type of entity is this partner?
 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here

K Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	%	%
Loss	%	%
Capital	%	%

Check if decrease is due to sale or exchange of partnership interest

L **Partner's Capital Account Analysis**

	Beginning	Ending
Nonrecourse	\$	\$
Qualified nonrecourse financing	\$	\$
Recourse	\$	\$

Check this box if Item K includes liability amounts from lower tier partnerships.

M Did the partner contribute property with a built-in gain or loss?
 Yes No If "Yes," attach statement. See instructions.

N **Partner's Share of Net Unrecognized Section 704(e) Gain or (Loss)**

	Beginning	Ending
	\$	\$

651119
 OMB No. 1545-0123

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss)	OOS	15	Credits	
2	Net rental real estate income (loss)	OOS			
3	Other net rental income (loss)	OOS	16	Foreign transactions	
4a	Guaranteed payments for services	OOS	A	Country or various	
4b	Guaranteed payments for capital		B	Foreign Income	
4c	Total guaranteed payments		C	Income sourced by partner	
5	Interest income		F	Passive category	
6a	Ordinary dividends		P,Q	Foreign tax	
6b	Qualified dividends			A,B,F,P,Q in scope	
6c	Dividend equivalents			Other codes OOS	
7	Royalties		17	Alternative minimum tax (AMT) items	OOS
8	Net short-term capital gain (loss)				
9a	Net long-term capital gain (loss)		18	Tax-exempt income and nondeductible expenses	
9b	Collectibles (28%) gain (loss)	OOS	A	Tax-exempt interest	
9c	Unrecaptured section 1250 gain	OOS	C	Nondeductible expenses	
10	Net section 1231 gain (loss)	OOS		Other codes OOS	
11	Other income (loss)		19	Distributions	N/A Disregard
12	Section 179 deduction	OOS	20	Other information	OOS
13	Other deductions	OOS			
14	Self-employment earnings (loss)	OOS			

No need to enter in TaxSlayer

Box 14 does not appear in the TaxSlayer Form 1120S K-1 entry screen. Instead make the following entries:

- 1) Enter amounts for Codes **P** and **Q** in Deductions>Credits>Foreign Taxes Paid.
- 2) Enter in state as needed.

Box 16 does not appear in the TaxSlayer Form 1065 K-1 entry screen. Instead make the following entries:

- 1) Enter amounts from Codes **P** and **Q** in Deductions>Credits>Foreign>Taxes Paid.
- 2) Enter in state as needed.

Entering Rental and Royalty Income in TaxSlayer



TaxSlayer Navigation: Income>Rents and Royalties; or Keyword "SC"

Volunteers must certify at Military level to prepare Schedule E for rental income. Rental income and expenses are in-scope only for military families renting their personal residences.

Check the box if the taxpayer had any days of personal use while the property was available for rent. Enter the number of days here.

Enter the total rental payments received for the tax year.

Enter number of days rented at fair rental value. If the property is temporarily rented for less than 15 days during the tax year, the rental income is not taxable and the expenses are not deductible on a Schedule E.

Check if personal use

Percent of ownership *

100

Rental Payments Received (including rental income reported on Form 1099-K)

\$

Enter the number of days the property was rented at fair rental value

Enter the number of days the property was used for personal purposes
If the property has personal use days, you may need to manually limit certain deductions if the property has a net loss. See IRS Publication 527 for more details.

Check here if you are a member of a Qualified Joint Venture

Check if you actively participated

Check here if you are a real estate professional or sold or disposed of the property this year
(This will allow ALL losses).

CANCEL
CONTINUE

Use Schedule E to report rental income only when the taxpayer is not a real estate professional (determination of professional status is Out of Scope). Refer taxpayers who are real estate professionals to a professional tax preparer.

Check here if the taxpayer actively participated. A rental loss will not appear on Form 1040, unless the taxpayer actively participated. In order to actively participate, the taxpayer must have substantial involvement in managing the rental property, such as making management decisions and arranging for repairs.

Schedule E Rentals and Royalties

Currently Editing: House

Rent and Royalty Basic Information	Edit
Depreciation	Begin
Expenses	Begin
Car and Truck Expenses	Begin
	Continue

Select to edit the physical address, type of property, and to report the number of fair rental and personal use days.

Select to enter rental expenses.

Select to enter vehicle expenses.

If Form 4562 is required, the tax return is Out of Scope.

Entering Rental and Royalty Income in TaxSlayer (continued)

Schedule E Rental/Royalty Expense

CANCEL CONTINUE

Advertising
\$|

Ordinary and necessary expenses incurred while holding a property out for rent are deductible expenses. See Publication 527, Residential Rental Property, for details. Enter expenses on this screen.

Additional Expenses

ADD

Prior Unallowed Loss
\$

Amount to Adjust Depreciation Expense or Depletion (DO NOT include land value)
\$

CANCEL CONTINUE

Enter taxpayer-provided depreciation amount here as a positive number.



CAUTION If the property has both personal and rental use days, you must manually compute the portion of the expenses allowable on Schedule E and Schedule A. For example if the house was available for rent for six months, and you paid \$4,000 for Mortgage Interest, you have to manually input \$2,000 on the Mortgage Interest lines on both Schedule E and on Schedule A.

Schedule E and Scope

For land-only rental, (which is in scope) if income is reported on 1099-MISC, enter the 1099-MISC and attach it to Schedule E. If it is cash income, go directly to Schedule E and enter amount as rental income. Only expense can be Property Tax which must be put on Schedule A.

Rental of a personal residence for less than 15 days during the year is not a taxable event. Do not enter the income and do not enter any rental expenses unless the income is reported on Form 1099-Misc. In that case, enter the 1099-Misc, attach it to Sch E, and enter the same amount as an Additional Expense labeled "less than 15-day rental of main home." Applies to a home that the taxpayer used personally for at least 15 days and if it was not rented for more than 14 days. This is in scope.

Rental income from sources such as a home is out of scope except for an active duty military taxpayer AND the Counselor and Quality Reviewer both have Military certification.

All other rental situations (room in home, apartment over garage, separate building, for profit not for profit, Airbnb, etc.) are out of scope regardless of certifications.

Royalty income from Form 1099-Misc or a K-1 with no expenses is in scope. See entry examples on Page D-15.

Other Income



TaxSlayer Navigation: Federal Section>Income>Other Income

See Page I-1 for examples of other income that may be earned income.

Detailed information for each income type found on subsequent pages.

Use Other Income Not Reported Elsewhere to enter amounts from:

- Form 1099-MISC Box 3 (Other Income), or Box 7 (hobby income-activities not for profit are Out of Scope) or Box 8 (Substitute payments in lieu of dividends or interest.)
- Jury Duty Pay **(Not Earned Income for EIC)**
- Alaska Permanent Fund Dividend
- Gambling winnings not reported on a Form W-2G (use the description "Gambling Winnings")
- Other income not entered elsewhere on the return

Strike Benefits:

- Strike benefits are taxable income
 - Strike benefits not subject to self-employment (SE) tax (and should NOT be reported on Schedule C)
 - Strike benefits are earned income for EITC eligibility (Rev Rul 78-191)
 - Strike benefits should be reported to the recipient on Form 1099-MISC in box 3 as Other Income
- For TS entry method TBD.** See "Strike Benefits" document in the Portal.

Gambling winnings are reported to the taxpayer on Form W-2G, fully taxable, and must be reported as income on the tax return. Gambling Losses up to the amount of winnings reported may be deducted as a miscellaneous deduction on Schedule A.

Use the Other Compensation menu to report scholarships and grants, taxable fringe benefits, household employee income, prisoner earned income, and foreign compensation.

Taxable distributions from Coverdell Education Savings Accounts (ESAs), Qualified Tuition Programs (QTPs) or Achieving a Better Life Experience (ABLE) accounts are Out of Scope.*

Cancellation of Debt from a credit card and Discharge of Qualified Principal Residence Indebtedness (if extended) are in scope for preparers with Advanced certifications.**

Foreign Earned Income Exclusion is in scope only for those with International certification: United States citizens and resident aliens who live and work abroad may be able to exclude all or part of their foreign salary or wages from their income when filing their U.S. federal tax return. They may also qualify to exclude compensation for their personal services or certain foreign housing costs. See Publication 54, Tax Guide for U.S. Citizens and Resident Aliens Abroad.

Less Common Income	
Other Income Not Reported Elsewhere	BEGIN
Gambling Winnings Form W-2G	BEGIN
Other Compensation	BEGIN
Payments from Qualified Education Programs Form 1099-Q	BEGIN
Cancellation of Debt Form 1099-C, Form 982	BEGIN
Installment Sale Income Form 6252	BEGIN
Sale of Business Property Form 4797	BEGIN
K-1 Earnings	BEGIN
Gains and Losses From Section 1256 Form 6781	BEGIN
Foreign Earned Income Exclusion Form 2555	BEGIN
Farm Rental Income and Expenses Form 4835	BEGIN

* If qualified education expenses are more than distributions, income is neither taxable nor reportable.

**Discharge of Qualified Principal Residence Indebtedness (if extended) will be out of scope unless approved by State Coordinator.

Form 1099-LTC, Long-Term Care Benefits:

- Search for Form 8853, Archer MSAs and Long-Term Care Insurance Contracts, and scroll to the Long Term Care section.
- Answer the questions based on the information on Form 1099-LTC.
- Enter the number of days covered. The last two fields are rarely needed. Most payments will not be taxable.

Entering Foreign Earned Income Exclusion Information in TaxSlayer



TaxSlayer Navigation: Federal Section>Income>Other Income>Foreign Earned Income Exclusion; or Keyword “2555”

Note: Foreign Earned Income Exclusion is in scope only for preparers with International Certification.

U.S. citizens and U.S. resident aliens are required to report worldwide income on a U.S. tax return.

However, certain taxpayers can exclude income earned while living in foreign countries.

To claim the foreign earned income exclusion, taxpayers must:

- Demonstrate that their tax home is in a foreign country
- Meet either the Bona Fide Residence Test or the Physical Presence Test
- Have income that qualifies as foreign earned income (reported on Form 1040 as taxable wages or as self-employment income)

The foreign earned income exclusion doesn't apply to wages and salaries of U.S. military members and civilian employees of the U.S. government.

For 2019, the maximum exclusion is \$105,900. For MFJ returns, both spouses can claim the exclusion up to the maximum amount per person.

You can't exclude or deduct more than the taxpayer's foreign earned income for the year.

The taxpayer's tax home is the taxpayer's regular or principal place of business, employment, or post of duty, regardless of where the taxpayer maintains a family residence. A taxpayer may have more than one tax home during the year.

Form 2555 General Information

Form belongs to *

- Taxpayer Example
- Spouse Example

Your Foreign Address

Address (Number and Street) *

City, Town, or Post Office *

Foreign State or Province *

Foreign Country *

Foreign Postal Code *

Entering Foreign Earned Income Exclusion Information in TaxSlayer (continued)

To meet the period of stay requirement, the taxpayer must be either:

- A U.S. citizen or U.S. resident alien who is physically present in a foreign country or countries for at least 330 full days during any period of 12 consecutive months, or
- A U.S. citizen or U.S. resident alien from a tax treaty country who is a bona fide resident of a foreign country (or countries) for an uninterrupted period that includes an entire tax year
- A U.S. resident alien who is a citizen or national of a country with which the United States has an income tax treaty in effect and who is bona fide.

Form 2555 Qualifying Test

Taxpayer qualifies under *

Physical Presence Test

Bona Fide Residence Test

Physical Presence Test Based on 12-Month Period

From *

Ending *

Your Principal Country of Employment During 2017 *

Check here if there is no travel to report during the period

The 12-month period on which the physical presence test is based must include 365 days, part of which must be in 2019. The dates may begin or end in a calendar year other than 2019.

To figure 330 full days, add all separate periods the taxpayer was present in a foreign country or countries during the 12-month period.

Note: Waiver of minimum time requirements (for physical presence and bona fide residence tests): The taxpayer must leave the country because of war, civil unrest, or similar adverse conditions.

Entering Foreign Earned Income Exclusion Information in TaxSlayer (continued)

Country One Clear

Name of Country Including U.S. *

Date Arrived *

Date Left *

Total Days: 0

Days in Country

Days in U.S.

Income Earned

If the taxpayer left the principal country of residence during the tax year, enter the information requested for each additional country he or she visited.

Days in the United States are entered in a separate field.

If no money was earned in the country to which the taxpayer traveled, enter \$0.

If more than one additional country was visited, select **Add Country**.
Select **Clear** if the taxpayer did not visit any other countries during their time abroad.

Entering Foreign Earned Income Exclusion Information in TaxSlayer (continued)

Form 2555 Bona Fide Residence Test

CANCEL

Date Bona Fide Residence

Began *

Bona Fide Residence Test
To meet the bona fide residence test, taxpayers must show that they have set up permanent quarters in a foreign country for an entire, uninterrupted tax year. Simply going to another country to work for a year or more isn't enough to meet the bona fide residence test. A taxpayer must establish a residence in the foreign country.

Section 1 Dates: Clear

Date Arrived in U.S. (mm/dd/yyyy)

MM DD YYYY

Date Left U.S. (mm/dd/yyyy)

MM DD YYYY

Number of Days in U.S. on business

Income Earned in U.S. on business

\$

List any contractual terms or conditions relating to the length of employment abroad

Type of Visa under which you entered the foreign country

Check here if your Visa limited the length of your stay or employment in a foreign country

Check here if you maintained a home in the U.S. while abroad

If the home was a rental enter the occupant information here

Occupant Names

Occupant Relationship

None

If the taxpayer was present in the United States or its possessions during the tax year, enter the information for each trip.

- To add another trip, Select **Add New**
- If the taxpayer did not visit the U.S. or its possessions during the year, select **Clear** to remove this item

Don't include income earned while in the United States in the amount of foreign earned income to be excluded (next page).

A brief trip to the U.S. will not prevent the taxpayer from being a bona fide resident, as long as the intention to return to the foreign country is clear.

Entering Foreign Earned Income Exclusion Information in TaxSlayer (continued)

Form 2555 Foreign Earned Income

Income Information

Total Wages, Salaries, Bonuses, Commissions, etc
This income does not carry to your tax return as this is only excluding income. You must still enter the income on either a W-2 (if U.S. employer) or within the Foreign Earned Compensation (if Foreign employer or Self-Employed overseas) section of your return.

\$|

Allowable Share of Income for Personal Services Performed

In a Business (Including Farming) or Profession
\$

Enter the income the taxpayer earned during the 2019 tax year for services performed in a foreign country. This income should already have been entered on the tax return as wages, foreign compensation, or net self-employment income.

Amounts paid by the United States or its agencies to its employees don't qualify for the exclusion.

Form 2555 Housing/Foreign Income Exclusion

Number of days in your qualifying period that fall within your 2018 tax year *

0

Check here if you are claiming the Housing Exclusion or Deduction

Enter the number of days in your qualifying period that fall within your 2019 tax year. Your qualifying period is the period during which you meet the tax home test and either the Bona Fide Residence or the Physical Presence Test.

Entering Other Compensation in TaxSlayer



TaxSlayer Navigation: Income>Other Income>Other Income Not Reported Elsewhere

Scholarships and grants used to pay for tuition, fees and course-related expenses are not taxable. Use this link to report only amounts that were used for nonqualifying expenses. "SCH" will appear on the dotted line next to the wages line on Form 1040. Taxable scholarship is considered unearned income for most purposes but is considered earned income for determining filing requirement.

Enter wages received as a household employee for which the taxpayer did not receive a Form W-2 because the employer paid less than \$2,100 in 2019. "HSH" will appear on the dotted line next to wages on Form 1040.

Category	Action
Scholarships and Grants	Begin
Fringe Benefits	Begin
Household Employee Income	Begin
Prisoner Earned Income	Begin
Foreign Earned Compensation	Begin
	Continue

Enter foreign earned income (wages, salaries, etc.) paid by a foreign employer for work performed while the taxpayer lived in a foreign country.

Enter the amount received for work while an inmate in a penal institution. For purposes of the Earned Income Credit, this isn't considered earned income. This includes amounts received for work performed while in a work release program or while in a halfway house. "PRI" will appear on the dotted line next to the line for wages on Form 1040. This entry is made in addition to entering the Form W-2 from the penal institution.

NEW SCOPE ITEM:

Form 1099-PATR Box 1: If Rebate/Patronage Dividends issued by co-ops in box 1 are for personal use only, amount is non-taxable and is not entered into TaxSlayer. Enter note on intake sheet and tax form noting it is for personal use only. No other box or use is in scope.

This section is under review due to recent Tax Court Rulings. Refer to Portal Document "Medicare Waiver Payments TY2019 and Open Years" for additional information.

*See Tab R Glossary for description

Entering Medicaid Waiver Payments*

(that may be excluded from income under Notice 2014-7)

Scenario A:

If Medicaid waiver payments are **reported** Form W-2, enter the amount reported in Box 1 and also enter the same amount reported on the unnumbered box labeled Medicaid waiver payments **on** the Form W-2 screen in TaxSlayer to exclude **it**.

Scenario B:

If income is reported on a Form 1099-MISC **and you are not in the business of providing home care services**, go to Schedule 1 > Other income not reported elsewhere and enter Notice 2014-7 in the description field and \$0 in the amount field.

Scenario C:

If income is reported on a Form 1099-MISC and you are in the business of providing home care services, enter the full amount of **the** payments under Gross Receipts in the Schedule C Income section. In Other Expenses, enter Notice 2014-7 as the description and the amount as a positive number.

Note: When the care provider and the care recipient do not live together in the same home, the Medicaid waiver payments are fully taxable.

Notes about Scenario C: If the payment was for the care of fewer than ten children or five adults, you should then report the excludable amount as an expense in Part V, and write "Notice 2014-7" next to that amount. Even though you are a sole proprietor, because the amounts are excludable from income, they are not self-employment income and are not subject to self-employment tax. Expenses related to excluded income are not deductible.



Publication 4731
**Screening Sheet for Nonbusiness Credit Card
Debt Cancellation**

If the taxpayer is in bankruptcy, the tax return is Out of Scope for the VITA/TCE Programs.

Instructions: Use this Screening Sheet for taxpayers with Form 1099-C or other documentation resulting from cancellation of nonbusiness credit card debt and to assist in identifying taxpayers with cancellation of credit card debt issues.

Credit Card Debt

step 1	Did the taxpayer receive Form 1099-C, Cancellation of Debt, or other documentation (if less than \$600) from a creditor and is the information shown on the form or document correct? Note: The creditor is not required to issue a Form 1099-C if the canceled debt is under \$600. However, the taxpayer may be required to report the canceled debt as income regardless of the amount.	YES – Go to Step 2 NO – Go to Step 6
step 2	Was the credit card debt related to a business?	YES – Go to Step 6 NO – Go to Step 3
step 3	Does box 6 of the Form 1099-C indicate Code A for bankruptcy? Note: If box 6 is not marked with a Code A, but the taxpayer has subsequently filed bankruptcy, answer “yes.”	YES – Go to Step 6 NO – Go to Step 4
step 4	Was the taxpayer insolvent* immediately before the cancellation of debt? Use the Insolvency Determination Worksheet in Publication 4012 and interview the taxpayer to determine if the taxpayer was insolvent immediately before the cancellation of debt.	YES – Go to Step 6 NO – Go to Step 5
step 5	The cancellation of nonbusiness indebtedness or cancellation of debt (the amount in box 2 of Form 1099-C or an amount less than \$600 provided in other documentation) must be reported as ordinary income on Form 1040, Schedule 1 (Other Income). No additional supporting forms or schedules are required for reporting income from canceled credit card debt.	
step 6	This tax issue is outside the scope of the volunteer programs. The taxpayer may qualify to exclude all or some of the discharged debt. However, the rules involved are complex. Refer the taxpayer to: <ul style="list-style-type: none">• The IRS website for the most up-to-date information.• The Taxpayer Advocate Service (TAS): 1-877-777-4778, TTY/TDD 1-800-829-4059. TAS may help if the problem cannot be resolved through normal IRS channels.• A professional tax preparer.• Publication 4681, Canceled Debts, Foreclosures, Repossessions, and Abandonments (For Individuals)	

* If the taxpayer is not in bankruptcy or unable to determine if they are insolvent the credit card debt forgiveness is presumed fully taxable.

Insolvency Determination Worksheet

Determining insolvency is Out of Scope for the volunteer. **This sample worksheet is for reference only.**

Insolvency Determination Worksheet

Assets (FMV)	
Homes	\$
Cars	
Recreational vehicles, etc.	
Bank accounts	
IRAs, 401Ks, etc.	
Jewelry	
Furniture	
Clothes	
Misc.	
Other assets	
Total Assets:	\$

Liabilities	
Mortgages	\$
Home equity loans	
Vehicle loans	
Personal signature loans	
Credit card debts	
Past-due mortgage interest, real estate taxes, utilities, and child care costs	
Student loans	
Other liabilities	
Total Liabilities:	\$

Total Assets minus Total Liabilities = \$

(Negative amount equals insolvency)

(Positive amount equals solvency)

Entering Cancellation of Credit Card Debt in TaxSlayer



TaxSlayer Navigation: Income>Other Income>Cancellation of Debt Form 1099-C, Form 982; or Keyword: C or CANC

Generally, if a debt for which a taxpayer is personally liable is canceled or forgiven, the taxpayer must include the canceled amount in income.



Be sure to ask if the taxpayer was insolvent or in bankruptcy – these situations make the return Out of Scope.

Cancellation of Debts	
Cancellation of Debt (Form 1099-C)	BEGIN
Exclusions (Form 982)	BEGIN
Protective Section 108(i) Election	BEGIN
CONTINUE	

Cancellation of Credit Card Debt and Forgiveness of Qualified Principal Residence Indebtedness (if extended) is within the scope of the Advanced certification of the volunteer program.

If the taxpayer has any other type of debt forgiven, or may have been insolvent at the time of the debt forgiveness, the taxpayer should be referred to a professional.

Enter the information from the Form 1099-C. Be sure to indicate whether the canceled debt was for the taxpayer or the spouse.

If the Form 1099-C was for mortgage forgiveness on the taxpayer's main home, see Discharge of Qualified Principal Residence Indebtedness in Tab EXT, Legislative Extenders. **Forgiveness of Qualified Principal Residence in scope IF EXTENDED and only with State Coordinator Approval. See Extenders tab.**

Form 1099-C	
Form belongs to *	
<input type="radio"/> Testing Taxpayer	
<input type="radio"/> Spouse Taxpayer	
Creditor's name *	
<input type="text"/>	
Creditor's federal identification number *	
<input type="text"/>	- <input type="text"/>
Amount of debt cancelled *	
\$ <input type="text"/>	
CANCEL	CONTINUE

Adjustments to Income



TaxSlayer Navigation: Federal Section >Deductions >Adjustments

Adjustments		
Medical Savings Account Form 8853	MSA Out of Scope	BEGIN
Educator Expenses		BEGIN
Expenses for Reservists, Performing Artists, and Qualifying Government Employees		BEGIN
Health Savings Account Form 8889	Health Savings Account – select to open Form 8889, Health Savings Accounts. (HSA Certification required)	BEGIN
Moving Expenses Form 3903		BEGIN
Contributions to SEP, Simple, and Qualified Plans	Contributions to SEP, Simple and Qualified Plans - Out of Scope	BEGIN
Self-Employed Health Insurance	Self-employed health insurance deduction is in scope (Advanced certification required)	BEGIN
Penalty on Early Withdrawal of Savings or CD		BEGIN
Alimony Paid		BEGIN
IRA Deduction		BEGIN
Nondeductible IRAs Form 8606	Parts I and II only are in scope for Tax-Aide Form 8606 Nondeductible IRAs is Out of Scope	BEGIN
Student Loan Interest Deduction		BEGIN
Domestic Production Form 8903	Form 8903 Domestic Production Activities Deduction is Out of Scope	BEGIN
Other Adjustments	Select other adjustments for jury duty pay turned over to employer	BEGIN

See note at the bottom of this page

Moving expenses apply to active duty military only. Must be Certified for Military. Check the box near the top of the form to indicate an Armed Forces PCS move.

Auto-populates from Form 1099-INT.

If the taxpayer paid alimony to more than one person, add a second payee after entering the first.

Student Loan Interest paid is entered here

See Tab EXT, Legislative Extenders for information about Tuition and Fees Deduction (if extended)

Note: Military reservists who must travel more than 100 miles away from home to attend a drill or reserve meeting may deduct their travel expenses as an adjustment to income. Entertainment expenses are not allowed.

The amount of expenses that can be deducted is limited to the:

- 1) actual lodging costs,
- 2) federal rate for per diem (for meals and incidental expenses) and
- 3) standard mileage rate (for car expenses) plus any parking fees, ferry fees and/or tolls.

Enter this information on Form 2106.

Adjustments to Income (continued)

Form 2106 Information

CANCEL

CONTINUE

Personal Information

Form belongs to *

Taxpayer Sample

Spouse Sample

Occupation *

Check the box to indicate that the taxpayer is a member of a Reserve Component.

Check here if you are a member of a Reserve Component of the United States, including National Guard and reserves, a performing artist, or qualifying government employee.

Check here to Prorate Expenses for Minister/Clergy.

Other Expenses

Entry of auto expenses will be available once you "Continue"

Parking fees, tolls, and transportation, including train, bus, etc., that **did not** involve overnight travel or commuting to and from work

Travel expense while away from home overnight, including lodging, airplane, car rental, etc. **Do not** include meals

Business expenses not included above or in vehicle expenses. **Do not** include meals

Amount paid by employer (not on W-2 Box 1)

Educator Expenses



TaxSlayer Navigation: Federal section >Deductions >Adjustments>Educator Expenses

Don't rely on this table alone. Refer to Publication 17, Your Federal Income Tax For Individuals, for more details.

Question	Answer
What is the maximum benefit?	\$250 (If the taxpayer and spouse are both eligible educators, they can deduct up to \$500, but neither can deduct more than their own expenses up to \$250).
Who can claim the expense?	Eligible Educators — an eligible educator is a kindergarten through grade 12 teacher, instructor, counselor, principal, or aide who worked in a school for at least 900 hours during a school year.
What are qualifying expenses?	Qualifying expenses include ordinary and necessary expenses paid in connection with books, supplies, equipment (including computer equipment, software, and services), and other materials used in the classroom. Additionally, professional development expenses are allowed.
What are nonqualifying expenses?	Expenses for home schooling or nonathletic supplies for courses in health or physical education.
What other issues apply?	Taxpayer must reduce qualified expenses by <ul style="list-style-type: none"> • Excludable U.S series EE and I savings bond interest from Form 8815 • Nontaxable qualified tuition program earnings or distributions • Nontaxable distribution of earnings from a Coverdell education savings account • Any reimbursements received for expenses that weren't reported on the Form W-2

Note: Professional development expenses include courses related to the curriculum in which the educator provides instruction.



The deduction amount will be indexed for inflation for future years.

Use the TaxSlayer Schedule C entry screen for this Deduction Self-Employed Health Insurance Deduction

See Page E-4.1 for Details about this deduction.



TaxSlayer Navigation: Federal Section>Income>Profit or Loss from a Business

Enter the net profit in the field below the insurance payment amounts (the adjustment amount cannot be greater than the net profit from the business). The net profit is the Sch C net profit amount minus the adjustment for 1/2 of SE tax. **DO NOT USE THIS BOX!**

Self Employed Health Insurance Deduction

CANCEL **CONTINUE**

Belongs To:
 Taxpayer
 Spouse

Enter total payments made during the year for health insurance coverage established under your business for you, your spouse, or your dependents.

- Do NOT enter any amounts you have already entered as an expense on either Schedule C or Schedule F.
- Do not include payments for any month you were eligible to participate in a health plan subsidized by your employer or your spouse's employer

\$

Do not use this Screen to enter, see Page E-4.1

Enter your net profit and any other earned income from the trade or business under which the insurance plan is established.
If the business is an S corporation, enter wages from S Corp *

\$

Note: For most returns (just one Schedule C) enter the qualifying health insurance and LTC insurance premiums (limit based on age) on Schedule C > General Expenses > Health insurance (see D-19). TaxSlayer will automatically take any excess to Schedule A.

Complete the remainder of this form if any of the following apply to you:

- You have more than one source of income subject to SE tax
- You are filing form 2555
- You are using amount paid for qualified long-term care insurance to figure your deduction.

Enter the amount of qualified long-term care premiums

\$ **LTC premiums limited by age for 2019: Under 41 \$420; 41-50 \$790; 51-60 \$1,580; 61-70 \$4,220; Over 70 \$5,270**

Enter the total of all net profits from: Schedule C, Schedule C-EZ, Schedule F, Schedule K-1 (Form 1065) and any other income allocable to the profitable businesses. Do not include any net losses.

\$

Enter the amount, if any, from Form 1040, Line 28, self employed attributed to SEP plan, the same trade or business in which the insurance plan is established.

\$

Enter your wages from an S corporation in which you are more than 2% shareholder and in which the insurance plan is established.

\$

Enter the amount from Form 2555 attributable to profits from business income with a plan established or wages from and S corporation.

\$

Note: Calculations with Premium Tax Credit remain Out of Scope with respect to the self-employed health insurance deduction.

Self-Employed Health Insurance Deduction (SEHI) (Adjustment to Gross Income)

1. *Include coverage for you (the Sch C owner), your spouse (if MFJ), your dependents, and your child under age 27 at the end of 2019, even if the child is not your dependent.*
2. *Must be paid by the Sch C owner or spouse, if MFJ, during the year and not on a pre-tax basis (no double dip).*
3. *Health insurances to include for the deduction:*

Is Sch C owner eligible for subsidized employer coverage* during the month? Test the Sch C owner(s) for each month when circumstances change	Is Not Eligible	Is Eligible
Medicare (all parts), including for those in #1 above	Yes	No
Private health insurance (incl. dental, vision, medi-gap, etc.)	Yes	No
Employer insurance	Yes (not pre-tax health)	No
Prior employer insurance	Yes	No
Public safety officer (PSO) health paid from pension	Yes for the amount above the \$3,000 exclusion	No
Marketplace coverage	Yes with scope limitation**	No

Test the Sch C owner(s) for LTC separately:

Is Sch C owner eligible for subsidized employer LTC* during the month	No	Yes
LTC premiums limited by age for 2019: Under 41 \$420 41-50 \$790 51-60 \$1,580 61-70 \$4,220 Over 70 \$5,270	Yes	No

* A subsidized health plan maintained by your employer, your spouse's employer, your dependent's employer, or the employer of your child under age 27.

** If eligible for premium tax credits, the return is out of scope, unless there is other health insurance (such as Medicare for the spouse) that covers the net profit on Schedule C. In that case, enter the Marketplace insurance deduction (adjusted for excess APTC or additional PTC) on Schedule A.

4. Coverage can be *in the name of* the individual or the business.
5. *Limit on the deduction* is the profit shown on Sch C less the deduction for ½ of the self-employment tax – TaxSlayer does the limit.
6. *Enter in TaxSlayer: **Schedule C > General Expenses > Health Insurance***
 - a. Entries here do not go on the Sch C; they go to the self-employed health insurance adjustment.
 - b. Amounts that exceed the limit are carried to Schedule A automatically – do not duplicate.
 - c. When using Medicare for the SEHI, do not enter the premiums on the Social Security income screen (that will cause a double up).
 - d. If more than one Schedule C, allocate the costs to maximize the deduction.
7. Example: Judy started a profitable business she reports on Schedule C. She is married with one child. She could have had subsidized coverage from her spouse's employer for the months of January through March. Judy can include all the eligible insurances as SEHI she and her spouse pay for coverage for the months of April through December. It does not matter whether Judy runs her business for the full year nor the month in which the insurance payments are made (so long as paid during the year).

Warning: If TP is eligible to itemize, prepare the return as above and compare to a Schedule A deduction. Use the method most beneficial to the Taxpayer. Either method may result in a better result.

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Health Saving Accounts (HSA)



Publication 4885

Screening Sheet for Health Savings Accounts (HSA)

Note: Only volunteers with Health Savings Account Certification may assist taxpayers with HSA issues.

Instructions: This Screening Sheet will help you identify HSA issues that are within the scope of the VITA/TCE program. Use the Determine HSA Eligibility section to determine if taxpayer is eligible for an HSA; use Part I for contributions/ deduction; use Part II for distributions. **References:** Publication 969, Form 8889 and Instructions

Determine HSA Eligibility (To set up an HSA or make contributions to an HSA)

TO QUALIFY: An individual must meet **ALL** the following requirements:

- Be covered under a high deductible health plan (HDHP) on the first day of any month of the year.
- Have no other health coverage except for allowable “other health coverage.” (Publication 969, “Other health coverage”)
- Not be claimed as a dependent on someone else’s tax return. (Publication 969, “Qualifying for an HSA”)
- Not be covered by Medicare (but the individual can be HSA eligible for the months before being covered by Medicare)

NOTE: If the taxpayer doesn’t qualify, but contributions have been made to an HSA, the taxpayer should be referred to a professional tax preparer.

PART I – HSA Contributions and Deduction

STEP 1	If eligible, were contributions made to an HSA? (Does not include employer contributions)	YES – Complete Form 8889, Part I, lines 1 and 2. Go to Step 2. NO – Go to Part II, below.
STEP 2	Was the taxpayer enrolled in the same HDHP coverage for the entire year? (Answer Yes, if last-month rule applies, and see Form 8889 Instructions) Caution: If line 2 is more than line 13, the taxpayer must withdraw the excess contribution to avoid an additional tax. If the excess is not timely withdrawn, refer the taxpayer to a professional tax preparer. (Refer to Form 8889 Instructions, line 13).	YES – Complete Form 8889, Part I, lines 3-13. FOR YES AND NO: Lines 4 and 10 are Out of Scope. NO – Refer to Form 8889 Instructions for additional information on completing line 3.

PART II – HSA Distributions

STEP 1	Did the taxpayer receive distributions from the HSA trustee (whether or not Form 1099-SA received)?	YES – Complete Form 8889 Part II, Line 14a, 14b, if applicable, and 14c. Go to Step 2. NO – STOP, do not complete Part II.
STEP 2	Did the taxpayer use all or part of the distribution to pay or get reimbursed for qualified medical expenses during the year that were incurred after the HSA was established and were for qualified persons?	YES – Enter the amount on line 15 and complete line 16. Go to Step 3. NO – Enter zero on line 15 and complete line 16. Go to Step 3.
STEP 3	If any part of the distribution is taxable, was the distribution made after the taxpayer died, became disabled or turned 65?	YES – Check box on line 17a and complete 17b. NO – Taxpayer will be subject to an additional 20% tax.

Health Saving Accounts (HSA) (continued)



Don't rely on this document alone. Refer to HSA references to provide assistance.

How will you know if the taxpayer has an HSA issue?

- The Interview/Intake & Quality Review Sheet has the Yes or Unsure HSA box checked.
- The taxpayer's (or spouse's) Form W-2 will contain code W in box 12 for employer contributions.
- The taxpayer (or spouse) has a Form 1099-SA with an x in the box showing distributions from an HSA.
- The taxpayer (or spouse) may receive Form 5498-SA for their HSA contributions. If taxpayers don't have this form they can provide the information regarding HSA contributions based on their records.



Contributions to an employee's account through a Section 125 (cafeteria) plan are treated as employer contributions and aren't deductible.

Form 8889 - Health Savings Account

(from 2018 software)

CANCEL

Form belongs to:
Taxpayer

Coverage under high deductible health plan. If you are no longer covered under a plan, please select your previous type type of coverage *

Family

Box below appears when family coverage is selected.

Check here if you and your spouse have separate HSAs.

Check the box for BOTH spouses when each has a separate HSA

HSA Contributions

HSA Contributions you made for 2018

* INCLUDE contributions made from Jan 1 to Apr 15 of this year that were for 2018.

* DO NOT INCLUDE employer contributions, contributions through a cafeteria plan, or amounts that were rolled over into your HSA(s).

\$

Number of months during this tax year that you were an eligible individual

- Please Select -

2019 Contribution Limits

Family Plan: \$7,000.

Self only Plan: \$3,500.

Add \$1,000 if owner is age 55 or over at end of year

Add a second Form 8889 if taxpayer and spouse have separate HSAs.

Select the appropriate HDHP coverage for the taxpayer: Self-only or family. This determines the maximum HSA contribution limits.

Note: Use family coverage amount if taxpayer or spouse had an HDHP with family coverage.

If there were changes in coverage or eligibility during the year, see E-7.1.

Employee contributions are entered here. Contributions by relatives and friends are considered to be made by taxpayer. Don't include employer contributions on this line.

The account holder needs to tell you how much was put in the HSA, because the Form 5498-SA may not have been received prior to preparing the return.

Enter number of months you had a Health Savings Account, a high deductible policy and no other major medical policy (including Medicare) and could not be claimed as dependent. Enter "12" if "12 month rule" applies (you were eligible on December 1st).

Health Saving Accounts (HSA) (continued)

HSA Distributions

Total distributions received during 2018 from all HSAs.
(Usually shown in Box 1 of Form(s) 1099-SA)

Enter HSA distributions here. Ask the taxpayer for Form 1099-SA, with the HSA box checked. If not an HSA distribution, refer the taxpayer to a professional tax preparer.

Distributions used for qualified medical expenses

* If you do not enter an amount here your entire distribution will be considered taxable.

Enter amount spent on qualifying medical expenses not reimbursed by insurance. **See list below**

Distributions you received in 2018 that you rolled over into another HSA. Also include any excess contributions (and the earnings on those excess contributions) included above that were withdrawn by the due date of your return.

Form 8889 will calculate the amount of excess contributions, if any.



CAUTION If the excess contributions and earnings are not withdrawn by the due date of the return, including extensions, then the return is out of scope.

Exceptions - The additional 20% tax does not apply to distributions made after the account beneficiary dies, becomes disabled, or turns age 65.

Check here if you meet any of the exceptions to the 20% tax.

If the taxpayer meets one of exceptions to the 20% additional tax, check this box. The exceptions are that the account beneficiary dies, becomes disabled, or turns age 65.

HSA Adjustments

Limitation - Adjust amount of limitation from worksheet (entries here carry to Line 3 of 8889)
Note: This amount will adjust a calculated amount.

If both taxpayer and spouse had an HSA for the whole year, enter \$7,000 in 1st adjustment box. If account owner had changes in coverage or eligibility during the year, use worksheet on E-7.1 to calculate the adjustment.

Adjust your share of high-deductible health plan. If you and your spouse had separate HSAs AND had family coverage under an HDHP, see Page 4 of the Instructions for the amount to enter.

Note: This amount will adjust a calculated amount.

If checkbox at top of page is marked and taxpayers wish to split the limitation amount, enter the limitation amount for this account here.

If you were age 55 or older at the end of the tax year, married, AND you or your spouse had family coverage under an HDHP at any time during the year, enter your Additional Contribution Amount. (entries here carry to Line 7 of 8889)

Note: This amount will adjust a calculated amount.

An entry should never be needed here.

Age 55 or older may make an additional contribution.

Qualifying Medical Expenses:

Except for health insurance premiums, qualifying expenses include all medical and dental expenses deductions allowed on Schedule A. Only these insurance premiums can be included:

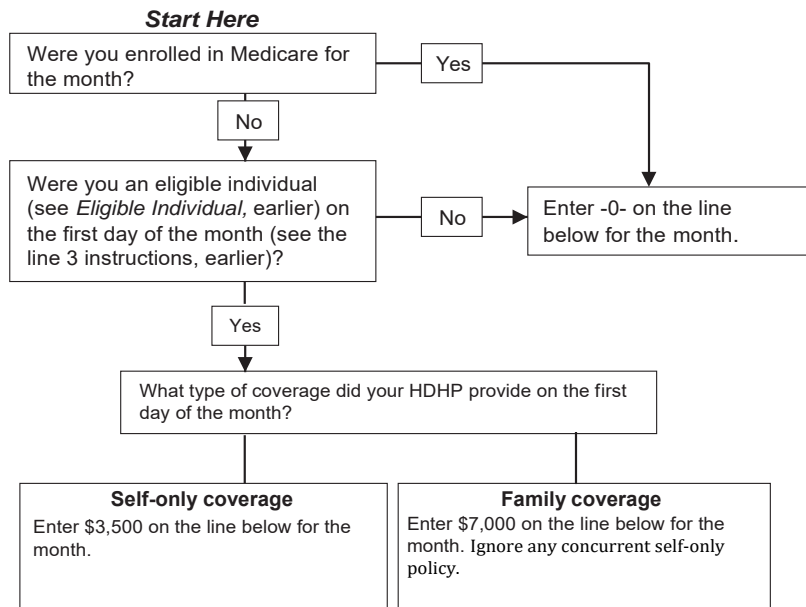
- a. Long-term care insurance premiums subject to limits see page F-6.
- b. Health care continuation coverage such as coverage under COBRA,
- c. Health care coverage while receiving unemployment compensation, and
- d. Medicare and other health care coverage if the taxpayer was 65 or older (other than premiums for a Medicare supplemental policy, often called Medigap coverage)

If taxpayers had same coverage all year, do not use this page.

Line 3 Limitation Chart and Worksheet

(Based on Form 8889 Instructions)

The computed limitation (Line A) from this worksheet (less any employer contributions) is the maximum taxpayer and spouse contribution (including those made for them by other individuals).



Unmarried or only one HSA:

--If Family Plan on Dec. 1, make no adjustment in TaxSlayer.
 --If Self-only on Dec. 1, and Family plan in other months, use chart below. List the policy type (Family or self-only) that you had longest into TaxSlayer. Use the limitation amount for that policy type on Line B. Enter amount from Line C in TaxSayer's 1st adjustment box.
 --If no policy on Dec. 1, select policy type used the longest. Use this chart to calculate proper limitation amount. On Line B enter limitation for policy type selected. Enter amount from Line C on TaxSlayer's 1st adjustment box.

Married with two HSAs:

--If both were self-only plans for the entire year, make no adjustments in TaxSlayer.
 --If coverage changed during the year, use this form to calculate the total limitation for the family (Line A below).
 --If both were self-only plans, complete this form for each plan, and enter the amount from Line C below into TaxSlayer's 1st adjustment box.
 --If at least one policy was a family plan, the limitation amount from Line A can be split between the two HSAs any way the taxpayers choose. Enter the chosen limitation amount for each account in TaxSlayer's 1st adjustment box for that account

Month in 2019	Amount from chart above
January	_____
February.	_____
March	_____
April	_____
May	_____
June	_____
July	_____
August	_____
September	_____
October	_____
November	_____
December	_____
Total for all months	_____

Limitation. Divide the total by 12. Enter here **A**
 Enter full limitation amount (12 months) for policy type shown in TaxSlayer **B**
 Adjustment: Subtract B from A (negative). Enter here and the first HSA Adjustment box **C**

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Alimony Requirements (Instruments Executed After 1984 and Before 2019)

<p>Payments ARE defined as alimony if all of the following are true: Payments are required by a divorce or separation instrument. Payer and recipient spouse don't file a joint return with each other</p> <p>Payment is in cash or cash equivalents (including checks or money orders).</p> <p>Payment isn't designated in the instrument as not alimony. Spouses legally separated under a decree of divorce or separate maintenance aren't members of the same household. Payments aren't required after death of the recipient spouse. Payment isn't treated as child support.</p>	<p>Payments AREN'T alimony if <u>any</u> of the following are true: Payments aren't required by a divorce or separation instrument. Payer and recipient spouse file a joint return with each other.</p> <p>Payment is:</p> <ul style="list-style-type: none"> • Not in cash, • A noncash property settlement, • Spouse's part of community income, or • To keep up the payer's property. <p>Payment is designated in the instrument as not alimony. Spouses legally separated under a decree of divorce or separate maintenance are members of the same household. Payments are required after death of the recipient spouse.</p> <p>Payment is treated as child support.</p>
<p>These payments are deductible by the payer and includible in income by the recipient.</p>	<p>These payments are neither deductible by the payer nor includible in income by the recipient.</p>

Note: Alimony paid pursuant to a divorce or separation instrument executed on or before December 31, 2018, is deductible. Divorce or separation agreements executed after Dec 31, 2018, or executed before 2019 but later modified if the modification expressly states the repeal of the deduction for alimony payments applies to the modification, are not deductible for the spouse who makes the payments and will not be included in income for the spouse that receives the payment.

IRA Deduction



TaxSlayer Navigation: Federal Section >Deductions >Adjustments>IRA deductions

IRA Deduction **Maximum IRA contribution for 2019 TY \$6,000 (\$7,000 if age 50 or older)**

Enter amount of IRA Contribution made by Taxpayer **This is 2018TY screen shot . Use limits above.**

i (Generally this is from a Traditional IRA):

(This deduction may be limited. To see the deductible amount, go to the "Summary/Print" tab located on the left menu after continuing through this page.)

If you entered over \$5,500 (\$6,500 if age 50 or older), visit Form 5329, Part III to report any excess contribution amount for the current year. ←

Enter amount of IRA Contribution made by Spouse

i (Generally this is from a Traditional IRA):

(This deduction may be limited. To see the deductible amount, go to the "Summary/Print" tab located on the left menu after continuing through this page.)

If you entered over \$5,500 (\$6,500 if age 50 or older), visit Form 5329, Part III to report any excess contribution amount for the current year.

Check here if contributions were made to a non-working spouse's IRA.

If checked above, select the non-working spouse

Taxpayer Retirement Plan

- Taxpayer has a retirement plan.
- Taxpayer DOES NOT have a retirement plan

Spouse Retirement Plan

- Spouse has a retirement plan.
- Spouse DOES NOT have a retirement plan



CAUTION If the total of traditional and Roth IRA contributions exceed the lesser of total compensation or the allowable limit, the taxpayer must withdraw the excess before the filing deadline or a penalty will apply and the return will be Out of Scope.

Note: Taxpayers must be under age 70½ by end of the year to contribute to a traditional IRA. Contributions for the current tax year can be made until the filing deadline, generally April 15 of the year following the tax year. Your filing status has no effect on the amount of allowable contributions to your traditional IRA. However, if during the year either you or your spouse was covered by a retirement plan at work, your deduction may be reduced or eliminated, depending on your filing status and income. See Publication 590-A, Contributions to Individual Retirement Arrangements, for details.

Note: Compensation for purposes of an IRA contribution includes wages, salaries, commissions, net profit from self-employment, taxable alimony and separate maintenance, and nontaxable combat pay. **Contributions to a Roth IRA can be made after taxpayer reaches 70 1/2, but no deduction can be taken.**



TaxSlayer Hint: If the taxpayer made a Traditional IRA contribution, select **Adjustments** from the Deductions menu, then select **IRA Deduction**. Don't enter a Roth IRA contribution on this screen. Enter it in the Credits section. If eligible, the software will calculate a Retirement Savings Contributions Credit. Be sure to enter any applicable retirement plan distributions. See Tab G, Nonrefundable Credits for more information on this credit.

Student Loan Interest Deduction at a Glance



TaxSlayer Navigation: Federal section >Deductions >Adjustments>Student Loan Interest Deduction



This table is only an overview of the rules. For details see Publication 970, Tax Benefits for Education.

Feature	Description
Maximum benefit	You can reduce your income subject to tax by up to \$2,500.
Loan qualifications	Your student loan: Taxpayer must be legally liable for the loan. <ul style="list-style-type: none">• must have been taken out solely to pay education expenses, and• can't be from a related person or made under a qualified employer plan.
Student qualifications	The student must be: <ul style="list-style-type: none">• you, your spouse, or a person who was your dependent when you took out the loan, or would've been your dependent except you were a dependent, or had gross income over the exemption amount, or filed MFJ.• enrolled at least half-time in a program leading to a degree, certificate or other recognized educational credential.
Time limit on deduction	You can deduct interest paid during the remaining period of your student loan.
Phaseout	The amount of your deduction depends on your modified adjusted gross income and filing status.

If student loan interest is paid by someone who isn't legally liable for it, the payment is treated as received by the person who's legally liable, and the person legally liable is allowed to take the adjustment.

Note: Taxpayer cannot claim deduction if filing status is Married Filing Separately **or taxpayer or spouse (if MFJ) is claimed as a dependent.**

Student Loan Interest

Qualified Tuition Program (Section 529 plan) changes in late December allow a distribution from a Section 529 education savings account of up to \$10,000 total (not annually) to be applied to the principal or interest for any qualified student loan for the designated beneficiary or sibling of the designated beneficiary effective for distributions made after December 31, 2018.

NOTE: Any interest paid with a Section 529 plan distribution cannot also be taken as an adjustment to income on Form 1040 Schedule 1 Line 20.

Student Loan Forgiveness

Revenue Procedure 2020-11 may detail tax implications if the taxpayer has had a student loan debt forgiven. Refer to Portal Document "Student Loan Forgiveness."

Standard Deduction

This chart provides the standard deduction amounts for tax year 2019.

If the taxpayer's filing status is...	Your standard deduction is ...
Single or married filing separate return	\$12,200
Married filing joint return or qualifying widow(er) with dependent child	\$24,400
Head of household	\$18,350

*Don't use this chart if the taxpayer was born before January 2, 1955, or is blind, or if someone can claim the taxpayer as a dependent (or their spouse if married filing jointly). (See the chart on the following page.)

Persons Not Eligible for the Standard Deduction

Your standard deduction is zero and you should itemize any deductions you have if:

- Your filing status is married filing separately, and your spouse itemizes deductions on his or her return **No matter who files first**
- You are filing a tax return for a short tax year because of a change in your annual accounting period (Out of Scope)
- You are a nonresident or dual-status alien during the year. You are considered a dual-status alien if you were both a nonresident and resident alien during the year (Out of Scope).
- If you are a nonresident alien who is married to a U.S. citizen or resident alien at the end of the year, you can choose to be treated as a U.S. resident. (See Publication 519, U.S. Tax Guide for Aliens.) If you make this choice, you can take the standard deduction.

Note: If you can be claimed as a dependent on another taxpayer's return (such as your parents' return), your standard deduction may be limited.

Standard Deduction (continued)

Standard Deduction Chart for People Born Before January 2, 1955, or Who are Blind

Standard Deduction Chart for People Who Were Born Before January 2, 1955, or Were Blind		
<p>Don't use this chart if someone can claim you, or your spouse if filing jointly, as a dependent. Instead, use the worksheet above.</p> <p><input type="checkbox"/> You were born before January 2, 1955</p> <p><input type="checkbox"/> You are blind Blind is defined in the Glossary in Tab R</p> <p><input type="checkbox"/> Spouse was born before January 2, 1955</p> <p><input type="checkbox"/> Spouse is blind</p>		
Enter the total number of boxes checked		▶ <input type="text"/>
IF your filing status is . . .	AND the number in the box above is . . .	THEN your standard deduction is . . .
Single	1	\$13,850
	2	15,500
Married filing jointly	1	\$25,700
	2	27,000
	3	28,300
	4	29,600
Qualifying widow(er)	1	\$25,700
	2	27,000
Married filing separately	1	\$13,500
	2	14,800
	3	16,100
	4	17,400
Head of household	1	\$20,000
	2	21,650

Standard Deduction Worksheet for Dependents

Use this worksheet only if someone else can claim you (or your spouse if filing jointly) as a dependent.

<p>1. Check if: <input type="checkbox"/> You were born before January 2, 1955</p> <p><input type="checkbox"/> You are blind</p> <p><input type="checkbox"/> Spouse was born before January 2, 1955</p> <p><input type="checkbox"/> Spouse is blind</p>	} Total number of boxes checked	1.	
<p>2. Is your earned income* more than \$750?</p> <p><input type="checkbox"/> Yes. Add \$350 to your earned income. Enter the total</p> <p><input type="checkbox"/> No. Enter \$1,100</p>	}	2.	
<p>3. Enter the amount shown below for your filing status.</p> <ul style="list-style-type: none"> • Single or married filing separately**—\$12,200 • Married filing jointly—\$24,400 • Head of household—\$18,350 	}	3.	
<p>4. Standard deduction.</p> <p>a. Enter the smaller of line 2 or line 3. If born after January 1, 1955, and not blind, stop here and enter this amount on Form 1040 or Form 1040-SR, line 9. Otherwise go to line 4b</p> <p>b. If born before January 2, 1955, or blind, multiply the number on line 1 by \$1,300 (\$1,650 if single or head of household)</p> <p>c. Add lines 4a and 4b. Enter the total here and on Form 1040 or 1040-SR, line 9</p>		4a.	
		4b.	
		4c.	
<p><small>* Earned income includes wages, salaries, tips, professional fees, and other compensation received for personal services you performed. It also includes any taxable scholarship or fellowship grant. Generally, your earned income is the total of the amount(s) you reported on Form 1040, line 1, and Schedule 1, lines 3 and 6, minus the amount, if any, on Schedule 1, line 14.</small></p> <p><small>** Married Filing Separately – You can check the boxes for “Your spouse” if your filing status is married filing separately and your spouse had no income, isn't filing a return, and can't be claimed as a dependent on another person's return.</small></p>			

Interview Tips – Itemized Deductions

These interview tips will assist you in determining whether a taxpayer's itemized deductions are more than their standard deduction amount. It may be more advantageous for a taxpayer to itemize their deductions if the amount is larger than the allowable standard deduction amount.

step 1	Do you have expenses in the following categories: medical and dental expenses, taxes you paid, home mortgage interest you paid, gifts to charity, gambling losses and expenses incurred in gambling activities (to the extent of gambling winnings) and work related expenses for disabled individuals that enables them to work. Note: Casualty and theft losses are beyond the scope of VITA/TCE.	If YES , go to Step 2. If NO , generally speaking, you should take the standard deduction if eligible. For further explanation see exceptions in Publication 17, Your Federal Income Tax For Individuals, Standard Deduction chapter.
step 2	Were the medical and dental expenses paid by an employer under a pre-tax plan (not included in box 1 of the taxpayer's Form W-2) or were the expenses reimbursed by an insurance company?	If YES , you can't deduct reimbursed expenses. Go to Step 4. If NO , you can claim these expenses. Go to Step 3.
step 3	Were the medical and dental expenses more than 7.5% of your adjusted gross income? Note: You can include medical and dental bills you paid for: <ul style="list-style-type: none">• Yourself and your spouse• All dependents you claim on your return• Your child whom you don't claim as a dependent because of the rules for children of divorced or separated parents• Any person you could have claimed as a dependent on your return except that person received \$4,200 or more of gross income or filed a joint return• Any person you could have claimed as a dependent except that you, or your spouse if filing jointly, can be claimed as a dependent on someone else's 2019 return	If YES , you can claim qualified expenses. Go to Step 4. If NO , you can't deduct these expenses. Go to Step 4.
step 4	Were the following taxes you paid imposed on you: state and local general sales tax, state or local income tax, real or personal property taxes? Note: The total amount of these taxes is limited to \$10,000 (\$5,000 MFS) per return. See Note 1 below	If YES , go to Step 5. If NO , you can't claim this expense as a deduction because you weren't obligated to pay the taxes. Go to Step 6.
step 5	Did you pay these taxes during this tax year?	If YES , you can claim these expenses and go to Step 6. If NO , you can't deduct taxes for this year that were paid in another year. Go to Step 6.
step 6	Are you legally liable for a home mortgage loan?	If YES , go to Step 7. If NO , you can't take an interest expense for a mortgage for which you aren't legally liable. Go to Step 12.

Note 1:

- Taxpayers choose state sales tax or state and local income tax deduction subject to combined \$10,000 limit.
- Taxpayer can continue to deduct personal property tax and real property tax (other than foreign property tax) subject to combined \$10,000 limit.
- Taxes deducted on Schedules C, E or F are not subject to \$10,000 limitation.

Interview Tips – Itemized Deductions (continued)

step 7	Was the mortgage a secured debt on a main or second home?	If YES , go to Step 8. If NO , you can't take an interest expense. Go to Step 11.
step 8	Did you pay the mortgage interest in this tax year?	If YES , go to Step 9. If NO , you can't take the mortgage interest deduction. Go to Step 11.
step 9	Did you take out the mortgage on or before October 13, 1987?	If YES , your mortgage interest is fully deductible. Go to Step 10. If NO , follow the flowchart, "Is My Home Mortgage Interest Fully Deductible" in Publication 17 to determine what is deductible. Go to Step 11.
step 11	Did you pay points to obtain a home mortgage (on a main home or second home or home improvement loan or to refinance your home)?	If YES , follow the "Are My Points Fully Deductible This Year" flowchart in Publication 17 and then go to Step 12. See Note 1 . If NO , go to Step 12.
step 12	Did you have home equity interest that was used to buy, build, or improve your home?	If YES , your home equity interest is deductible. If NO , go to Step 13.
step 13	Did you make a cash contribution to a qualified organization?	If YES , you must have a written record from that particular organization, and then go to Step 14. If NO , go to Step 14.
step 14	Did you make a noncash donation to a qualified organization? Note: Generally the value of a donation is the lesser of your cost or fair market value.	If YES , advise the taxpayer that generally he or she must have a written receipt from that particular organization. Go to Step 15. See Note 2 . If NO , Go to Step 15
step 15	Is the total of all noncash donations \$500 or less? \$5,000.00 for Tax-Aide	If YES , see Publication 17 for more details. If NO , this is beyond the scope of VITA/TCE. Refer taxpayer to a professional tax preparer.

Note 1: If you refinanced in an earlier year, and weren't eligible to take all the points in that year, you can add in this year's portion of those prior year points.

Note 2: For noncash donations less than \$250, you are not required to have a receipt where it is impractical to get one (for example if you leave property at a charity's unattended drop site).

Insert New Step #10

Did you pay premiums in 2019 for qualified mortgage insurance for a home acquisition debt that was issued after 2006?

If **YES**, you can take a deduction for qualified mortgage insurance as home mortgage interest with AGI limitations.

If **NO**, you can't take a deduction for qualified mortgage insurance as home mortgage interest. Go to Step 11.

Schedule A – Itemized Deductions



TaxSlayer Navigation: Federal Section>Deductions>Itemized Deductions>Medical and Dental Expenses

Itemized Deductions	
Use Standard or Itemized Deduction	BEGIN
Medical and Dental Expenses	BEGIN
Mortgage Interest and Expenses	BEGIN
Taxes You Paid	BEGIN
Gifts to Charity	BEGIN
Unreimbursed Employee Business Expense	BEGIN
Job-Related Travel Expenses Form 2106	BEGIN
Miscellaneous Deductions	BEGIN
Less Common Deductions	BEGIN

Select to enter medical expenses. Do not include any medical insurance included in the Self-Employed Health Insurance Deduction.

If MFS and spouse itemizes, taxpayer must also itemize. Standard deduction can't be used. It doesn't matter which spouse files first. Select "Use Standard or Itemized Deduction" then select the option "Must itemize because spouse itemized."

Select to enter taxes not entered elsewhere in the software.

Schedule A Deductible and Nondeductible Medical Expenses

You can include:

- Bandages
- Birth control pills prescribed by your doctor
- Body scan
- Braille books
- Breast pump and supplies
- Capital expenses for equipment or improvements to your home needed for medical care (see Worksheet A, Capital Expense Worksheet, in Pub. 502)
- Diagnostic devices
- Expenses of an organ donor
- Eye surgery (to promote the correct function of the eye)
- Fertility enhancement, certain procedures
- Guide dogs or other animals aiding the blind, deaf, and disabled
- Hospital services fees (lab work, therapy, nursing services, surgery, etc.)
- Lead-based paint removal
- Legal abortion
- Legal operation to prevent having children such as a vasectomy or tubal ligation
- Long-term care contracts, qualified
- Meals and lodging provided by a hospital during medical treatment
- Medical services fees (from doctors, dentists, surgeons, specialists, and other medical practitioners)
- Medicare Part D premiums
- Medical and hospital insurance premiums
- Nursing services
- Oxygen equipment and oxygen
- Part of life-care fee paid to retirement home designated for medical care
- Physical examination
- Pregnancy test kit
- Prescription medicines (prescribed by a doctor) and insulin
- Psychiatric and psychological treatment
- Social security tax, Medicare tax, FUTA, and state employment tax for worker providing medical care (see Wages for nursing services below)
- Special items (artificial limbs, false teeth, eyeglasses, contact lenses, hearing aids, crutches, wheelchair, etc.)
- Special education for mentally or physically disabled persons
- Stop-smoking programs
- Transportation for needed medical care
- Treatment at a drug or alcohol center (includes meals and lodging provided by the center)
- Wages for nursing services
- Weight loss, certain expenses for obesity

You can't include:

- Baby sitting and childcare
- Bottled water
- Contributions to Archer MSAs (see Pub. 969)
- Diaper service
- Expenses for your general health (even if following your doctor's advice) such as—Health club dues—Household help (even if recommended by a doctor)—Social activities, such as dancing or swimming lessons—Trip for general health improvement
- Flexible spending account reimbursements for medical expenses (if contributions were on a pre-tax basis)
- Funeral, burial, or cremation expenses
- Health savings account payments for medical expenses
- Operation, treatment, or medicine that is illegal under federal or state law
- Life insurance or income protection policies, or policies providing payment for loss of life, limb, sight, etc.
- Maternity clothes
- Medical insurance included in a car insurance policy covering all persons injured in or by your car
- Medicine you buy without a prescription
- Nursing care for a healthy baby
- Prescription drugs you brought in (or ordered shipped) from another country, in most cases
- Nutritional supplements, vitamins, herbal supplements, "natural medicines," etc., unless recommended by a medical practitioner as a treatment for a specific medical condition diagnosed by a physician
- Surgery for purely cosmetic reasons
- Toothpaste, toiletries, cosmetics, etc.
- Teeth whitening
- Weight-loss expenses not for the treatment of the treatment of obesity or other disease



You can't include in medical expenses amounts you pay for controlled substances that aren't legal under federal law, even if such substances are legalized by state law.

Schedule A - Itemized Deductions (continued)

Schedule A - Medical Deductions

CANCEL

Taxpayers can deduct only the amount of unreimbursed medical and dental expenses that exceeds 7.5% of their Adjusted Gross Income (AGI).

CONTINUE

Medical and dental insurance

If taxpayer has medical insurance through the Marketplace, remember to adjust the total premium after the PTC is calculated.



Note: We automatically pull over the following

- Medicare premiums paid on your SSA-1099 (Social Security) and RRB-1099.
- Self employed health insurance you have already entered.
- Do not include medical/dental premiums deducted from your pay through a cafeteria plan (pre-taxed).

Amount paid to doctors/dentists



Prescriptions



X-Rays, lab work, etc



Nursing help (not for healthy baby or housework)



Hospital care (including meals and lodging)



Medical aids (hearing aids, crutches, wheelchairs, etc)



Medical mileage driven (in miles)



Other medical expenses



Add/Edit Qualified Long-Term Care Premiums

There are limits on deductible long term care insurance premiums. Enter amount paid. TaxSlayer will apply the limitation.

ADD PREMIUMS

To enter multiple expenses of a single type, click on the small calculator icon beside the line. Enter the first description, the amount, and Continue. Enter the next. They will be totaled on the input line and carry to Schedule A.

Long-Term Care Premiums Limit 2019 Attained Age Before Close of Taxable Year Limit

40 or less:	\$420
>40 but < 50:	\$790
>50 but < 60	\$1,580
>60 but < 70	\$4,220
More than 70	\$5,270

CANCEL

CONTINUE

Note: Medical and dental floor percentage is 7.5%. Some senior residences (nursing homes) have an amount in the monthly cost which is a medical expense. Taxpayers can include in medical expenses the cost of medical care in a nursing home, home for the aged or similar institution. This includes the cost of meals and lodging if the principal reason for being there is to get medical care.

Schedule A - Taxes You Paid



The itemized deduction for state and local taxes and sales and property taxes is limited to a combined, total deduction of \$10,000 (\$5,000 if Married Filing Separately).

! State and Local Tax amounts are automatically pulled from W-2, 1099, W-2G, and Estimates.
PLEASE DO NOT include any of these amounts in any of the boxes below or your calculations will **NOT** be correct.

Taxes Paid

Additional State and Local Income Tax
(DO NOT INCLUDE AMOUNTS FROM W-2, 1099, W-2G or Estimates.)

\$

← Enter amount paid with last year's state return and any other state and local income tax payments not entered elsewhere.

State and Local Sales Tax Paid

ADD SALES TAX WORKSHEET

← Click here to open the sales tax worksheet. See the next page for details.

Prior Year 4th Quarter State Estimates paid after 12/31/2018

\$

Real Estate Taxes (Non-Business Property)
Real Estate Taxes entered here will overwrite any real estate taxes paid already entered.

\$

← Enter real estate taxes that are reported on Form 1098 with the mortgage interest on the mortgage interest screen.

Personal Property (ex: Car Registration)
Enter in your Ad Valorem tax, exclude amount paid for actual car tags.

\$

← Enter vehicle license registration fee if based on value (ad valorem) under Personal Property taxes.

Other Taxes

Description	Amount
<input type="text"/>	\$ <input type="text"/>

If taxpayers purchased or sold a home in the tax year, they may not be able to deduct all Real Estate Taxes. See Publication 17, "Real Estate Taxes" section, for more information.

Modified Adjusted Gross Income

Calculated Modified Adjusted Gross Income (MAGI)

\$ 74400

Amount to Adjust the Calculated MAGI by

\$

Taxes you cannot deduct: utilities, fees/licenses (drivers, marriage, dog); assessments for improvements that increase property value; assessments for services to the property (sewer, trash collection, etc.).

Note: Federal income and excise taxes, Social Security or Medicare, Federal unemployment (FUTA), Railroad retirement taxes (RRTA), Customs duties, Federal gift taxes, Per capita taxes, or Foreign real property taxes are NOT deductible here.

Schedule A - Sales Tax Deduction

Sales Taxes Deduction

CANCEL **CONTINUE**

i To calculate your sales tax deduction, complete the information below. If you would rather enter the deduction amount from your receipts, select the 'Override' button below.

Override

ZIP Code *

Number Of days lived in ZIP Code *

i Leave rates blank for the system to use default rates. Enter a value to override your percentage.

Local general sales tax percent

State general sales tax percent

! The calculation using the IRS tables do not take into account sales tax paid on large purchases such as a car or boat. Enter the sales tax amount paid on single purchases such as cars, trucks, RV's, and boats.

General sales taxes paid

[*Click here to view the IRS sales tax deduction calculator.](#)

If the taxpayer has a large amount of nontaxable income, calculate their sales tax deduction using the IRS sales tax deduction calculator. See the link to the IRS sales tax deduction calculator at the bottom of the page. The calculator adds nontaxable income to AGI to give the taxpayer a larger sales tax deduction. Use the override button to enter the amount calculated.

State and Local Sales Tax Override

If you know the total amount of your state and local sales taxes (from receipts), you can enter the full amount instead of individual transactions.

Total Amount Paid

Note: If using the override feature, leave all other fields on the Sales Tax Deduction screen blank.

If not using the override feature, enter the ZIP code and number of days for TaxSlayer to calculate the deduction.

Leave these blank if you want the software to use the default rates.

If not using the override feature, enter sales tax here for large items (such as a car) if the taxpayer purchased any during the year.

Link to the IRS sales tax deduction calculator. [See F-8.1 for Worksheet to use with the IRS calculator.](#)

General Sales Tax Deduction Income Worksheet

(for use with IRS Sales Tax Calculator)

Name: _____

Tax Year: _____

Number of Exemptions (line 6d): _____

Zip Code: _____

From IRS Calculator	Total Sales Tax: *
Local Tax Rate (%): _____	State Tax Rate (%): _____

*Enter in TaxSlayer at Override

Income Description	Source	Amount
ADD Adjusted Gross Income	Form 1040, Line 8b	+
ADD Tax-exempt Interest	Form 1040, Line 2a	+
SUBTRACT Taxable IRA/Pension Distributions	Form 1040, Line 4b**	-
ADD Total IRA/Pension Distributions*	Form 1040, Line 4a	+
SUBTRACT Taxable Social Security Benefits	Form 1040, Line 5b	-
ADD Total Social Security Benefits	Form 1040, Line 5a	+
ADD Medicare Waiver Payments	Form 1099-Misc	+
ADD Nontaxable Combat Pay	Form W-2	+
ADD Workers Compensation Payments	Taxpayer	+
ADD Disability Insurance Payments	Taxpayer	+
ADD Veterans Benefits (VA not DFAS)	Taxpayer	+
ADD Public Assistance Payments	Taxpayer	+
ADD Insurance Proceeds (Life, Accident, etc.)	Taxpayer	+
ADD Cash Gifts and Inheritances	Taxpayer	+
ADD Residential Rental (less than 15 days)	Taxpayer	+
ADD Prior Year Nontaxable Tax Refunds	Prior Year Form 1040	+
ADD Supplemental Social Security Benefits	Taxpayer	+
ADD Any Other Nontaxable Income***	Taxpayer	+
Income for Sales Tax Calculator		=

* Do not include rollovers

** Skip this and next entry if 1040 line in TaxSlayer is blank as there is no nontaxable distribution

*** See Publication 4012, Page D-1, Table B for additional examples of non-taxable income.

Sales Tax on Large Item Purchases	Source	Tax
Motor Vehicle (including RVs, ATVs etc.)	Taxpayer	+
Watercraft or Aircraft	Taxpayer	+
Building Materials for home construction or remodel (if identified separately)	Taxpayer	+
House (if general sales tax applies)	Taxpayer	+
Total Sales Tax on Large Item Purchases		=

This page deliberately left blank.

Schedule A - Itemized Deductions (continued)

Schedule A Interest

Home Mortgage Loan(s) used to Buy/Build/Improve Home

Mortgage Interest Reported on Form 1098

Mortgage Interest Not Reported on Form 1098

Points Not Reported on Form 1098

Private Mortgage Insurance (PMI) Deduction

Tax Law Change: Private mortgage Insurance premiums are deductible this year and should be entered on Schedule A Interest Screen in TaxSlayer.

Select for mortgage interest reported on Form 1098. Enter amount from Form 1098F, box 1 (and box 2, if applicable).

Note: The deduction for home equity debt is disallowed as a mortgage interest deduction unless the home equity debt was used to build, buy, or substantially improve the taxpayer's qualified residence.

Home Mortgage Loan(s) used to Buy/Build/Improve Home

Did you use all of your home mortgage loan(s) to buy, build or improve your home? *

Yes

No

Note: Reverse mortgage interest is deducted when actually paid – usually when loan is paid in full. It is subject to acquisition debt rules (e.g., improvements) or home equity loan limits (<\$100,000).

Mortgage Interest Reported on 1098

Add/Edit Interest Reported

Real Estate Taxes (Non-Business Property)

Real Estate Taxes (Non-Business Property)

\$|

If there are multiple mortgages, make additional Schedule A Interest entries.

For mortgages entered into after December 15, 2017, the amount of interest you can deduct is on no more than \$750,000 of debt used to buy, build, or substantially improve your principal home and a second home (\$375,000 in the case of married taxpayers filing separate tax returns) for tax years 2018 through 2025.

Points from refinancing must be spread over the life of the mortgage unless used to remodel (see section in Publication 17, labeled "Points"). Enter loan origination fee from closing statement as points not reported on Form 1098 if not included as points on Form 1098.

If you got a mortgage for acquisition debt on or before December 15, 2017, the new tax law doesn't change the amount of your deductible mortgage interest. (This also applies to a taxpayer with a binding written contract on or before December 15, 2017 if the purchase was completed before April 1, 2018.) Deductible interest remains limited to mortgage interest on up to \$1 million (\$500,000 MFS).

Schedule A - Itemized Deductions (continued)

Gifts to Charity

Cash Gifts to Charity

BEGIN

Non-Cash Gifts to Charity **up to \$500 or any mileage**

BEGIN

Non-Cash Donations (more than \$500)

BEGIN

Limitation on Charitable Contributions Deduction

BEGIN

Declaration of Appraiser

BEGIN

Donee Acknowledgement

BEGIN

CONTINUE

Note: Enter amounts given by cash or check under Cash Gifts to Charity. The 30% & 60% refer to the percentage of your AGI that can be deducted this year. See Publication 17 for definitions. Enter the value of noncash items (including miles driven in service to a charity) donated under Noncash Gifts to Charity. Be careful to list them separately. If noncash contributions are greater than \$500, Form 8283, Noncash Charitable Contributions must be completed and this form is Out of Scope. **OOS if greater than \$5000 for Tax-Aide**

Certain qualified contributions made for relief efforts in disaster areas are not subject to the AGI limitation. See Publication 976, Disaster Relief.

Include out of pocket expenses paid in giving services to a qualified organization here. The amounts must be: Unreimbursed; Directly connected with the services; Expenses you had only because of the services you gave; and not personal, living, or family expenses. Mileage is entered on the non-cash screen (< \$500).

Items must be in good condition to be deductible. On the data entry screen for "Non-Cash Donations (more than \$500)," enter requested information for each donation date. Taxpayer should estimate the fair market value. Motor vehicles include any motor vehicle intended for use on roads, a boat or an airplane. A donation of any of these worth more than \$500 is out of scope.

Charity Cash Contributions



To group all cash contributions as one single entry, select the "Override" button below.

OVERRIDE

Charity Name *

Description

Date of Donation *

MM ▾ DD ▾ YYYY ▾

Amount Donated *

\$

CANCEL

CONTINUE

STATE TAX NOTE: If the taxpayer's charitable contribution results in a state or local tax credit or other benefit of more than 15% of the contribution, a state income tax deduction can be claimed for the amount of the credit/benefit. Only the amount in excess of the credit/benefit can be claimed as a charitable contribution. If less than 15%, the entire amount can be claimed as a charitable contribution. (Do not consider the allowance of a regular state income tax deduction for the contribution as a tax benefit for this 15% test.)

These types of donations are not deductible: political; country club/fraternal lodge; chambers of commerce; raffle, bingo, or lottery tickets; tuition; value of time/services; gifts to lobby groups; civic leagues, social clubs; labor unions, homeowners association dues.

Schedule A - Miscellaneous Deductions

Note: No miscellaneous itemized deductions will be allowed for job expenses and certain miscellaneous deductions subject to the 2% limitation. These expenses may be deductible on state returns.

Schedule A - Miscellaneous Deductions

CANCEL

CONTINUE

Amortizable premium on taxable bonds

\$

Federal estate tax on income in respect to a decedent

\$

Gambling losses to the extent of gambling winnings (Do not re-enter losses entered in the W-2G income menu)

\$

Impairment-related work expenses

\$

Repayment under claim of right (if greater than \$3000)

If your repayment was less than \$3000, click Add/Edit below and enter it as an additional Miscellaneous Deduction.

\$

Repayment of income (including unemployment benefits) taxed in a prior year if over \$3,000: Instead of an itemized deduction for a repayment of previously taxed income, a credit can be claimed in the current year equal to the tax difference in the prior year had the income not been included. If that credit is more advantageous, the return is out of scope.

Unrecovered investment in pension

\$

At death of last beneficiary, any remaining basis in the pension or annuity (unrecovered investment) can be deducted here as a Schedule A Deduction for tax year of death.

Note: Unrecovered Investment in pension = Total Employee Contribution less amount recovered using simplified method prior to death.

Tax Return Preparation

\$

Safe Deposit Box Rental

\$

Investment Fees and Expenses

\$

Add/Edit Miscellaneous Deductions that are not listed above

ADD ADDITIONAL

Nondeductible expenses: Commuting; home repair; rent; loss from sale of home; personal legal expenses; lost/misplaced cash or property; fines/penalties; safe deposit box rental; tax return preparation; investment fees and expenses.

Hint: Boxes on this page for the above items are for some State and/or local returns only.

Gambling losses and expenses incurred in gambling activities up to the amount of winnings are deducted here. You can't deduct gambling losses that are more than the taxpayers winnings.

Qualified Business Income Deduction

If taxable income (before the QBI deduction) exceeds \$157,500 (\$315,000 if MFJ) the return is out of scope

For taxable years beginning after December 31, 2017 and before January 1, 2026, there is a deduction for “pass through” businesses. Sole proprietors are categorized as “pass through” businesses.

- A sole proprietor that reports a profit on Schedule C will be able to take up to 20% of qualified business (QBI) as a deduction on the tax return.
- The calculations on Schedule C and Schedule SE are not affected by the deduction.
- Taxable income is not reduced below zero by the 20% deduction.
- The 20% deduction is limited for higher income.
- The deduction will also be limited for specified service trades or businesses. Refer to Form 1040 instructions for more information.

For taxable income that does not exceed the applicable threshold amount, the QBI deduction is the lesser of:

- 20% of qualified business income (for example, it is the net profit reported on a Schedule C **plus 20% of qualified Real Estate Investment Trust (REIT) section 199A dividends**) or
- 20% of taxable income (equals adjusted gross income minus the applicable standard or itemized deduction) minus net capital gains and qualified dividends. See Form 1040 instructions for more details.

Qualified business income is reduced by the deductible part of the SE tax, the SE health insurance deduction and by contributions to qualified retirement plans. The deduction is claimed on Form 1040 and can be taken in addition to the standard deduction or itemized deduction.

The 20% deductions for sole proprietors and qualified REIT **Section 199A** dividends are in scope; however, taxpayers with a qualified business net loss carryforward from a prior year or publicly traded partnership are out of scope.

See Publication 535, Business Expenses, for additional information.

QBI Deduction Examples with No Itemizing

Example 1

- Medicare premiums taxpayer & spouse \$3,216
- Schedule C profit \$3,000
- Taxable income before deductions \$12,000
- Self-employment tax deduction = $7.06\% \times \$3,000 = \212
- SEHI deduction = $92.94\% \times \$3,000 = \$2,788$
- QBI deduction = $20\% \times (\$3,000 - \$212 - \$2,788) = \0

Example 2

- Medicare premiums taxpayer & spouse \$3,216
- Schedule C profit \$10,000
- Taxable income before deductions \$12,000
- Self-employment tax deduction = $7.06\% \times \$10,000 = \706
- SEHI deduction = premiums paid = \$3,216
- QBI deduction = $20\% \times (\$10,000 - \$706 - \$3,216) = \$1,216$

QBI Deduction Quality Review

- Confirm QBI deduction appears on form 1040 line 10
- Review all 1099 DIVs for box 5 entry (199A dividends)
- Verify form 1040 calculation
- Confirm OOS taxable income threshold not exceeded

Example 3

- Taxpayer purchased insurance through Marketplace with PTC
- Long term Care Insurance for spouse \$1,560
- Schedule C profit \$3,000
- Taxable income before deductions \$12,000
- Maximum SEHI deduction = $92.94\% \times \$3,000 = \$2,788$
- Refer to professional preparer since insurance for spouse is less than the maximum SEHI deduction

Example 4

- Taxpayer purchased insurance through Marketplace with PTC
- Long term Care Insurance for spouse \$1,560
- Schedule C profit \$1,000
- Taxable income before deductions \$12,000
- Self-employment tax deduction = $7.06\% \times \$1,000 = \71
- Maximum SEHI deduction = $92.94\% \times \$1,000 = \929
- Continue with Marketplace insurance excluded from the SEHI deduction since the spouse's insurance is more than the maximum SEHI deduction
- QBI deduction = $20\% \times (\$1,000 - \$71 - \$929) = \0

Nonrefundable Credits



TaxSlayer Navigation: Federal Section>Deductions>Credits Menu

Credits		
Foreign Tax Credit Form 1116	<input type="button" value="BEGIN"/>	Select for Form 1116, Foreign Tax Credit
Child Care Credit Form 2441	<input type="button" value="BEGIN"/>	Select for Form 2441, Child and Dependent Care Expenses. See Child and Dependent Care Credit Expenses/Screening Sheet later in this tab.
Education Credits Form 1098-T	<input type="button" value="BEGIN"/>	Select for Form 8863 Education Credits. See Tab J, Education Benefits
Retirement Savings Credit Form 8880	<input type="button" value="BEGIN"/>	
Residential Energy Credit Form 5695	<input type="button" value="BEGIN"/>	Select for Form 8880, Credit for Qualified Retirement Savings Contributions. Complete this screen if taxpayer (or spouse) made any contributions to a qualified retirement plan.
Adoption Credit Form 8839	<input type="button" value="BEGIN"/>	
DC First-Time Homebuyer Credit Form 8859	<input type="button" value="BEGIN"/>	Select for Form 5695, Residential Energy Credit. See Tab EXT, Legislative Extenders for more information.
Mortgage Interest Credit Form 8396	<input type="button" value="BEGIN"/>	
Claiming Refundable Credits after Disallowance Form 8862	<input type="button" value="BEGIN"/>	Select for EIC worksheets, See Tab I, Earned Income Credit.
EIC Check-list	<input type="button" value="BEGIN"/>	
Credit for the Elderly or Disabled Schedule R	<input type="button" value="BEGIN"/>	See Tab G, Nonrefundable Credits, Credit for the Elderly and Disabled.
Alternative Motor Vehicle Credit (Hybrid Cars) Form 8910	<input type="button" value="BEGIN"/>	
Qualified Electric Motor Vehicle Credit Form 8936	<input type="button" value="BEGIN"/>	
Small Employer Health Insurance Premiums Form 8941	<input type="button" value="BEGIN"/>	
Credit for Federal Tax Paid on Fuels Form 4136	<input type="button" value="BEGIN"/>	
Credit for Increasing Research Activities from Pass-through Entities Form 6765	<input type="button" value="BEGIN"/>	
Investment Credit Form 3468	<input type="button" value="BEGIN"/>	

Hint: Nonrefundable credits can't exceed the taxpayer's federal income tax.

Form 8863



TaxSlayer Navigation: Federal Section>Deductions>Credits Menu>Education Credits; or Keyword "886". For complete education credit information refer to Tab J, Education Benefits

Schedule R

If taxpayer qualifies for the credit for the elderly or the disabled, open Schedule R. Refer to the Credit for the Elderly or the Disabled - Screening Sheet later in this tab.

Child Tax Credit

This is a credit intended to reduce the tax. This part of the credit isn't refundable. The credit is up to \$2,000 per qualifying child. This credit calculates automatically.

Qualifying child:

1. Under age 17 at the end of the tax year.
2. A U.S. citizen or U.S. national* or resident alien of the United States. See Tab L, Resident/NR Alien.
3. Claimed as your dependent.**
4. Your:
 - a. son or daughter, adopted child, stepchild, eligible foster child, or a descendant of any of them
 - b. brother, sister, half brother, half sister, stepbrother, stepsister, or a descendant of any of them (for example, your niece or nephew)
5. Didn't provide over half of his or her own support.
6. Lived with the taxpayer for more than half of the tax year. (See Exception to Time Lived with You section on the Child Tax Credit chart on the following page.)
7. Must have a Social Security Number valid for employment issued before the due date of the return.

* A National is an individual who, although not a U.S. citizen, owes his or her allegiance to the United States. U.S. nationals include American Samoans and Northern Mariana Islanders who chose to become U.S. nationals instead of U.S. citizens.

**Refer to the tables in Tab C, Dependents, for the rules governing who may be claimed as a dependent.



If the taxpayer is able to claim the dependent under the rules for divorced and separated parents, he or she is the only parent entitled to claim the child tax credit or additional child tax credit.

Additional Child Tax Credit – General Eligibility

Note: Make sure the taxpayer's credit hasn't been disallowed previously. If previously disallowed, see Form 8862, Information To Claim Certain Credits After Disallowance, in Tab I, Earned Income Credit.

The child tax credit is generally a nonrefundable credit; however, certain taxpayers may be entitled to a refundable additional child tax credit.

- Taxpayers with more than \$2,500 of ~~taxable~~ earned income may be eligible for the additional child tax credit if they have at least one qualifying child.
- Taxpayers with three or more children may also be eligible for additional child tax credit regardless of their income.
- Limited to \$1,400 per qualifying child

Schedule 8812, Additional Child Tax Credit, is used to calculate the allowable additional child tax credit.

See Tab C, Dependents, and the worksheet in the instruction booklet for additional information (including definitions and special rules relating to an adopted child, foster child, or qualifying child of more than one person).

Note: No credit or refund for an overpayment for a taxable year shall be made to a taxpayer before the 15th day of the second month following the close of the taxable year (generally February 15th) if the taxpayer claimed the EITC or additional child tax credit on the tax return.

Note: The qualifying child must have a valid social security number by the due date of the tax return (including extensions). Taxpayers may not file an amended return to retroactively claim the additional child tax credit for a qualifying child if a valid SSN for the child is issued after the due date of the tax return.

Note: You must claim the child as a dependent on your return to qualify for the child tax credit.

Note: (International Certification only) If you claim the foreign earned income exclusion, the housing exclusion, or the housing deduction on Form 2555, you can't claim the additional child tax credit.

Note: See Disallowance of Certain Credits in Tab I, Earned Income Credit, if the taxpayer received a letter saying they had to complete Form 8862. **If child was a resident of the U.S., be sure to mark the "substantial presence" box in the Dependents Section or the EXPANDED child tax credit could be denied**

Note: Certain taxpayers affected by a federally declared disaster area may elect to calculate their earned income credit (EIC) and additional child tax credit (ACTC) by substituting their earned income from the preceding taxable year if less than the year of the applicable qualified disaster. Search the IRS website for "Tax Relief in Disaster Situations" for more information.

Table 1: Child Tax Credit

Remember to apply the steps for each dependent. To claim the child tax credit and/or the credit for other dependents, you can't be a dependent of another taxpayer.

Probe/Action: Ask the taxpayer:

<p>step 1 Is this person your son, daughter, adopted child, stepchild, foster child, brother, sister, half brother, half sister, stepbrother, stepsister, or a descendant of any of them (for example, your grandchild, niece, or nephew)? A descendant is of any generation.</p>	<p>If YES, go to Step 2. If NO, you can't claim the child tax credit for this person. This person may qualify for the credit for other dependents, go to Table 2.</p>
<p>step 2 Did this person provide over half of his or her own support for the tax year?</p>	<p>If NO, go to Step 3. If YES, you can't claim the child tax credit or the credit for other dependents for this person. STOP if the taxpayer has no other dependents.</p>
<p>step 3 Did this person live with you for more than half of the tax year? If the dependent didn't live with you for the required time, see the following notes below the chart:</p> <ul style="list-style-type: none"> • Exception to Time Lived with You • Kidnapped Child • Children of Divorced or Separated Parents or Parents who live apart. 	<p>If YES, go to Step 4. If NO, you can't claim the child tax credit for this person. This person may qualify for the credit for other dependents, go to Table 2.</p>
<p>step 4 Is this person a U.S. citizen, U.S. national, or resident alien of the United States? Note: A national is an individual who, although not a U.S. citizen, owes his or her allegiance to the United States. U.S. nationals include American Samoans and Northern Mariana Islanders who chose to become U.S. nationals instead of U.S. citizens. See Tab L, Resident/NR Alien for definition of Resident Alien.</p>	<p>If YES, go to Step 5. If NO, you can't claim the child tax credit or the credit for other dependents for this person.</p>
<p>step 5 Does this person have a Social Security Number valid for employment issued before the due date of the return (including extensions)?</p>	<p>If YES, go to Step 6. If NO, you can't claim the child tax credit for this person. This person qualifies for the credit for other dependents if he or she has an ATIN or ITIN.</p>
<p>step 6 Is this person under age 17 at the end of the tax year?</p>	<p>If YES, go to Step 7 If NO, you can't claim the child tax credit for this person. This person qualifies for the credit for other dependents.</p>

Questions: Who Must Use Publication 972, Child Tax Credit?

<p>step 7 Are you excluding income from Puerto Rico or are you filing Form 2555 (relating to foreign earned income), or Form 4563, Exclusion of Income for Bona Fide Residents of American Samoa?</p>	<p>If NO, go to Step 8. If YES, you must use Publication 972 to figure the credit.</p>
<p>step 8 Are you claiming any of the following credits?</p> <ul style="list-style-type: none"> • Adoption Credit, a residential energy credit, Form 5695, Part II; Mortgage Interest credit, Form 8396; District of Columbia first-time homebuyer credit, Form 8859. 	<p>If NO, use the Child Tax Credit Worksheet to figure the credit. If YES, you must use Publication 972 to figure the credit.</p>

Exception to Time Lived with You

A child is considered to have lived with you for all of the current tax year if the child was born or died in 2019 and your home was this child's home for more than half the time he or she was alive. Temporary absences for special circumstances, such as for school, vacation, medical care, military service, or detention in a juvenile facility, count as time lived at home.

Kidnapped Child

A kidnapped child is considered to have lived with you for all of the current tax year if:

- In the year the kidnapping occurred, the kidnapped child is presumed by law enforcement to have been taken by someone who isn't a family member, and
- The kidnapped child lived with the taxpayer for more than half of the portion of the year prior to the kidnapping.

Modified Adjusted Gross Income Limits

- Married filing jointly - \$400,000
- All other filing statuses - \$200,000

Note: Current tax year reference applies to tax year 2019.

Children of Divorced or Separated Parents

A child will be treated as being the qualifying child of his or her noncustodial parent if all of the following apply:

- The parents were divorced or legally separated or lived apart at all times during the last 6 months of the current tax year.
- The child received over half of his or her support for the current tax year from the parents.
- The child was in the custody of one or both of the parents for more than half of the current tax year.
- The custodial parent signs Form 8332, Release/Revocation of Release of Claim to Exemption for Child by Custodial Parent, or similar statement that he or she won't claim the child as a dependent in the current tax year and the noncustodial parent includes a copy of the form or statement with his or her return. If the divorce decree or separation agreement went into effect after 1984 and before 2009, the noncustodial parent may be able to attach certain pages of the decree or agreement instead of Form 8332. For pre-1985 divorces, see the Instructions for Form 1040.

Credit for Other Dependents

There is a \$500 credit for other dependents who do not qualify for the \$2,000 child tax credit. The dependent must be a U.S. citizen, U.S. national, or resident of the U.S. The dependent must have a valid identification number (ATIN, ITIN, or SSN).

The \$500 nonrefundable credit is available for dependents who don't qualify for the child tax credit, such as children who are age 17 and above, dependents with other relationships (such as elderly parents), or children who do not have a valid SSN. Taxpayers cannot claim the credit for themselves (or a spouse if Married Filing Jointly).



Dependents who **are not U.S. Citizens or U.S. nationals, but** are residents of Canada or Mexico do not qualify for either the Child Tax Credit or the Credit for Other Dependents.

Note: If previously disallowed, see Form 8862, Information To Claim Certain Credits After Disallowance, in Tab I, Earned Income Credit.

Table 2: Credit for Other Dependents

You must start with Table 1: Child Tax Credit (To claim the child tax credit and/or the credit for other dependents, you can't be a dependent of another taxpayer.)

Probe/Action: Ask the taxpayer:

step 1	Is the person the qualifying child of any taxpayer? For this purpose, a person isn't a taxpayer if he or she isn't required to file a U.S. income tax return and either doesn't file such a return or files only to get a refund of withheld income tax or estimated tax paid.	If YES , you can't claim the credit for other dependents for this person. If NO , go to Step 2.
step 2	<p>Was the person your son, daughter, stepchild, foster child, or a descendant of any of them (e.g., your grandchild)? OR</p> <p>Was the person your brother, sister, half brother, half sister, or a son or daughter of any of them? OR</p> <p>Was the person your father, mother, or an ancestor or sibling of either of them? OR</p> <p>Was the person your stepbrother, stepsister, stepfather, stepmother, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law (Any relationships established by marriage aren't ended by death or divorce) OR</p> <p>Was the person any other person (other than your spouse) who lived with you all year as a member of your household and your relationship did not violate local law at any time during the year?</p> <p>See the following note at the end of the chart:</p> <ul style="list-style-type: none"> • Exceptions to Time Lived with You 	If YES , go to Step 3. If NO , you can't claim the credit for other dependents for this person.
step 3	<p>Did the person have gross income of less than \$ 4,200 in 2019? See the following note at the end of the chart:</p> <ul style="list-style-type: none"> • Exceptions to Gross Income Test 	If YES , go to Step 4. If NO , you can't claim the credit for other dependents for this person.
step 4	<p>Did you provide more than half the person's total support for the year? See the following notes at the end of the chart:</p> <ul style="list-style-type: none"> • Kidnapped Child • Child of Divorced or Separated Parents or Parent who live apart • Multiple Support Agreement 	If NO , you can't claim the credit for other dependents for this person. If YES , go to Step 5.

Continued on next page

Table 2: Credit for Other Dependents

Continued

Probe/Action: Ask the taxpayer:

<p>step 5</p>	<p>Is the person a U.S. citizen, U.S. national, U.S. resident alien, or a resident alien of the United States?</p> <p>Note: A national is an individual who although not a U.S. citizen, owes his or her allegiance to the United States. U.S. nationals include American Samoans and Northern Mariana Islanders who choose to become U.S. nationals instead of U.S. citizens. See Tab L, Resident/NR Alien for definition of Resident Aliens.</p>	<p>If NO, you can't claim the credit for other dependents for this person. If YES, go to Step 6.</p>
<p>step 6</p>	<p>Does this person have a SSN, ATIN, or an ITIN?</p>	<p>If YES, you can claim the credit for other dependents for this person. If NO, you can't claim the credit for other dependents. A SSN, ATIN, or ITIN is required. See the following note at the end of the chart:</p> <ul style="list-style-type: none"> • Taxpayer Identification Numbers (SSN, ATIN, ITIN)

Exception to Time Lived with You

A child is considered to have lived with you for all of the current tax year if the child was born or died in 2019 and your home was this child's home for more than half the time he or she was alive. Temporary absences for special circumstances, such as for school, vacation, medical care, military service, or detention in a juvenile facility, count as time lived at home.

Kidnapped Child

A kidnapped child is considered to have lived with you for all of the current tax year if:

- In the year the kidnapping occurred, the kidnapped child is presumed by law enforcement to have been taken by someone who isn't a family member, and
- The kidnapped child lived with the taxpayer for more than half of the portion of the year prior to the kidnapping.

Modified Adjusted Gross Income Limits

- Married filing jointly - \$400,000
- All other filing statuses - \$200,000

Note: Current tax year reference applies to tax year 2019.

Children of Divorced or Separated Parents

A child will be treated as being the qualifying child of his or her noncustodial parent if all of the following apply:

- The parents were divorced or legally separated or lived apart at all times during the last 6 months of the current tax year.
- The child received over half of his or her support for the current tax year from the parents.
- The child was in the custody of one or both of the parents for more than half of the current tax year.
- The custodial parent signs Form 8332 Release/Revocation of Release of Claim to Exemption for Child by Custodial Parent, or similar statement that he or she won't claim the child as a dependent in the current tax year and the noncustodial parent includes a copy of the form or statement with his or her return. If the divorce decree or separation agreement went into effect after 1984 and before 2009, the noncustodial parent may be able to attach certain pages of the decree or agreement instead of Form 8332. For pre-1985 divorces, see the Instructions for Form 1040.

Gross Income Test

- The gross income of an individual who is permanently and totally disabled at any time during the year doesn't include income for services the individual performs at a sheltered workshop.
- Gross income means all income the person received in the form of money, goods, property and services, that isn't exempt from tax. Don't include social security benefits unless the person is married filing a separate return and lived with their spouse at any time during the tax year or if 1/2 the social security benefits plus their other gross income and tax-exempt interest is more than \$25,000 (\$32,000 if MFJ).

Multiple Support

If no one person contributed over half of the support of your relative (or person who lived with you all year as a member of your household) but you and another person(s) provided more than half of the person's support, special rules may apply that would treat you as having provided over half of the support. For details, see Publication 501.

Taxpayer Identification Numbers (SSN, ATIN, ITIN)

- Child tax credit is not allowed on your original or an amended tax return with respect to a child who didn't have a social security number (SSN) issued before the due date of the return (including extensions).
- If the person that qualifies you for the credit for other dependents was placed with you for a legal adoption and you don't know his or her SSN, you must get an adoption taxpayer identification number (ATIN) from the IRS. Complete Form W-7A, Application for IRS Adoptions Taxpayer Identification Number. If the person isn't a U.S. citizen or resident alien, apply for an individual taxpayer identification number (ITIN) instead.
- If you are or the person qualifying you for the credit for other dependents is not eligible for a SSN, apply for an individual taxpayer identification number (ITIN) using Form W-7/W-7(SP), Application for IRS Individual Taxpayer Identification Number. If you apply for an ITIN on or before the date of your return (including extension) and the IRS issues you an ITIN as a result of the application, the IRS will consider your ITIN as issued on or before the due date of your return.

Form 1116 – Foreign Tax Credit



TaxSlayer Navigation: Federal Section>Deductions>Credits Menu>Foreign Tax Credit; or Keyword “1116”

Form 1116 - Foreign Tax Credit

In order to claim a credit for any foreign taxes paid without filing Form 1116, you must answer Yes to all of the following questions:

- Is all of your gross foreign source income Passive Category Income such as interest and dividends?
- Was all of that interest and dividend income reported to you on Form 1099-INT, Form 1099-DIV, or Schedule K-1?
- If you had dividend income from shares of stock, did you hold those shares for at least 16 days?
- Is the total of your foreign taxes less than or equal to **\$300**
- Were all of your taxes:
 - A. Legally owed and not eligible for a refund; AND
 - B. Paid to countries that are recognized by the United States; AND
 - C. Paid to countries that do not support terrorism?

Foreign tax credit not over **\$300**

Note: Only enter an amount if you answered Yes to all the questions above.

\$

If you are needing to file Form 1116 because you are not making the election above, complete Form 1116 Foreign Tax Credit.

GO TO FORM 1116

ONLY the Simplified Limitation Election for the foreign tax credit is in scope for Advanced certification. To be eligible for this election, qualified foreign taxes must be \$300 (\$600 if MFJ) or less, all foreign source income is passive category (such as interest and dividends) and taxpayer meets the other requirements as explained in Instructions for Form 1116. Do not enter amounts from Forms 1099-INT or 1099-DIV, box 6. The software will include these in the foreign tax credit calculation. Foreign taxes from Forms K-1 should be entered here.

Scope Note: Must have two counselors with International certification to prepare Form 1116.

Note: If the taxpayer has a carryback or a carryforward of unused foreign tax, refer taxpayer to a tax professional.

Caution: Foreign tax is also eligible to be claimed on Schedule A as an itemized deduction. While that is an option, foreign tax claimed as a credit is more advantageous for taxpayers.

Form 1116 – Foreign Tax Credit (continued)

Foreign tax credit

Section 951A income	BEGIN	
Foreign branch income	BEGIN	<div style="border: 1px solid gray; padding: 5px; margin-bottom: 5px;">Out of Scope</div> <div style="border: 1px solid gray; padding: 5px;">Passive and General limited income are in scope with International Certification only. Select the appropriate category. If taxpayer has income in more than one category or from more than one country, another form can be added later.</div>
Passive income	BEGIN	
General limited income	BEGIN	
Section 901(j) income	BEGIN	
Income resourced by treaty	BEGIN	<div style="border: 1px solid gray; padding: 5px;">Out of Scope</div>
Lump-sum distributions	BEGIN	

Passive income

Country of residence *

- Please Select -

Select country of residence

Are you reporting income that passed through a mutual fund or other regulated investment company (RIC) on a country-by-country basis?

Do you have passive income that is treated as general category income because it is highly taxed?

Carryback or Carryover \$

Reduction in Foreign Taxes \$

Adjustments \$

Reduction of credit for international boycott operations

\$

Type of Income

Credit is claimed for taxes paid or accrued

Paid ←

Accrued

Indicate whether the foreign tax was actually paid during the tax year (paid) or if the tax was billed in one year but paid in another (accrued). A taxpayer using the cash basis can choose to use either the cash or accrual method to determine the foreign tax credit. However, if the accrual method is chosen, the taxpayer must continue to use the accrual method for the foreign tax credit on all future returns.

Form 1116 – Foreign Tax Credit (continued)

Foreign Country or U.S. possession

Qualified Dividends/Capital Gains Taxed at 0% from Country

Qualified Dividends/Capital Gains Taxed at 15% from Country

Qualified Dividends/Capital Gains Taxed at 20% from Country

Gross income from sources within the country of the specified type (Do not include income excluded by Form 2555,
 Foreign Earned Income)

Expenses Directly Allocable to Income

Other Deductions

Select the country that imposed the tax.

Enter the gross income (not the tax) of this category type where indicated. Enter income from this category type only, not total income. Do not enter any income excluded by Form 2555.

Enter the gross income of this category type where indicated. Enter income from this category type only, not total income. Include any income excluded by Form 2555, but only if that income is of the category selected (passive or general income).

Gross income from sources within the country of the specified type (Including any income excluded by Form 2555,
 Foreign Earned Income)

Home mortgage interest

Other interest expense

Losses from foreign sources

Date paid or accrued *

Foreign taxes paid or accrued in foreign currency
 Tax Withheld on Dividends (in Foreign Currency)

Tax Withheld on Rents/Royalties (in Foreign Currency)

Tax Withheld on Interest (in Foreign Currency)

Other Foreign Taxes (in Foreign Currency)

Foreign taxes paid or accrued in U.S. dollars
 Dividends

Rents and royalties

Interest

Other taxes

CANCEL **CONTINUE**

Enter the date the tax was paid or accrued.

Select the itemized amounts boxes to enter taxes paid in foreign currency in the appropriate category.

If your gross foreign source income (including income excluded on Form 2555) does not exceed \$5,000, you can allocate all your interest expense to U.S. source income. Otherwise, deductible home mortgage interest (including points and qualified mortgage insurance premiums) is apportioned using a gross income method. See Instructions for Form 1116.

Generally, you must enter the amount of foreign taxes, in both the foreign currency denomination(s) and as converted into U.S. dollars, that relate to the category of income checked (Passive or General limited income).

Enter the taxes paid (in U.S. dollars) in the appropriate category.

Child and Dependent Care Credit Expenses

Probe/Action: To determine if a taxpayer qualifies for the Credit for Child and Dependent Care Expenses, ask the taxpayer for information from the screening sheet on the next page.

Who is a qualifying person?

- A qualifying child who was under the age of 13 when the expenses were incurred and who can be claimed as a dependent, see the first caution below.
- Any person who was incapable of self-care* whom the taxpayer can claim as a dependent or could've been claimed as a dependent except that the person had gross income of more than \$4,200 or filed a joint return or that the taxpayer or spouse, if married filing jointly, could be claimed as a dependent on someone else's 2019 return.
- A spouse who was physically or mentally incapable of self-care*.

*Incapable of self-care - persons who can't dress, clean, or feed themselves. Also, persons who must have constant attention to prevent them from injuring themselves or others.

The qualifying person must live with the taxpayer more than 1/2 the year.

See Publication 17, "Child and Dependent Care Credit," chapter for special rules regarding divorced or separated parents or parents who live apart.

Qualified work-related expenses

- Expenses must be paid for the care of the qualifying person to allow the taxpayer and spouse, if married, to work or look for work.
- The care includes the costs of services for the qualifying person's well-being and protection.
- Expenses to attend kindergarten or a higher grade aren't an expense for care.
- Expenses for summer day-camp are qualifying, but those for overnight camp aren't.

Refer to Tab C, Dependents, for the rules governing who may be claimed as a dependent.



Only the custodial parent may claim the child and dependent care credit even if the child is being claimed as a dependent by the noncustodial parent under the rules for divorced or separated parents.



If Dependent Care Benefits are listed in Box 10 of a Form W-2, then the taxpayer MUST complete Form 2441, Child and Dependent Care Expenses. If Form 2441 isn't completed, the Box 10 amount is added as taxable wages.

Note: If the qualifying child turned 13 during the tax year, the qualifying expenses include amounts incurred for the child while under age 13 when the care was provided.

Credit for Child & Dependent Care Expenses – Screening Sheet

Can You Claim the Child and Dependent Care Credit?

step 1	Was the care for one or more qualifying persons? See prior page for definition.	YES – Go to Step 2 NO – You CAN'T claim the child and dependent care credit ²
step 2	Did you (and your spouse if applicable) have earned income ¹ during the year? Refer to the Earned Income Table in the Earned Income Credit tab.	YES – Go to Step 3 NO – You CAN'T claim the child and dependent care credit ²
step 3	Did you pay the expenses to allow you to work or look for work? See prior page for qualifying expenses.	YES – Go to Step 4 NO – You CAN'T claim the child and dependent care credit ²
step 4	Were your payments made to someone you or your spouse could claim as a dependent?	YES – You CAN'T claim the child and dependent care credit ² NO – Go to Step 5
step 5	Were your payments made to your spouse or to the parent of your child who is your qualifying person? Answer NO if your qualifying child is a disabled person over age 13.	YES – You CAN'T claim the child and dependent care credit ² NO – Go to Step 6
step 6	Were your payments made to your child who was under the age of 19 at the end of the year?	YES – You CAN'T claim the child and dependent care credit ² NO – Go to Step 7
step 7	Are you single?	YES – Go to Step 10 NO – Go to Step 8
step 8	Are you filing a joint return?	YES – Go to Step 10 NO – Go to Step 9
step 9	Do you meet the requirements to be considered unmarried?	YES – Go to Step 10 NO – You CAN'T claim the child and dependent care credit ²
step 10	Do you know the care provider's name, address, and identifying number? Or did you make a reasonable effort to get this information? (See Publication 17, "Due Diligence" section)	YES – Go to Step 11 NO – You CAN'T claim the child and dependent care credit ²
step 11	Did you have only one qualifying person and exclude or deduct at least \$3,000 of dependent care benefits? ³	YES – You CAN'T claim the child and dependent care credit ² NO – You CAN claim the child and dependent care credit. Fill out Form 2441.

Footnotes

¹ Your spouse is treated as having earned income for any month that he or she is a full-time student, or physically or mentally not able to care for himself or herself. (Your spouse also must live with you for more than half the year.) If the taxpayer's spouse died during the year and he/she files a return as a surviving spouse, the taxpayer may, but isn't required to, take into account the earned income of the spouse who died during the year.

² If you had expenses that met the requirements for 2018, except that you didn't pay them until 2019, you may be able to claim those expenses in 2019.

³ If two or more, the amount you can exclude or deduct is limited to a total of \$6,000.

Form 2441 – Credit for Child and Dependent Care Expenses



TaxSlayer Navigation: Federal Section>Deductions>Credits>Child Care Credit; or Keyword “2441”

F2441 - Child Care Credit - Page 1



The 2441 covers expenses paid for child care. The amount paid to the provider(s) of the child care must equal the total expenses of the dependents and any qualified person not listed on the return as a dependent. If the totals do not balance out to a difference of \$0, then there is a risk of rejection of the return.

Total Expenses	-	\$0.00
Total Amount Paid To Providers	-	\$0.00
<hr/>		
Difference	-	\$0.00

Step 1 - Child Care Providers

Enter the required information about the child care provider you paid to care for your dependents and qualified persons. Once you have entered all providers, continue to Step 2 - Dependents.

Provider	ID Number	Amount
----------	-----------	--------

Add a Child Care Provider

Add a Child Care Provider.

Step 2 - Dependents

Next, enter the total amount of qualified expenses paid for each dependent. Select edit next to the appropriate dependent. Remember, it's possible for one qualifying person to have 0 expenses and another qualifying person have expenses exceeding \$3,000. The \$6,000 limit applies.

Step 3 - Qualifying Persons



The tax return can't be filed electronically without a valid Employer Identification Number or Social Security Number for the Child Care Provider.



Only check the “qualifying person had no expenses” box if the person is both a qualifying person for the credit and had no expenses.

Form 2441 – Credit for Child and Dependent Care Expenses (continued)

F2441 - Child Care Credit - Page 2

CANCEL

CONTINUE

What is this page for?

The Credit for Dependent Care Expenses is for individuals who paid for child care so that they could work. For this credit to calculate, the Taxpayer and the Spouse, if applicable, must each have earned income. There are exceptions to the rule for disabled or full-time students who were unable to work. Complete the "Addition to Income" section below for the appropriate non-working spouse for the purpose of calculating this credit only.

*NOTE: Any amounts entered here are **only** used for the purposes of figuring this credit. It will not be added to your total income on your tax return.

Additions to Income for Taxpayer for this credit

NOTE: If the taxpayer was a full-time student or disabled, enter any additional income.

Figuring the amount to enter:

Step 1: Figure out how many months you were a student (or disabled) and did not work. Do not include any month in which both you and your spouse (if applicable) were both students.

Step 2: If you have just one qualifying child that you paid expenses for, multiply the number of months you figured in Step 1 by \$250. If you have more than one qualifying child, multiply the number of months by \$500. The result is what you should report as Additional Income for Taxpayer.

Additional Income for Taxpayer for purposes of this credit

\$

Benefits (Do not enter an amount from your W-2)

Employer-paid Dependent Care Benefits

\$|

Forfeited Employer-paid Benefits

\$

Benefits Received from Sole Proprietorship or Partnership

\$

Did you pay any expenses for 2017 during 2018

- Yes
 No

Form 2441 Page 2:

If the taxpayer or spouse is a full-time student or disabled, enter \$250 per month (\$500 per month if more than one qualifying person was cared for during the year).

If the person also worked during the month, use the higher of \$250 (or \$500) or his or her actual earned income for that month.

If you are a surviving spouse and you did not remarry, add \$3,000.00 (\$6,000.00 if you have more than one qualify child).



Only enter dependent care benefits not reported on a Form W-2

Note: Foreign earned income and the foreign housing exclusion are subtracted from wages when figuring the credit. Subtract any amount earned while incarcerated or on work release.

Note: Both spouses must have earned income in order to claim the credit. Complete the additions to income for taxpayer if the taxpayer or spouse was either a full-time student or disabled.

Retirement Savings Contributions Credit – Screening Sheet

To determine if a taxpayer qualifies for the Credit for Qualified Retirement Savings Contributions, review the return information and ask the taxpayer the following:

step 1	Did you make a voluntary contribution or deferral to an IRA or other qualified plan for 2019? ¹	YES – Go to Step 2 NO – Not qualified for credit
step 2	Is AGI \$32,000 or less (\$48,000 if head of household, \$64,000 if married filing jointly)?	YES – Go to Step 3 NO – Not qualified for credit
step 3	Were you born before January 2, 2002?	YES – Go to Step 4 NO – Not qualified for credit
step 4	Are you being claimed as a dependent on someone else's tax return for 2019?	YES – Not qualified for credit NO – Go to Step 5
step 5	Were you a full-time student ² during 2019?	YES – Not qualified for credit NO – Qualified for credit

Footnotes

¹ Plans that qualify are listed in the Other Credits chapter of Publication 17. Answer yes if the taxpayer will make a qualifying IRA contribution for tax year 2019 by the due date of the return.

² You were a student if during any part of 5 calendar months of 2019 you:

- Were enrolled as a full-time student at a school, or
- Took a full-time, on-farm training course given by a school* or a state, county, or local government agency.

*A school includes technical, trade and mechanical schools. It does not include on-the-job training courses, correspondence schools, or schools offering courses only through the Internet.

Important Reminders for Retirement Savings Contributions Credit

- Be sure to look at the taxpayer's Form(s) W-2. An entry in box 12 or an "X" in the Retirement box is an indicator that the taxpayer may be eligible for this credit. A full description of all codes used in box 12 can be found in Instructions for Forms W-2 and W-3.
- An entry in box 14 on the Form W-2 may also indicate a contribution to a state retirement system. In TaxSlayer, if the contribution qualifies, from the drop down menu in Box 14 of Form W-2, select **Retirement (Not in Box 12) Carry to Form 8880**. If these are treated as employer contributions they aren't eligible for the credit. See Instructions for Form W-2.
- When using tax software, remember to key in all entries as they appear on the Form W-2.
- A contribution to a Traditional or Roth IRA qualifies for this credit, but may not appear on any taxpayer document. Remember to review the expenses section on page 2 of the Form 13614-C, Intake/Interview & Quality Review Sheet, and ask taxpayers if they made any IRA contributions.
- Some distributions reduce the eligible contributions for this credit. In addition to distributions for the current year as shown on Forms 1099-R, be sure to ask about distributions from the 2 prior years or between January 1 and the tax filing deadline.
- See a list of distributions later in this tab that don't reduce the eligible contributions for this credit.
- Form 8880, Credit for Qualified Retirement Savings Contributions, is used to claim this credit.
- If taxpayer (or spouse if MFJ) is a full-time student, be sure to mark it in the Personal Information Section in the software. This credit is not available to full-time students.

Retirement Savings Contributions Credit (continued)



TaxSlayer Navigation: Federal Section>Deductions>Credits>Retirement Savings Credit; or Keyword "8880"

Open the Retirement Savings Contributions Credits screen if the taxpayer meets eligibility criteria and any of the following are true:

1. The taxpayer(s) make a Traditional IRA or a Roth IRA contribution before the filing deadline.
2. The taxpayer or spouse's Form W-2 includes:
 - Box 12 entries of D, E, F, G, H, S, AA, BB
 - Box 14 amounts that are voluntary retirement contributions or marked as "Qualifies for Form 8880"
3. The designated beneficiary of an Achieving a Better Life Experience (ABLE) account made a contribution to their ABLE account.

Verify total contribution amounts with the taxpayer. Total IRA contributions cannot exceed the lesser of total compensation or the annual limit. See Tab E, Adjustments for limits.



Internal Revenue Code Section 414(h)(2) provides that any plan established by a governmental unit, where the contributions of employing units are designated employee contributions, but the employer "picks up" the contributions, the contributions are treated as employer contributions, not voluntary contributions made by the employee. They do not qualify for the credit.

Retirement Savings Contributions Credits

TAXPAYER

Enter Any Qualifying Retirement Distributions in 2018 or 2017 (current year distributions reported are already included)

\$

Enter as a negative number any current year distributions reported as income that should not be included on Line 4 of the 8880. For example, Military Retirement should be entered as a negative number here.

\$ **DO NOT USE**

Enter Any Current Year Traditional and ROTH IRA Contributions, and ABLE Account Contributions (Do not re-enter Traditional IRA contributions already reported in the IRA Deduction menu)

\$

Elective Deferrals from W-2(s)
\$0.00

Enter any Elective Deferrals to a 401(k) or other Qualified Plan not reported on a W-2

\$

Note: Certain distributions received after 2016 and before the due date (including extensions) of your 2019 tax return from any of the following types of plans are subtracted from contributions:

- Traditional or Roth IRAs
- 401(k), 403(b), governmental 457, 501(c)(18)(D), SEP, or SIMPLE plans
- Qualified retirement plans (including the federal Thrift Savings Plan).

Distributions entered on Form 1099-R will be calculated by the software. Any other distributions from the 2 prior years or between January 1 and the tax filing deadline must be entered manually where indicated.

TaxSlayer cannot identify which current tax year distributions are relevant, so it automatically reports all tax year distributions. If one of these distributions is listed on the following page as a distribution that should not be included (e.g., military pensions), go to the Form 1099-R entry screen for that distribution and check the box labeled "Does not qualify for Form 8880."

Retirement Savings Contributions Credit (continued)

Don't include any of the following as distributions. See Tab D, Income, Form 1099-R Box 7 Distribution Codes.

- Military pensions
- Distributions not taxable as the result of a rollover or a trustee-to-trustee transfer
- Distributions from your IRA (other than a Roth IRA) rolled over or converted to your Roth IRA
- Loans from a qualified employer plan treated as a distribution
- Distributions of excess contributions or deferrals (and income allocable to such contributions or deferrals)
- Distributions of contributions made during a tax year and returned (with any income allocable to such contributions) on or before the due date (including extensions) for that tax year
- Distributions of dividends paid on stock held by an employee stock ownership plan under IRC section 404(k)
- Distributions that are taxable as the result of an in-plan rollover to your designated Roth account
- Distributions from an inherited IRA by a nonspousal beneficiary
- **Distributions from a pension for which contributions were mandatory rather than voluntary such as some defined benefit and municipal government pensions**

The credit is calculated using the following percentages:

If AGI is—		And your filing status is—		
Over—	But not over—	Married filing jointly	Head of household	Single, Married filing separately, or Qualifying widow(er)
---	\$19,250	.5	.5	.5
\$19,250	\$20,750	.5	.5	.2
\$20,750	\$28,875	.5	.5	.1
\$28,875	\$31,125	.5	.2	.1
\$31,125	\$32,000	.5	.1	.1
\$32,000	\$38,500	.5	.1	.0
\$38,500	\$41,500	.2	.1	.0
\$41,500	\$48,000	.1	.1	.0
\$48,000	\$64,000	.1	.0	.0
\$64,000	---	.0	.0	.0

Credit for the Elderly or the Disabled – Screening Sheet

Figure A. Are You a Qualified Individual?

Use the following chart to determine if the taxpayer is eligible for the credit for the elderly or the disabled:

step 1	Were you married at the end of the tax year?	YES – Go to Step 2 NO – Go to Step 4
step 2	Did you live with your spouse at any time during the year? Answer NO if you qualify to be considered unmarried and file as Head of Household.	YES – Go to Step 3 NO – Go to Step 4
step 3	Are you filing a joint return with your spouse?	YES – Go to Step 4 NO – You aren't a qualified individual and can't take the credit for the elderly or the disabled
step 4	Are you a U.S. citizen or resident alien? ¹	YES – Go to Step 5 NO – You aren't a qualified individual and can't take the credit for the elderly or the disabled
step 5	Were you 65 or older at the end of the tax year?	YES – You are a qualified individual and may be able to take the credit for the elderly or the disabled unless your income exceeds the limits in Figure B NO – Go to Step 6
step 6	Are you retired on permanent and total disability?	YES – Go to Step 7 NO – You aren't a qualified individual and can't take the credit for the elderly or the disabled
step 7	Did you reach mandatory retirement age before this year? ²	YES – You aren't a qualified individual and can't take the credit for the elderly or the disabled NO – Go to Step 8
step 8	Did you receive taxable disability benefits this year?	YES – You are a qualified individual and may be able to take the credit for the elderly or the disabled unless your income exceeds the limits in Figure B NO – You aren't a qualified individual and can't take the credit for the elderly or the disabled

Footnotes

- ¹ If you were a nonresident alien at any time during the tax year and were married to a U.S. citizen or resident alien at the end of the tax year, see U.S. Citizen or Resident Alien under Qualified Individual. If you and your spouse choose to treat you as a U.S. resident alien, answer "yes" to this question.
² Mandatory retirement age is the age set by your employer at which you would have been required to retire, had you not become disabled.

Figure B. Income Limits

IF you are . . .	THEN you generally can't take the credit if...	
	Your adjusted gross income (AGI) is . . .	OR the total of your nontaxable social security and other nontaxable pension annuities or disability income is equal to or more than . . .
single, head of household, or qualifying widow(er) with dependent child	\$17,500	\$5,000
married filing a joint return and both spouses qualify in <i>Figure A</i>	\$25,000	\$7,500
married filing a joint return and only one spouse qualifies in <i>Figure A</i>	\$20,000	\$5,000
married filing a separate return and you lived apart from your spouse for all of 2019	\$12,500	\$3,750



Tax Software Hint: Be sure to include the taxpayer's total social security benefits, regardless of the taxability, to ensure the correct calculation of the credit. The software does not calculate this credit automatically. If the taxpayer appears to qualify for the credit, refer to the navigation path on the next page and answer the questions.

Entering the Credit for the Elderly or the Disabled



TaxSlayer Navigation: Federal Section>Deductions>Credits Menu>Credit for the Elderly or Disabled; or Keyword: "Schedule R"

Schedule R Retired/Disability Question

Choose one

- Both spouses were 65 or older.
- Both spouses were under 65, but only one spouse retired on permanent and total disability.
- Both spouses were under 65 and both retired on permanent and total disability.
- One spouse was 65 or older and the other spouse was under 65 and retired on permanent and total disability.
- One spouse was 65 or older, and the other spouse was under 65 and NOT retired on permanent and total disability.

Statement of Disability

- IF** You filed a physician's statement for this disability for 1983 or an earlier year
- OR** You filed or got a statement for tax years after 1983 and your physician signed line B on the statement,
- AND** Due to your continued disabled condition, you were unable to engage in any substantial gainful activity in 2018.

Check this box only if this entire statement is true.

Check the box if the statements above regarding the taxpayer's disability are true. Not checking the box does not prevent the taxpayer from claiming the credit. However, they must obtain a physician's statement for their records. See the Instructions for Schedule R for a sample statement.

Physician's Statement Needed



Because you did not meet both qualifications on the previous page, the IRS requires you to obtain another physician's statement. Your physician must complete the statement for Schedule R and you must retain it for your records.

Entering the Credit for the Elderly or the Disabled (continued)

Income

Taxable disability income

Enter the taxpayer's taxable disability income, if any, (such as from Form 1099-R) where indicated.

Other pension, annuity, or disability benefit that is excluded from income under any other provision of law (DO NOT re-enter non-taxable income already reported such as Social Security Benefits)

Enter pension, annuity or disability benefits excluded from income as indicated. Do not enter Social Security benefits. Enter Social Security income in the Social Security SSA-1099 screen in TaxSlayer.

Other Taxes and Payments



TaxSlayer provides all the forms and schedules you need in order to figure and report these taxes, and in most cases, performs the calculations.

Other Taxes		
Self-Employment Tax Schedule SE	BEGIN	
Alternative Minimum Tax Form 6251	BEGIN	Out of Scope
Tax on Unreported Tip Income Form 4137	BEGIN	
Tax on Early Distribution Form 5329	BEGIN	
Household Employment Tax Schedule H	BEGIN	Out of Scope
First-time Homebuyer Repayment Form 5405	BEGIN	
Tax For Children Under Age 18 Form 8615	BEGIN	In Scope, with limitations
Child's Interest/Dividend Earnings Form 8814	BEGIN	Out of Scope
Net Investment Income Tax Form 8960	BEGIN	Out of Scope
Uncollected Social Security and Medicare Tax on Wages Form 8919	BEGIN	Out of Scope

Self-Employment Tax –

Entered automatically from Schedule SE. TaxSlayer calculates the amount using the entries from Schedule C.

Use this menu navigation to exclude any exempt income from the SE Tax calculation (for example, notary income).

Unreported Social Security and Medicare Tax – Tax-Aide Hint: Unreported Tip Income may be entered here.

Unreported Social Security and Medicare Tax comes from Form 4137, Social Security and Medicare Tax on Unreported Tip Income, not reported on Form W-2.



TaxSlayer Navigation: Federal Section>Income>Wages and Salaries>Unreported tips (on W-2 below line 10); or Keyword “W”. If unreported because tips were less than \$20 per month, also enter at Federal Section>Other Taxes>Tax on Unreported Tip Income; or Keyword “4137”

Other Taxes and Payments (continued)

Repayment of First-Time Homebuyer Credit Form 5405 –



TaxSlayer Navigation: Federal Section>Other Taxes>First-Time Homebuyer Repayment; or Keyword “FIR”

Taxpayers who purchased a home in 2008 and received the First Time Homebuyer Credit (maximum \$7,500 loan) started repayments in 2010 and must enter the repayment on Form 5405, Repayment of the First-Time Homebuyer Credit. (See 5405 instructions for when it is required.)

Form 5405 - First-Time Homebuyer Credit and Repayment

! Married Filing Joint customers are required to file two separate 5405 forms with individual repayment amounts.

Form belongs to *

Taxpayer Sample
 Spouse Sample

Did the home stop being your primary residence during the current year? *

Yes
 No

Repayment of Credit

Check here if you purchased your home in 2008.

! For Jointly filed tax returns, you must enter yours and your spouse's portion of the credit separately. For example, if you received the \$7500 credit on a joint tax return. Each Spouse would be responsible for 1/2 of the credit and repayment amount. Enter \$3750 in the credit received (1/2 * 7500).

Please enter **1/2 of the full** credit amount you claimed on Form 5405 for 2008. (This amount would have been 10% of the purchase price up to either \$7,500 or \$8,000) *

\$

Enter **1/2 of the full** amount repaid with your prior year tax returns

\$

We automatically calculate your required payment amount based on the total credit you received. If you would like to add an additional amount to what is already calculated, enter that amount here

\$

*Click here to visit the IRS First Time Homebuyer credit account look-up tool.

Use the First-Time Homebuyer Credit Account Look-up tool on irs.gov to determine the amount of the repayment.



TaxSlayer Navigation: Federal Section>Other Taxes>Tax for Children Under 18

Tax for Children who Have Unearned Income

If the student includes the tax free educational assistance in income, has a filing requirement and unearned income (including the taxable scholarship) over \$2,200, the student will be subject to filing Form 8615, Tax for Certain Children Who Have Unearned Income (Kiddie Tax) to compute the tax. (See the following page.)

Caution: When the Kiddie Tax applies, the preparer must add Form 8615 to the return.

Form 8615 - Child's Investment Income Tax

Parent's Personal Information

Parent's First Name *

Parent's Last Name *

Parent's SSN # *

- -

Parent's Filing Status *

Single

WARNING: Further Consolidated Appropriations Act, 2020 changed the tax rate used in calculation of the kiddie tax. It applies to taxable years beginning after December 31, 2019. A taxpayer may elect to apply this calculation to taxable years 2018, 2019, or both. The taxpayer may benefit from making this election. If the taxpayer makes this election, the return is out of scope.

Note: This is in scope for Tax-Aide. For VITA limited to students electing to include unearned income such as scholarships/grants as income on the return.

Other Taxes and Payments (continued)

Do you have to use Form 8615 to figure your child's tax?

step 1	Was the child's unearned income, including taxable scholarships and grants , more than \$2,200?	YES – Go to Step 2 NO – Don't use Form 8615 to figure the child's tax.
step 2	Is the child required to file a tax return for 2019?	YES – Go to Step 3 NO – Don't use Form 8615 to figure the child's tax.
step 3	Was the child under age 18 at the end of 2019?	YES – Go to Step 8 NO – Go to Step 4
step 4	Was the child age 18 at the end of 2019?	YES – Go to Step 7 NO – Go to Step 5
step 5	Was the child under age 24 at the end of 2019?	YES – Go to Step 6 NO – Don't use Form 8615 to figure the child's tax.
step 6	Was the child a full-time student in 2019?	YES – Go to Step 7 NO – Don't use Form 8615 to figure the child's tax.
step 7	Did the child have earned income that was more than half of his or her support?	YES – Don't use Form 8615 to figure the child's tax. NO – Go to Step 8
step 8	Was at least one of the child's parents alive at the end of 2019?	YES – Go to Step 9 NO – Don't use Form 8615 to figure the child's tax.
step 9	Is the child filing a joint return for 2019?	YES – Don't use Form 8615 to figure the child's tax. NO – Go to Step 10
step 10	Use Form 8615 to figure the child's tax. Attach it to the child's return.	

Note: If the child's parent chooses to report the child's income by filing Form 8814, the child isn't required to file a tax return. Don't use Form 8615. (See Parent's Election to Report Child's Interest and Dividends.) Form 8814 is out of scope.

Other Taxes and Payments (continued)

Additional Tax on IRA's and Other Qualified Plans –



TaxSlayer Navigation: Federal Section>Other Taxes>Tax on Early distribution; or Keyword “5329”

A 10% penalty is calculated on Form 5329, Additional Tax on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts, for early withdrawal before age 59-1/2. If an exception applies, enter the code and the amount on line 2 of Form 5329. **Note:** Form is only in scope for Parts I and IX to remove a penalty.

Form 5329

CANCEL **CONTINUE**

Part I - Additional Tax on Early Distributions

Form belongs to *

Testing Taxpayer

Spouse Taxpayer

SIMPLE Retirement Distributions that are not subject to 25% Tax

\$

Early Distributions that are not subject to 10% tax

\$

Select the reason for exemption

-- Please Select --

Part II - Additional Tax on Certain Distributions from Education Accounts

Coverdell ESAs and QTPs that are not subject to the additional tax

\$

Funds distributed from a SIMPLE IRA in the first two years are subject to a 25% early distribution tax. If an exception applies, enter the amount not subject to the tax here.

Enter the amount not subject to additional tax.

Select the appropriate exception from the drop down menu.

Early Distribution Exceptions – Form 5329 Part I

Notes:

- Some codes apply only to IRAs, some apply only to employer plans such as a 401(k); some apply to both.
- Code 03 applies if the taxpayer was considered disabled when the distribution occurred, i.e., it does not apply if the disability occurred after the distribution.
- For codes 05, 07 and 08, the distributions do not have to be specifically for the stated expenses, but the distribution and the expenses must occur in same tax year.
- For all other codes, the distribution must be specifically for the reason applicable to that code – see Pub 590-B and Form 5329 Instructions for details

05 Qualified retirement plan distributions up to the amount paid for unreimbursed medical expenses during the year minus 7.5% of adjusted gross income (AGI) for the year. Applies to IRA and employer plan distributions. Medical expenses used to reduce the addition to tax can also be claimed on Schedule A if itemizing. This is not a double dip.

Example: Joyce, age 50 withdrew \$10K from her 401(k). Her total unreimbursed qualified medical expenses for the year were \$8K. Her AGI is \$37,500.

Example below is based on old 10% exclusion for Medical (now 7.5%). Adjust accordingly.

Item	Amount
Early distribution included in income	\$10,000
Amount of early distribution not subject to additional tax	\$8,000 of medical expenses less 10% of her \$37,500 AGI or \$8,000 minus \$3,750 = \$4,250
Amount subject to additional tax	\$10,000 minus \$4,250 = \$5,750
10% Additional tax	\$575

08 IRA distributions made for qualified higher education expenses. It does not apply to employer plan distributions.

Qualified education expenses used to reduce the addition to tax are fully available for an education credit or deduction. This is not a double dip.

Example: Bob, age 54, withdrew \$10,000 from his traditional IRA. Bob's son James is a more than half-time student at a local college. Bob can apply expenses paid for himself, his spouse, his or his spouse's child, foster child, adopted child, or descendant of any of them to this exception. Note – the student does **not** have to be a dependent. If the student is at least a half-time student, room and board are qualified education expenses only to the extent they are not more than the greater of the allowance for room and board, as determined by the educational institution, that was included in the cost of attendance (for federal financial aid purposes) for the academic period, and the actual amount charged if the student is residing in housing owned or operated by the educational institution.

(Continued on next page)

Early Distribution Exceptions – Form 5329 Part I (continued)

Scenario	Applicable to Exception
Bob pays college \$12,000 for tuition, books and fees	\$10,000
Scholarship covers tuition, books and fees. - James lives in on-campus housing with room and board* - James lives at home* - James lives in off-campus housing*	- Standard cost for school-operated housing* - Actual cost for room and board limited to amount determined by Institution for students residing at home* - Actual cost for room and board limited to amount determined by Institution for students residing off-campus in private facilities*

* Taxpayer must obtain the appropriate room and board allowance from the Institution. This allowance represents either the only amount (on-campus housing) or the maximum amount that can be claimed toward this exception. See <https://www.admissions.ucla.edu/prospect/budget.htm> for an example. If the Institution has no allowance for a specific room and board situation, then nothing can be claimed.

Failure to take required minimum distribution (RMD) from traditional IRA - Form 5329

Part IX

If taxpayer has failed to take RMD from a qualified retirement plan, go to entry screen for Form 5329. Complete Part IX and request a waiver of the 50% penalty. Describe the reasons the taxpayer failed to take the distribution (illness, relied on trustee, clerical error in calculation, etc.). Taxpayer needs to correct the error by taking the missed distribution as soon as possible. This will result in two distributions in the catch-up year.

Part IX - Additional Tax on Excess Accumulation in Qualified Retirement Plans (Including IRAs)

Minimum required distribution for current year

\$ Determined from Form 5498 or other documentation by taxpayer

Amount actually distributed to you in current year

\$ Total of actual distributions eligible to meet the MRD

Check here to claim a waiver on your additional tax for failure to take a Required Minimum Distribution.

Waiver for Additional Tax

\$ (Difference between first two entries)

Explanation for Waiver

Always request a waiver. The addition to tax on the return is out of scope. Taxpayer must promptly take correcting distribution, resulting in a double up of taxable distributions in the future year.

Other Taxes and Payments (continued)

Exception codes and explanations for early distributions from IRAs or retirement plans:

(Do not rely on this list alone. See Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs), for rules and details pertaining to each exception.)

No	Exception
01	Qualified retirement plan distributions (doesn't apply to IRAs) if you separated from service in or after the year you reach age 55 (age 50 for qualified public safety employees).
02	Distributions made as part of a series of substantially equal periodic payments (made at least annually) for your life (or life expectancy) or the joint lives (or joint life expectancies) of you and your designated beneficiary (if from an employer plan, payments must begin after separation from service).
03	Distributions due to total and permanent disability. Does not apply if the disability occurred after the distribution.
04	Distributions made on or after the date of death due to death (doesn't apply to modified endowment contracts).
05	Qualified retirement plan distributions up to (1) the amount you paid for unreimbursed medical expenses during the year minus (2) 7.5% of your adjusted gross income for the year. Expenses can also be entered on Schedule A
06	Qualified retirement plan distributions made to an alternate payee under a qualified domestic relations order (doesn't apply to IRAs).
07	IRA distributions made to unemployed individuals for health insurance premiums. ¹
08	IRA distributions up to the amount you paid for qualified made for qualified higher education expenses during the year, unless paid with tax-free education aid or Pell grant.
09	IRA distributions made for purchase of a first home, up to \$10,000 per taxpayer and paid within 120 days of distribution.
10	Distributions due to an IRS levy on the qualified retirement plan per taxpayer and paid within 120 days of distribution.
11	Qualified distributions to reservists while serving on active duty for at least 180 days.
12	Other ² . Also, enter this code if more than one exception applies. Add a note in TaxSlayer indicating what exceptions apply and how much applies to each.

Footnotes

¹ Medical insurance for yourself, your spouse, and your dependents (no **7.5%** of AGI reduction). All of the following conditions must apply
You lost your job.

- You received unemployment compensation paid under any federal or state law for 12 consecutive weeks because you lost your job.
- You receive the distributions during either the year you received the unemployment compensation or the following year.
- You receive the distributions no later than 60 days after you have been reemployed.

² Distributions incorrectly indicated as early distributions by code 1, J, or S in box 7 of Form 1099-R. Include on line 2 the amount you received when you were age 59 1/2 or older. See Form 5329 Instructions or Publication 590-B for additional exceptions. For additional exceptions that apply to annuities, see Publication 575, Pensions and Annuity Income.

Additional Taxes on HSAs

For those with HSA certification only. Additional taxes for HSA distributions not used for qualified medical expenses are reported on Form 1040 Schedule 2. All other taxes on this line are Out of Scope. See Instructions for Form 8889, Health Savings Accounts (HSAs).

The additional 20% tax does not apply to distributions made after the account beneficiary:

- Dies,
- Becomes disabled, or
- Turns age 65

Payments and Estimates

TaxSlayer navigation: Federal Section>Payments & Estimates

Federal or State Income Tax Withheld -
Entered automatically from the entries made on Forms W-2, 1099, SSA 1099, etc. For Form 1099 withholding not listed elsewhere, enter in Other Federal Withholdings or Other State Withholdings.

2019 Estimated Tax Payments - Federal and/or State Open Federal Estimated Payments for 2019 or State Estimated Payments and enter:

- Any refund amount from last year that was credited toward estimated taxes for the current year
- Enter actual amount paid in each quarter.

Payments and Estimates

Federal Estimated Payments for 2019

State Estimated Payments

Other Federal Withholding

Other State Withholdings

Underpayment of Estimated Tax

Apply Overpayment to Next Year's Taxes*

Vouchers for Next Year's Estimated Payments

Amount Paid with Extension

Back

Continue

TaxSlayer should not calculate a penalty. If it does, a waiver can be requested. To remove 1040, line 24, check box to request a waiver and use reason of "To be calculated by IRS."

Amount to be Applied to 2020 Estimated Tax
Enter the amount of overpayment to apply to 2020.

See Page K-17

Excess Social Security - Calculated automatically if there are multiple W-2s for an individual and the combined wages exceed the maximum subject to Social Security for the year.

Amount Paid with Extension Request -
Directly enter any payment made. When preparing a Prior year return, remember to ask if payments have been made.

* To apply state refunds to next year's taxes, go to State>Payments>Apply Your State Refund

This page deliberately left blank.

Affordable Care Act (ACA)

Health Insurance Questionnaire

Did you purchase health insurance via HealthCare.gov or a State Marketplace? *

Yes ← Answer Yes if the taxpayer received Form 1095-A for any part of the year.

No ← If the taxpayer applied for coverage via the Marketplace but was instead enrolled in Medicaid, answer No.

A Yes answer will require entry of information from Form 1095-A. See Premium Tax Credit section later in this tab for help entering Form 1095-A. **Screen view below will appear**



If taxpayers answer No, no further action is necessary.

i If you have additional family members that are neither a spouse nor a dependent, click ["Add a New Household Member."](#)
If you need to add or remove dependents, [click here to go to Personal Information.](#)

+ Household Member

Name	SSN
SINGLE TAXPAYER	276-00-2766
test TAXPAYER	276-22-2222

! If you wish to override the calculated Tax Family Size please [click here.](#)

CONTINUE

NOTE: NEVER OVERRDE THE CALCULATED TAX FAMILY SIZE. SELECT CONTINUE for next screen.

Premium Tax Credit

For taxpayers who purchased insurance through the Marketplace, complete this screen using their Form 1095-A.

Advanced Premium Tax Credit (1095-A)

Did you receive a 1095-A statement or any Premium Tax Credits to assist you in paying for your health care for 2018? *

- Yes
 No

Are you required to repay all of the APTC received? In most cases, the answer is NO. ONLY answer YES if you were not considered lawfully present in the U.S. or you meet the Health Coverage Tax Credit criteria. Note: We will automatically calculate a full repayment of APTC when MAGI is greater than 400 percent of Federal Poverty Line.

- Yes ←
 No

Is your household income below 100% of the Federal poverty line, and do you meet all of the requirements under either "Estimated household income at least 100% of the Federal poverty line" or "Alien lawfully present in the United States"?

- Yes ←
 No

Do all Forms 1095-A include coverage for January through December, with no changes in monthly amounts?

- Yes ←
 No

This question appears for all taxpayers with APTC:

This question is really asking: Is the taxpayer liable for unlimited APTC repayment?

Answer NO in most cases.

Only answer YES if all individuals on the tax return for whom APTC was paid:

- Are undocumented immigrants; or
- Were eligible for the Trade Adjustment Assistance Health Care Tax Credit (HTCC) (Out of Scope)

Answer YES in most cases.

Answer YES if:

- There is an amount in column C of Form 1095-A (APTC) for one or more months; or
- One of the individuals on the taxpayer's Form 1095-A is lawfully present but ineligible for Medicaid

Answer NO ONLY if:

Income is below 100% federal poverty line (FPL), no APTC was paid, and the second bullet from above does not apply



The TaxSlayer default answer is NO for this question.

CAUTION: Very important to change to Yes if income is below FPL. If it is not changed to Yes, the taxpayer must repay all of the APTC.

If Form 1095-A shows the same monthly amounts for all 12 months, select "Yes" and enter the annual amounts below. Otherwise, select "No" and enter monthly amounts.

If one or more of the amounts in column B is incorrect and the correct SLCSP premium amounts are not the same for all 12 months, select "No".

If the taxpayer is Married Filing Separately a checkbox will appear on this screen. If the taxpayer cannot file a joint return because of **domestic abuse or spousal abandonment** check the box. See Instructions for Form 8962, Premium Tax Credit for details. If a taxpayer is Married Filing Separately and is not eligible for relief, he/she must repay APTC, subject to the repayment limitation. See Part IV, Allocation Situation 2, of the Form 8962 instructions to determine the amount of APTC your taxpayer must repay.

Premium Tax Credit (continued)

Please enter your annual Advance Premium Tax Credit information

Premium Amount (Form 1095-A, line 33A)

Annual Premium Amount of SLCSP (Form 1095-A, line 33B)

Annual Advance Payment of PTC (Form 1095-A, line 33C)

Out of Scope Situations

Allocation of Policy Amounts (Shared Policy)

If the following situations apply, the taxpayer may have to allocate policy amounts with another taxpayer. If so, the return is Out of Scope:

- The 1095-A lists a covered person who is not on this tax return or,
- A person on the tax return was enrolled in another taxpayer's Marketplace coverage. (The person is listed on a Form 1095-A sent to a taxpayer not on this tax return.)

Alternative Calculation for Year of Marriage

If the following situation applies, an **Alternative Calculation for Year of Marriage** may be elected. If the taxpayer elects this option, the return is Out of Scope.

- Taxpayers got married during 2019, are filing a joint return for 2019, and both spouses were unmarried as of January 1, 2019
- A member of the taxpayers' tax family was enrolled in a qualified health plan for which APTC was paid for months prior to the first full month of marriage, and
- Taxpayers have excess APTC (their APTC exceeds their allowed PTC).



Taxpayers may choose to file MFJ or MFS without the alternative calculation, which remains in scope.

See Publication 974, Premium Tax Credit (PTC), for more details.

Premium Tax Credit, Form 8962

If a taxpayer is MFS and is eligible for relief from requirement to file MFJ because of spousal abuse or abandonment, this box should be checked.

If MFS but not eligible for relief, he/she must repay APTC, subject to the repayment limitation.

See Part IV, Allocation Situation 2, of the Form 8962 instructions to determine the amount of APTC your taxpayer must repay.

Form 8962	Premium Tax Credit (PTC)	OMB No. 1545-0074
Department of the Treasury Internal Revenue Service	▶ Attach to Form 1040 or Form 1040NR. ▶ Go to www.irs.gov/Form8962 for instructions and the latest information.	2018 Attachment Sequence No. 73
Name shown on your return	Your social security number	

You cannot take the PTC if your filing status is married filing separately unless you qualify for an exception (see instructions). If you qualify, check the box

Part I Annual and Monthly Contribution Amount

1	Tax family size. Enter your tax family size (see instructions)		1	
2a	Modified AGI. Enter your modified AGI (see instructions)	2a		
b	Enter the total of your dependents' modified AGI (see instructions)	2b		
3	Household income. Add the amounts on lines 2a and 2b (see instructions)		3	
4	Federal poverty line. Enter the federal poverty line amount from Table 1-1, 1-2, or 1-3 (see instructions). Check the appropriate box for the federal poverty table used. a <input type="checkbox"/> Alaska b <input type="checkbox"/> Hawaii c <input type="checkbox"/> Other 48 states and DC		4	
5	Household income as a percentage of federal poverty line (see instructions)		5	%
6	Did you enter 401% on line 5? (See instructions if you entered less than 100%). <input type="checkbox"/> No. Continue to line 7. <input type="checkbox"/> Yes. You are not eligible to take the PTC. If advance payment of the PTC was made, see the instructions for how to report your excess advance PTC repayment amount.			

Note: See the Applicable Figure Table later in this tab.

Household Modified Adjusted Gross Income (MAGI) for health insurance purchased through the Marketplace is calculated as:
Adjusted Gross Income (AGI)
+Tax-Exempt Interest
+Social Security Income not included in AGI
+Foreign Earned Income
+MAGI of the dependents claimed by the taxpayer, who are required to file a tax return other than to claim a tax refund

The dependents' MAGI should appear on **line 2b ONLY IF the dependents' gross income is above the filing threshold.** See Tab A, Who Must File, Chart B - For Children and Other Dependents.

The net premium tax credit a taxpayer can claim (the excess of the taxpayer's premium tax credit over APTC) will appear on Form 1040, Schedule 3. This amount will increase taxpayer's refund or reduce the balance due.

24	Total premium tax credit. Enter the amount from line 11(e) or add lines 12(e) through 23(e) and enter the total here		24	
25	Advance payment of PTC. Enter the amount from line 11(f) or add lines 12(f) through 23(f) and enter the total here		25	
26	Net premium tax credit. If line 24 is greater than line 25, subtract line 25 from line 24. Enter the difference here and on Schedule 5 (Form 1040), line 70, or Form 1040NR, line 65. If line 24 equals line 25, enter -0-. Stop here. If line 25 is greater than line 24, leave this line blank and continue to line 27		26	
Part III Repayment of Excess Advance Payment of the Premium Tax Credit				
27	Excess advance payment of PTC. If line 25 is greater than line 24, subtract line 24 from line 25. Enter the difference here		27	
28	Repayment limitation (see instructions)		28	
29	Excess advance premium tax credit repayment. Enter the smaller of line 27 or line 28 here and on Schedule 2 (Form 1040), line 46, or Form 1040NR, line 44		29	

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 37784Z Form **8962** (2018) QNA

The amount of excess APTC (amount by which APTC exceeds the taxpayer's premium tax credit) that needs to be repaid will appear on Form 1040, Schedule 2 **line 2.**

Premium Tax Credit – Special Situations

See Instructions for Form 8962 and Publication 974, Premium Tax Credit, for additional information.

Multiple Forms 1095-A

Some taxpayers will have multiple Forms 1095-A. This will happen if the taxpayer:

- Changed Marketplace plans during the year
- Updated their application with new information that resulted in a new enrollment
- Had family members enrolled in different Marketplace plans
- Had more than 5 family members in the same plan

Entering Multiple Forms 1095-A on One Form 8962 - Make sure everyone on the Forms 1095-A is also on the tax return. If not, this may require the taxpayer to allocate policy amounts with another taxpayer, which makes this return Out of Scope.

Column A: Add the premiums together.

Column B: If everyone is enrolled in the same state, the SLCSP premium should be the same on all Forms 1095-A for a given month. Enter that amount. If the enrollees are enrolled in different states, add the SLCSP premiums. When in doubt, look it up in the Tax Tool for your Marketplace. See the Tax Tool section later in this tab.

Column C (entered in Column F of Form 8962):

Add the amounts together.

Part III Coverage Information			
Month	A. Monthly enrollment premiums	B. Monthly second lowest cost silver plan (SLCSP) premium	C. Monthly advance payment of premium tax credit
21 January			
22 February	Column A	Column B	Column C
23 March			
24 April			
25 May			
26 June			
27 July			

The taxpayer stopped paying premiums

What you'll see: Numbers in Columns B and C but no premium in Column A (-0-) for a month on Form 1095-A, Part III

What to do:

- The taxpayer can only claim a PTC for a month of enrollment if the premium for the month is paid by the tax return due date (without extensions). If the APTC is high and covers most of the premium, can the taxpayer make the (late) premium payment? It may be more cost-effective to pay the premium than to repay the APTC. When the premium is paid, ask for a corrected Form 1095-A.
- If the premium payment has not and will not be made, enter -0- in Column A and Column B for the month and enter the APTC for the month in Column C. Note: There should never be consecutive months like this. If so, there is an error on Form 1095-A.

Sample Form 1095-A: PART III			
Part III Coverage Information			
Month	A. Monthly enrollment premiums	B. Monthly second lowest cost silver plan (SLCSP) premium	C. Monthly advance payment of premium tax credit
21 January			
22 February	\$301	\$288	\$87
23 March	\$301	\$288	\$87
24 April	\$301	\$288	\$87
25 May	- 0 -	\$288	\$87
26 June			
27 July			
28 August			
29 September			
30 October			
31 November			
32 December			

The taxpayer is ineligible for the PTC

- See Form 8962 instructions
- Enter 0 in column B

PTC Eligibility - QSEHRA

Employers may offer a qualified small employer health reimbursement arrangement (QSEHRA) to their eligible employees. Under a QSEHRA, an eligible employer can reimburse eligible employees for health care costs, including premiums for Marketplace health insurance. If taxpayers were covered under a QSEHRA, their employer should have reported the annual permitted benefit in box 12 of Form W-2 with code FF. If the QSEHRA is affordable for a month, no PTC is allowed for the month. If the QSEHRA is unaffordable for a month, taxpayers must reduce the monthly PTC (but not below -0-) by the monthly permitted benefit amount. **If there is a code FF on Form W-2 box 12, the employee has a Marketplace policy and is otherwise eligible for PTC, the return is Out of Scope.**

Premium Tax Credit – Special Situations (continued)

Overlapping Coverage

There are special rules for taxpayers who wish to claim PTC when they had another offer of coverage. See Publication 974 for additional information.

In general:

- A person who was ineligible for non-Marketplace coverage on the first day of the month remains ineligible for that coverage for the whole month, even if they became eligible for the coverage during the month.
- If a person is receiving APTC and informs the Marketplace that he or she is now eligible for other minimum essential coverage and APTC should be discontinued, and the Marketplace does not discontinue APTC by the first day of the following month, the person is considered ineligible for the nonMarketplace coverage until the first day of the second month the individual may enroll in other coverage.

Employer-sponsored coverage:

- A person cannot claim PTC for his or her Marketplace coverage for any month the person was enrolled in employer-sponsored coverage; if APTC was paid for a person's Marketplace coverage for a month the person was enrolled in employer-sponsored coverage, it must be repaid up to the repayment limitation.
- PTC can be claimed for an individual who was eligible for employer-sponsored coverage, but not enrolled only if:
 - a. Coverage was unaffordable for the employee (regardless of the cost of family coverage). The cost of coverage is found on Form 1095-C for those working for large employers, or
 - b. Coverage did not provide a minimum level of benefits, referred to as "minimum value." A taxpayer can check with the employer if he or she suspects coverage did not meet minimum standards.
- Exception: A person who is eligible for employer-sponsored coverage and gave the Marketplace accurate information about the offer of coverage but was still determined eligible for APTC can claim PTC for his or her Marketplace coverage even if the employer coverage is affordable based on the taxpayer's actual household income.
- See Publication 974 for more information and special rules on employer-sponsored coverage, including coverage waiting periods, health reimbursement arrangements, and coverage after employment ends.

Medicaid/CHIP:

- If the Marketplace determined the taxpayer was eligible for APTC and therefore ineligible for Medicaid or CHIP, and the taxpayer received APTC, the taxpayer will generally remain eligible for APTC for the plan year, even if actual household income suggests the person may have been eligible for Medicaid or CHIP. If this is the case, answer Yes to the question in TaxSlayer which asks "Is your household income below 100% of the Federal poverty line, and do you meet all of the requirements under either "Estimated household income at least 100% of the Federal poverty line" or "Alien lawfully present in the United States"?"
- If an individual for whom APTC is being paid is determined to be eligible for government-sponsored coverage retroactively, the individual is not considered eligible for that coverage until the month after the eligibility determination is made. (For example, a person who enrolled at the beginning of the year in Marketplace coverage with APTC, but in July is determined eligible for Medicaid retroactive to April 1, can, if otherwise eligible, claim PTC in January through July, despite concurrent enrollment in Medicaid in April through July.)

Medicare:

- A person eligible for Medicare loses eligibility for PTC even if he or she fails to enroll in Medicare. The loss of eligibility occurs the first day of the fourth full month after the person became eligible for Medicare. For example, a person who is enrolled in Marketplace coverage with APTC, but becomes Medicare-eligible on his 65th birthday on May 17, loses eligibility for PTC on September 1, the first day of the fourth full month after Medicare eligibility.

Premium Tax Credit – Special Situations (continued)

Handling Unexpected APTC Repayments

Many tax preparers are seeing clients with unexpected repayments of APTC on Form 8962, Line 29, that they must repay on Form 1040, Schedule 2.

Form 8962: Part III		
Part III Repayment of Excess Advance Payment of the Premium Tax Credit		
27	Excess advance payment of PTC. If line 25 is greater than line 24, subtract line 24 from line 25. Enter the difference here	27
28	Repayment limitation (see instructions)	28
29	Excess advance premium tax credit repayment. Enter the smaller of line 27 or line 28 here and on Form 1040, line 46; Form 1040A, line 29; or Form 1040NR, line 44	29

Review the Health Care section in the software:

- Make sure Form 1095-A is correct and complete (see Premium Tax Credit: Form 1095-A Overview, earlier in this tab).
- Ask the taxpayer to contact the Marketplace if the form doesn't reflect premiums that were paid or if there are other errors.
- If the taxpayer received Form 1095-A, make sure the question "Is your household income below 100%..." is answered correctly in the Health Insurance section of the software (see the Premium Tax Credit entry screens, earlier in this tab).
- Check the Health Insurance section of the software to see if the question "Are you required to repay all of the APTC received?" is answered correctly (see the Premium Tax Credit entry screens, earlier in this tab).
- If the taxpayer or spouse lived in Hawaii or Alaska, ensure that state is selected as the resident state in the Basic Information section.

Consider income adjustments to reduce household income.

- If the taxpayer is eligible to claim an IRA deduction, remember that taxpayers can contribute to an IRA until the tax filing deadline.
- If the taxpayer or spouse has an HSA and has not contributed the maximum for the tax year, he or she may contribute to their HSA until the tax filing deadline.
- If the taxpayer or spouse is self-employed, ensure all business expenses have been claimed. The taxpayer may be able to claim the self-employed health insurance deduction, which may reduce their household income.
- If the taxpayer or spouse is eligible and wishes to claim HCTC or establish a SEP-IRA, refer him/her to a professional return preparer.

Consider married filing separately.

- The taxpayer may be ineligible for the PTC, but filing separately may cap repayment of APTC at a lower level based on income.

Important! If the taxpayer is currently enrolled in Marketplace coverage and has a 2019 repayment of APTC, the taxpayer should contact the Marketplace **now** to adjust their 2020 APTC to avoid similar repayments for the 2020 tax year!

Income (as % of federal poverty line)	Repayment Caps for APTC	
	Taxpayers Filing as SINGLE	Taxpayers Using Other Filing Statuses
Under 200%	\$300	\$600
200% – 299%	\$800	\$1,600
300% – 399%	\$1,325	\$2,650
400% and above	No cap (full repayment)	No cap (full repayment)

How to Use the Healthcare.gov Tax Tool

Who should use this tool?

The tool is available for taxpayers who live in federal Marketplace (Healthcare.gov) states, or in a state that uses the Healthcare.gov technology. If you live in a state with a state-based Marketplace, contact the Marketplace by phone or online.

To begin, go to <https://www.healthcare.gov/tax-tool/>.

IRS Form 8962

To calculate your premium tax credit, you'll need your second lowest cost Silver plan (SLCSP) to fill out IRS Form 8962.

Your SLCSP can be found on your Form 1095-A, but it may be missing or incorrect. We'll ask a few questions on the following screens and provide your correct SLCSP premium.

[Find my Form 1095-A](#)

- 1 Choose a tax year** Start
- 2 Enter household details**

Answer questions about who in your household qualifies for a premium tax credit and information on each person, including date of birth, location(s) they lived in for the year, and months of marketplace coverage.

 - Overall household
- 3 Review your information**
- 4 View second lowest cost Silver plan premium results**

The tool allows a taxpayer to find their SLCSP to complete or correct Column B of the Form 1095- A.

The Tax Tool will ask you to enter all members of the household, even those with other coverage.

Several screens will ask for the family's ZIP code and whether they lived in the same place for all months. **Confirm the information for each family member.**

First name of the primary person

The primary person is the primary taxpayer of the household. If a married couple files a joint return, either spouse may be the primary taxpayer.

First name of person 2 and their relationship to John

 is John's

First name of person 3 and their relationship to John

 is John's
Continue

Tell us about John

Date of birth

Example: 4 / 17 / 1970

Month Day Year

 / /

Tell us where John lived during all of 2018

You indicated John's household lived in Georgia.

In what ZIP code did John live in 2018?

[Clear search](#)

John lived in another country or passed away.

What months did John live in Fulton County, GA?

How to Use the Healthcare.gov Tax Tool (continued)

John: Marketplace coverage

Select all months John was enrolled in a Marketplace plan, paid the premium, AND wasn't eligible for other health coverage

Select all Clear all

<input checked="" type="checkbox"/> Jan	<input checked="" type="checkbox"/> Feb	<input checked="" type="checkbox"/> Mar	<input checked="" type="checkbox"/> Apr
<input checked="" type="checkbox"/> May	<input checked="" type="checkbox"/> Jun	<input checked="" type="checkbox"/> Jul	<input checked="" type="checkbox"/> Aug
<input checked="" type="checkbox"/> Sep	<input checked="" type="checkbox"/> Oct	<input checked="" type="checkbox"/> Nov	<input checked="" type="checkbox"/> Dec

Continue

This section determines for each family member whether someone will be included in the SLCSP, which you will enter in TaxSlayer.

Follow the instructions closely! **Check the boxes** for the months the person was:

- Eligible for or enrolled in Medicare, Medicaid, or CHIP. Month will be disabled if you said in Step 1 that a person was eligible for employer-sponsored coverage or an exemption.

Leave the boxes unchecked if those circumstances don't apply.

Step 3 of 4: Review your information [View steps](#)

Review your information

Tax year [Edit](#)
2018

John

Date of birth [Edit](#)
4/5/1970

Location(s) [Edit](#)
Residence months: All year
Residence location: 30308, Fulton County, GA

Coverage months [Edit](#)
All year

In the Review screen, confirm the information for each family member.

Remember: Print out the review information and the results page screens for the taxpayer's records.

How to Use the Healthcare.gov Tax Tool (continued)

Step 4 of 4: View SLSCP premium results [View steps](#)

Your results

These monthly premiums are used to calculate your premium tax credit. They're not necessarily the premiums you paid.

Wrong form? [See if I can claim an affordability exemption](#)

Enter these amounts on IRS Form 8962 when you prepare your 2019 income tax return.

Monthly SLSCP premiums

Jan	\$1,249.66
------------	------------

Feb	\$1,249.66
------------	------------

Mar	\$1,249.66
------------	------------

The results page shows the **SLCSP** for the household.

Remember: Print out the review information and the results page screens for the taxpayer's records.

Federal Poverty Lines

For purposes of the premium tax credit, eligibility for a certain year is based on the most recently published set of poverty lines. As a result, the tax credit for 2019 will be based on the 2018 federal poverty lines.

2018 Poverty Lines for the 48 Contiguous States and the District of Columbia			
For families/households with more than 8 persons, add \$4,320 for each additional person (100% Poverty Line)			
Persons in family/household	100% Poverty Line	138% Poverty Line	400% Poverty Line
1	\$12,140	\$16,753	\$48,560
2	\$16,460	\$22,715	\$65,840
3	\$20,780	\$28,676	\$83,120
4	\$25,100	\$34,638	\$100,400
5	\$29,420	\$40,600	\$117,680
6	\$33,740	\$46,561	\$134,960
7	\$38,060	\$52,523	\$152,240
8	\$42,380	\$58,484	\$169,520

2018 Poverty Lines for Alaska			
For families/households with more than 8 persons, add \$5,400 for each additional person (100% Poverty Line)			
Persons in family/household	100% Poverty Line	138% Poverty Line	400% Poverty Line
1	\$15,180	\$20,948	\$60,720
2	\$20,580	\$28,400	\$82,320
3	\$25,980	\$35,852	\$103,920
4	\$31,380	\$43,304	\$125,520
5	\$36,780	\$50,756	\$147,120
6	\$42,180	\$48,208	\$168,720
7	\$47,580	\$65,660	\$190,320
8	\$52,980	\$73,112	\$211,920

2018 Poverty Lines for Hawaii			
For families/households with more than 8 persons, add \$4,970 for each additional person (100% Poverty Line)			
Persons in family/household	100% Poverty Line	138% Poverty Line	400% Poverty Line
1	\$13,960	\$19,265	\$55,840
2	\$18,930	\$26,123	\$75,720
3	\$23,900	\$32,982	\$95,600
4	\$28,870	\$39,841	\$115,480
5	\$33,840	\$46,699	\$135,360
6	\$38,810	\$53,558	\$155,240
7	\$43,780	\$60,416	\$175,120
8	\$48,750	\$67,275	\$195,000

Applicable Figure Table Tax Year 2019 - Applicable Percentage/Decimal

The decimal number from this table is used to calculate the taxpayer's contribution amount when completing Form 8962.

Income as % of FPL	Applicable Decimal	Income as % of FPL	Applicable Decimal	Income as % of FPL	Applicable Decimal	Income as % of FPL	Applicable Decimal
<133	0.0208	184	0.0578	236	0.0785	288	0.0950
133	0.0311	185	0.0582	237	0.0789	289	0.0953
134	0.0317	186	0.0587	238	0.0792	290	0.0956
135	0.0323	187	0.0592	239	0.0796	291	0.0959
136	0.0329	188	0.0597	240	0.0800	292	0.0962
137	0.0335	189	0.0601	241	0.0803	293	0.0965
138	0.0342	190	0.0606	242	0.0807	294	0.0968
139	0.0348	191	0.0611	243	0.0811	295	0.0971
140	0.0354	192	0.0616	244	0.0814	296	0.0974
141	0.0360	193	0.0621	245	0.0818	297	0.0977
142	0.0366	194	0.0625	246	0.0821	298	0.0980
143	0.0372	195	0.0630	247	0.0825	299	0.0983
144	0.0378	196	0.0635	248	0.0829	300	0.0986
145	0.0384	197	0.0640	249	0.0832	301	0.0986
146	0.0391	198	0.0644	250	0.0836	302	0.0986
147	0.0397	199	0.0649	251	0.0839	303	0.0986
148	0.0403	200	0.0654	252	0.0842	304	0.0986
149	0.0409	201	0.0658	253	0.0845	305	0.0986
150	0.0415	202	0.0661	254	0.0848	306	0.0986
151	0.0420	203	0.0665	255	0.0851	307	0.0986
152	0.0425	204	0.0669	256	0.0854	308	0.0986
153	0.0429	205	0.0672	257	0.0857	309	0.0986
154	0.0434	206	0.0676	258	0.0860	310	0.0986
155	0.0439	207	0.0679	259	0.0863	311	0.0986
156	0.0444	208	0.0683	260	0.0866	312	0.0986
157	0.0448	209	0.0687	261	0.0869	313	0.0986
158	0.0453	210	0.0690	262	0.0872	314	0.0986
159	0.0458	211	0.0694	263	0.0875	315	0.0986
160	0.0463	212	0.0698	264	0.0878	316	0.0986
161	0.0468	213	0.0701	265	0.0881	317	0.0986
162	0.0472	214	0.0705	266	0.0884	318	0.0986
163	0.0477	215	0.0709	267	0.0887	319	0.0986
164	0.0482	216	0.0712	268	0.0890	320	0.0986
165	0.0487	217	0.0716	269	0.0893	321	0.0986
166	0.0491	218	0.0720	270	0.0896	322	0.0986
167	0.0496	219	0.0723	271	0.0899	323	0.0986
168	0.0501	220	0.0727	272	0.0902	324	0.0986
169	0.0506	221	0.0730	273	0.0905	325	0.0986
170	0.0511	222	0.0734	274	0.0908	326	0.0986
171	0.0515	223	0.0738	275	0.0911	327	0.0986
172	0.0520	224	0.0741	276	0.0914	328	0.0986
173	0.0525	225	0.0745	277	0.0917	329	0.0986
174	0.0530	226	0.0749	278	0.0920	330	0.0986
175	0.0535	227	0.0752	279	0.0923	331	0.0986
176	0.0539	228	0.0756	280	0.0926	332	0.0986
177	0.0544	229	0.0760	281	0.0929	333	0.0986
178	0.0549	230	0.0763	282	0.0932	334	0.0986
179	0.0554	231	0.0767	283	0.0935	335	0.0986
180	0.0558	232	0.0770	284	0.0938	336	0.0986
181	0.0563	233	0.0774	285	0.0941	337	0.0986
182	0.0568	234	0.0778	286	0.0944	338	0.0986
183	0.0573	235	0.0781	287	0.0947	339	0.0986

Applicable Figure Table Tax Year 2019 - Applicable Percentage/Decimal (continued)

Income as % of FPL	Applicable Decimal
340	0.0986
341	0.0986
342	0.0986
343	0.0986
344	0.0986
345	0.0986
346	0.0986
347	0.0986
348	0.0986
349	0.0986
350	0.0986
351	0.0986
352	0.0986
353	0.0986
354	0.0986
355	0.0986
356	0.0986

Income as % of FPL	Applicable Decimal
357	0.0986
358	0.0986
359	0.0986
360	0.0986
361	0.0986
362	0.0986
363	0.0986
364	0.0986
365	0.0986
366	0.0986
367	0.0986
368	0.0986
369	0.0986
370	0.0986
371	0.0986
372	0.0986
373	0.0986

Income as % of FPL	Applicable Decimal
374	0.0986
375	0.0986
376	0.0986
377	0.0986
378	0.0986
379	0.0986
380	0.0986
381	0.0986
382	0.0986
383	0.0986
384	0.0986
385	0.0986
386	0.0986
387	0.0986
388	0.0986
389	0.0986
390	0.0986

Income as % of FPL	Applicable Decimal
391	0.0986
392	0.0986
393	0.0986
394	0.0986
395	0.0986
396	0.0986
397	0.0986
398	0.0986
399	0.0986
400	0.0986

Earned Income Table

Earned Income for EIC, **Additional Child Tax Credit and Dependent Care Credit**

Includes	Doesn't include
<ul style="list-style-type: none"> • Taxable wages, salaries, and tips • Union strike benefits • Taxable long-term disability benefits received prior to minimum retirement age • Net earnings from self-employment • Gross income of a statutory employee • Household employee income • Nontaxable combat pay election • Nonemployee compensation • The rental value of a home or a housing allowance provided to a minister as part of the minister's pay (Out of Scope) 	<ul style="list-style-type: none"> • Interest and dividends • Social Security and railroad retirement benefits • Welfare benefits • Workfare payments • Pensions and annuities (except if disability pension and taxpayer is under minimum retirement age) • Veteran's benefits (including VA rehabilitation payments) • Workers' compensation benefits • Alimony • Child support • Nontaxable foster-care payments • Unemployment compensation • Taxable scholarship or fellowship grants that aren't reported on Form W-2 • Earnings for work performed while an inmate at a penal institution or on work release* • Salary deferrals (for example, under a 401(k) or 403(b) plan or the Federal Thrift Savings Plan) • The value of meals or lodging provided by an employer for the convenience of the employer • Disability Insurance payments • Excludable dependent care benefits (line 25 of Form 2441) • Salary reductions such as under a cafeteria plan • Excludable employer-provided educational assistance benefits (may be shown in box 14 of Form W-2) •

*This particular income is entered as other income on the return and not counted as earned income.

Common EIC Filing Errors

- Claiming a child who doesn't meet the residency and relationship requirements
- Married taxpayers incorrectly filing as a single or head of household
- Incorrectly reporting income, particularly income and expenses from self-employment
- Incorrect Social Security numbers

Note: Certain taxpayers affected by a federally declared disaster area may elect to calculate their earned income credit (EIC) and additional child tax credit (ACTC) by substituting their earned income from the preceding taxable year if less than the year of the applicable qualified disaster. Search the IRS website for "Tax Relief in Disaster Situations" for more information.

Summary of EIC Eligibility Requirements

Part A Rules for Everyone	Part B Rules If You Have a Qualifying Child	Part C Rules If You Don't Have a Qualifying Child
Taxpayers & qualifying children must all have SSN that is valid for employment by the due date of the return (including extensions). ¹	Child must meet the relationship, age, residency test and joint return tests but not the support test. The child doesn't have to be your dependent. ²	Must be at least age 25 but under age 65 as of December 31. ³
Filing status can't be married filing separately.	Qualifying child can't be used by more than one person to claim the EIC.	Can't be the dependent of another person.
Taxpayers Must be a U.S. citizen or resident alien all year unless treating non-resident spouse as a resident for tax purposes	The taxpayer can't be a qualifying child of another person.	Must have lived in the United States more than half the year.
Can't file Form 2555 (relating to foreign earned income).		Can't be a qualifying child of another person.
Investment income must be \$3,600 or less.		
Can't be a qualifying child of another person.		

Part D

Earned Income and AGI Limitations

You must have earned income to qualify for this credit.

Your earned income and AGI must be less than:

- \$50,162 (\$55,952 for married filing jointly) if you have three or more qualifying children,
 - \$46,703 (\$52,493 for married filing jointly) if you have two qualifying children,
 - \$41,094 (\$46,884 for married filing jointly) if you have one qualifying child, or
 - \$15,570 (\$21,370 for married filing jointly) if you don't have a qualifying child.

Footnotes

¹ If your Social Security card says "VALID FOR WORK ONLY WITH DHS AUTHORIZATION," you can use your Social Security number to claim EIC if you otherwise qualify.

If taxpayer (or spouse, if filing a joint return) or dependent has an individual taxpayer identification number (ITIN), they can't get the EIC. ITINs are issued by the IRS to noncitizens who can't get an SSN.

If the taxpayer's Social Security card has a "NOT VALID FOR EMPLOYMENT" imprint, and if the card-holder obtained the SSN to get a federally funded benefit, such as Medicaid, they can't get the EIC.

² To meet the joint return test, the child cannot file a joint return for the year unless it's only to claim a refund of income tax withheld or estimated tax paid.

³ Taxpayers turning 25 on January 1st are considered to be 25 as of December 31st. Taxpayers reaching the age 65 on January 1st are still considered to be 64 as of December 31st.



CAUTION Taxpayers cannot file an amended return to claim the credit for a year they did not originally have a valid Social Security number.

EIC General Eligibility Rules

Probe/Action: Ask the taxpayer:

step 1	Calculate the taxpayer's earned income and adjusted gross income (AGI) for the tax year. Are both less than: <ul style="list-style-type: none"> • \$50,162 (\$55,952 married filing jointly) with three or more qualifying children; • \$46,703 (\$52,493 married filing jointly) with two qualifying children; • \$41,094 (\$46,884 married filing jointly) with one qualifying child; or • \$15,570 (\$21,370 married filing jointly) with no qualifying children? 	If YES , go to Step 2. If NO , STOP. You can't claim the EIC.
step 2	Do you (and your spouse, if filing jointly) have a Social Security number (SSN) that allows you to work? Answer "NO" if the taxpayer's Social Security card has a "NOT VALID FOR EMPLOYMENT" imprint, and if the cardholder obtained the SSN to get a federally funded benefit, such as Medicaid.	If YES , go to Step 3. If NO , STOP. You can't claim the EIC. <i>Answer "NO" if your (or your spouse's, if filing jointly) Social Security card says VALID FOR WORK ONLY WITH DHS (or INS) AUTHORIZATION and you (or your spouse, if filing jointly) are not, or are no longer, authorized to work by the responsible agency.</i>
step 3	Is your filing status married filing separately?	If YES , STOP. You can't claim the EIC. If NO , go to Step 4.
step 4	Are you (or your spouse, if married) a nonresident alien? Answer "NO" if the taxpayer is married filing jointly, and one spouse is a citizen or resident alien and the other is a nonresident alien.	If YES and you are either unmarried or married but not filing a joint return, STOP. You can't claim the EIC. If NO , go to Step 5.
step 5	Are you (or your spouse, if filing jointly) filing Form 2555 (Foreign Earned Income) to exclude income earned in a foreign country?	If YES , STOP. You can't claim the EIC. If NO , go to Step 6.
step 6	Is your investment income (interest, tax exempt interest, dividends, capital gains distributions & capital gains) more than \$3,600?	If YES , STOP. You can't claim the EIC. If NO , go to Step 7.
step 7	Are you (or your spouse, if filing jointly) the qualifying child of another taxpayer?	If YES , STOP. You can't claim the EIC. If NO , go to the interview tips for EIC—With a Qualifying Child or EIC—Without a Qualifying Child.

* If your Social Security card says **VALID FOR WORK ONLY WITH DHS AUTHORIZATION**, you **can** use your Social Security number to claim EIC if you otherwise qualify.

EIC With a Qualifying Child

Probe/Action: Ask the taxpayer:

step 1	Does your qualifying child have an SSN that allows him or her to work? Answer NO if the child's Social Security card says "NOT VALID FOR EMPLOYMENT" and his or her SSN was only obtained to get a federally funded benefit.	If YES , go to Step 2. If NO , STOP. You can't claim the EIC on the basis of this qualifying child.
step 2	Is the child your son, daughter, stepchild, adopted child, or eligible foster child, brother, sister, half brother, half sister, stepbrother, stepsister, or a descendant of any of them?	If YES , go to Step 3. If NO , STOP. This child isn't your qualifying child. Go to interview tips for EIC Without a Qualifying Child.
step 3	Was the child any of the following at the end of the tax year: <ul style="list-style-type: none">• Under age 19 and younger than the taxpayer (or spouse, if filing jointly)• Under age 24 and a full-time student and younger than the taxpayer (or spouse, if filing jointly), or• Any age and permanently and totally disabled?	If YES , go to Step 4. If NO , STOP. This child isn't your qualifying child. Go to interview tips for EIC Without a Qualifying Child.
step 4	Did the child file a joint return for the year? ¹ Answer NO if the child and his or her spouse filed a joint return only to claim a refund of income tax withheld or estimated tax paid.	If NO , go to Step 5. If YES , STOP. This child isn't your qualifying child (failed the joint return test). Go to interview tips for EIC Without a Qualifying Child.
step 5	Did the child live with you in the United States for more than half (183 days for 2019) of the tax year? ² Active duty military personnel stationed outside the United States are considered to live in the United States for this purpose.	If YES , go to Step 6. If NO , STOP. This child isn't your qualifying child. Go to interview tips for EIC Without a Qualifying Child.
step 6	Is the child a qualifying child of another person? There may be a case when a qualifying child can't be claimed by anyone. Example: The only parent that the child lives with doesn't work nor files a tax return and another adult can't meet the general eligibility rules. In this example, no one qualifies to claim this child as a qualifying child for EIC.	If YES , explain to the taxpayer what happens when more than one person claims the EIC using the same child (Qualifying Child of More than One Person rule). If the taxpayer chooses to claim the credit with this child, compute the EIC using the appropriate EIC worksheets. If NO , compute the EIC using the appropriate EIC worksheet.

Footnotes

¹ If your child was married at the end of the year, he or she doesn't meet the joint return test unless you can claim the child as a dependent or you can't claim the child as a dependent because you gave that right to the child's other parent.

² Temporary absences. Count time that you or your child is away from home on a temporary absence due to a special circumstance as time the child lived with you. Examples of a special circumstance include illness, school attendance, business, vacation, military service, and detention in a juvenile facility.

EIC Without a Qualifying Child

Probe/Action: Ask the taxpayer:

step 1	Can you (or your spouse, if filing jointly) be claimed as a dependent by another person?	If NO , go to Step 2. If YES , STOP. You can't claim the EIC.
step 2	Were you (or your spouse, if filing jointly) at least 25 but under age 65 on December 31 of the tax year? Taxpayers born on January 1st are considered to be of age as of December 31st. Taxpayers reaching the age of 65 on January 1st are still considered 64 as of December 31st.	If NO , STOP. You can't claim the EIC. If YES , go to Step 3.
step 3	Did you (and your spouse, if filing jointly) live in the United States for more than half (at least 183 ¹ days) of the tax year? ¹ More than 183 days in a leap year.	If NO , STOP. You can't claim the EIC. If YES , compute EIC using the appropriate EIC worksheet.

Note: Taxpayers meeting the **January 1** age criteria **above** should file a paper return to avoid a potential rejected electronic filed return. Also file a paper return in the year the taxpayer turns 65 if death occurs before their birthday.

Qualifying Child of More than One Person

If the child meets the conditions to be the qualifying child of more than one person, only one person can claim the child. The tiebreaker rules, which follow, explain who, if anyone, can claim the EIC when more than one person has the same qualifying child. However, the tiebreaker rules don't apply if the other person is your spouse and you file a joint return. Review all of the conditions to see which one applies.

- If only one of the persons is the child's parent, the child is treated as the qualifying child of the parent.
- If the parents don't file a joint return together but both parents claim the child as a qualifying child, the IRS will treat the child as the qualifying child of the parent with whom the child lived for the longer period of time in 2019. If the child lived with each parent for the same amount of time, the IRS will treat the child as the qualifying child of the parent who had the higher adjusted gross income (AGI) for 2019.
- If no parent can claim the child as a qualifying child, the child is treated as the qualifying child of the person who had the highest AGI for 2019.
- If a parent can claim the child as a qualifying child but no parent does so claim the child, the child is treated as the qualifying child of the person who had the highest AGI for 2019, but only if that person's AGI is higher than the highest AGI of any of the child's parents who can claim the child.

Note 1: If the taxpayers can't claim the EIC because their qualifying child is treated under the tiebreaker rules as the qualifying child of another person for 2019, they may be able to take the EIC using a different qualifying child, or take the EIC if they qualify using the rules for people who don't have a qualifying child.

Note 2: Subject to these tiebreaker rules, the taxpayer and the other person may be able to choose which of them claims the child as a qualifying child. See Publication 596, Earned Income Credit (EIC), for examples.

Only parents have the option to choose which parent will claim the child. All other taxpayers wanting to claim the qualifying child must follow the tiebreaker rules. The IRS will apply the tiebreaker rules when the child is claimed by multiple taxpayers. See Pub 17 examples.

Disallowance of Certain Credits



TaxSlayer Navigation: Federal section>Deductions>Credit menu>Claiming Refundable Credits After Disallowance

Form 8862, Information to Claim Certain Credits After Disallowance, must be completed for any taxpayer whose EIC, credit for other dependents (ODC), child tax credit (CTC)/additional child tax credit (ACTC), or American opportunity tax credit (AOTC), was previously reduced or disallowed and the taxpayer received a letter saying they had to complete and attach Form 8862 to claim the credit(s) the next time.

If the IRS determined a taxpayer claimed the credit(s) due to reckless or intentional disregard of the rules (not due to math or clerical errors) the taxpayer can't claim the credit(s) for 2 tax years. If the error was due to fraud, then the taxpayer can't claim the credit(s) for 10 tax years.

Two situations may require completion of Form 8862

- 1) The IRS advised the taxpayer that form 8862 must be completed for a future tax return
- 2) A return has been rejected with reject code IND-046-01 - "Incorrect Data: Form 8862 must be present in the return. The e-File database indicates the taxpayer must file Form 8862 to claim Earned Income Credit after disallowance."

The steps to be followed are:

- Enter 8862 in the forms search box
- Click Begin for "Information to Claim Certain Refundable Credits After Disallowance"
- Click Begin for Credit to be claimed, e.g. "Claim EIC After Disallowance". (Note: Credits listed will be the ones the taxpayer is eligible for)

For EIC disallowance

- Do not click the first box "Check here if the only reason your EIC was reduced or disallowed in the earlier year was because you incorrectly reported your earned income or investment income" unless that is the actual reason the EIC was reduced/eliminated.

- Answer remaining questions and click Continue. Questions must be answered for all children **For CTC/ACTC**

- Select "Claim Credit" then Continue For

AOTC

- Select "Form 8863" and confirm entries

Not Eligible for EIC:

If the taxpayer is not eligible for Earned Income Credit for any reason (including a previous year disallowance), click BEGIN on the Not Eligible for EIC line. Select both the check boxes after reading them carefully to determine that the taxpayer agrees to not claim earned income credit on this return. See Pub 596 Earned Income Credit Chapter 5 for more information and examples.

Tax Treatment of Scholarship and Fellowship Payments

A scholarship or fellowship is tax free (excludable from gross income) **only if**:

- You are a candidate for a degree at an eligible educational institution. You are a candidate for a degree if you attend a primary or secondary school or are pursuing a degree at a college or university, or attend an educational institution that offers a program of training to prepare students for gainful employment in a recognized occupation and is authorized under federal or state law to provide such a program and is accredited by a nationally recognized accreditation agency.

A scholarship or fellowship is tax free only to the extent:

- It doesn't exceed your qualified education expenses;
- It isn't designated or earmarked for other purposes (such as room and board), and doesn't require (by its terms) that it can't be used for qualified education expenses; and
- It doesn't represent payment for teaching, research, or other services required as a condition for receiving the scholarship. (But for exceptions, see Payment for services in Publication 970, Tax Benefits for Education.)

Use Worksheet 1-1 below to figure the amount of a scholarship or fellowship you can exclude from gross income.

Education Expenses

The following are qualified education expenses for the purposes of tax-free scholarships and fellowships:

- Tuition and fees required to enroll at or attend an eligible educational institution.
- Course-related expenses, such as fees, books, supplies, and equipment that are required for the courses at the eligible educational institution. These items must be required of all students in your course of instruction.

Qualified education expenses don't include the cost of:

- Room and board
- Research
- Equipment and other expenses not required for enrollment in or attendance at an eligible educational institution
- Travel
- Clerical help

Worksheet 1-1. Taxable Scholarship and Fellowship Income

<p>1. Enter the total amount of any scholarship or fellowship grant for 2019. See Amount of scholarship or fellowship grant in Publication 970.</p> <ul style="list-style-type: none"> • If you are a degree candidate at an eligible educational institution, go to line 2. • If you aren't a degree candidate at an eligible educational institution, stop here. The entire amount is taxable. For information on how to report this amount on your tax return, see Reporting Scholarships and Fellowship Grants, later. 	<p>1. _____</p>
<p>2. Enter the amount from line 1 that was for teaching, research, or any other services required as a condition for receiving the scholarship. Don't include amounts received for these items under the National Health Service Corps Scholarship Program, the Armed Forces Health Professions Scholarship and Financial Assistance Program, or a comprehensive student work-learning-service program (as defined in Section 448(e) of the Higher Education Act of 1965) operated by a work college (as defined in that section).</p>	<p>2. _____</p>
<p>3. Subtract line 2 from line 1</p>	<p>3. _____</p>
<p>4. Enter the amount from line 3 that your scholarship or fellowship grant required you to use for other than qualified education expenses</p>	<p>4. _____</p>
<p>5. Subtract line 4 from line 3</p>	<p>5. _____</p>
<p>6. Enter the amount of your qualified education expenses</p>	<p>6. _____</p>
<p>7. Enter the smaller of line 5 or line 6. This amount is the most you can exclude from your gross income ¹ (the tax-free part of the scholarship or fellowship grant)</p>	<p>7. _____</p>
<p>8. Subtract line 7 from line 5</p>	<p>8. _____</p>
<p>9. Taxable part. Add lines 2, 4, and 8. See Reporting Scholarships and Fellowship Grants, in Publication 970, for how to report this amount on your tax return</p>	<p>9. _____</p>

¹ However, a scholarship or fellowship grant isn't treated as tax free to the extent the student includes it in gross income (the student may or may not be required to file a tax return) for the year the scholarship or fellowship grant is received and either:

- The scholarship or fellowship grant (or any part of it) must be applied (by its terms) to expenses (such as room and board) other than qualified education expenses.
- The scholarship or fellowship grant (or any part of it) may be applied (by its terms) to expenses (such as room and board) other than qualified education expenses.

You may be able to increase the combined value of an education credit and certain educational assistance if the student includes some or all of the educational assistance in income in the year it is received. See Publication 970 for more information.

Highlights of Education Tax Benefits for Tax Year 2019

This chart highlights some differences among the benefits discussed in Publication 970. See the text for definitions and details. Don't rely on this chart alone.



You generally can't claim more than one benefit for the same education expense.

Unused expenses for professional development of an educator can be claimed as an educator expense adjustment.

	Scholarships, Fellowships, Grants, and Tuition Reductions	American Opportunity Credit	Lifetime Learning Credit	Student Loan Interest Deduction	Tuition and Fees Deduction, if extended	Coverdell ESA† OOS if taxable	Qualified Tuition Program (QTP)† OOS if taxable	Education Exception to Additional Tax on Early IRA Distributions†	OOS Education Savings Bond Program†	Employer-Provided Educational Assistance†	Business Deduction for Work-Related Education
What is your benefit?	Amounts received may not be taxable	Credits can reduce the amount of tax you have to pay. 40% of the credit may be refundable (limited to \$1,000 per student).	Credits can reduce amount of tax you must pay	Can deduct interest paid on loans made for dependent at time of loan, taxpayer or spouse. Must be liable for loan	Can deduct expenses	Earnings not taxed	Earnings not taxed	No 10% additional tax on early distribution	Interest not taxed	Employer benefits not taxed	Can deduct expenses
What is the annual limit?	None	\$2,500 credit per student (4,000 in expenses)	\$2,000 credit per tax return	\$2,500 deduction per return	\$4,000 deduction per return	\$2,000 contribution per beneficiary	None	Amount of qualified education expenses except those paid with tax free funds	Amount of qualified education expenses	\$5,250 exclusion	Amount of qualifying work-related education expenses
What expenses qualify besides tuition and required enrollment fees?	Course-related expenses such as fees, books, supplies, and equipment Fees required for enrollment	Course-related books, supplies, and equipment	Amounts paid for required books, etc., that must be paid to the educational institution, etc., are required fees	Books Supplies Equipment Room & board Transportation Other necessary expenses	None	Books Supplies Equipment Expenses for special needs services Payments to QTP Higher education: Room and Board if at least half-time student Elem/sec (K-12) education: Tutoring Room & board Uniforms Transportation Computer access Supplementary expenses	Books Supplies Equipment Room & board if at least half-time student Expenses for special needs Computer Equipment & Technology NOTE: For K-12, only tuition is a qualified expense. Late Tax Law Changes added qualified fees. Details to follow.	Books Supplies Equipment including computer or peripheral equipment, computer software and internet access and related services if used primarily by the student enrolled at an eligible education institution Room & board if at least half-time student Expenses for special needs services	Payments to Coverdell ESA Payments to QTP	Books Supplies Equipment	Transportation Travel Other necessary expenses

Highlights of Education Tax Benefits for Tax Year 2019

	Scholarships, Fellowships, Grants, and Tuition Reductions	American Opportunity Credit	Lifetime Learning Credit	Student Loan Interest Deduction	Tuition and Fees Deduction, if extended	Coverdell ESA† OOS if taxable	Qualified Tuition Program (QTP)† OOS if taxable	Education Exception to Additional Tax on Early IRA Distributions†	OOS Education Savings Bond Program†	Employer-Provided Educational Assistance†	Business Deduction for Work-Related Education
What education qualifies	Undergraduate & graduate K-12	Undergraduate & graduate A graduate student can claim the American opportunity credit if and only if the student hasn't completed the first four years before the beginning of the tax year	Undergraduate & graduate courses to acquire or improve job skills	Undergraduate & graduate	Undergraduate & graduate	Undergraduate & graduate K-12	Undergraduate & graduate Federally, also K-12, up to \$10,000 per year. NOTE: some states exclude K-12, which can make such returns OOS	Undergraduate & graduate	Undergraduate & graduate	Undergraduate & graduate	Required by law to keep present job, salary, status Maintain or improve job skills
What are some of the other conditions that apply?	Must be in degree or vocational program Payment of tuition and required fees must be allowed under the grant	Can be claimed for only 4 tax years (which includes years Hope credit claimed) Must be enrolled at least half-time in degree program No felony drug conviction(s) Must not have completed first 4 years of postsecondary education before end of preceding tax year	No other conditions	Must have been at least half-time student in degree program	Can't claim both deduction & education credit for same student in same year	Assets must be distributed at age 30 unless special needs beneficiary	No other conditions	No other conditions	Applies only to qualified series EE bonds issued after 1989 or series I bonds	No other conditions	Can't be to meet minimum educational requirements of present trade/business Can't qualify you for a new trade/business
In what income range do benefits phase out	No phaseout	\$80,000 - \$90,000 \$160,000 - \$180,000 for joint returns	\$58,000 - \$68,000 \$116,000 - \$136,000 for joint returns	\$70,000 - \$85,000 \$140,000 - \$170,000 for joint returns	\$65,000 - \$80,000 \$130,000 - \$160,000 for joint returns	\$95,000 - \$110,000 \$190,000 - \$220,000 for joint returns	No phaseout	No phaseout	\$81,100 - \$96,100 \$121,600 - \$151,600 for joint and qualifying widow(er) with a dependent child returns	No phaseout	No phaseout

† Any nontaxable distribution is limited to the amount that doesn't exceed qualified education expenses.



CAUTION Taxpayers filing MFS cannot claim deductions for the American opportunity credit, lifetime learning credit, or student loan interest deductions.

Education Credits



TaxSlayer Navigation: Federal Section>Deductions>Credits Menu>Education Credits;
or Keyword "EDUCA" or "886"

See Education Calculator at cotaxaide.org/tools for help in maximizing tax benefits from educational expenses.

Probe/Action: To determine if a taxpayer qualifies for the education credit.



CAUTION Taxpayers who claim the American opportunity credit even though they are not eligible can be banned from claiming the credit for up to 10 years.

Comparison of Education Credits

	American Opportunity Credit	Lifetime Learning Credit
Maximum credit	Up to \$2,500 credit per eligible student	Up to \$2,000 credit per return
Limit on modified adjusted gross income (MAGI)	\$180,000 if married filing jointly; \$90,000 if single, head of household, or qualifying widow(er)	\$136,000 if married filing jointly; \$68,000 if single, head of household, or qualifying widow(er)
Refundable or nonrefundable	40% of credit may be refundable ¹ ; the rest is nonrefundable	Nonrefundable—credit limited to the amount of tax you must pay on your taxable income
Number of years of postsecondary education	Available ONLY if the student had not completed the first 4 years of postsecondary education before 2019	Available for all years of postsecondary education and for courses to acquire or improve job skills
Number of tax years credit available	Available ONLY for 4 tax years per eligible student (including any year(s) Hope credit was claimed)	Available for an unlimited number of tax years
Type of program required	Student must be pursuing a program leading to a degree or other recognized education credential	Student does not need to be pursuing a program leading to a degree or other recognized education credential
Number of courses	Student must be enrolled at least half-time for at least one academic period beginning during 2019 (or the first 3 months of 2020 if the qualified expenses were paid in 2019)	Available for one or more courses
Felony drug conviction	As of the end of 2019, the student had not been convicted of a felony for possessing or distributing a controlled substance	Felony drug convictions do not make the student ineligible
Qualified expenses	Tuition, required enrollment fees, and course materials that the student needs for a course of study whether or not the materials are bought at the educational institution as a condition of enrollment or attendance	Tuition and required enrollment fees (including amounts required to be paid to the institution for course-related books, supplies, and equipment)
Payments for academic periods	Payments made in 2019 for academic periods beginning in 2019 or beginning in the first 3 months of 2020	Payments made in 2019 for academic periods beginning in 2019 or beginning in the first 3 months of 2020
TIN needed by filing due date	Filers and students must have a TIN by the due date of their 2019 return (including extensions)	
Educational institution's EIN	You must provide the educational institution's employer identification number (EIN) on your Form 8863, Education Credits.	

Footnote

¹ None of the credit is refundable if (1) the taxpayer claiming the credit is (a) under age 18 or (b) age 18 at the end of the year, and their earned income was less than one-half of their own support or (c) a full time student over 18 and under 24 and their earned income was less than one-half of their own support; and (2) the taxpayer has at least one living parent, and; (3) the taxpayer doesn't file a joint return.

*Half-time as defined by the school

Education Credits (continued)

Probe/Action: To determine if a taxpayer qualifies for the education credit.

Who Can Claim the Credit?

- Taxpayers who paid qualified educational expenses of higher education for an eligible student **unless filing MFS**
- Taxpayers who paid the education expenses for a student enrolled at or attending an eligible educational institution. (To determine if eligible, go to the U.S. Department of Education's Office of Post-secondary Education (OPE) website.
- The eligible student is either the taxpayer, taxpayer's spouse or their dependent.

Note: Qualified education expenses are considered paid by the taxpayer if paid by their dependent or a third party on behalf of the dependent. If a student isn't claimed as a dependent (even if eligible to be claimed), only the student can claim an education credit no matter who paid the expenses. Anyone paying the expenses (even directly to the institution) are considered to have given a gift to the student who in turn is treated as having paid the expenses.

Note: There are two 4-year tests for the American opportunity credit. First, the credit can be taken for only 4 tax years. Second, the student must not have completed four years of academic credit before the beginning of this tax year. Follow the examples in the "Who is an Eligible Student for the American Opportunity Credit" section in Publication 970 for additional information.

Who Can Claim a Dependent's Expenses?

If the taxpayer...	Then only...
Has a dependent who is an eligible student	The taxpayer can claim the credit based on that dependent's expenses. The dependent can't claim the credit.
Doesn't claim the dependent on the tax return	The dependent can claim the credit. The taxpayer can't claim the credit based on the dependent's expenses.

Who Can't Claim the Credit?

- Married filing separately filing status
- Anyone listed as a dependent on another person's tax return
- Taxpayers whose modified AGI is more than the allowable income limits
- Taxpayer (or the spouse) was a nonresident alien for any part of the tax year unless one of the exceptions listed in Publication 519, U.S. Tax Guide for Aliens, applies

What Expenses Qualify?

- Expenses paid for an academic period starting in 2019 or the first 3 months of 2020
- Expenses not refunded when the student withdraws from class
- Expenses paid with the proceeds from a loan

What are Qualifying Expenses?

- The term "qualified tuition and related expenses" is expanded for the American opportunity credit to include expenditures for course materials. For this purpose, course-related materials are books, supplies, and equipment needed for a course of study whether or not the materials are purchased from the educational institution as a condition of enrollment or attendance.

Computers can be required equipment if required for obtaining, completing or submitting assignments or communicating with instructors

What is Tax-Free Educational Assistance?

- Tax-free parts of scholarships and fellowships
- Pell Grants (see Publication 970)
- Employer-provided educational assistance (see Publication 970)
- Veterans' educational assistance
- Any other nontaxable payment (other than gifts or inheritances) received as educational assistance

Note: Don't reduce the qualified education expenses by any scholarship or fellowship reported as income on the student's tax return if the use of the scholarship isn't restricted and used to pay education expenses that aren't qualified (such as room and board).

Note: Taxpayers must have a Form 1098-T from an eligible educational institution to claim education benefits.

Note: If the student includes the tax free educational assistance in income, has a filing requirement and unearned income (including the taxable scholarship) over \$2,200, the student may be subject to filing Form 8615, Tax for Certain Children Who Have Unearned Income (Kiddie Tax), to compute the tax. (See Tab H, Other Taxes, Payments and ACA for additional information).

Determining Qualified Education Expenses

Box 1 may include non-taxable scholarship and grant amounts. Some students may choose to pay non-qualifying expenses with scholarship/Pell Grant funds, making the scholarship/Pell Grant taxable. This is true even if the scholarship/grant was paid directly to the school. This may increase the amount of qualifying expenses that can be used in calculating an education credit. Examples can be found in Coordination with Pell grants and other scholarships or fellowship grants in Publication 970.

FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number		1 Payments received for qualified tuition and related expenses	OMB No. 1545-1574	Tuition Statement
		\$ 2	2019	
FILER'S employer identification no.	STUDENT'S TIN	3	Form 1098-T	Copy B For Student This is important tax information and is being furnished to the IRS. This form must be used to complete Form 8863 to claim education credits. Give it to the tax preparer or use it to prepare the tax return.
STUDENT'S name		4 Adjustments made for a prior year	5 Scholarships or grants	
Street address (including apt. no.)		\$ OOS	\$	
City or town, state or province, country, and ZIP or foreign postal code		6 Adjustments to scholarships or grants for a prior year	7 Checked if the amount in box 1 includes amounts for an academic period beginning January-- March 2020 <input type="checkbox"/>	
Service Provider/Acct. No. (see instr.)	8 Check if at least half-time student <input type="checkbox"/>	9 Checked if a graduate student <input type="checkbox"/>	10 Ins. contract reimb./refund \$	

Form 1098-T (keep for your records) www.irs.gov/Form1098T Department of the Treasury - Internal Revenue Service

Determine the amount paid by verifying the payment received from the student account statement with the amount shown in Box 1 of Form 1098-T. Remember to include books, supplies, course related materials and equipment if claiming the American opportunity credit. Also remember to include out of pocket payments made by the student or on the student's behalf. This includes student loans, payments, credit cards and taxable portions of scholarships/grants.

Adjusted Qualified Education Expenses Worksheet (Form 8863 instructions)	
1. Total qualified education expenses paid for on behalf of the student in 2019 for the academic period	7,500
2. Less adjustments:	
a. Tax-free educational assistance received in 2019 allocable to the academic period.	3,000
b. Tax-free educational assistance received in 2020 (and before you file your 2019 tax return) allocable to the academic period	0
c. Refunds of qualified education expenses paid in 2019 if the refund is received in 2019 or in 2020 before you file your 2019 tax return	0
3. Total adjustments (add lines 2a, 2b, and 2c)	3,000
4. Adjusted qualified education expenses. Subtract line 3 from line 1. If zero or less, enter -0-	4,500

Example - Bill and Sue are eligible to claim the American opportunity credit for their daughter Sarah, who is in her first year of college. They have a Form 1098-T with \$7,000 in box 1 and a \$3,000 Pell Grant in box 5. During your interview with Bill and Sue, you determine that \$3,000 was paid in September 2019 for the fall semester; \$3,000 was paid by Pell Grant and \$4,000 was paid by loan proceeds. They paid \$500 for books in 2019. To calculate the eligible expenses for their credit, take the \$7,000 (\$3,000 grant + \$4,000 loan) paid in 2019, plus the \$500, for books and enter on line 1 of the worksheet above. The \$3,000 will be entered on line 2a. The line 3 amount would be \$3,000. Subtracting line 3 from line 1, you get qualified education expenses of \$4,500. **If the resulting qualified expenses are less than \$4,000, the student may choose to pay tax on some of the grant to make more of the expenses eligible for the credit.**

Note: If the student doesn't have a copy of their student account statement, ask them to go online through their college or university to get this information.

Note: Forms 1098-T with amounts listed in boxes 4 or 6 are out of scope.

Entering Education Benefits



TaxSlayer Navigation: Federal Section>Deductions>Credits Menu>Education Credits; or Keyword 886

Form 8863 - Educational Credit

Select an Eligible Student

Taxpayer - [REDACTED]

Select the type of credit *

American Opportunity

Lifetime Learning

Qualified Expenses *

Please ensure that you reduce the amount entered for "qualified expenses" by any scholarships / grants received, pursuant to IRS Publication 970.

\$

Select an Eligible Student

Taxpayer - [REDACTED]

Select the type of credit *

American Opportunity

Lifetime Learning

Qualified Expenses *

Please ensure that you reduce the amount entered for "qualified expenses" by any scholarships / grants received, pursuant to IRS Publication 970.

\$ 12000

Add Another Institution

Institution 1

Name *

Clark University

Check here if foreign address

Address (Number and Street) *

319 Doane Drive

ZIP Code *

38101

City, Town, or Post Office *

Memphis

If the taxpayer was under age 24 at the end of the year and met the conditions as outlined in the student under age 24 chart in this tab, they can't take the refundable American opportunity credit.

Note: TaxSlayer will allow you to compare the education benefits and determine the largest refund using each benefit.

See determining qualified expenses page earlier in this tab.

For lifetime learning credit, course-related books, materials, and supplies are not included as qualified expenses unless paid directly to the institution as a condition of enrollment.

Entering Education Benefits (continued)



TaxSlayer Navigation: Federal Section>Deductions>Credits, Menu>Education Credits; or Keyword "886"

Did the student receive Form 1098-T from this institution for 2018? *

- Yes
 No

Did the student receive Form 1098-T from this institution for 2017 with Box 2 filled in and Box 7 checked? *

- Yes
 No

Enter the Institution's Federal Identification Number (from Form 1098-T) *

20 - 1234456

Has the Hope Scholarship Credit or American Opportunity Credit already been claimed on 4 prior tax returns? *

- Yes
 No

Was the student enrolled at least half-time? *

- Yes
 No

Did the student complete the first 4 years of post-secondary education before 2018? *

- Yes
 No

Was the student convicted, before the end of 2018, of a felony for possession or distribution of a controlled substance? *

- Yes
 No

- Only the taxpayer is eligible if he or she claims the student as a dependent. Only the student is eligible if he or she isn't claimed as a dependent (even if he or she can be claimed) - no matter who pays.
- For the American opportunity credit only, qualified tuition and related expenses include books, supplies and equipment needed for the course, whether or not they were purchased from the institution as a condition of enrollment. Computers, however, can only be included IF they are a requirement for enrollment or attendance.

Note: The following aren't qualifying expenses for education credits: room and board, insurance, medical, transportation, or personal expenses, even if the amount must be paid to the institution as a condition of enrollment or attendance. If the educational expenses are associated with sports, games, hobbies, or other noncredit courses, see Publication 970 for more information.

Are you eligible for the refundable portion of the American Opportunity Credit? Answer NO if 1, 2, & 3 apply to you:

1: You were:

- Under age 18 at the end of the year, or
- Age 18 at the end of the year and your earned income was less than one-half of your support, or
- A full-time student over age 18 and under 24 at the end of the year and your earned income was less than one-half of your support.

2: At least one of your parents was alive at the end of the year.

3: You are not filing a joint return for the year.

*

- Yes
 No

Note: See Disallowance of Certain Refundable Credits in Tab I, Earned Income Credit, if the taxpayer received a letter saying they had to complete Form 8862, Information To Claim Certain Credits After Disallowance.



If American opportunity credit is selected but taxpayer is determined to be ineligible after answering qualifying questions, TaxSlayer will automatically change credit to lifetime learning without changing tax preparer's credit selection or any other warning.

Student Under Age 24 Claiming American Opportunity Credit

1. Were you under 24 at the end of 2019?	If NO , stop here; you do qualify to claim part of the allowable American opportunity credit as a refundable credit. If YES , go to question 2.
2. Were you over 18 at the end of 2019?	If YES , go to question 3. If NO , go to question 4.
3. Were you a full-time student (defined later) for 2019?	If NO , stop here; you do qualify to claim part of your allowable American opportunity credit as a refundable credit. If YES , go to question 5.
4. Were you 18 at the end of 2019?	If YES , go to question 5. If NO , go to question 6.
5. Was your earned income (defined below) less than one-half of your support for 2019?	If NO , stop here; you do qualify to claim part of your allowable American opportunity credit as a refundable credit. If YES , go to question 6.
6. Was either of your parents alive at the end of 2019?	If NO , stop here; you do qualify to claim part of your allowable American opportunity credit as a refundable credit. If YES , go to question 7.
7. Are you filing a joint return for 2019?	allowable American opportunity credit as a refundable credit. If YES , you do qualify to claim part of your allowable American opportunity credit as a refundable credit.

Earned income. Earned income includes wages, salaries, professional fees, and other payments received for personal services actually performed. Earned income includes the part of any scholarship or fellowship that represents payment for teaching, research, or other services performed by the student that are required as a condition for receiving the scholarship or fellowship. Earned income does not include that part of the compensation for personal services rendered to a corporation which represents a distribution of earnings or profits rather than a reasonable allowance as compensation for the personal services actually rendered.

Full-time student. Solely for purposes of determining whether a scholarship is considered support, you were a full-time student for 2019 if during any part of any 5 calendar months during the year you were enrolled as a full-time student at an eligible educational institution (defined earlier), or took a full-time, on-farm training course given by such an institution or by a state, county, or local government agency.

Completing the e-File Section

e-File Process

When all the data has been entered, complete the e-file section. The return should not be filed (e-filed or as a paper return) until the e-file section has been completed. The following are included in the e-file section:

- Return Type
- Tax Preparation and e-File Information
- State Return(s)
- Taxpayer Bank Account Information
- Third Party Designee Info
- Questions
- Consent to Disclose Tax Return Information to VITA/TCE Tax Prep Sites
- [Consent to Disclose/Use Information to AARP Foundation](#)
- [Consent for AARP Foundation to use select tax return information](#)
- State ID (Optional) (Shows only if there is a state return)

Federal Return Type

Select type of federal return. The drop down options for a balance due return differ from those for a return with a refund. Some states may require the federal return be e-filed before the state e-filed return can be electronically processed.

Select the Send State Only box if the state return is to be e-filed, but federal will not be e-filed.

Your return is now ready to be e-Filed to the IRS.

▲ Please make sure that all information you enter below is correct.

In order for us to transmit your client's return to the IRS you must complete all Steps in the e-File Process.

CAUTION: Your client's return will not be sent to the IRS unless you complete ALL steps. None of the information is saved until all information is entered and the "Continue" button below is clicked.

To continue the e-File process, please first select a return type and the form will ask for all required information.

Refund summary

Send State Only

Federal Return Type

E-file: Direct Deposit	▼
Please Select	
E-file: Paper Check	
E-file: Direct Deposit	
Paper Return with Direct Deposit	
Paper Return	

Federal Return Types with a Refund

E-file: Paper Check	E-filed with refund check mailed taxpayer
E-file: Direct Deposit	E-filed with direct deposit
Paper Return with Direct Deposit	Paper return with direct deposit
Paper Return	Paper return with check mailed to taxpayer

Federal Return Types with an Amount Owed

Mail Payment	E-filed without direct debit
Direct Debit	E-file with direct debit
Paper Return	Paper return with check included

To apply a federal refund towards next year's taxes open Federal>Payments and Estimates>Apply Payments to Next Year's Taxes.

To apply state refund to next year's state taxes, go to State>Payments>
[Apply Your State Refund](#)

Completing the e-File Section (continued)

State Return(s)

Enter type of state return

State Return(s)

Choose how you would like to file your state returns:

State	Refund/Due	Return Type
GA	Due: \$ 481.00	<div style="border: 1px solid black; padding: 2px;"> Not Selected ▼ </div> <div style="border: 1px solid black; padding: 2px; margin-top: 2px;"> Not Selected </div> <div style="border: 1px solid black; padding: 2px; margin-top: 2px; background-color: #e0e0e0;"> Paper Return </div> <div style="border: 1px solid black; padding: 2px; margin-top: 2px;"> E-file: Mail Payment </div> <div style="border: 1px solid black; padding: 2px; margin-top: 2px;"> E-file: Direct Debit </div>

By using a computer system and software to prepare and transmit electronically, I consent to the disclosure of all information pertaining to my use of the system to create this return to the electronic transmission of this tax return to the Department, as applicable by law.

If the state return is marked as Paper and the federal return is e-filed, confirm this is the correct choice and not a mistake.

State Return Types with a Refund	
Paper Return	Paper return with check mailed to taxpayer
E-file: Paper Check	E-filed with refund check mailed to taxpayer
Paper Return with Direct Deposit	E-filed with direct deposit
E-file: Direct Deposit	E-filed with direct deposit
State Return Types with an Amount Owed	
Paper Return	Paper return with check included
E-file: Mail Payment	E-filed without direct debit
E-filed direct debit	E-filed direct debit

Taxpayer Bank Account Information

If direct deposit or direct debit is selected for either federal or state return, the Taxpayer Bank Account Information screen will appear.

In this section, the preparer inputs the bank routing and account number for direct deposit of refund or automatic withdrawal of balance due.

Note: This bank information MUST be accurate for your return to process correctly.

Name of Bank
 ← Input the name of the bank as stated on the check.

Type of Account

Routing Transit Number

Confirm Routing Transit Number

Bank Account Number

Confirm Bank Account Number

Input both the routing and account number twice on this screen

Re-loadable Prepaid Bank Cards:

If Taxpayer provides Routing numbers and Account numbers for the card so that it can be entered on bank information screen it is in scope for Tax-Aide.

Note: See Pointers for Direct Deposit of Refunds later in this tab.



Use written or electronic account information from the financial institution.

Completing the e-File Section (continued)



TaxSlayer Navigation: (Administrator) Configuration>Office Setup

Split Refund Option

Office Configuration

- Print Firm Information on Cover Page
- Disable Third Party Designee Prefill
- Offer 8888 ←
- Display Summary using 1040 View

When the taxpayer elects to direct deposit his or her refund into two or three accounts or to purchase saving bonds, you will need to answer additional questions in the e-file section.

First, someone with Administrator privileges needs to go to Configuration>Office Setup and mark the box for Offer 8888.

This will allow all preparers at that site to offer Form 8888, Allocation of Refund (Including Savings Bond Purchases). Form 8888 also supports double-entry of bank routing and account information.

Note: This bank information MUST be accurate for your return to process correctly.

You may split your refund in up to 3 accounts, paper check and purchase up to 3 savings bonds. The total deposits and savings bond purchases must equal your total refund of \$4,261.00

Bank Accounts

Enter bank account information where you would like your refund deposited.

Bank Account 1

Account Type	Bank Name	Deposit Amount	<input type="button" value="Full Refund"/>
Checking ▾	<input type="text"/>	\$0.00	
Routing Number	Account Number		
<input type="text"/>	<input type="text"/>		
Confirm Rtn Number	Confirm Account Number		
<input type="text"/>	<input type="text"/>		

Paper Check Allocation

Allocate portion of the refund to be issued as a paper check.

Purchase Savings Bonds

You can purchase up to 3 savings bonds with the remainder of your refund.

Bond amounts must be in \$ 50 increments

Bank Accounts

Enter bank account information where you would like your refund deposited.

Bank Account 1

Account Type	Bank Name	Deposit Amount	<input type="button" value="Full Refund"/>
Checking ▾	<input type="text"/>	\$0.00	
Routing Number	Account Number		
<input type="text"/>	<input type="text"/>		
Confirm Rtn Number	Confirm Account Number		
<input type="text"/>	<input type="text"/>		

Bank Account 2

Account Type	Bank Name	Deposit Amount	
Checking ▾	<input type="text"/>	\$0.00	
Routing Number	Account Number		
<input type="text"/>	<input type="text"/>		
Confirm Rtn Number	Confirm Account Number		
<input type="text"/>	<input type="text"/>		

Note: The taxpayer's name must be on the account in order for a refund to be deposited.

Completing the e-File Section (continued)

Purchase Savings Bonds

From Split Refund Screen, savings bonds can be purchased.

Purchase Savings Bonds

You can purchase up to 3 savings bonds with the remainder of your refund.

Bond amounts must be in \$ 50 increments

Purchase A Bond I do not want to purchase this bond

Amount to be used for bond purchase for yourself

Purchase another bond for yourself or someone else I do not want to purchase this bond

Bond Amount

Enter the owner's name (First then Last) for the bond registration

If you would like to add a co-owner or beneficiary, enter the name here (First then Last)

Is Beneficiary?

Third Party Designee Info

This information is optional but must be filled out completely if you choose to include it.

First Name

Designee Last Name

Designee Phone
() -

Designee Pin

Third party designee info can be completed if the taxpayer wishes, but the designee is never the volunteer preparer.

Global Carryforward

Consent Status

I / we, the Taxpayer have read the above information. By typing in my / our taxpayer PIN(s) and checking this input, I / we hereby **GRANT** consent to "Consent to Disclose Tax Return Information to VITA/TCE Tax Prep Sites" as stated above.

I / we, the Taxpayer have read the above information. By checking this input, I / we hereby **DENY** consent to "Consent to Disclose Tax Return Information to VITA/TCE Tax Prep Sites" as stated above.

Primary PIN (enter 5 numbers)

Primary PIN Date

Secondary PIN (enter 5 numbers)

Secondary PIN Date

Grant = Next year, the taxpayer's data will carry forward to any VITA/TCE site using TaxSlayer.

Deny = Next year, the taxpayer's data will carry forward only to the VITA/TCE site that prepared the return.

Note: The two Tax-Aide consents have similar Grant or Deny options:

Consent #2: Consent to Disclose/ Use Information to AARP Foundation

Grant = Limited information provided to Foundation to assist with funding

Consent #3: Consent for AARP Foundation to use select tax return information

Grant = Foundation will send taxpayer information about free programs and services

Completing the e-File Section (continued)

Questions

Answer national and local questions

1. Would you say you can carry on a conversation in English, both understanding and speaking?	Please Select ▾
2. Would you say you can read a newspaper or book in English?	Please Select ▾
3. Do you or any member of your household have a disability?	Please Select ▾
4. Are you or your spouse a Veteran from the US Armed Force?	Please Select ▾
5. Was the taxpayer physically present during the entire return preparation and quality review process?	Please Select ▾

Use these fields for information that is helpful to your site. For example, these fields could be used to enter the preparer's name and/or new versus returning taxpayers. These fields are used by the military to report rank, grade, enlisted/retired, etc.

After the end of the tax season a custom report can be created.

State ID (Optional)

Appears only if there is a state return

You may provide your state issued id or drivers license in the section below. This information is optional but may assist the state in verifying your identity and processing your return.

Taxpayer ID Information

Type
Please Select ▾

Number
[]

Issue Date
mm/dd/yyyy

Expiration Date
mm/dd/yyyy

No Expiration date

Issue State
Please Select ▾

NY Document ID
[]

If the issue state is NY, this field is required. Please enter only the first three characters of the NY Document number on the Driver's License/State ID

Select driver's license or ID, license number, date issued, date expires and issuing state.

If taxpayer's license has expired, select None Available. Some states require a drivers license or state ID number to e-file. See state requirement and work around if applicable.

IRS e-file Signature Authorization

The taxpayers' PINs are defaulted to 1+ the last four digits of the SSN in the electronic return record before the taxpayers sign Form 8879, IRS e-file Signature Authorization. The taxpayers must sign and date Form 8879 before the ERO originates the electronic submission of the return and after reviewing the return and ensuring the tax return information on the form matches the information on the return.

Taxpayer PIN Guidelines

The PIN can be any five numbers except all zeros. If filing a joint return, a PIN is needed for the taxpayer and spouse.

How to use the Practitioner (ERO) PIN in TaxSlayer

- 98765 is defaulted in Office Setup
- The information is pulled from Office Setup to Part III of Form 8879

Form 8453, U.S. Individual Income Tax Transmittal for an IRS e-file Return

Form 8453 will be used to transmit specific supporting documents that can't be e-filed. Those paper forms, schedules and supporting documents include:

- Form 2848, Power of Attorney and Declaration of Representative (or POA that states the agent is granted authority to sign the return)
- Form 8332, Release / Revocation of Release of Claim to Exemption for Child by Custodial Parent (or certain pages from a divorce decree or separation agreement, that went into effect after 1984 and before 2009) (see instructions)
- Form 8949, Sales and Other Dispositions of Capital Assets (or a statement with the same information), if you elect not to report your transactions electronically on Form 8949. Form 8453 is to be mailed to the Austin Submission Processing Center within three business days.

Tax-Aide Policy: Do not mail any tax payer document. Do not use Form 8453. Do not scan or create PDF documents to attach to an e-filed return. Taxpayer should be informed what information that IRS may request

Reference Tax-Aide's "Gold Standards for Quality Review" located in the Portal Library. Search "Gold"

Quality Review Process

To promote accuracy, per Quality Site Requirement #2: Intake/Interview & Quality Review Process, all tax returns must be quality reviewed. Every item on the Quality Review Checklist must be addressed while reviewing Form 13614-C, Intake/Interview & Quality Review Sheet, all supporting documents, and the completed tax return. The taxpayer must be available to explain any discrepancies the Quality Reviewer may discover.

There are two acceptable quality review methods:

- **Designated Review** - This preferred quality review method employs a designated Quality Reviewer, a volunteer who is solely dedicated to reviewing returns prepared by the other volunteers at the site.
- **Peer Review** - When a designated Quality Reviewer is not available, volunteers can review each other's returns.

All items below in the **Quality Review Checklist** must be addressed:

- Taxpayer (and Spouse's) identity was verified with a photo ID during the visit
- The volunteer return preparer and quality reviewer are certified to prepare/review this return and return is within scope of the program
- All questions in Parts I through V are answered and unsure boxes were discussed with the taxpayer and correctly marked yes or no
- All applicable information in the shaded area on Page 1 was completed by the certified volunteer preparer
- Names, Addresses, SSNs, ITINs, and EINs are verified and correct
- Filing status is correct
- **If Taxpayer can be claimed as a dependent on someone else's return, verify that it is properly recorded in the basic information.**
- Dependency determinations are correct
- All Income (with or without source documents) checked "yes" in Part III is verified and correct
- All applicable adjustments to income are verified and correct
- Standard or Itemized Deductions are correct
- All eligible credits are correct
- All applicable provisions of ACA were considered for each person named on the tax return and are correct
- Federal Income Tax Withholding and Estimated Tax Payments are correct
- **Confirm federal and state Return Types are correct (e.g. e-file vs. paper)**
- Direct Deposit/Debit and checking/saving account numbers are correct
- SIDN is correct on the return
- During the visit, the taxpayer(s) was advised that they are responsible for the information on their return
- Any errors identified or incomplete Form 13614-C are discussed with the preparer

Refer to Publication 5310, Tax Return Quality Review Job Aid, for additional guidance on how to conduct a quality review.

Due Diligence

All IRS tax law-certified volunteers are required to exercise due diligence. This means, as a volunteer, you are required to do your part when preparing or quality reviewing a tax return to ensure the information on the tax return is correct and complete.

Doing your part includes: confirming a taxpayer's (and spouse, if applicable) identity and providing top-quality service by helping them understand and meet their tax responsibilities.

Generally, as an IRS tax law-certified volunteer, you can rely in good faith on information from a taxpayer without requiring documentation as verification. However, part of due diligence requires you to ask a taxpayer to clarify information that may appear to be inconsistent or incomplete. When reviewing information for accuracy, you need to consider if the information is unusual or questionable. Follow-up questions are required when these types of items are identified.

TaxSlayer Basic Quality Review - Print Set

Quality Review using TaxSlayer: Refer to Publication 5310, Tax Return Quality Review Job Aid

Return Open: After the return is prepared and still opened by the preparer, the preparer should select Quality Review from the drop down list on the Submission page. The Quality Reviewer may select the “Quality Review” print set. Although TaxSlayer calls these print sets, returns can be viewed without printing using Adobe Reader.

Note: A peer-to-peer reviewer may use the “Return Open” process.

Submission

Please review all information on this screen. To finalize your return please click on the submit button located below.

QUALITY REVIEW ▾

Print Return

Return Closed: If the preparer closes the return, the Quality Reviewer should select the printer icon drop down list from the Client List page. This list will include the printer options for the Quality Reviewer.

The screenshot displays the TaxSlayer 2017 Tax Program interface. The top navigation bar shows the current user as 'Craig S' and options for 'Change Tax Year' and 'Logout'. The main content area is titled '2017 Client Tax Return List' and features several filters: 'Filter by Status' (Any Status), 'Filter by Return Tag' (Any Tag), and checkboxes for 'Do Not Show Accepted Returns' and 'Do Not Show Deactivated Returns'. There are also date filters for 'Date From', 'Date To', and 'Date Type'. A search bar is present for the 'Client List'. Below the filters, a table of return entries is shown, with columns for SSN, FIRST, LAST, PHONE, PREPARER, and STATUS. The first entry is for 'PIERCE'. A 'Tools' dropdown menu is open, showing options: 'Print Return', 'QUALITY REVIEW', 'MASTER PRINT', and 'MASTER PRINT (2 8879s)'. The URL at the bottom is 'https://vita.taxslayerpro.com/ProAvalon/OfficeClientList/Index/2017#'. The page number '1' is visible in the pagination controls.

Note: A designated reviewer may use the “Return Closed” process.

Selecting the Quality Review print set while the return is opened or closed, the Quality Reviewer will be able to review all documents included in the tax return. Compare the IRS Form 13614-C to the embedded TaxSlayer Intake/Interview sheet to verify the documents included in the tax return.

TaxSlayer Basic Quality Review - Print Set (continued)

Once the basic Intake/Interview documents are reviewed, the Quality Reviewer should review the other pages included in the print set of the tax return. These pages include forms, schedules, and worksheets required to complete the Quality Review of the tax return. Once the Quality Reviewer confirms the accuracy of the return, the return should be marked complete by selecting the "Mark Complete" check box. By selecting this option, TaxSlayer makes the return available for transmission to the TaxSlayer Processing Center.

Return Information	
Type of Return	E-file: Mail Payment
Federal Due	\$2,718.00
Is Complete	<input checked="" type="checkbox"/>
Invoice Paid	<input type="checkbox"/>

Return Signature

A return isn't considered valid unless it is signed. Both spouses must sign if the return is filed jointly. The return should be dated and the occupation lines should be completed. Advise the taxpayer they're responsible for the information on the return.

When someone can sign for you

Child's Return

If a child can't sign his or her name, the parent, guardian, or another legally responsible person must sign the child's name in the space provided followed by the words "By (parent or guardian signature), parent or guardian for minor child."

Incapacitated Spouse

If the spouse can't sign because of injury or disease and tells the taxpayer to sign for him or her, the taxpayer can sign the spouse's name on the return followed by the words "By (your name), Husband (or Wife)." A dated statement must be attached to the return. See Publication 501, Dependents, Standard Deduction, and Filing Information, for requirements to include in the statement.

Military Spouse

If the taxpayer's spouse is unable to sign the return because he or she is serving in a combat zone or is performing qualifying service outside of a combat zone, and the taxpayer doesn't have a power of attorney (POA) or other statement, the taxpayer can sign for their spouse. Attach a signed statement to the return that explains that the spouse is serving in a combat zone. See Publication 3, Armed Forces' Tax Guide, for other situations.

Court-appointed conservator or other fiduciary

If you are a court-appointed conservator, guardian, or other fiduciary for a mentally or physically incompetent individual who has to file a tax return, sign your name for the individual and file Form 56, Notice Concerning Fiduciary Relationship.

Power of Attorney

Attach a copy of the taxpayer's original paper POA to a copy of Form 8453 for the site to send to the IRS once the return is accepted. Alternatively, you may scan the POA as a PDF and attach the PDF to the return prior to **transmitting** the e-file.

See Publication 17, Your Federal Income Tax For Individuals, Chapter 1. For additional details, see Publication 947, Practice Before the IRS and Power of Attorney, and Form 2848 Instructions. Even when the taxpayer's agent is using a power of attorney different than Form 2848, follow the same process.

Tax-Aide Policy: Do not mail any tax payer document. Do not use Form 8453. Do not scan or create PDF documents to attach to an e-filed return. Taxpayer should be informed what information that IRS may request. This also applies to Power of Attorney.

Return Signature (continued)

Deceased Taxpayer



TaxSlayer Navigation: Federal Section>Personal Information

If the spouse died during the year and the surviving spouse didn't remarry, a joint return can be filed. If a taxpayer died before filing the return and had no filing requirement but had tax withheld, a return must be filed to get a refund. If the decedent had a filing requirement, the taxpayer's spouse or personal representative will have to file and sign a return for the person who died. A personal representative can be an executor, administrator, or anyone who is in charge of the decedent's property. If no one has yet been appointed as executor or administrator, the surviving spouse can sign the return for the deceased spouse and enter "Filing as surviving spouse" in the area where the return is signed.

If filing a paper return, write "Deceased," the decedent's name, and the date of death across the top of the tax return. TaxSlayer will automatically note on the top of Form 1040, U.S. Individual Income Tax Return the decedent's name and date of death.

Form 2848, Power of Attorney and Declaration of Representative, is invalid once the taxpayer dies; therefore Form 56 or new Form 2848 signed by estate executor or representative must be completed. See Publication 559, Survivors, Executors, and Administrators, for details.

Claiming a Refund for a Deceased Person



TaxSlayer Navigation: Federal Section>Miscellaneous Forms>Claim a Refund Due to a Deceased Taxpayer

Court-appointed representatives should file the return and attach a copy of the certificate that shows their appointment. All other filers requesting the decedent's refund should file the return and attach Form 1310, Statement of Person Claiming Refund Due a Deceased Taxpayer. The software completes this form.

In some cases, e-filing is permitted; however, the program may generate a red diagnostic warning and block e-filing. In this case, the return must be paper filed with a copy of their appointment document.

Power of Attorney

- Read Pub 17 on Power of Attorney & Signatures. For additional details see below.

Even when the taxpayer's agent is using a power of attorney different than Form 2848, follow the same process.

1. A valid General Power of Attorney (POA), naming a representative as Attorney-in-Fact, is required if s/he asks to have a return completed for someone else and intends to sign that return on behalf of those whom s/he is representing.
2. The POA must be either legally signed by taxpayer and notarized or issued by a court.
3. The POA must contain a statement which defines the authority to prepare, sign, and file income tax returns with federal, state, and local or other governmental bodies.
4. Form 2848, when properly completed can serve as a Power of Attorney for tax matters only. Tax-Aide volunteers should not complete Form 2848 on behalf of clients. It is up to the individual taxpayer to complete Form 2848 and bring it to the site for handling with the return.
5. The circumstances under which another person may sign a return using Form 2848 or any other POA are limited to:
 - a) Disease or Injury;
 - b) Continuous absence from the United States for a period of 60 days prior to date required by law for filing the return; or
 - c) Specific permission is requested of and granted by the IRS for other good cause.

Generally only those eligible to practice before the IRS, e.g., attorney, CPA, or enrolled agent or a member of the taxpayer's immediate family may sign on behalf of the taxpayer – see Part II of Form 2848 for complete list.

6. If the return is mailed to the IRS, then a copy of the POA must be attached to the Form 1040.
7. A Power of Attorney (POA) does not survive the death of the taxpayer and is not valid for a deceased individual. If the return is being prepared for a deceased taxpayer, then signing of the return depends on the specific circumstances:
 - a) A return signed by a surviving spouse-no documentation required;
 - b) A return signed by a court appointed administrator-court appointment papers required;
 - c) A return signed by a court appointed executor-court appointment papers required and return must be paper filed; or
 - d) A return signed by a personal representative who has not been appointed by a court (such as an heir of decedent's assets) – no documentation required, but Form 1310 required if requesting a refund
8. If a counselor does not feel comfortable working with a POA, court appointment papers or Form 1310, check with other volunteers. If no-one else is available, refer the taxpayer to a paid preparer.

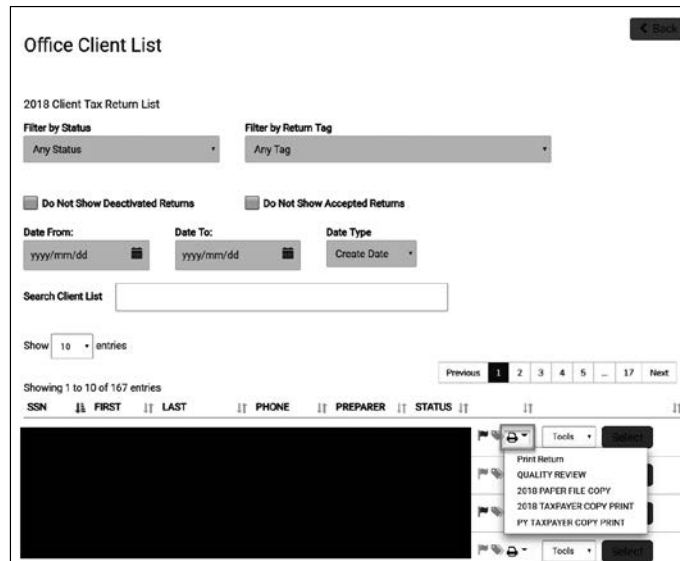
This page deliberately left blank.

Printing the Tax Return



TaxSlayer Navigation: Client Search>Office Client List or e-File Section>Last Screen (Submission)>Print Return

A copy of the return can be printed by selecting the Printer Icon located on the Client Tax Return row from the Office Client List. A copy of the tax return can also be printed from within the return. The print location from inside the return is located on the Submission page under the e-File section. After all required information has been entered on the e-file page, select Save. The program will display the Submission page. From this page, click on the drop down arrow, select the appropriate print set, and then select Print Return. Once the PDF is generated, you can choose the pages you wish to print and the number of copies you wish.



Distributing Copies of Returns

Taxpayer

- Form 1040 with all forms/schedules including signed Form 8879 and Form 8453, if applicable.
- Organize the taxpayer's copy of the return according to the attachment sequence at the top right corner of each form. Any supplemental schedules are put at the end.
- Form 8332, if applicable.
- Original Power of Attorney, if applicable.
- State forms/schedules, as applicable.
- All other taxpayer documents including Form(s) W-2 and Form(s) 1099.
- **Tax-Aide Intake booklet**

Paper Federal Return

- Signed Form 1040 with all forms/schedules.
- Organize the federal copy of the return according to the attachment sequence at the top right corner of each form. Any supplemental schedules are put at the end.
- Attach federal copies of Form(s) W-2 and any Form(s) 1099 with withholding.

Paper State Return

- Signed state return with all forms and schedules.
- Attach state copies of Form(s) W-2 and any Form(s) 1099 with withholding.
- Attach a copy of the federal return if required by state instructions.

Where to File Paper Returns

When a paper return must be filed, advise the taxpayer to sign and mail the federal return to the applicable IRS address for the state where the taxpayer lives. See Tab P, Partner Resources for a list of addresses.

The taxpayer must be given an exact copy of the paper return to be filed. Additional copies of the schedules and worksheets should also be provided. If applicable, state income tax returns should be signed and mailed to the appropriate address for that state. State mailing address can be found on the state tax form or on the tax department's website.

Pointers for Direct Deposit of Refunds

- Using a check, paper or electronic documentation from the financial institution as proof of account, verify:
 - Routing Transit Number (RTN). The RTN must contain 9 digits and begin with 01 through 12 or 21 through 32.
 - Depositor Account Number (DAN). The DAN can be up to 17 characters. Include hyphens but omit spaces and special symbols. Don't include the check number or the dollar amount on canceled checks. On the sample check below, the account number is 20202086. The 16-digit number on a debit card is not the account number.
- Don't use a deposit slip for proof of RTN as this may not be the same RTN used for direct deposit. For direct deposit into a savings account, the taxpayer should obtain a statement from the financial institution to verify the routing and account number for direct deposit. For direct deposit into a checking account, if the taxpayer doesn't have a canceled check, the taxpayer should also contact their financial institution.
- Entering the incorrect RTN and/or DAN will result in a 4-6 week delay of the refund, or it may go into someone else's account. If the direct deposit is voided, a paper check

- will automatically be mailed to the address on the electronic tax form.
- Double-check the RTN of the financial institution if:
 - You are unfamiliar with the financial institution. (Some types of accounts that exist through brokerage firms can't accept direct deposits.)
 - The RTN is for a credit union, which is payable through another financial institution. The taxpayer should contact his or her credit union for the correct RTN.
 - Savings Bonds - Taxpayers can buy U.S. savings bonds with their federal tax refund. Even if the taxpayer doesn't have a bank account or a Treasury account they can elect this option. Taxpayers can make bond purchases for themselves. Refer to Form 8888, Allocation of Refund (Including Savings Bond Purchases), or the IRS website for more details.
 - Remember the split refund option: If a taxpayer chooses to direct deposit his or her refund into two or three accounts, you will need to complete Form 8888.



CAUTION Financial institutions generally don't allow a joint refund to be deposited into an individual account. The IRS isn't responsible if a financial institution refuses a direct deposit.



CAUTION Direct deposit of a taxpayer's refund is to be made to an account (or accounts) only in the taxpayer's name. Advise taxpayers their refund may only be deposited directly into his/her own account(s).

Taxpayer's federal and state refunds can't be deposited into VITA/TCE Volunteer or any associated partner's personal or business bank/debit card accounts.

Note: To combat fraud and identity theft, IRS permits a maximum of three refunds to be electronically deposited into a single financial account.

The fourth and subsequent refunds automatically convert to a paper refund check and will be mailed to the taxpayer.

TONY MAPLE
JENNIFER MAPLE
123 Pear Lane
Anyplace, GA 00000

PAY TO THE ORDER OF _____ \$ _____

ANYPLACE BANK
Anyplace, GA 00000

For _____

1 250250025 20202086 1234

1234
15-0000000

DOLLARS

Routing number (line 74b)
Account number (line 74d)

Do not include the check number.

Tax-Aide Policy: If the Bank Routing number or account number is not obtained from a check, Taxpayer must initial the paper copy of the return (both State and Federal) indicating they have verified that the numbers are correct.

Balance Due Returns

General Information

- Taxpayers don't have to pay if balance due is less than \$1.
- Payment in full is due by the April filing due date to avoid interest and penalties.
- Taxpayer should file his or her return by the April filing due date to avoid a failure-to-file penalty.
- There are separate penalties for filing late and paying late. The late filing penalty is higher.
- Advise taxpayers to file the return on time, even if they can't pay the full amount owed. They should pay as much as they can with the return to reduce penalties and interest.

Payment Methods

1. Electronic Funds Withdrawal

E-filing allows taxpayers to file their return early and schedule their payment for withdrawal from their checking or savings account on a future date up to the April filing due date. Advise taxpayers that they should check their account to verify that the payment was made.

2. IRS Direct Pay

IRS direct pay on the IRS website is a free one-time payment from your checking account to the IRS. Use this secure service to pay your tax bill or make an estimated tax payment directly from your checking or savings account at no cost to you. You'll receive instant confirmation that your payment has been submitted. Just follow the easy steps below. Bank account information isn't retained in IRS systems after payments are made.

It takes just 5 easy steps to make a payment:

Step 1	Step 2	Step 3	Step 4	Step 5
Provide your tax information	Verify your identity	Enter your payment information	Review and electronically sign the transaction	Print or record your online confirmation number

3. Check or money order payments

- Don't attach the payment to the return.
- Refer to instructions on Form 1040V, Payment Voucher.
- Submit the payment with a properly completed Form 1040V.
- Don't mail cash.

4. Credit card payments

- American Express, Discover, Mastercard, or Visa cards are accepted.
- A convenience fee will be charged by the service providers.
- For details, visit the IRS website, keywords "make a payment."

Note: See Form 1040 Instructions for additional information

Balance Due Returns (continued)

5. Electronic Federal Tax Payment System (EFTPS)

Taxpayers can use EFTPS to pay their federal taxes, but they must **enroll** first. EFTPS is a fast, easy, convenient and secure service provided free by the Department of Treasury. For more information or to enroll visit the IRS website, keywords “make a payment” or call EFTPS Customer Service at 1-800-316-6541 (for individual payments). TTY/TDD help is available by calling 1-800-733-4829.

Note: You must have a valid Social Security Number (SSN) to use this application. This application cannot accommodate Individual Taxpayer Identification Numbers (ITINs)

6. PayNearMe (Cash Payments)

Taxpayers can make a **cash payment** without the need of a bank account or credit card at more than 27,000 retail locations nationwide. To find a location near you, visit the IRS website, keywords “make a payment.”

7. Pay by Mobile Device

To pay through a mobile device, taxpayers may download the IRS2Go app.

Installment Agreement

Because of the Bipartisan Budget Act of 2018, user fees for low-income taxpayers setting up installment agreements (long-term payment plans) may be waived or reimbursed, under certain conditions.

Effective for installment agreements established on or after April 10, 2018:

- Taxpayers meeting the low-income threshold (at or below 250% of the federal poverty guidelines, as determined for the most recent year) who agree to establish a Direct Debit Installment Agreement, will not be charged a user fee.
- Taxpayers who are low income and unable to make electronic payments through a debit instrument by entering into a Direct Debit Installment Agreement will be reimbursed the user fee upon completion of the installment agreement.

What if the taxpayer can't pay? **Ensure the taxpayer understands costs are associated with payment plans.**

- Full pay within 120 days. If taxpayers can pay the full amount they owe within 120 days, go to the IRS website, keyword “installment agreement” to establish your request to pay in full. By doing this, taxpayers can avoid paying the fee to set up an installment agreement.
- Online Payment Agreement. If the taxpayer's balance due is \$50,000 or less, the taxpayer can apply online for a payment agreement instead of filing Form 9465, Installment Agreement Request. To do that, go to IRS.gov and enter “Online Payment Agreement” or “OPA” in the “Search” box. The origination fee is lower for online payment agreements than applying by phone, mail or in person.
- The taxpayer can request an extension of time to pay if paying the tax by the due date will be an undue hardship. For details see Form 1127, Application for Extension of Time for Payment of Tax Due to Undue Hardship. This form is Out of Scope.

Offer in Compromise

If the taxpayer can't pay through an installment agreement and/or by liquidating assets, they may be eligible for an Offer in Compromise (offer). An offer is an agreement between the taxpayer and the IRS that settles a tax debt for less than the full amount owed. The IRS may accept an offer if:

- The IRS agrees that the tax debt may not be accurate,
- The taxpayer has insufficient assets and income to pay the amount due in full, or
- The taxpayer has exceptional circumstances and paying the amount due would cause an economic hardship or would be unjust.

The taxpayer can use the Offer in Compromise Pre-Qualifier tool located at the IRS website, keyword “offer” to determine if an offer is a realistic option to resolve their balance due. The questionnaire format assists in gathering the information needed and provides instant feedback as to eligibility. To apply for an offer, the taxpayer must read and complete the forms located in Form 656-B, Offer in Compromise.

Balance Due Returns (continued)

How can a taxpayer avoid a balance due in the future?



The more withholding allowances claimed, the less taxes withheld.

- If the taxpayer didn't have enough withheld from his/her paycheck, pension income or taxable social security benefits and there is an amount owed on the current return:
 - Advise the taxpayer to access the Withholding Calculator on the IRS website
 - Advise the taxpayer to submit a revised Form W-4, Employee's Withholding Allowance Certificate, to the employer. For pension income, taxpayers should submit a revised Form W-4P, Withholding Certificate for Pension or Annuity Payments, to the pension payer or contact the pension administrator to increase withholding. Taxpayers should reduce the number of allowances or request an additional amount to be withheld.
 - Advise taxpayers who received taxable social security benefits or unemployment to submit Form W-4V, Voluntary Withholding Request, to request withholding from social security of certain other federal government payments.
- If the taxpayer had income that wasn't subject to withholding (such as self-employment, interest income, dividend income, or capital gain income):
 - Explain estimated taxes to the taxpayer. In TaxSlayer, add Form 1040-ES, Estimated Tax for Individuals, and complete it. Discuss with taxpayer(s) whether to use the minimum required amount or the total amount expected to be due.
- Advise the taxpayer to review Publication 505, Tax Withholding and Estimated Tax; Publication 5303, Paycheck Checkup; or the Withholding Calculator on irs.gov.

Forms or Publications can be obtained from the IRS website

- If the taxpayer is receiving the advanced premium tax credit (APTC), they should notify the Marketplace when they have any significant change to geographic move, income, family size or a life event.

Note: This information only applies to federal balance due returns. For state information, consult the applicable state.

Estimated Tax Payments



TaxSlayer Navigation: Federal Section>Payments & Estimates>Federal Estimated Payments for 20XX; or Keyword "1040-ES"

Estimated Payments for Next Year

First Quarter(April 15, 2019)

Second Quarter(June 17, 2019)

Third Quarter(September 16, 2019)

Fourth Quarter(January 15, 2020)

Enter amount to be printed on each voucher.

Taxpayer can make pen and ink changes to a voucher if the situation changes during the year.

CANCEL **CONTINUE**

Vouchers will be generated when the return is printed.

Note: When the IRS due date falls on Saturday, Sunday, or a legal holiday, the due date is the next business day.



TaxSlayer Navigation: Federal Section>Payments & Estimates>Apply Overpayment to Next Year's Taxes

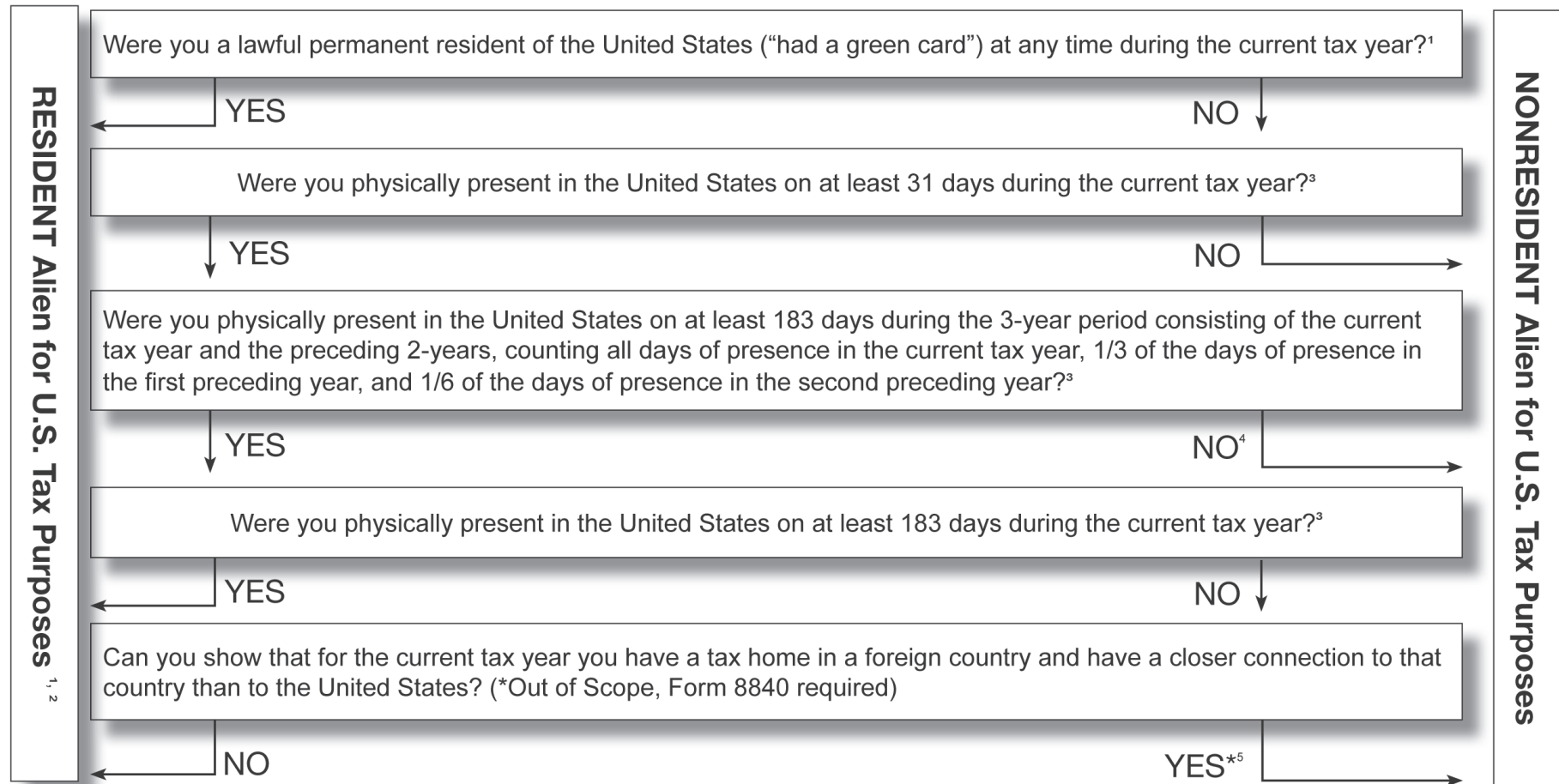
Payment Apply Refund

Amount of Overpayment (\$1,782.00) to apply to 2019

CANCEL **CONTINUE**

Nonresident Alien or Resident Alien? - Decision Tree

Start here to determine your residency status for federal income tax purposes



Resident or Nonresident Alien Decision Tree

Footnotes

- ¹ If this is your first or last year of residency, you may have a dual status for the year. See Dual-Status Aliens in Pub 519. (Out-of-Scope)
- ² In some circumstances you may still be considered a nonresident alien and eligible for benefits under an income tax treaty between the U.S. and your country. Check the provision of the treaty carefully. (Must be certified appropriately.)
- ³ See Days of Presence in the United States in Pub 519 f or days that do not count as days of presence in the U.S. (Exempt individuals such as students, scholars, and others temporarily in the U.S. under an F, J, M, or Q visa's immigration status do not count their days of presence in the U.S. for specified periods of time.)
- ⁴ If you meet the substantial presence test for the following year, you may be able to choose treatment as a U.S. resident alien for part of the current tax year. See Substantial Presence Test under Resident Aliens and First-Year Choice under Dual Status Aliens in Pub. 519. (Out-of-Scope)
- ⁵ Nonresident students from Barbados, Hungary, and Jamaica, as well as trainees from Jamaica, may qualify for an election to be treated as a U.S. Resident for tax purposes under their tax treaty provisions with the U.S. A formal, signed, election statement must be attached to the Form 1040 (preparation of the statement is Out of Scope). (It continues until formally revoked.)

Resident or Nonresident Alien Decision Chart

Determine residency status for federal income tax purposes.

step 1	Were you a lawful permanent resident of the United States (had a “green card”) at any time during the current tax year?	YES – RESIDENT Alien for U.S. tax purposes ^{1,2} NO – Go to Step 2
step 2	Were you physically present in the United States on at least 31 days during the current tax year? ³	YES – Go to Step 3 NO – NONRESIDENT Alien for U.S. tax purposes ⁵
step 3	Were you physically present in the United States on at least 183 days during the 3-year period consisting of the current tax year and the preceding 2 years, <ul style="list-style-type: none"> • counting all days of presence in the current tax year, • 1/3 of the days of presence in the first preceding year, and • 1/6 of the days of presence in the second preceding year?³ 	YES – Go to Step 4 NO – NONRESIDENT Alien for U.S. tax purposes ^{4,5}
step 4	Were you physically present in the United States on at least 183 days during the current tax year? ³	YES – RESIDENT Alien for U.S. tax purposes ^{1,2} NO – Go to Step 5
step 5	Can you show that for the current tax year you have a tax home in a foreign country and have a closer connection to that country than to the United States? (*Out of Scope, Form 8840, Closer Connection Exception Statement for Aliens required)	YES* – NONRESIDENT Alien for U.S. tax purposes ⁵ NO – RESIDENT Alien for U.S. tax purposes ^{1,2}

Footnotes

- ¹ If this is your first year of residency, you may have a dual status for the year. See Dual Status Aliens in Pub 519, U.S. Tax Guide for Aliens. (Out of Scope)
- ² In some circumstances you may still be considered a nonresident alien and eligible for benefits under an income tax treaty between the U.S. and your country. Check the provision of the treaty carefully. (Out of Scope)
- ³ See Days of Presence in the United States in Publication 519 for days that do not count as days of presence in the U.S. (Exempt individuals such as students, scholars, and others temporarily in the U.S. under an F, J, M, or Q visa’s immigration status do not count their days of presence in the U.S. for specified periods of time.)
- ⁴ If you meet the substantial presence test for the following year, you may be able to choose treatment as a U.S. resident alien for part of the current tax year. See Substantial Presence Test under Resident Aliens and First Year Choice under Dual Status Aliens in Publication 519. (Out of Scope)
- ⁵ Nonresident students from Barbados, Hungary, and Jamaica, as well as trainees from Jamaica, may qualify for an election to be treated as a U.S. Resident for tax purposes under their tax treaty provisions with the U.S. A formal, signed, election statement must be attached to the Form 1040 (preparation of the statement is Out of Scope). (It continues until formally revoked.)

Resident or Nonresident Alien Decision Chart (continued)

If after using the Resident or Nonresident Alien Decision Chart (Page L-1) you have determined a taxpayer is a **Resident Alien** for U.S. Tax Purposes, and does not meet any of the exceptions that would be outside of the scope of the VITA program, select one of the filing statuses listed under the Basic Information Section in TaxSlayer Pro. A Resident Alien is treated like a U.S. Citizen when determining filing status.

If after using the Resident or Nonresident Alien Decision Chart (Page L-1) you have determined a taxpayer is a Nonresident Alien for U.S. Tax Purposes, under the Basic Information Section in TaxSlayer Pro, select **Nonresident Alien**, if you have certified under the Foreign Student and Scholar Module and the taxpayer's circumstances are within the scope of the Foreign Student and Scholar VITA program. **After** selecting the Nonresident Alien filing status, you will be given six (6) choices; Single resident of Canada or Mexico or single U.S. national, other single nonresident alien, Married resident of Canada or Mexico or married U.S. national, Married resident of South Korea, other married nonresident alien, or Qualified widower(er) with dependent child.

You will only complete a tax return for a Nonresident Alien if you have certified on the Foreign Student and Scholar Module, and at least 1 other person at your site, who is also certified on the Foreign Student and Scholar Module, can quality review the return.

Be sure to have the taxpayer complete Form 13614-NR, Nonresident Alien Intake and Interview Sheet, and use Publication 4011, VITA/TCE Foreign Student and Scholar Resource Guide, to conduct the Quality Review.

Electronic Filing of Returns with Valid ITIN



TaxSlayer Navigation: Federal Section>Income> Wages and Salaries; or Keyword "W"

Returns can be electronically filed when the taxpayer has an Individual Taxpayer Identification Number (ITIN) but has a Form W-2 with a Social Security Number (SSN) that belongs to another taxpayer.

The taxpayer may be working under an erroneous social security number, use that social security number only on the W-2.

1. The taxpayer's ITIN must be entered on the personal information screen in the space provided for the taxpayer's, or spouse's social security number, if applicable.
2. When completing the Form W-2 in TaxSlayer, enter the SSN shown on the paper Form W-2. The Internal Revenue Service requires the manual key entry of the Taxpayer Identification Number (TIN) as it appears on Form W-2 received from the employer for all taxpayers with ITINs who are reporting wages. The ITIN that was entered when the return was started won't auto-populate the TIN on Form W-2 for these ITIN filers.

Employee

Whose W-2 is this? *

Test Taxpayer

Spouse Taxpayer

ITIN SSN *

- -

Note: ITIN taxpayers requesting to file Forms 1099-R, Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts etc, with an incorrect Social Security Number must file a paper return. These returns can't be e-filed. There are no procedures in place to e-file these types of returns.

Creating a Temporary ITIN when the Spouse and/or Dependent(s) are Applying for an ITIN



TaxSlayer Navigation: Federal Section>Miscellaneous Forms> Application for ITIN

TaxSlayer will not generate temporary ITINs for the taxpayer, spouse and/or dependents on a return if Form W-7 is needed. The ITIN application requires a federal tax return be associated with all Form W-7 applications (with some exceptions as noted in the instructions for Form W-7. Federal tax returns can't be filed using electronic return preparation software without a TIN (taxpayer identification number). If the taxpayer is working under an erroneous social security number, that social security number should be used only on the W-2.

1. In the TIN field for all individuals needing to complete Form W-7, enter all digits as zeros "0". A return requiring three temporary TINs will be entered as follows:

The spouse's	000-00-0000
The first dependent's	000-00-0000
The second dependent's	000-00-0000

2. Select each individual in TaxSlayer. Fill in the name of each family member applying for an ITIN on a separate Form W-7 application. Make sure that names match required documentation that clients will be submitting with their W-7 application(s). See Tab B, Starting a Return and Filing Status, Determining the Last Name of the Taxpayer section for additional information.
3. Print the return package, and provide the return package to the taxpayer to mail with Forms W-7 to the address shown on the Form W-7 instructions.
4. If the taxpayer has a family pack that includes multiple Forms W-7 with one return, or multiple returns with one Form W-7, these forms should be staggered and stapled together to show the entire package as a family pack. This will prevent separation of the forms/returns that could delay the processing time.
5. Have taxpayers mail Form W-7 application(s), all original supporting documentation, and tax return or take to a Certified Acceptance Agent (CAA) or local Taxpayer Assistance Center (TAC) for ITIN Authentication. **Note:** Not all TAC offices are authorized to perform ITIN Authentication. See the list of supporting documentation in the Form W-7 Instructions.
6. If applicable, prepare a copy of the state return with a copy of the federal return attached. If taxpayers will not owe state taxes, suggest they hold the state return until they receive their official ITIN letter(s), which may take 7 weeks (9 to 11 weeks if submitted during peak processing periods, January 15 through April 30). Once the ITIN(s) is assigned, record them on the state tax returns before mailing.

Note: ITINs will expire if not used within three years. The ITIN will expire on the date following the due date of the tax return for such third consecutive taxable year.

The following communication products provide information on changes being made to the Individual Taxpayer Identification Number (ITIN) program this year. They are intended for use in raising awareness among taxpayers with a need to file a federal tax return in 2020 but whose ITIN will expire at the end of 2019. The products, available in multiple languages, are offered in electronic format for electronic distribution or for printing.

Publication 5259 (EN-SP), ITIN Fact Sheet

This publication explains changes IRS is implementing as a result of the Protecting Americans from Tax Hikes (PATH) Act legislation requiring expiration of certain ITINs. It also covers changes to the use of a passport as a stand-alone document for dependent ITIN applications.

Publication 5256 (EN-SP), You May Need to Renew Your Expired ITIN

This publication provides taxpayers quick facts about which ITINs are expiring and how to get more information. It provides three flyers per page and can be printed and cut/separated for use.

Publication 5257 (EN-SP), Renewing Your ITIN

This publication is a full page document detailing the facts about expiring ITINs and basic information about how to renew them. There's an electronic version with resource links and a printable version with instructions on how and where to find more information.

Amended Returns

Overview of Amended Return Preparation Process in TaxSlayer



TaxSlayer Navigation: Access the federal and state amended return screens from the navigation MENU on the left side of the screen.

The Protecting Americans from Tax Hikes (PATH) Act of 2015 prevents taxpayers using newly issued tax ID numbers to retroactively claim refundable tax credits in prior years. For example, someone who filed a tax return under an ITIN and later got an SSN cannot file amended return(s) to claim EITC.

Amended returns cannot be electronically filed and must be mailed to the IRS. Direct deposit/debit is not available for amended returns.

If the VITA/TCE site amending the return prepared the original return in TaxSlayer, **create a .pdf** of the return **if no printed copy is available**. A copy of the original federal and state returns is available in the Client Status section on the Office Client List page.

Office Client List

Showing 1 to 1 of 1 entries (filtered from 167 total entries)

SSN	FIRST	LAST	PHONE	PREPARER	STATUS
[REDACTED]	Taxpayer	Sample	[REDACTED]	Craig Smith	Complete

Tools: Scanned Documents, Client Status, Privacy Settings, Change Preparer

To view and print the original filed and accepted return, go to the client list.

Federal Transmissions

State	Sent Date	Ack Received	Batch ID	Submission ID	Status	Refund Amount	Return Type	...
FD	3/22/2019 12:24:14 PM	3/22/2019 12:32:33 PM	2120357	[REDACTED]	Accepted	\$4.00	1040	

State Transmissions

State	Sent Date	Ack Received	Batch ID	Submission ID	Status	Refund Amount	Form Type	...
GA	3/22/2019 12:35:11 PM	3/22/2019 9:12:20 PM	2120357	[REDACTED]	Accepted	\$0.00	500	

Clicking on these links displays the original accepted return.

If the VITA/TCE site amending the return did not prepare the original return in TaxSlayer, the site will need a copy of the original return. See “Amended Returns - Original Return Not Created by the Site Preparing the Amended Return” later in this tab.

When changing the filing or residency status, TaxSlayer warns that all state returns will be deleted. Regardless of the state, the steps to amend a state return are consistent. TaxSlayer asks for the state refund amount or the amount paid if there is a state balance due.

Amended Returns (continued)

Completing an Amended Return that was Accepted in TaxSlayer (Site prepared the original filed return)

1. Pull the original tax return amounts to Form 1040X, Amended Return, original column by taking the following steps:
 - a. Find and open the original return in TaxSlayer.
 - b. Make all necessary changes to the return based on the new information from the taxpayer. (For example, if the taxpayer needs to add a Form W-2, add it now as you would if preparing a return normally.)
 - c. When you finish making changes, select **20XX Amended Return**. TaxSlayer displays the Amended Tax Returns - Form 1040X page:

Amended Tax Return - Form 1040X

How To Amend Your Return	BEGIN
Original Federal Return Information	EDIT
Make Corrections for Amended Return	BEGIN
Amend State Return(s)	BEGIN
Explain Changes	BEGIN
Print Amended Return	BEGIN
Delete Amended Return	BEGIN

- d. Select **Begin** on the **Original Return Information** line.
 - e. Because the IRS accepted the return through TaxSlayer, the software defaults the original accepted return information on this page. Review the information using the printed original return. If any information needs to be changed, change it here.
 - f. If the taxpayer is changing personal exemptions, has changed their address, or wants to change an election for the Presidential Election Campaign Fund, select the appropriate check boxes at the bottom of the page.
 - g. When finished, select **Continue**.
2. Amend the State Return (if needed)
 - a. Select **Begin** on the **Amend State Return** line. If there are no state changes, skip to step 3.
 - b. Select **Amend State** for the state you need to amend.

State	Return Type		
Wisconsin	Resident	Amend State	

- c. Select **Begin** on the **Amended Return** line.
- d. Read the screen and select **Yes** from the drop-down list.
- e. Select **Begin** on the Review and Complete Amended Return line.
- f. Select **Begin** on each line of the State Return: Review and Complete Amended Return page. Use the printed original return to ensure all information has been entered correctly based on the original accepted return.
- g. When you finish reviewing all information, select **Back**.
- h. TaxSlayer Pro displays the State Return: Amended Return page. When finished with all the information for the amended return, select Save, then Exit return to leave the state's page. Repeat as necessary for other states.

Amended Returns (continued)

3. Explain changes
 - a. Go to the **Amended Tax Return – Form 1040X** page, then select **Begin** on the **Explain Changes** line.
 - b. Enter an explanation for each change in the box provided.
4. Print Return and assemble the Form 1040X package to be mailed
 - a. From the **Amended Tax Return – Form 1040X** page, select **Print Amended Return**, select **Begin**, then **Continue**. On the “Print Results” page select **Print your 20XX Tax Return**.
 - b. In the pdf of the return, examine Column A to verify all lines from the original Form 1040, U.S. Individual Income Tax Return, have transferred. Next, examine Column B to verify that the amendment change(s) you entered appear on the correct line(s) of the column. Then verify that the amount(s) on line(s) changed appear in the correct total amount(s) of these lines in Column C.
 - c. Verify the correct amount overpaid or owed. On page 2, verify that all information is correct and that appropriate boxes are checked for qualifying children eligible for Child Tax Credit.
 - d. If the state form is amended, scroll down the pdf to the state forms and verify that additions to or subtractions from the federal AGI that were manually made on the amended state return are correct.
 - e. Ask a Quality Reviewer to double-check all entries on the amended return.
 - f. Print tax forms as indicated in the table below (If a state amendment is not needed, skip state forms)
 - g. For an amended return, Form 1040X is the payment voucher if a balance is due. The taxpayer should simply enclose a check with the amended return.
 - h. Verify the state payment voucher amount (if used for your state) and that state amended return requirements are met.
 - i. Have taxpayers sign the 1040X and the state amended return. Advise the taxpayer the amended return should not be filed until the refund or the original return has been processed. Remind taxpayers to enclose payment – if payment is due.
 - j. Attach any new or corrected documents (like a late 1099-R, Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.). Do not attach the original return.
 - k. If responding to a notice from the IRS, send the federal amended return to the address shown in the notice. If not, use the address in the 1040X Instructions.

Tax Forms	Total	IRS	State	Taxpayer
1040X	3	1	1	1
1040 (with “As Amended” written across the top)	1			1
Any federal forms changed or added	3	1	1	1
State voucher (if any)	1		1	
Any required State forms	2		1	1

Amended Returns - Original Return Not Created by the Site Preparing the Amended Return

1. Since the return does not currently exist, create a federal return and state return, if applicable, that includes the amended information. These return figures comprise Form 1040X, Column C.
For any return with multiple information-reporting documents, as an alternative to entering every document, add the documents together. The software requires an EIN and business address to calculate and place information on the correct line of the tax return. Choose an EIN and business address from the available information-reporting documents for software input. All **new** information-reporting documents must be included with the tax return. If applicable, create state return.
 - For returns with adjustments, credits, and additional schedules:
 - a. Schedule C with no required amendment can be created by using the net profit as total income.
 - b. Schedule D with no required amendment can be created by using one transaction for long term and/or one transaction for short term. Enter the net gain as the sales price with no basis.
 - c. Adjustments and credits information is entered as applicable.
2. Go to the 20xx Amended Return menu > Original Federal Return Information screen to provide the original return information.
 - This menu populates Form 1040X, column A.
 - Form 1040X columns C will populate based on the return prepared with the amended information. Column B will populate based on the differences between Columns C and A.
 - Go to the Amend State Return screen.
 - Select Edit Amended link at Amended State Return screen.
 - Select Amended Return.
 - Select Yes at the Create Amended Return box.
 - Complete entries at Review and Complete Amended Return screen, particularly entries involving dollar amounts.

Note: State screen directions may vary slightly based on which State is selected.
3. When you have confirmed or entered all amounts from the original return, continue with steps 3 through 4 on the Amended Returns page.

Prior Year Returns

Who can prepare prior year returns?

Tax-Aide preparer MUST be certified for the year of the amended return to prepare or QR the return.

Getting started: TaxSlayer only provides software for the 3 years prior to the current tax year.

- A current year Form 13614-C, Intake/Interview and Quality Review Sheet, must be completed for each prior year and will be used to determine the scope and certification level of each return.
- Taxpayers with Out of Scope returns should be advised to seek assistance from a professional tax preparer.
- Assign prior year returns to experienced volunteers if at all possible.
- Direct deposit or debit isn't available for prior year returns. IRS will mail refund checks to the address on the prior year return.



Taxpayers can't retroactively claim some tax credits with newly issued tax ID numbers.

As of December 2015 (PATH Act), taxpayers can no longer:

- File a prior year return claiming EITC on the basis of newly issued Social Security numbers (SSNs) for themselves and/or qualifying dependent(s).
- File a prior year return claiming American Opportunity Tax Credit on the basis of newly issued SSNs, Individual Taxpayer Identification Numbers (ITINs) or Adoption Taxpayer Identification Numbers (ATINs) for themselves and/or qualifying student(s).
- File a prior year return claiming Additional Child Tax Credit on the basis of newly issued SSNs, ITINs, or ATINs for themselves and/or qualifying child.

Technical resources:

The following tools are useful resources:

- Prior year return tax preparation software.
 - a. TaxSlayer Pro® Online users can access the prior year software from the home page.
 - b. Desktop sites will need to download and install the prior year software from the TaxSlayer website. Sites will use their current EFIN and setup the software as usual. No registration codes are needed with TaxSlayer.
- Applicable Publication 17, Your Federal Income Tax for Individuals, Publication 4012, VITA/TCE Volunteer Resource Guide, and Quality Site Requirement Alerts/Volunteer Tax Alerts (available on the IRS website)
- Forms 13614-C from prior years are helpful. Sites may keep hard copies or rely on electronic copies.
- Taxpayer's Wage and Income Transcripts from their IRS records are extremely useful.

Note: For transcripts, taxpayers can go to the IRS website, Keyword "Transcript", register, and secure transcripts online if they have email and can comply with enhanced verification. Taxpayers can also request transcripts to be mailed to the address on file which takes 5 to 10 calendar days for delivery. In addition, taxpayers can request a transcript via Form 4506-T, Request for Transcript of Tax Return, or by calling 1-800-908-9946.

Transcripts ordered online will be masked (redacted). Without EINs, the return cannot be e-filed. EXCEPTION: An unmasked wage and income transcript can be provided to the taxpayer when needed for preparing and filing a return. Only the taxpayer, or the taxpayer's authorized representative, or the authorized individual for the decedent can make the request. **The unmasked wage and income transcript can only be mailed to the taxpayer's address of record,** or to the authorized individual for the decedent; it cannot be faxed. An unmasked transcript may also be provided to a taxpayer (or representative) by requesting it in person at a Taxpayer Assistance Center (TAC). Appointments are required. Locations of TACs can be found on irs.gov, or refer to Tab P for telephone number.

Prior Year Returns (continued)

- Prior year publications and instructions to forms and schedules are available on the IRS website.
- Use the online tool Interactive Tax Assistance (ITA) for answers to many current and prior year tax law questions. ITA is available on the IRS website.

Whether to e-file or mail prior year returns:

Only the two most current prior years can be e-filed. Older prior year returns must be mailed to the appropriate IRS address from the list in Tab P, Partner Resources, “Where to File” page. Also, refer to Tab K, Finishing the Return, for additional information regarding balance due returns and payment options.

Expired Tax Topics and Other Issues Applicable to Prior Years:

Refer to the Publication 17, Your Federal Income Tax For Individuals, for the applicable tax year and review the “What’s New” section.

What if a site cannot prepare a requested prior year return?

If possible, refer the taxpayer to other VITA/TCE sites that offer prior year return service. Otherwise, advise the taxpayer to seek assistance from a paid tax preparer.

Note: Don’t refer taxpayers to their local IRS Tax Assistance Center because they no longer prepare tax returns for individuals.

Record Keeping Note: Generally, there is a three-year limit from the filing due date or when filed, whichever is later in which to request a refund. In some cases of unreported income, the IRS has up to 6 years from date of filing to assess additional taxes. Taxpayer should retain records for 7 years although records for purchase of assets, stocks with no basis, etc should be kept until 3 years from sales year . TaxSlayer is available for three prior years only. State rules may differ.

Filing an Extension Using TaxSlayer



TaxSlayer Navigation: Federal Section>Miscellaneous Forms>Application for Extension Form 4868; or Keyword “4868” or “EXT”

Form 4868 - Application for Extension

How To File Your Extension

1. Enter your Information: Fill out all of the information in the “Required Extension Information” section below. Select **Continue**.
2. E-File Your Extension: Start by selecting e-file from the navigation bar. You will then be given the option to file your return (Form 1040 and supporting schedules), or to file your extension (Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return). Complete the extension e-file process. You should get an acknowledgement regarding your extension (whether the IRS accepted or rejected it) by email within the 24-48 hours of filing.
3. Amount Paid with Extension: You will need to pay the amount due that you enter for “Amount Paid with Extension.” You can do this in one of 3 ways:
 - a. Pay by electronic withdrawal from your checking account: You can choose to pay your “payment” amount as an electronic withdrawal from your checking account. Once you enter the amount you would like to pay, check the box that appears to select this option. Enter your banking information, the date you would like the transaction to take place, and re-enter the amount to pay for confirmation. When you submit your extension, the withdrawal information will be sent.
 - b. Pay by credit card: You can use your credit card and pay by phone by contacting one of the IRS approved service providers. **For details, visit the IRS website, keywords "make a payment."**
 - c. Mail in your payment with your Form 4868: The form will print with your draft tax return. Mail the form with your payment by check or money order.

Miscellaneous Forms	
Injured Spouse Form Form 8379	BEGIN
Claim a Refund Due to a Deceased Taxpayer Form 1310	BEGIN
Application for Extension Form 4868	BEGIN
Married Filing Separately Allocations Form 8958	BEGIN
IRS Identification Pin	BEGIN
Installment Agreement Form 9465	BEGIN
Application for ITIN Form W-7	BEGIN
Power of Attorney and Declaration of Representative Form 2848	BEGIN
Explanations	BEGIN

Required Extension Information
Tax Liability use current liability amount
\$ <input type="text"/>
Amounts previously paid for current tax year
\$ <input type="text"/>
Amount Paid with Extension
\$ <input type="text"/>
<input type="checkbox"/> I was out of the country.
Go to Extension Payment
CANCEL CONTINUE

Setting TaxSlayer® Pro Online as a Favorite

To set up TaxSlayer® Pro Online as a Favorite, use the following steps:

1. Open Microsoft Edge, Chrome, Firefox or Safari.
2. Type <https://vita.taxslayerpro.com> in the address line. Current and prior year software can be accessed upon logging in.
3. In Microsoft Edge,
 - Select the Favorites icon
 - Select Add
 - In Name, type the name you want the favorites to display
 - Select OK
4. In Chrome,
 - Select the 3 horizontal dots at the upper right side of the screen
 - Select to display Bookmarks
 - Select Bookmark this page

Logging on to Pro Online the first time

For added security, TaxSlayer uses a method called Multifactor Authentication, where a code is sent to you at a known point of contact to verify your identity.

The user name isn't case sensitive. To log on to TaxSlayer® Pro Online, enter your Username and Password, then select Login.

You will be prompted to verify your account by having a code sent either to your email address or a cell phone capable of receiving text messages. In most cases, text messages are the fastest method of verification. Select your preferred option, and select **Send Code**.

When you receive your code, enter it and select **Verify**.



If your account was set up with only an email address, the cell phone option will not appear.

You will need to perform this process periodically based on systems requirements.

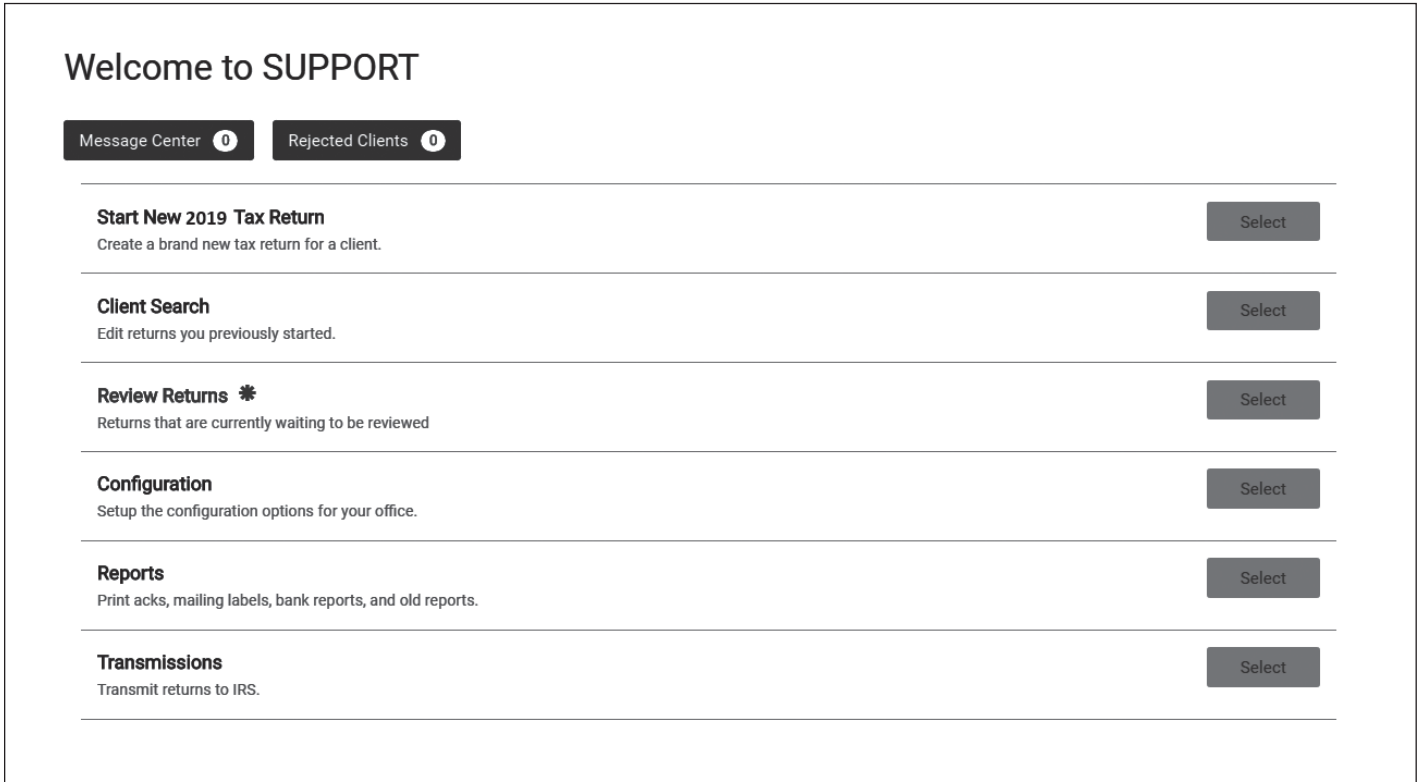
Note: See TaxSlayer User Guide for updated login procedures

Note: After two unsuccessful login attempts, you will be required to select the "I'm not a robot" box.

A screenshot of the TaxSlayer Pro Online login page. The page has a white background with a black border. At the top, the word "Login" is written in a large, bold, black font. Below it, there are two input fields: "Username" and "Password". Each field has a light gray border and a small "x" icon on the right side. Below the "Password" field is a dark gray button with the word "LOGIN" in white capital letters. At the bottom of the page, there are two links: "Forgot username" on the left and "Forgot password" on the right, both in a smaller, gray font.

Pro Online Homepage

The Welcome Menu is the “Main Menu” of the program. It is the first screen the program takes you to every time you log into your office account. From the Main Menu, you will find Menu Options that contain functions pertaining to the program. Each part of the program can be accessed by clicking on the gray Select button. This screen shot will be different based on your permissions level.



Welcome to SUPPORT

Message Center 0 Rejected Clients 0

Start New 2019 Tax Return
Create a brand new tax return for a client. Select

Client Search
Edit returns you previously started. Select

Review Returns *
Returns that are currently waiting to be reviewed Select

Configuration
Setup the configuration options for your office. Select

Reports
Print acks, mailing labels, bank reports, and old reports. Select

Transmissions
Transmit returns to IRS. Select

Start New Tax Return: Select to start a new return.

Client Search: Select to open an existing return.

Review Returns: This option displays the Review Returns page, listing all returns that tax preparers have marked for review. The Quality Reviewer can select returns to review, and then mark the return as Approved or Rejected.



After selecting Start New 20XX Tax Return, you can select a client profile. Each profile will send you to appropriate data input screens for that kind of taxpayer, e.g., working family with kids, retired with investments, retired without investments.

Navigating Hints

- Type dates without leading zeros and tab between fields rather than using the pull down menu.
- Form Search Box: Open forms to TaxSlayer entry screens by entering the form number or keyword in the form search box.
- 1040 View: From the Summary/Print page, click on any blue line item to go to that entry screen.

Make Internal Note: To make a note that will not be transmitted to the IRS but will stay with the file, select the pulldown arrow to the right of the taxpayer's name in top right corner. Choose Notes. Then give the note a name and enter details. This note will be attached to the page where you created it and it will also be accessible from the Client Search List.

Viewing individual schedules and forms If a print icon appears beside the form name in any menu click on it to create a PDF of just that form or schedule. In addition, there is a print icon for the state return if you want to preview it.

Navigating TaxSlayer® Pro Online



TaxSlayer Navigation: Federal Section>Income

Income

This section is used to enter all items of income on the tax return. You will be given two options from the main income page:

- Select **Guide Me** to launch a step-by-step series of questions to help determine the various types of income that should be entered on the tax return.
- Select **Enter Myself** if you prefer to enter in items of income without the help. This will take you to the income entry screen which lists the various types of income that should be reported on the tax return. Select a **Begin** or an edit button to enter/edit an item of income. See Tab D, Income for more directions on entering specific types of income.



TaxSlayer Navigation: Federal Section>Deductions

Deductions

This section is used to enter all deductions, adjustments or credits on the tax return.

- Select **Guide Me** to launch a step-by-step series of questions to help determine the various types of deductions that should be entered on the tax return.
- Select **Enter Myself** if you prefer to enter deductions without assistance. This will take you to the deductions entry screen which lists the various types of deductions that should be reported on the tax return. Select a **Begin** or an edit button to enter/edit a deduction. See the Adjustments, Deductions, Nonrefundable Credits, Earned Income Credit, and Education Benefits tabs for additional information and specific instructions on these topics.

Navigating TaxSlayer® Pro Online (continued)



TaxSlayer Navigation: Federal Section>Other Taxes

Other Taxes

This section is used to enter any other tax types for which the taxpayer may be liable. Select the **Begin** button next to any other tax item to enter in data applicable to the taxpayer. See Tab H, Other Taxes, Payments and ACA, for additional information and specific instructions.



TaxSlayer Navigation: Federal Section>Payments and Estimates

Payments & Estimates

This section is used to enter such items as payments, apply overpayments to next year's return and to print vouchers for next year's estimated payments. Select the **Begin** button next to any payment or estimate item to enter in data applicable to the taxpayer. See the Tab H, Other Taxes, Payments and ACA for additional information and specific instructions.



TaxSlayer Navigation: Federal Section>Miscellaneous Forms

Miscellaneous Forms

This section of the Federal Section is used to enter the following:

- Injured Spouse Allocation (Form 8379)
- Claim a Refund Due to a Deceased Taxpayer (Form 1310)
- Application for Extension (Form 4868)
- Married Filing Separate Allocation
- IRS Identity Protection PIN (IP PIN)
- Installment Agreement (Form 9465)
- Application for ITIN (Form W-7)
- Power of Attorney (Form 2848)
- Explanations (Preparer Notes)

Navigating TaxSlayer® Pro Online (continued)



TaxSlayer Navigation: State Section

State Section

Since the IRS cannot train volunteers to prepare state and local tax returns, partners are responsible for scheduling appropriate state and local tax training for volunteers wherever this service will be voluntarily offered.

The State of Residency will auto-fill when the Zip Code is entered in the Basic Information section. The State of Residency can be changed manually in the Basic Information section after the state has auto-filled. If you don't have a state return, you can select **Continue** or use any of the navigation options on the left side of your screen.

The following states don't have a general state income tax return: Alaska, Florida, Nevada, New Hampshire, South Dakota, Tennessee, Texas, Washington and Wyoming. Tennessee and New Hampshire levies a tax on interest and dividend income.

Additional states can be added to the return file at the Add Another State Return link in the State Return home page. Choose a state from the pick list or by selecting the state on the United States map and select **Continue**. Select the taxpayer's state residency type. The residency types for most states are resident, part year resident and nonresident. Select **Continue**.

To delete a state return, select **State Section** from the left side of your screen. Select the delete icon next to the state that you would like to delete.

Summary/Print Page

The Calculation Summary screen is an overview of each section of the tax return. Select the show details link located next to each item to view a breakdown of what items are included in the tax return. You can view and/or edit each item of income, adjustments, tax, payments, etc., by selecting the link from the expanded list. You can toggle between the Summary View or the 1040 View, which allows you to link from most of the line items on the Form 1040. The prior year comparison option will contain return data if a prior year return was completed through the software.

Select **View/Print Return** to create a PDF of the return that can be printed or reviewed.

E-File Section: See Tab K - Finishing the Return

Navigating TaxSlayer and Finding on Form 1040

Form or Topic	KeyWord	1040 Line	Navigation to Data Entry Screen	4012
0 AGI return	N/A	7(S1-8)	Income>Other>Other Not Reported Elsewhere enter \$1 and describe as "IN ORDER TO EFILE".	A-1 NTTC
982 Reduction of Tax Attributes	98	7(S1-8)	Income>Other Income>Cancellation of Debt Form 1099-C, Form 982 (if extend principal residence COD)	D-61
1040-ES Estimated Tax Payments (Vouchers)	1040	N/A	Payments & Estimates>Vouchers for Next Year's Estimated Payments	H-5.1 K-17
1040-X Amended Return	N/A	N/A	Select 2019 Amended Return Section from side menu or create prior year return	M-1
1095-A Health Insurance	N/A	12(S2-2) 18(S3-9)	Select Health Insurance Section from side menu> Follow screens to Advanced Premium Tax Credit	H-7/13
1098 Mortgage Interest Statement	1098	9 (Sch A)	Deductions>Itemized Deductions>Mortgage Interest and Expenses>Mortgage Interest Reported on Form 1098	F-9
1098-E Student Loan Interest	1098	8(S1-20)	Deductions>Adjustments>Student Loan Interest Deduction	E-10
1098-T Tuition Statement	1098	1 and/or 13(S3-3) 18c	Deductions>Credits Menu>Education Credits <u>and/or</u> Income>Other Income>Other compensation> Scholarships and Grants	J-6
1099-A Acquisition or Abandonment	CAP	7(S1-8)	Income>Capital Gain and Losses>Sale of Main Home Worksheet or use Capital Gains and Loss Items	EXT-1
1099-B Proceeds from Broker and Barter	1099B or CAP	6	Income>Capital Gain and Losses>Capital Gain and Loss Items	D-23
1099-C Cancellation of Debt	-C	7(S1-8)	Income>Other Income>Cancellation of Debt Form 1099-C, Form 982	D-59
1099-DIV Dividends	D	3	Income> click Income from Federal Section> Interest and Dividends> Interest or Dividend Income> Dividend	D-11
1099-DIV Box 11 , Tax Exempt Interest	D	2a	Income>Interest and Dividends>Interest or Dividend Income>Dividend Income, Form 1099-DIV	D-12
1099-G State Tax Refund	G [box 2]	7(S1-1)	Income>State and Local refunds	D-13
1099-G Unemployment Compensation	UN	7(S1-7)	Income>Unemployment Compensation	D-3 11
1099-INT Interest Income (all types)	INT	2	Income>Interest and Dividends>Interest or Dividend Income	D-8 D-11
1099-K Payment Card and Third Party...	C or SC	7(S1-3)	Income>Profit or Loss from a Business>Add or edit a Schedule C>Income (include amount in gross receipts or sales)	D-14 D-17
1099-LTC	8853		Deductions>Adjustments>Medical Savings Accounts (8853) & scroll to Long term Care Section	D-51
1099-MISC Miscellaneous Income	MIS	varies	Income>Form 1099-MISC	D- 14/16
1099-OID Original Issue Discount	INT	2	Income>Interest and Dividends> Interest or Dividend Income>Original Issue Discount, Form 1099-OID	D-7

Navigating TaxSlayer and Finding on Form 1040

Form or Topic	KeyWord	1040 Line	Navigation to Data Entry Screen	4012
1099-Q Payments from Education Programs	N/A	7(S1-8)	If not taxable, do not enter; if taxable, then out of scope. Also known as Qualified Tuition Program (QTP)	J-2,3 11
1099-QA Distributions from ABLE Accounts	N/A	7(S1-8)	If not taxable, do not enter; if taxable, then out of scope	D-51 11
1099-R Pension & IRA Distributions	-R	4	Income>IRA/Pension Distributions> Add or Edit a 1099-R	D-32
1099-S Proceeds from Real Estate Transaction	CAP	6	Income>Capital Gain and Losses>Capital Gains and Loss Item	D-26 D-28
1099-SA HSA	HSA	8(S1-12)	Deductions>Adjustments>Health Savings Account Form 8889	E-5 E-7.1
1310	1310	N/A	Miscellaneous Forms>Claim a Refund ...	K-11
2120 Multiple Support Declaration	N/A	Dependent Entry Screen	On the Dependent Entry Screen, check the box "This dependent qualifies for a multiple support agreement" and follow the prompts on the next screen. Keep form in taxpayer files.	C-5 12
4852 Substitute for Form 1099-R	-R	4	Income>IRA/Pension Distributions>Add a 1099-R>Check here if this is a substitute 1099-R	D33
4852 Substitute for Form W-2	W2	1	Income>Wages>Add a W-2>This is a substitute W-2	D-4
5329	5329	15(S2-6)	Other Taxes>Tax on Early Distribution	H-4
5498-QA ABLE Account	N/A	N/A	Contributions for ABLE account	D-51
5498-SA HSA	HSA	8(S1-12)	Deductions>Adjustments>Health Savings Account Form 8889	E-5 13
8606	-R, 8606	4b	Deductions> Adjustments> Nondeductible IRAs	D-33 D-39
8615	8615	11a	Other Taxes>Tax For Children Under Age 18 (only if all Kiddie Tax rules apply)	A-2 H-2
Alimony Paid	ALIM	8(S1-18)	Deductions>Adjustments> Alimony Paid	E-1,8
Alimony Received	ALIM	7(S1-2)	Income>Alimony Received	D-3 E-8
Amended Return	N/A	N/A	2019 Amended Return Section from side menu	M-1
American Opportunity Credit (AOC)	1098	13(S3-3) 18c	Deductions>Credits>Education Credits	J-2...
Annuity Calculator, Simplified Method	-R	4d	Income>IRA/Pension Distributions>Add or edit a 1099-R>Click here for options	D-35/ 36
Apply Federal Refund to Next Year	APP	22	Payments & Estimates>Apply Overpayment to Next Year's Taxes	H-5.1 K-1,17
Apply State Refund to Next Year	N/A	N/A	State>Payments>Apply Your State Refund	K-1 H-5.1
Attach a PDF to the Return	N/A	N/A	Tax-Aide does not mail or attach forms or documents. Inform taxpayer that the IRS might ask them to send copies later.	D-25 K-6
Back Taxes Paid to State	STAT	9 (Sch A)	Deductions>Itemized Deductions> Taxes You Paid> Additional State and Local Income Tax	F-3 F-7
Basis in Traditional IRA	8606	4b	Deductions> Adjustments> Nondeductible IRAs	D-33
Broker Statements	varies	varies	See appropriate 1099	
Business Expenses	C or SC	7(S1-3)	Income>Profit or Loss From A Business>Add a Schedule C Income from Business>General Expenses, Car And Truck Expenses, or Other Expenses	D-19
Business Income	C or MISC	7(S1-3)	Income>Profit or Loss from a Business	D-14

Navigating TaxSlayer and Finding on Form 1040

Form or Topic	KeyWord	1040 Line	Navigation to Data Entry Screen	4012
Cancellation of Debt	CAN	7(S1-8)	Income>Other Income>Cancellation of Debt	D-59
Capital Gains	CAP	6	Income>Capital Gains and Losses	D-22
Capital Gains Distributions	INT or DIV	6	Income>Interest or Dividend Income>Interest or Dividend Income>Dividend Income>Capital Gain to Schedule D	D-11
Capital Loss Carryover	CAP	6	Income>Capital Gains and Losses>Other Capital Gains Data (including Capital Loss Carryover)	D-22
Charitable Contributions	CHA	9 (Sch A)	Deductions>Itemized Deductions>Gifts to Charity	F-4,10
Charitable Distribution from IRA (QCD)	-R	4b	Income>IRA/Pension Distribution>Add or edit 1099-R>Subtract distribution that was sent directly by trustee to charity from Box 1 and enter the difference in Box 2a. AND go to Nontaxable Distributions and check the "Check here to mark this as a Qualified Charitable Distribution"	D-41
Charitable Gift Annuity	-R	4b	Income>IRA/Pension Distribution>Add or edit 1099-R AND Income>Capital Gains and Losses	D-40
Child and Dependent Care Expenses	24 or 2441	13(S3-2)	Deductions>Credits>Child and Dependent Care Credit	G-10/ 13
Child Tax Credit	N/A	13, 18	Completed automatically if Dependent Section properly completed	G-2
Conversion of Trad IRA to Roth IRA	-R, 8606	4b	Deductions> Adjustments> Nondeductible IRAs	D-38
Credit for Other Dependents	N/A	13	Completed automatically if Dependent Section properly completed	G-4
Credit for the Elderly or Disabled	ELD	13(S3-6)	Deduction>Credits>Credit for the Elderly or Disabled	G-17
CSA 1099-R Civil Service Annuity Paid	-R	4d	Income>IRA/Pension Distributions>Add or Edit a 1099-R	D-36 D-34
CSF 1099-R Statement of Survivor Annuity Paid	-R	4d	Income>IRA/Pension Distributions>Add or Edit a 1099-R	D-36 D-34
Deceased Taxpayer	PER plus 1310	N/A	Personal Information>Check here if Taxpayer is deceased. AND complete Form 1310 if person filing the return is other than spouse (Miscellaneous Forms>Claim a Refund Due to a Deceased Taxpayer).	B-15 K-11 K-11.1
Direct Deposit/Direct Debit	N/A	21	E-File Section from side menu>Federal Return Type, State Return Type. Then enter Taxpayer Bank Account	K-2, K-14
Dividend Income	D	3	Income >Interest and Dividends>Interest or Dividend Income	D-11
Donations to Charity	CHA	9 (Sch A)	Deductions>Itemized Deductions>Gifts to Charity	F-4,10
Early IRA Distribution	5329	15(S2-6)	Other Taxes>Tax on Early Distribution	H-4
Early Withdrawal Penalty not on 1099	EARL	8(S1-17)	Deductions>Adjustments> Penalty on Early Withdrawal of Savings or CD	E-1
Education Credits and Expenses	EDUCA or 8863	13(S3-3) 18c	Deductions >Credits Menu>Education Credits	Tab J
Educator Expenses	EDUCAT	8(S1-10)	Deductions>Adjustments> Educator Expenses	E-3
Elderly or Disabled Credit	ELD	13(S3-6)	Deductions>Credits>Credit for the Elderly or Disabled Schedule R	G-17
Energy Credits	N/A	N/A	Expired 12-31-17	EXT-7

Navigating TaxSlayer and Finding on Form 1040

Form or Topic	KeyWord	1040 Line	Navigation to Data Entry Screen	4012
Estimated Payments made in 2019	FED or PAY	18(S3-8)	Payments & Estimates>Federal Estimated Payments or >State Estimated Payments	H-5.1 NTTC
Estimated Payment Vouchers Federal 2020	VOU	N/A	Payments & Estimates>Vouchers for NextYear's Estimated Payments	H-5.1 K-17
Estimated Payment Vouchers State 2020	N/A	N/A	State section>Misc Forms>Estimated Payment Vouchers	H-5.1 NTTC
Exempt Interest or Dividends	INT or DIV	2a	Income>Interest & Dividends>Interest or Dividend Income>Form 1099-INT Box 8 or 1099-DIV Box 11	D-9 D-12
Extension, Filing for	EXTE	N/A	Miscellaneous Forms>Application for Extension	M-7
First Time Home Buyer Credit (Repayment)	FIR	15 (S2-7b)	Other Taxes>First-time Homebuyer Repayment	H-2
Foreign Tax Credit	1116	13(S3-1)	Deductions>Credits>Foreign Tax Credit D-47, 48	G-1,7 D-12
Foster Care Payments	N/A		Not taxed as long as not a business or care of more than five qualified foster individuals age 19 or older	I-1
Gambling Losses	2G or W2G or MISC	9 (Sch A)	Income >Other Income>Gambling Winnings <u>or</u> Deductions>Itemized Deductions> Miscellaneous Deductions> Gambling losses to the extent of gambling winnings	F-3,11
Gambling Winnings	2G or W2G	7(S1-8)	Income >Other Income>Gambling Winnings	D-51
Grants & Scholarships	OT or OTHER	1	Income>Other Income>Other compensation> Scholarships and Grants	D-57 J-1
Health Savings Accounts	HSA	8(S1-12)	Deductions>Adjustments> Health Savings Account	E-5
Household Employee Income (no W-2)	OT or OTHER	1	Income>Other Income>Other Compensation> Household Employee Income	D-57 D-51
Identity Theft PIN	PIN	N/A	Miscellaneous Forms>IRS Identification Pin	P-2
Injured Spouse	INJ	N/A	Miscellaneous Forms>Injured Spouse Form	P-4
Inmate Income (or halfway house)	OT or OTHER	1	On W-2 <u>and</u> Income>Other Income>Other Compensation> Prisoner Earned Income	D-57 D-51
Interest Income on 1099-INT or not on a form	INT	2	Income>Interest and Dividends> Interest or Dividend Income>Interest Income, Form 1099-INT	D-7
Investment Management Fees	N/A	N/A	No longer deductible, beginning in 2018	F-11
IRA Contributions (ROTH IRA)	RETIRE	13(S3-4)	Deductions>Credits>Retirement Savings Credit>Any Current Year Roth IRA Contributions	E-9 G-14
IRA Contributions (Traditional IRA)	IRA	8(S1-19)	Deductions>Adjustments>IRA Deduction	E-9 G-14
IRA Distributions	-R	4a, 4b	Income>IRA/Pension Distributions>Add or Edit 1099-R	D-33
IRA Qualified Charitable Distribution (Not a Charitable Gift Annuity)	-R	4b	Income>IRA/Pension Distribution>Add or edit 1099-R>Subtract distribution that was sent directly by trustee to charity from Box 1 and enter the difference in Box 2a. Go to Nontaxable Distributions and check the "Check here to mark this as a Qualified Charitable Distribution (QCD) on your return."	D-41
IRA Rollover	-R	4b	Income>IRA/Pension Distributions> Add or Edit a 1099-R check the box "Check here if all/part of the distribution was rolled over, and enter the rollover amt."	D-37
ITIN, Application for	ITIN	N/A	Miscellaneous Forms>Application for ITIN	L-4

Navigating TaxSlayer and Finding on Form 1040

Form or Topic	KeyWord	1040 Line	Navigation to Data Entry Screen	4012
Job Expenses and Certain Miscellaneous Deductions	N/A	N/A	No longer deductible, beginning in 2018. Includes employee uniforms, travel, union dues, etc., plus tax prep fees, investment fees, safe deposit boxes, etc.)	F-11
Jury Duty Pay	N/A	7(S1-8)	Income>Other Income>Other Inc. Not Reported Elsewhere	D-51
Jury Duty Pay Returned to Employer	J	8(S1-22)	Deductions>Other Adjustments>Jury Duty Pay	E-1
K-1 Beneficiary's (or Partner's) Share of Income	K	N/A	Income>Other Income>K-1 Earnings	D-45
K-1 Royalty income	K	7(S1-5)	Income>Other Income>K-1 Earnings	D-48
Kiddie Tax	8615	11a	Other Taxes>Tax For Children Under Age 18 (only if all Kiddie Tax rules apply)	A-2 H-2
Long-term Care Benefits	8853	N/A	In 8853, scroll to Long Term Care section	D-51
Lump-Sum Social Security Benefit	SSA	5	Income>IRA/Pension Distributions>Social Security Benefits/ RRB-1099>Begin Worksheet	D-44
Management Fees (Investment)	N/A	N/A	No longer deductible, beginning in 2018	F-11
Medicaid Waiver Payment on 1099- Misc	N/A	varies	See page D-58 (that may be excluded from income under Notice 2014-7)	D-58
Medicaid Waiver Payments on W-2 (that may be excluded from income under Notice 2014-7)	W	1 7(S1-8)	Income > Wages and salaries Form W- 2 and enter the amount in the "Medicaid Waiver Payment in Box 1" to be subtracted on line 21.	D-58
Medical and Dental Expenses	MED	9 (Sch A)	Deductions>Itemized Deductions> Medical and Dental Expenses	F-5
Mileage for Charitable Travel	CHA	9 (Sch A)	Deductions>Itemized Deductions>Gifts to Charity>Noncash Gifts to Charity	F-10
Mileage for Medical Travel	MED	9 (Sch A)	Deductions>Itemized Deductions> Medical and Dental Expenses	F-6
Mortgage Insurance Premiums	N/A	N/A	No longer deductible after 12-31-2017	
Mortgage Interest and Points Paid	MORT	9 (Sch A)	Deductions>Itemized Deductions> Mortgage Interest and Expenses> Mortgage Interest Reported on Form 1098	F-4,9
Mortgage Interest Paid—not on Form 1098	MORT	9 (Sch A)	Deductions>Itemized Deductions> Mortgage Interest and Expenses> Mortgage Interest Not Reported on Form 1098	F-4,9
Noncash Donations if total more than \$500	CHA	9 (Sch A)	Deductions>Itemized Deductions> Gifts to Charity>Non-Cash Donations (more than \$500)	F-10
Noncash Donations that total \$500 or less	CHA	9 (Sch A)	Deductions>Itemized Deductions>Gifts to Charity>Non-Cash Gifts to Charity	F-10
Notary Income	SC and N/A	7(S1-3)	Income>Profit or Loss from a Business and Other Taxes>Self-Employment Tax>Exempt Notary Income (exempt from SE tax and EIC)	D-16 H-1
OID Interest	INT	2	Income>Interest and Dividends>Original Issue Discount, Form 1099-OID	D-7
Other Income (prizes, jury duty, etc.)	N/A	7(S1-8)	Income>Other Income>Other Inc. Not Reported Elsewhere	D-15 D-51

Navigating TaxSlayer and Finding on Form 1040

Form or Topic	KeyWord	1040 Line	Navigation to Data Entry Screen	4012
PDF, Attaching	N/A	N/A	Tax-Aide does not mail or attach forms or documents. Inform taxpayer IRS might ask them to send copies	D-25 K-6
Pension Distributions	-R	4c, 4d	Income>IRA/Pension Distributions> Add or Edit 1099-R	D-32
Personal Property Tax	PROPER	9 (Sch A)	Deductions>Itemized Deductions> Taxes You Paid	F-7
PIN, Identity Theft	PIN	N/A	Miscellaneous Forms>IRS Identification Pin	P-2
Prisoner Income (or halfway house)	OT or OTHER	1	On W-2 and Income>Other Income>Other Compensation> Prisoner Earned Income	D-51 D-57
Private Activity Bond interest (PAB)	6251	N/A or OOS	Other Taxes and Payments>Alternate Minimum Tax>Interest from specified private activity bonds	D-9
Prizes and Awards	N/A	7(S1-8)	Income>Other Income>Other Inc. Not Reported Elsewhere (or could be on 1099-MISC box 3)	D-15 D-51
Public Safety Officer Exclusion	-R	4d	Income>IRA/Pension Distributions>Add or edit 1099-R>Click here for options	D-33 D-35
Qualified Charitable Distribution from IRA	-R	4b	Income>IRA/Pension Distribution>Add or edit 1099-R>Subtract distribution that was sent directly by trustee to charity from Box 1 and enter the difference in Box 2a. AND go to Nontaxable Distributions and check the "Check here to mark this as a Qualified Charitable Distribution"	D-41 D-32
Railroad Retirement Benefits (Tier 1 blue form) RRB-1099	RR	5	Income>IRA/Pension Distributions>Social Security Benefits/RRB-1099	D-43
Railroad Retirement Benefits (Tier 2 green form) RRB-1099R	RR	4c, 4d	Income>IRA/Pension Distributions>RRB-1099-R	D-42
Real Estate Taxes	MORT	9 (Sch A)	Deductions>Itemized Deductions> Mortgage Interest and Expenses> Mortgage Interest Reported on Form 1098	F-7 F-9
Refund, Applied to Estimated from Prior Year (Fed or State)	PAY	18(S3-8)	Payments & Estimates>Federal Estimated Payments or >State Estimated Payments	H-5.1 NTTC
Refund, Apply to Next Year (Federal)	APP	22	Payments & Estimates>Apply Overpayment to Next Year's Taxes	H-5.1 K-1,17
Refund, Apply to Next Year (State)	N/A	N/A	State>Payments>Apply Your State Refund	K-1 H-5.1
Refunds of State and Local Income Tax (if reportable)	G [box 2]	7(S1-1)	Income>State and Local Refunds	D-13
Rental Income	SC	7(S1-5)	Income>Rents and Royalties (Sch E)	D-49
Repayment of unemployment received in current year	UN	7(S1-7)	Income>Unemployment>Repayment	D-3
Repayment of Previously Taxed Income (from a prior year)	MISC	9(SA-16)	Deductions>>Itemized Deductions> Miscellaneous Deductions> (If >3000, enter in the box provided. If <3000, click Add/Edit at bottom and enter it as an additional Miscellaneous Deduction)	F-11

Navigating TaxSlayer and Finding on Form 1040

Form or Topic	KeyWord	1040 Line	Navigation to Data Entry Screen	4012
Reservist's Expenses	RESER	8(S1-11)	Deductions>Adjustments>Expenses for Reservists, Performing Artists, and Qualifying Government Employees	E-1
Residential Energy Credit			Expired 12-31-17	EXT-7
Retirement Savings Credit	RETI	13(S3-4)	Deductions>Credits>Retirement Savings Credit	G-14 D-6
Reverse Mortgage Income	N/A	N/A	Income is neither taxable nor reportable.	D-9
Reverse Mortgage Interest	MORT	9 (Sch A)	Interest is deductible ONLY when actually paid — usually when loan is paid in full. Deduction is only for interest paid on acquisition debt, not home equity debt.	F-9
Roth IRA Contributions	IRA	13(S3-4)	Deductions>Credits>Retirement Savings Credit>Any Current Year Roth IRA Contributions	G-14
Royalties (simple royalties with no associated expenses)	SC	7(S1-5)	Income>Rents and Royalties (Sch E)	D-49 D-50
Royalties from Services	MISC	7(S1-8)	Income>Form 1099-Misc>Add a Form 1099-MISC>Box 7 Nonemployee compensation	D-15 NTTC
RRB-1099 Railroad Retirement Benefits (Tier 1 blue form)	RR	5	Income>IRA/Pension Distributions>Social Security Benefits/RRB-1099	D-43
RRB-1099-R Railroad Retirement Benefits (Tier 2 green form)	RR	4c, 4d	Income>IRA/Pension Distributions>RRB- 1099-R	D-42
Sale of Main Home	CAP	6	Income>Capital Gain and Losses> Sale of Main Home Worksheet or use Capital Gains and Loss Items	D-28
Sale of Stock	CAP	6	Income>Capital Gain and Losses	D-22
Sales Tax Deduction	Tax or SALE	9 (Sch A)	Deductions>Itemized Deductions> Taxes You Paid	F-8
Schedule C	SC	7(S1-3)	Income>Profit or Loss from a Business	D-14
Scholarships and Grants when taxable	OT or OTHER	1	Income>Other Income>Other compensation> Scholarships and Grants	D-57 J-1,6
Self-employed Health Insurance Deduction	SC	8(S1-16)	Income>Profit or Loss from a Business (simplest) or Federal Section>Adjustments>Self-Employed Health	E-4.1 E-4
Self-employment Income	SC	7(S1-3)	Income>Profit or Loss from a Business	D-14
Seller-financed Mortgage Interest Deduction	MORT	9 (Sch A)	Deductions>Itemized Deductions> Mortgage Interest and Expenses> Mortgage Interest Not Reported on Form 1098	F-9
Seller-financed Mortgage Interest Income	INT	2	Income>Interest and Dividends> Interest or Dividend Income>Seller Financed Interest Income	D-10
Simplified Method	-R	4d	Income>IRA/Pension Distributions> Add or edit a 1099-R>Click here for options	D-35 D-36
Simplified Method after Death of All Beneficiaries	MISC	9 (Sch A)	Deductions>>Itemized Deductions> Miscellaneous Deductions> unrecovered investment in pension	F-11

Navigating TaxSlayer and Finding on Form 1040

Form or Topic	KeyWord	1040 Line	Navigation to Data Entry Screen	4012
Social Security Benefits	SSA	5	Income>IRA/Pension Distributions> Social Security Benefits/ RRB-1099	D-43
SSA-1099	SSA	5	Income>IRA/Pension Distributions> Social Security Benefits/ RRB-1099	D-43
Standard deductions	N/A	9	Deductions>Standard Deduction	F-1,2
State and Local Tax Refund Worksheet	G [box 2]	7(S1-1)	Income>State and Local Refunds	D-13
State and Local Taxes Paid (includes back tax)	STAT	9 (Sch A)	Deductions>Itemized Deductions> Taxes You Paid> Additional State and Local Income Tax	F-3 F-7
State refund applied to 2020 from 2019	PAY or STAT	N/A	Federal> Payments and Estimates> State Estimated Payments	H-5.1 NTTC
State refund applied to next year	N/A	N/A	State>Payments>Apply Your State Refund	K-1 H-5.1
State withholding not on another form	WITH	9(Sch A)	Payments & Estimates>Other State Withholding	H-5.1 NTTC
Stock Sales	CAP	6	Income>Capital Gain and Losses	D-22
Student Loan Interest	STU, LOA	8(S1-20)	Deductions>Adjustments> Student Loan Interest	E-10
Substitute W-2	W	1	Income>Wages>Add a W-2>This is a substitute W-2	D-4
Tax Exempt Interest and Dividends	INT DIV	2a 3a	Income>Interest & Dividends>Interest or Dividend Income>Form 1099-INT Box 8 or 1099-DIV Box 11	D-9,12
Taxable Refund	G [box 2]	7(S1-1)	Income>State and Local Refunds	D-13
Taxes Paid, Federal Estimated	PAY or FED	18(S3-8)	Payments & Estimates>Federal Estimated Payments for 2019	H-5.1 NTTC
Taxes Paid, State and Local	STAT	9 (Sch A)	Deductions>Itemized Deductions> Taxes You Paid> Additional State and Local Income Tax	F-7
Tips, Allocated	W	1	Income>Wages>W-2>Line 8	D-5
Tips, Unreported	W and 4137	15(S2-5)	Income>Wages>W-2>below line 10 and Other Taxes>Tax on Unreported Tip Income>Cash and charge tips you received but did not report to your employer because the total was less than \$20/mo	D-5 and H-1
Traditional IRA Contributions	IRA	8(S1-19)	Deductions>Adjustments>IRA Deduction	E-9 G-14
Travel Expenses for Business	SC	7(S1-3)	Income>Profit or Loss From a Business> Other Expenses	D-20 D-21
Travel Expenses for Employees	N/A	N/A	No longer deductible after 12-31-2017	
Tribal Per Capita Payments not on 1099	N/A	7(S1-8)	Income>Other Income>Other Income Not Reported Elsewhere	D-1 D-51
Unemployment Benefits	UN	7(S1-7)	Income>Unemployment Compensation	D-3
Unemployment Comp Repayment—Same Year as Benefit Received	UN or 10 (box 1)	7(S1-7)	Income>Unemployment Compensation	D-3
Unemployment Comp Repayment-Year after Received -<\$3,000	MIS	9 (Sch A)	Deductions>Itemized Deductions>Miscellaneous Deductions>Add Additional	F-11
Unemployment Compensation Repayment—Year after Benefits Received — > \$3,000	MIS	9 (Sch A)	Deductions>Itemized Deductions>Miscellaneous Deductions>Repayment under claim of right (if greater than \$3000)	F-11
Unrecovered Investment in Pension	MIS	9 (Sch A)	Deductions>Itemized Deductions>Miscellaneous Deductions>Unrecovered investment in pension	F-11

Navigating TaxSlayer and Finding on Form 1040

Form or Topic	KeyWord	1040 Line	Navigation to Data Entry Screen	4012
Vouchers for Federal Estimated Pay 2020	VOU	N/A	Payments & Estimates>Vouchers for NextYear's Estimated Payments	K-17
Vouchers for State Estimated Pay 2020	N/A	N/A	State section>Misc Forms>Estimated Payment Vouchers	H-5.1 NTTC
W-2 Wages & Salaries	W	1	Income>Wages and Salaries	D-4
W-2G Gambling Winnings	2G or W2G	7(S1-8)	Income>Other Income>Gambling Winnings	D-51
W-7 ITIN Application	APPLI	N/A	Miscellaneous Forms>Application for ITIN	L-4
Wages & Salaries	W	1	Income>Wages and Salaries	D-4
Withholding not on another form	WITH	17	Payments & Estimates>Other Fed (or State) Withholding	H-5.1 NTTC
Work Release Income	OT or OTHER	7(S1-8)	Income>Other Income>Other Compensation> Prisoner Earned Income	D-3 D-57
Zero AGI return	N/A	7(S1-8)	Income>Other>Other Not Reported Elsewhere enter \$1 and describe as "IN ORDER TO EFILE".	A-1 NTTC

Information for Assisting People with Disabilities

There are many misconceptions about interacting with people with disabilities. Publication 5192, Ten Key Points of Communicating with People with Disabilities, covers the 10 core disability etiquette points that volunteers should be aware of when working with this group.

Serving Taxpayers Who Are Deaf or Hard of Hearing

Taxpayers who are deaf or hard of hearing have varying ranges of language skills and abilities. Some can communicate verbally with you, while others cannot. Some can read lips, and some communicate with English Exact Sign which is a method of sign language that mimics the English language precisely as it is spoken. However, most taxpayers who are deaf or hard of hearing communicate with American Sign Language (ASL). Publication 5231, Key Points for Communicating with People who are Deaf or Hard of Hearing, provides helpful points of etiquette for volunteers serving this group at the VITA/TCE sites.

Financial Coaching for Veterans

Veterans can receive free financial coaching services. This initiative focuses on helping Veterans reach their financial goals, providing support, encouragement, accountability, and tools to assist making informed decisions. Financial coaches are available through the dedicated toll-free number, 1-844-904-6257 and provide virtual coaching or tele-coaching.

Veterans Crisis Line

The Veterans Crisis Line connects Veterans in crisis and their families and friends with qualified, caring Department of Veterans Affairs responders through a confidential toll-free hotline, online chat, or text. Veterans and their loved ones can call 1-800-273-8255 and Press 1, chat online, or send a text message to 838255 to receive confidential support 24 hours a day, 7 days a week, 365 days a year. Support for individuals who are deaf and hard of hearing is available.

IRS Taxpayer Assistance Center - Appointment Service

The IRS offers appointments at Taxpayer Assistance Center (TAC) locations throughout the United States. Taxpayers will call a new toll-free number to make an appointment for face-to-face service. Taxpayers requiring an appointment at a TAC location should call 1-844-545-5640.

The IRS also provides Virtual Tax Services at various locations that do not have a TAC. With this model, taxpayers sit at a designated workstation and are assisted by an IRS employee who appears on screen and is located in a remote office.

Identity Theft Job Aid for Volunteers

Being sensitive towards victims of identity theft is critical to assisting taxpayers through a confusing and frustrating situation. Remember victims of identity theft are:

- Victimized by identity thieves, mostly through no fault of their own, and
- Trying to comply with tax laws, file a tax return and pay their fair share of taxes

Every December, the IRS mails Notice CP01A to taxpayers previously identified as identity theft victims. The notice includes a 6-digit Identity Protection Personal Identification Number (IP PIN) to be entered on the tax return. Taxpayers are mailed Notice CP01A every year as long as the identity theft indicator remains on their account (usually 3 years). **Use the most recent IP PIN regardless of the tax year.**

Use the chart below when assisting taxpayers who are victims or may be victims of identity theft at VITA/TCE site.

If...	Then...
Identity Protection PIN (IP) PIN was issued to primary and/or, secondary and/or dependent taxpayer(s)	Ensure the IP PIN is input correctly on the tax return.
Taxpayer received an IP PIN but didn't bring it with them	<ol style="list-style-type: none"> 1. Complete a tax return for the taxpayer. 2. Provide the taxpayer with a complete copy of the tax return. (Provide two copies - one copy to keep for their records and the other copy if the taxpayer will mail the tax return.) 3. Refer to Lost, Misplaced or Non-Receipt of IP PIN on the following page. 4. If the taxpayer wants to e-file, arrange for the taxpayer to provide the IP PIN by returning to the site or via telephone.
Taxpayer received an IP PIN but misplaced or lost it	<ol style="list-style-type: none"> 1. Complete a tax return for the taxpayer. 2. Provide the taxpayer with a complete copy of the tax return. (Provide two copies - one copy to keep for their records and the other copy if the taxpayer will mail the tax return.) 3. Refer to Lost, Misplaced or Non-Receipt of IP PIN on the following page. 4. If the taxpayer receives original or a reissued IP PIN and wants to e-file, arrange for the taxpayer to provide the IP PIN by returning to the site or via telephone.
Taxpayer didn't receive IP PIN but IRS rejected the e-filed tax return because the IP PIN wasn't entered.	<ol style="list-style-type: none"> 1. Refer to Lost, Misplaced or Non-Receipt of IP PIN on the following page. 2. Provide the taxpayer with two complete copies of the tax return. 3. If the taxpayer receives the original or a reissued IP PIN and the taxpayer wants to e-file, advise the taxpayer to provide the IP PIN by returning to the site or via telephone. 4. If IRS doesn't provide the IP PIN, advise the taxpayer to follow IRS instructions in mailing the tax return. There may be processing delays as IRS verifies the taxpayer's identity.
IRS rejected the taxpayer's tax return because the taxpayer's primary/secondary/dependent SSN was previously used.	<ol style="list-style-type: none"> 1. Advise the taxpayer to contact the IRS for assistance. If required, they will advise the taxpayer to complete Form 14039, Identity Theft Affidavit and to mail it with their tax return to the IRS. Taxpayers can electronically complete and submit Form 14039 on the Federal Trade Commission (FTC) web portal. The IRS will respond in approximately 30 days after all the necessary information is received. 2. Provide the taxpayers two copies of their tax return. One copy for the taxpayer to keep for their records and the other copy to mail.

Identity Theft Job Aid for Volunteers (continued)

Lost, Misplaced or Non-Receipt of IP PIN

If a taxpayer didn't receive his/her new IP PIN or the taxpayer misplaced it, the taxpayer has two options:

1. Register and create a user profile to get his/her current IP PIN. The registration process will require the taxpayer to provide specific personal information and answer a series of questions to validate his/her identity. Use key words "IP PIN" in the search window on the IRS website to access the Retrieve Your Identity Protection PIN (IP PIN) application.
2. Contact IRS at 1-800-908-4490 to request his/her IP PIN to be reissued by mail if the taxpayer is unable or unwilling to create an account on the IRS website.

The taxpayer will need to mail a paper tax return without the IP PIN if either of the following situations apply:

- The taxpayer has moved since January 1 of this year, or
- It's after October 14 and the taxpayer hasn't filed his/her current or prior year tax return.

IRS will review the return to confirm the taxpayer's identity which may delay a refund.



TaxSlayer Navigation: Miscellaneous Forms > IRS Identification PIN; or Keyword "PIN"

To enter a taxpayer's IP PIN in the tax software, select **Miscellaneous Forms** under the Federal Section on the left navigation bar and then select IRS Identification PIN and complete the screen as shown.

IRS Identity Protection Pin

If you have received a notice from the IRS containing an Identity Theft Pin please enter the Pin here in order to ensure that your tax return is processed without delay.

Screenshot Sample (XXX-XX-0001)

Spouse Sample (XXX-XX-0002)

Dependent Sample (XXX-XX-1234)

Frequent Taxpayer Inquiries

Taxpayers normally ask questions during the interview process about the topics covered in this section. Visit the IRS.gov website, keyword: "1040 Central" or see Publication 17 for additional topics and information.

Installment Payment

Publication 594, The IRS Collection Process, explains taxpayers' rights and responsibilities regarding payment of federal taxes.

Copies of Prior-Years' Returns

Transcripts of prior-year returns may be obtained by going to the IRS.gov website or by filing Form 4506-T, Request for Transcript of Tax Return. The website can be used to get prior-year information needed for this year's return.

If an actual copy is needed, taxpayer should complete Form 4506, Request for Copy of Tax Return, and mail it with the required fee to the IRS campus where the return was filed.

Amended Returns (See Tab M, Other Returns)

Form 1040X, Amended U.S. Individual Income Tax Return, should be used by taxpayers to amend their return. Many mistakes are corrected in processing by the IRS, and a letter of explanation is mailed at the time an error is identified or when a refund is issued. In these cases, taxpayers aren't required to file an amended return as the corrections have already been made.

Preparation of amended returns has expanded in the VITA/TCE programs. Sites can choose to file amended returns even if they didn't prepare the original return. See Tab M, Other Returns for additional information on preparing amended returns.

Taxpayer Address Changes

Taxpayers should use Form 8822, Change of Address, to notify the IRS of any change of address. If taxpayers move after filing the return and before a refund is received, they should notify their old post office and the IRS of their new address.

Recordkeeping

Taxpayers should keep their tax documents until the statute of limitations runs out for the return. Usually, this is three years from the date the return was due or filed, or two years from the date the tax was paid, whichever is later. Refer taxpayers to Publication 17, "Filing Information" or at the IRS.gov website – keyword: Recordkeeping.

FREE Tax Preparation Locations

Consult your Site Coordinator for information about the location of other VITA/TCE sites in your area. Taxpayers may call 1-800-829-1040 or visit AARP's website - keyword: Tax Aide or call 1-888-227-7669 for this information.

Problems Navigating the IRS

Taxpayer Advocate Service (TAS) has offices in every state, the District of Columbia, and Puerto Rico. Your local advocate's number is at www.taxpayeradvocate.irs.gov, and in your local directory. You can also call 1-877-777-4778.

See Publication 1546, Taxpayer Advocate Service - We Are Here to Help You, for details on what TAS provides.

Refund Information

Taxpayers should be directed to the IRS.gov website to obtain information about their refund. Specific information is available by clicking on Refund Status, then "Where's My Refund?"

Innocent Spouse Relief

Taxpayers who file a joint tax return are jointly and individually responsible for the tax and any interest or penalty due on the joint return even if they later divorce. In some cases, a spouse (or former spouse) will be relieved of the tax, interest, and penalties

on a joint tax return. Spousal relief is granted in certain situations when a taxpayer can prove he/she isn't liable for amounts due in joint filing situations.

Taxpayers should see Publication 971, Innocent Spouse Relief, which explains the types of relief, who may qualify for them, and how to get them. Married persons who didn't file joint returns, but who live in community property states, may also qualify for relief. (Out of Scope)

Injured Spouse Relief

An injured spouse claim is different from an innocent spouse relief request. An injured spouse can request the division of tax overpayment attributed to each spouse. The injured spouse must file Form 8379, Injured Spouse Allocation, to request his or her portion of a joint refund.

Married Filing Separately

Unless required to file separately, married taxpayers may want their tax figured on a joint return and on separate returns, to make sure they are receiving the most advantageous filing status. Filing separately may be advantageous for some taxpayers in certain situations, however, most married taxpayers would pay more combined tax on separate returns than they would on a joint return. See Publication 17, "Filing Status" section, for Special Rules (which outlines the disadvantages). Taxpayers who filed a Married Filing Jointly return cannot amend their return to change to Married Filing Separately after the due date of the return. There is an exception for deceased taxpayers. See Publication 17.

Social Security Numbers and Account Information

Social Security Administration no longer issues Social Security Number verification printouts in their field offices. Taxpayers may get this information using the **my Social Security Account** feature on the Social Security Administration website. Local Social Security offices will continue to provide benefit verification letters.

Volunteers should enter names into the tax software as they appear in SSA records in order to minimize rejected returns.

Hardship Refund Request

A taxpayer's tax refund will be offset (intercepted) to pay outstanding federal tax debts, child support, federal non-tax debts, state income tax debts, and unemployment compensation debts. When a tax refund is offset, the taxpayer will receive a letter explaining how the refund was applied to his or her outstanding debt.

If a taxpayer would face a hardship from a tax refund offset and has only outstanding federal tax debts, he or she can request an Offset Bypass Refund (OBR) from the IRS. Refer the taxpayer to the Taxpayer Advocate Service (TAS) to see if they meet TAS case acceptance criteria. The OBR typically should be requested before the return is filed because the OBR must be approved before the refund is offset.

Requests for hardship relief from other debts must be made to the agency to which the debt is owed. The Treasury Offset Program (TOP) can confirm whether a tax refund will offset for these other debts and provide details about the debt and a contact phone number for the agency to which the debt is owed. The TOP Call Center can be reached weekdays at 1-800-304-3107, TTD 1-800-877-8339, between 8:30 a.m. and 6 p.m. Eastern Time.

Where to File



Where Do You File?

Mail your return to the address shown below that applies to you. **For latest address information See Where to File on-line.**



Envelopes without enough postage will be returned to you by the post office. Your envelope may need additional postage if it contains more than five pages or is oversized (for example, it is over 1/4" thick). Also, include your complete return address.



Make the check or money order payable to "United States Treasury." Taxpayers should write "2019 Form 1040" and their name, address, daytime phone number, and Social Security number (SSN) on their payment and attach Form 1040-V.

Please use link above for latest information. Some states have incorrect information in table.

IF you live in...	THEN use this address if you:	
	Are requesting a refund or are not enclosing a check or money order...	Are enclosing a check or money order...
Alabama, Georgia, Kentucky, New Jersey, North Carolina, South Carolina, Tennessee, Virginia	Department of the Treasury Internal Revenue Service Kansas City, MO 64999-0002	Internal Revenue Service P.O. Box 931000 Louisville, KY 40293-1000
Alaska, Arizona, California, Colorado, Hawaii, Idaho, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming	Department of the Treasury Internal Revenue Service Fresno, CA 93888-0002	Internal Revenue Service P.O. Box 7704 San Francisco, CA 94120-7704
Arkansas, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Montana, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Wisconsin	Department of the Treasury Internal Revenue Service Fresno, CA 93888-0002	Internal Revenue Service P.O. Box 802501 Cincinnati, OH 45280-2501
Connecticut, District of Columbia, Maryland, Pennsylvania, Rhode Island, West Virginia	Department of the Treasury Internal Revenue Service Ogden, UT 84201-0002	Internal Revenue Service P.O. Box 37910 Hartford, CT 06176-7910
Delaware, Maine, Massachusetts, Missouri, New Hampshire, New York, Vermont	Department of the Treasury Internal Revenue Service Kansas City, MO 64999-0002	Internal Revenue Service P.O. Box 37008 Hartford, CT 06176-7008
Florida, Louisiana, Mississippi, Texas	Department of the Treasury Internal Revenue Service Austin, TX 73301-0002	Internal Revenue Service P.O. Box 1214 Charlotte, NC 28201-1214
A foreign country, U.S. possession or territory*, or use an APO or FPO address, or file Form 2555 or 4563, or are a dual-status alien	Department of the Treasury Internal Revenue Service Austin, TX 73301-0215	Internal Revenue Service P.O. Box 1303 Charlotte, NC 28201-1303
*If you live in American Samoa, Puerto Rico, Guam, the U.S. Virgin Islands, or the Northern Mariana Islands, see Pub. 570.		

Note: Mailing addresses for amended returns can be found in the instructions for Form 1040X.

Where's My Refund

The screenshot shows the 'Where's My Refund' page with several sections: 'Using a Mobile Device?' with a link to the IRS2Go app; 'What You Will Need' listing social security number, filing status, and refund amount; 'Refunds Topics' including Refunds Information, Refunds FAQs, Direct Deposit, and Amended Returns; 'Should You Call the IRS?' with criteria for when to call; and a 'Check My Refund Status' button. A 'When Will I Get My Refund?' button is also visible.

Savings Bonds :
If the IRS has processed the refund and placed the order for their savings bonds, taxpayers may need to contact the Treasury Retail Securities office at 1-844-284-2676 to inquire about the status of the savings bonds.

Interactive Tax Assistant (ITA)

The ITA tool is a tax law resource that takes you through a series of questions and provides you with responses to tax law questions on a limited number of topics. Enter "ITA" into the Search feature on the IRS website.

- Simply answer the questions and select **Continue** to progress to the next question screen.
- You may need to collect information before the interview such as income amounts, taxes owed and credits you are claiming.
- The tool includes a crossover feature that allows you to move from certain tax topics to another without needing to enter the same answers multiple times. The Review/Start Over buttons allows you to adjust responses to previously asked questions.
- When you reach the response screen, you have the option to print the entire interview and the final response.

ITA Topics by Category

Premium Tax Credit, Filing Requirement, Form to Use, Due Date, Filing Status, Dependents and Exemptions, Retirement: Pensions, IRAs, Social Security, Other Income, Deductions, Itemized Deductions, Credits, and Additional Topics (ITINs, Injured Spouse Claims, Cancellation of Debt on a Personal Residence, and Estimated Tax Payments)

For additional information on tax law resource tools, refer to the IRS website, keywords "Tax Trails" and "Tax Topics."

~~Contingency Plans for Continuing VITA/TCE Return Preparation Operations (During Unexpected Circumstances)~~

In the event that the following situations occur:

- Software system outages
- The Site's internet or equipment isn't operating
- A Quality Reviewer isn't available (see Quality Review Only Using the Virtual Model, below)

Partners may, at their discretion, choose among the following pre-approved options to continue preparing tax returns in lieu of closing the site for the day:

- Temporary Virtual VITA/TCE Process (explained below).
- TaxSlayer® ProWeb Alternative Preparation Solution* using TaxSlayer® Pro Desktop.
- Offer Facilitated Self Assisted** (FSA) services, if available. Options include MyFreeTaxes and VITA Free File.

*This option should be established during the Pre-Planning Phase of site operations. Refer to Contingency Plan Option, later in this tab.

**This option should be established during the Pre-Planning Phase of site operations. Refer to Publication 1084, Volunteer Site Coordinator Handbook, for more detailed information.

Temporary Virtual VITA/TCE Process

Secure Taxpayer Consent:

- The taxpayer must present proof of identity, which includes a photo identification for him/her and if applicable, their spouse.
- If the taxpayer agrees to use the virtual process for preparing their tax return, the volunteer will prepare Page 1 of the Form 14446, Virtual VITA/TCE Taxpayer Consent, and the taxpayer is required to complete Page 2. Taxpayer must answer "Yes" or "No" to the question regarding Request to Review your Tax Return for Accuracy.
- The taxpayer keeps Page 1 of the form, while the site maintains Page 2.
- The appropriate virtual method(s) and step-by-step procedures will be explained to the taxpayer and timeframes will be established for the taxpayer to return to the site and complete the process.

A secure process for authenticating both the taxpayer and the volunteer must be provided to the taxpayer in the event that additional information is required to complete the tax return. Please refer to Publication 4299, Privacy and Confidentiality-A Public Trust, for more information.

Intake/Interview:

The intake and interview process must be performed before the taxpayer leaves the site.

- IRS tax law certified volunteers must conduct the initial interview following all the steps outlined in Pub 5101, Intake/Interview & Quality Review Training.
- The volunteer will need to make notes on the Form 13614-C, Intake/Interview & Quality Review Sheet, indicating the appropriate filing status and qualified dependents.
 - Eligibility determinations for deductions and credits will be made and documented on the Form 13614-C.
 - All oral testimony must be thoroughly documented on the Form 13614-C for use during the return preparation at a later time.
- The verified SSNs and/or ITINs will need to be written on the Form 13614-C for all persons that will be included on the tax return.
- A phone number where the taxpayer can be reached will be secured for use by the IRS certified tax return preparer. Refer to Publication 4299 for more information on establishing protocols to authenticate the identity of both the volunteer and the taxpayer.
- The taxpayer will leave their tax documents and the completed Form 13614-C for their tax return to be prepared once the software can be accessed and/or when a non-face-to-face quality review will be conducted.
- The taxpayer will be given a date/time to return to the site to participate in the quality review and/or sign the Form 8879, IRS e-file Signature Authorization, and secure a copy of their return. If a timeframe can't be provided while the taxpayer is still onsite, the Site Coordinator will provide this information to the taxpayer as soon as a timeframe is available.

~~Contingency Plans for Continuing Site Operations (continued)~~

Quality Review Only Using the Virtual Model:

If the site is able to prepare the return using normal face-to-face procedures but the return isn't able to be Quality Reviewed during the taxpayer's visit:

- Follow all of the procedures in the Form 14446.
- Complete the tax return as normal.
- Explain that the taxpayer will be contacted by the Quality Reviewer.

Refer to Publication 4299 for more information.

For more detailed information on how to use a Virtual VITA/TCE process throughout the filing season refer to the Virtual VITA/TCE process located in Publications 1084, Volunteer Site Coordinator Handbook, and 4396-A, Partner Resource Guide.

Do Not Use. Follow Local Tax-Aide Policies.

TaxSlayer Pro Alternative Solution Contingency Plan

TaxSlayer offers the TaxSlayer® Pro Desktop application to prepare and e-file returns in the event that the TaxSlayer® Pro Online is unavailable. If that happens, you can use TaxSlayer Pro's desktop application to prepare and e-file returns.

Download the TaxSlayer® Pro Desktop application in advance so that your site does not have any downtime. Do not install it on a network as a contingency plan. Instead, install on a stand-alone computer with an internet connection.

To download the desktop application, see Contingency Plan Option on the next page.



For a complete listing of contingency options, refer to IRS Publication 4396-A.

In order for the TaxSlayer® Pro Desktop contingency plan to work successfully, it is important to keep the designated computers updated with the latest desktop software versions. TaxSlayer® Pro Desktop automatically updates the first time you open it each day if the computer is connected to the internet. It is recommended that you do this daily or weekly.

If a software system outage necessitates the use of a temporary contingency plan, you can use the installed and updated version of TaxSlayer® Pro Desktop to complete any returns you need to prepare during the outage. Sites will be able to work the return completely from the desktop application, including e-filing and getting acknowledgments. The return will remain in the desktop application for the duration of the filing season.



Returns prepared using the desktop software during a contingency plan will be transmitted from the desktop software. Use the desktop software to retrieve any acknowledgement associated with the returns transmitted from the desktop software.

When TaxSlayer® Pro Online is available again, use it to prepare new returns and complete any returns you started previously in TaxSlayer® Pro Online.



You will have to run separate reports for these returns and manually add them to your online return count.

Do Not Use. Follow Local Tax-Aide Policies.

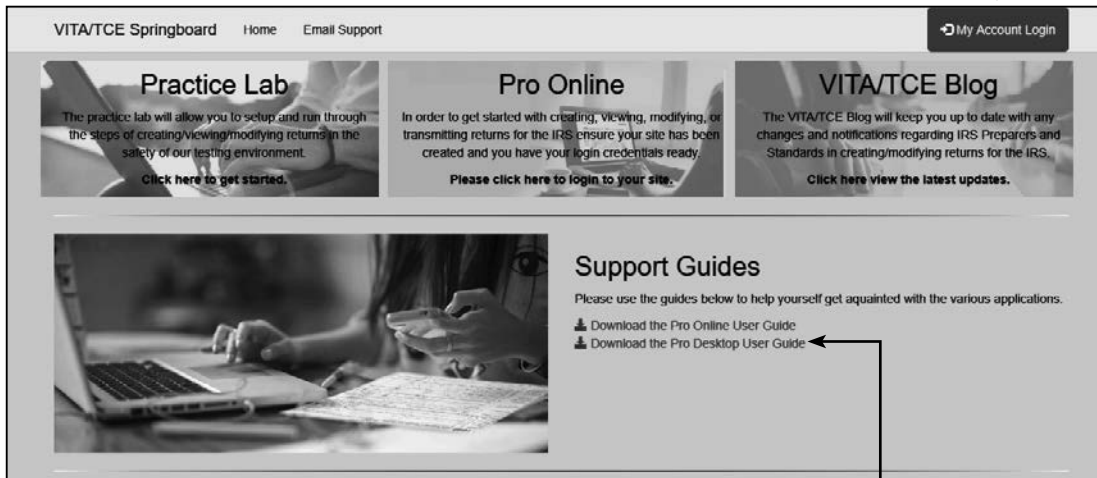
~~Contingency Plan Option~~

Contingency Plan – TaxSlayer Pro, also referred to as Desktop, should be utilized in the rare occasions where TaxSlayer® Pro Online is unavailable or the site loses internet for an extended period of time. The Desktop software should be downloaded and installed as part of pre-season preparation. Follow the instructions below to download the desktop software:

Access Springboard

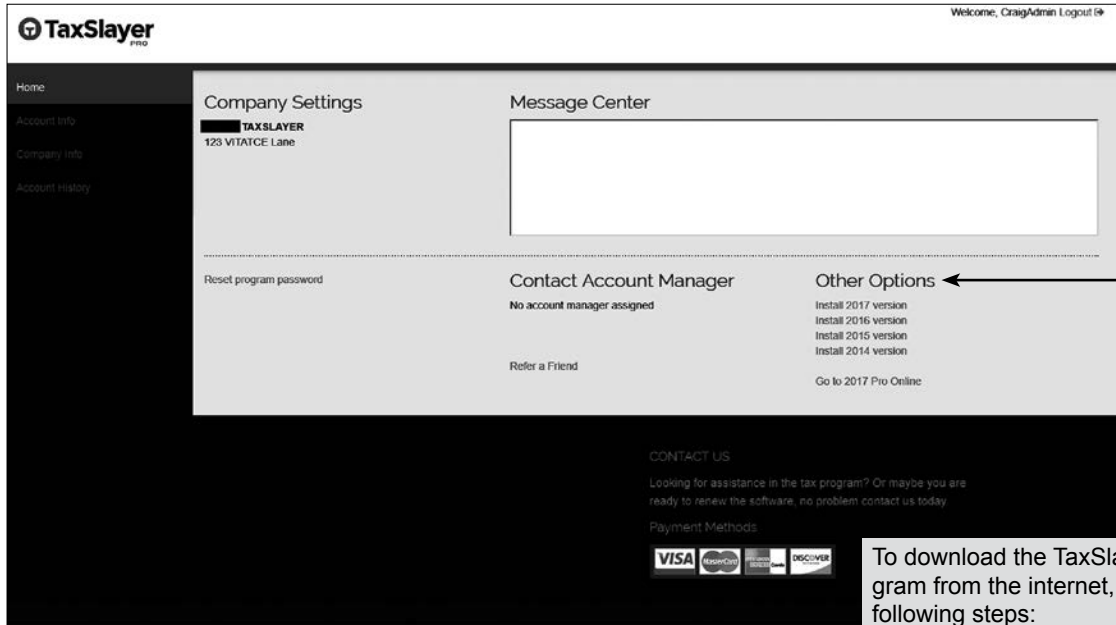
The URL is <https://vita.taxslayerpro.com/>

Click on My Account in the top right corner to login with username and password created from the link provided by TaxSlayer when your order was originally placed.



From the Springboard, download the ProOnline User Guide for detailed contingency procedures.

~~Contingency Plan Option (continued)~~



To download the TaxSlayer Pro program from the internet, complete the following steps:

- Look for Other Options to the right of the screen
- Select Install 20XX TaxSlayer Pro Software
- Select Run
- Follow the on screen prompts to download and install the TaxSlayer Pro software

The screenshot shows the 'Account History' section of the TaxSlayer Pro user interface. The sidebar on the left has 'Account History' selected. The main content area is titled 'Company Information' and 'Account History'. It contains a table with the following data:

Date	Time	Description
11/21/2016	3:27:12 PM	Store Purchase - Order #60 Receipt EFIN validation code 7Q00000606AE. You will need to enter this into your 2016 Software.

Note: Select Account History to access your EFIN/Office validation code that is required to be entered into the software during setup.

Note: If you are running anti-virus software or a firewall in the background, be sure that you select **Allow**, **Permit**, or **Unblock** if prompted to do so to allow the TaxSlayer Pro program files to download and install.

Install the software on a standalone computer with internet connection to be used in the event TaxSlayer® Pro Online is

Rejected Returns

The most common rejects involve errors in either the taxpayer(s) or their dependents' Social Security Numbers (SSN) and the Employer Identification Number (EIN) that appears on the Forms W2 and Forms 1099. The IRS performs a name match on these numbers that can cause a return to be rejected. Typographical and other errors can often be easily resolved. The taxpayer may need to be contacted to determine the correct EIN or SSN numbers. Neither the IRS nor TaxSlayer Pro can resolve these rejects.

Note: Each individual transmission of a tax return resulting in a reject is added to the total number of rejects for the site. Each individual rejection increases the overall rejection rate for the site.

Note: Refer to the TaxSlayer Validation Errors report to identify federal or state returns not accepted.

(Top) Reject Codes

Top Reject Codes	Suggested Solutions
500 Primary SSN and Primary Name Control of the Tax Form must match data from the IRS Master File.	Verify name and SSN or ITIN. Double check source document. Review name and SSN control.
501 Qualifying SSN on Schedule EIC and the corresponding Qualified Name Control must match data from the IRS Master File.	Can be a companion to Reject Code 504. However, if the Qualifying Child listed for EITC is a dependent on page one of tax return and only Reject Code 501, verify source data for year of birth or verify with client the year of birth. IRS only verifies year – not month or day – of birth.
502 Employer Identification Number of Form W-2, W-2G, or 1099-R must match data from the IRS Master File.	Based on the Acknowledgement (ACK) Report, determine if W-2, W-2G or 1099R. If more than one, determine from ACK Report which number. Double check the source document. If still incorrect, contact payer or have client contact payer. If still unable to resolve, have taxpayer mail in the return.
503 Last name for the secondary taxpayer on the return does not match the IRS Master File and/or SSA records.	Verify the name, SSN or ITIN. Ask to see the Social Security card of the spouse. Check for spelling and transposition errors. If the data entered is incorrect, make the corrections and retransmit the return.
504 Dependent's SSN must match data from the IRS Master File.	Verify name and SSN or ITIN. Check spelling and data entry. Verify info with client - have client contact Social Security Administration (SSA) to verify information. Ask to see the Social Security card(s).
506 Qualifying child's SSN listed for the purpose of claiming Earned Income Tax Credit (EITC) has been used on another tax return.	Verify SSN of the dependent. If correct, the return will need to be mailed. Explain that this could be inadvertent error on a mailed return OR it is possible someone else may have knowingly claimed this dependent.
507 Dependent's SSN on the Form 1040 was previously used for the same purpose.	Verify SSN of the dependent. If correct, the return will need to be mailed. Explain that this could be inadvertent error on a mailed return or it is possible someone else may have knowingly claimed this dependent.
535 Qualifying SSN on Schedule EIC and the corresponding Year of Birth must match data received from the SSA.	Verify birthday of child. Verify name and SSN.
541 Taxpayer must be older than qualifying child on Schedule EIC.	Verify birthdays of taxpayer and child.
600 Taxpayer must file Form 8862 to claim EITC after disallowance.	Complete Form 8862, Information To Claim Certain Credits After Disallowance.

Acknowledgment (ACK) – A report generated by the IRS to a Transmitter that indicates receipt of all transmissions. An ACK Report identifies the returns in each transmission that are accepted or rejected for specific reasons.

Adjusted Basis – Original cost of a capital asset plus any increases or decreases to that cost, such as commissions and fees.

Adjusted Gross Income (AGI) – Total gross income minus specific deductions such as educator expenses, alimony income, and the Student Loan Interest Deduction.

Adjustments to Income – Adjustments such as educator expenses, penalty on early withdrawal of savings, and contributions to a traditional IRA, that are subtracted from total income on Form 1040, to establish the AGI.

Adopted child – An adopted child is treated the same as a natural child for the purposes of determining whether a person is related to you in any of these ways. For example, an adopted brother or sister is your brother or sister. An adopted child includes a child who was lawfully placed with a person for legal adoption.

Basis – The original cost of a capital asset.

Blind - A taxpayer is considered blind if either totally blind or has a certified statement from eye doctor that

- Taxpayer cannot see better than 20/200 in the better eye with glasses or contact lenses or
- Field of vision is not more than 20 degrees

The taxpayer does not have to produce the certificate, but should have it if IRS asks for it.

Capital Gain or Loss – The difference between the basis of a capital asset and the amount received when it has been sold.

Custodial and Noncustodial Parent – The custodial parent is the parent with whom the child lived for the greater number of nights during the year. The other parent is the noncustodial parent. If the child lived with each parent for an equal number of nights during the year, the custodial parent is the parent with the higher adjusted gross income.

Dependents – Either a qualifying child or a qualifying relative of the taxpayer.

Direct Deposit – An electronic transfer of a refund into a taxpayer's financial institution account.

Due Diligence – Due diligence, when used in context with claiming the Head of Household filing status or certain credits including the Earned Income Tax Credit (EITC), refers to requirements that income tax return preparers must follow when determining eligibility to file a return or claim for refund as Head of Household and when determining eligibility for, and the amount of, certain credits including the EITC

Earned income – Any income received for work, such as wages or business/self-employment income.

Earned Income Tax Credit (EITC) – A refundable tax credit for most people who work but do not earn high incomes. The purpose of the EITC is to reduce their tax burden and to supplement the wages of working families whose earnings are less than the maximums for their filing status.

Education Credits – A credit based on qualified education expenses the taxpayer paid during the tax year that will reduce the amount of tax due.

Electronic Filing Identification Number (EFIN) – An identification number assigned by the IRS to accepted applicants for participation in IRS e-file.

Estimated Tax Payments – Payments paid quarterly by the

taxpayer if the expected tax due exceeds certain limits. Generally, estimated payments are made by taxpayers that have income from self-employment, dividends, interest, capital gains, rent, and royalties.

Exempt Income – Nontaxable income that is generally not shown on the return and not included in the income tax computation. There are some instances when exempt income is shown on the return but not included in the income tax computation such as interest income produced from certain types of investments.

Exemption – The deduction for personal exemptions is suspended (reduced to \$0) for tax years 2018 through 2025 by the Tax Cuts and Jobs Act. Although the exemption amount is zero, the ability to claim an exemption may make taxpayers eligible for other tax benefits.

Facilitated Self Assistance (FSA) – A method taxpayers can use to file their own return using a web-based tax preparation software program.

Foreign Earned Income Exclusion – Certain taxpayers can exclude income earned in, and while living in, foreign countries.

Foster Child – A foster child is an individual who is placed with you by an authorized placement agency or by judgement, decree, or other order of any court of competent jurisdiction.

Full-time Student – You're a full-time student if you're enrolled at a school for the number of hours or classes that the school considers full-time. You must have been a full-time student for some part of each of 5 calendar months during the year. (The months need not be consecutive.)

Gross income – All income received in the form of money, goods, property, and services that isn't exempt from tax.

Health Savings Account (HSA) – A medical savings account available

to taxpayers who are enrolled in a High-Deductible Health Plan (HDHP). Funds contributed to an account are not subject to income tax.

Identity Protection PIN (IP PIN) – A six-digit number assigned to eligible taxpayers that helps prevent the misuse of their Social Security Number on fraudulent federal income tax returns. Allows taxpayer to file electronically.

Individual Taxpayer Identification Number (ITIN) – A tax processing nine-digit number issued by the IRS. ITINs are issued regardless of immigrant status because both resident and nonresident aliens may have a U.S. filing or reporting requirement.

IRS e-file Signature Authorization (Form 8879) – Declaration document and signature authorization for an e-filed return filed by an Electronic Return Originator.

IRS Master File – Known as the IRS Individual Master File (IMF), this application receives data from an array of sources to aid the IRS regarding tax return submissions. The IMF includes tax return filing information, payment information, examination results, and related documents.

Itemized Deductions – Specific personal expenses such as unreimbursed medical or dental expenses subject to a limitation, mortgage interest, and charitable contributions that allow taxpayers to reduce their taxable income.

Legally Blind – See Blind.

Medicare Waiver Payment – These are payments treated as difficulty of care payments when received by an individual care provider for care of an eligible individual (whether related or unrelated) living in their home.

MyFreeTaxes (MFT) – An FSA program sponsored by H&R Block and nonprofits which taxpayers can use to file their own tax returns. Name Control – The first four

significant letters of a taxpayer's last name that the IRS uses in connection with the taxpayer SSN to identify the taxpayer, spouse and dependents.

Nonrefundable Credits – A dollar-for-dollar reduction of the tax liability. Nonrefundable credits such as child and dependent care expenses, education credits, and child tax credit can only reduce the tax liability to zero.

Nonresident Alien – Any individual who is not a U.S. Citizen, Resident Alien, or U.S. National and has not passed the green card test or the substantial presence test for the calendar year.

Nontaxable Income – Generally excludable and not shown on the return, such as gifts and inheritances.

Other Taxes – Other taxes such as self-employment tax, taxes on IRAs and other qualified retirement plans, and repayment of first-time homebuyer credit, are added to the income tax from the tax tables to establish the total tax.

Payments – Payments such as federal withholding, Earned Income Tax Credit, and Additional Child Tax Credit, are subtracted from the total tax to establish the amount overpaid or the amount owed.

Permanently and Totally Disabled – An individual is permanently and totally disabled if both of the following apply.

1. He or she can't engage in any substantial gainful activity because of a physical or mental condition.
2. A doctor determines the condition has lasted or can be expected to last continually for at least a year or can lead to death.

Practitioner PIN Method – An electronic signature option for taxpayers who use an Electronic Return Originator to e-file.

Refundable Credits – Reduces the tax liability below zero and allows an individual to receive a tax refund.

Refundable credits such as federal withholding, Additional Child Tax Credit, and Earned Income Tax Credit can be used even if there is no tax liability.

Rejected Return – A tax return that has been transmitted to the IRS, but due to validation issue(s), the IRS has not accepted for e-filing. Rejected Returns must either be re-transmitted and accepted or paper filed.

Resident Alien – Any individual who is not a U.S. citizen or U.S. national, but meets either the green card test or the substantial presence test for the calendar year.

Routing Transit Number (RTN) – A number assigned by the Federal Reserve to each financial institution.

Self-Select PIN Method – An electronic signature option for taxpayers who e-file using either a personal computer or an ERO. This method requires the taxpayer to create a five-digit Personal Identification Number (PIN) to use as the signature on the e-file return and to submit authentication information to the IRS with the e-file return.

Standard Deduction – A dollar amount that reduces the amount of income for which an individual is taxed, including an additional standard deduction for individuals who are blind or age 65 or over.

Taxable Income – Adjusted Gross Income minus standard or itemized deductions and QBI.

Taxpayer Advocate Service (TAS) – An independent organization within the IRS, led by the National Taxpayer Advocate. Its job is to ensure every taxpayer is treated fairly and that taxpayers know and understand their rights. TAS offers free help to taxpayers in dealing with the often-confusing process of resolving tax problems they have not been able to resolve on their own. TAS has at least one taxpayer advocate office located in every state, the District of Columbia, and Puerto Rico.

Temporary Absence – You and your qualifying person are considered to live together even if one or both of you are temporarily absent from your home due to special circumstances, such as illness, education, business, vacation, military service, or detention in a juvenile facility. It must be reasonable to assume the absent person will return to the home after the temporary absence. You must continue to keep up the home during the absence.

Unearned Income – Any income not produced from work, such as unemployment income or income produced by investments.

Virtual VITA/TCE Methods – Includes any site where face-to-face activities are not used during the tax preparation process. The IRS-tax law certified preparer who prepares the return and/or the quality reviewer are not face-to-face with the taxpayer. Includes temporary VITA/TCE Contingency Plan, Drop-Off Site, an Intake Site plus a Return Preparation and/or Quality Review Site.

Wash Sale – The sale of securities at a loss and the acquisition of the same (substantially identical) securities within 30 days of the sale date (before or after). The loss is added to the cost of the new stock or securities, increasing the cost basis.

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A link that follows “See” or “See also” will take you to a heading in the index with detailed subheadings on that topic.

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Taxpayer Civil Rights

The Department of the Treasury-Internal Revenue Service will not tolerate discrimination based on race, color, national origin (including limited English proficiency), disability, reprisal, sex (in education programs or activities) or age in programs or activities receiving federal financial assistance from the Internal Revenue Service.

Persons with disabilities and/or limited English proficiency should be able to participate in or benefit from programs and services that IRS supports. Taxpayers with a disability may request a reasonable accommodation and taxpayers with limited English proficiency may request language assistance to access service. For additional information refer to Publication 4053, *Your Civil Rights Are Protected*, for reasonable accommodation.

If a taxpayer believes that he or she has been discriminated against, a written complaint should be sent to:

**Internal Revenue Service
Civil Rights Unit
1111 Constitution Avenue, NW, Room 2413
Washington DC 20224**

Email edi.civil.rights.division@irs.gov

Do not send tax returns, payments or other non-civil rights information to this address.

Low Income Tax Clinics

Low Income Taxpayer Clinics (LITCs) are independent from the IRS. LITCs serve individuals whose income is below a certain level and need to resolve tax problems with the IRS, such as audits, appeals, and tax collection disputes. In addition, clinics can provide information about taxpayer rights and responsibilities in different languages for individuals who speak English as a second language. Services are offered for free or a small fee. For more information or to find a clinic near you, see the LITC page at <http://www.taxpayeradvocate.irs.gov/litcmap> or **IRS Publication 4134**, Low Income Taxpayer Clinic List. This Publication is also available online at www.irs.gov or by calling the IRS at 1-800-829-3676.

Taxpayer Advocate Service

The Taxpayer Advocate Service is Here to Help You

What is the Taxpayer Advocate Service?

The Taxpayer Advocate Service (TAS) is an **independent** organization within the Internal Revenue Service that helps taxpayers and protects taxpayer rights. Our job is to ensure that every taxpayer is treated fairly and that you know and understand your rights under the Taxpayer Bill of Rights.

What can TAS do for you?

We can help you resolve problems that you can't resolve with the IRS. And our service is free. If you qualify for our assistance, you will be assigned to one advocate who will work with you throughout the process and will do everything possible to resolve your issue. TAS can help you if:

- Your problem is causing financial difficulty for you, your family, or your business.
- You face (or your business is facing) an immediate threat of adverse action
- You've tried repeatedly to contact the IRS, but no one has responded, or the IRS hasn't responded

by the date promised.

How can you reach us?

We have offices in every state, the District of Columbia, and Puerto Rico. Your local advocate's number is at www.taxpayeradvocate.irs.gov, and in your local directory. You can also call us at 1-877-777-4778.

How can you learn about your taxpayer rights?

The Taxpayer Bill of Rights describes ten basic rights that all taxpayers have when dealing with the IRS. Our Tax Toolkit at www.taxpayeradvocate.irs.gov can help you understand what these rights mean to you and how they apply. These are **your** rights. Know them. Use them.

How else does the Taxpayer Advocate Service help taxpayers?

TAS works to resolve large-scale problems that affect many taxpayers. If you know of one of these broad issues, please report it to us at www.irs.gov/sams.

Information for Volunteers

TaxSlayer	
TaxSlayer Volunteer Support (need SIDN)	1-800-421-6346 (Do not give to the public)
TaxSlayer via E-Mail	support@vita.taxslayerpro.com

Prior Year Return Access	
Current and 3 previous years accessible from one URL	https://vita.taxslayerpro.com

Internal Revenue Service	
VITA/TCE Hotline for tax law questions (volunteer use only)	1-800-829-8482 (800-TAX-VITA)
IRS e-file Help Desk	1-866-255-0654
Identity Theft Unit	1-800-908-4490
Taxpayer Assistance Centers	1-844-545-5640
Quality and Volunteer Tax Alerts	https://www.irs.gov/individuals/quality-and-tax-alerts-for-irs-volunteer-programs

Information to Assist Taxpayers	
Refund Offset Inquiry (Financial Management System)	1-800-304-3107
IRS Tax-Help for Deaf (TDD)	1-800-829-4059
Taxpayer Advocate Service	1-877-777-4778
Social Security Administration	1-800-772-1213

TSO NJ Special Handling TY2019

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TSO NJ Special Handling TY2019

Federal vs New Jersey Issues

NJ Checklist – Some differences in Federal and NJ Tax Law are handled automatically in TSO; however, many differences must be handled via entries in the TSO NJ State Section. It is awkward and time consuming in TSO to move back and forth between the Federal and NJ Sections; also, TSO usually only offers one box to enter many different unrelated adjustments. The NJ Checklist allows the preparer to collect all entries for the TSO State Section as they come up while entering data in the TSO Federal Section. When appropriate, the items below will explain what to record on the NJ Checklist. The idea is that after the TSO Federal Section is complete, the preparer can then go to the TSO NJ State Section just once and make all the collected entries without flipping back and forth and without forgetting anything. Also, all such adjustments are documented to assist in QR and later understanding of the details for NJ State Section entries.

❖ Age of TP/SP

➤ Tax Law:

- Federal – Person born on Jan 1 considered born in year prior to year of birth
- NJ – Person born on Jan 1 considered born in year of birth
- e.g. – For TY2019, a person born on Jan 1, 1955 is considered to be 65 on Federal return, but only 64 on NJ return

➤ TSO: Seems to handle this automatically

❖ Personal Exemption

➤ Tax Law:

- Federal – There is no longer a deduction on the Federal return for personal exemptions
- NJ –
 - Can claim exemptions for TP, spouse, each dependent
 - Can claim exemption for self even if can be claimed as dependent on someone else's return

➤ TSO: Seems to handle this automatically

❖ Extra Standard Deductions (Federal) / Exemptions (NJ)

➤ Tax Law:

- Federal – Extra standard deduction amount for a) age 65 or over, b) blind
- NJ – Extra exemption for a) age 65 or over, b) blind or disabled, c) Veteran, d) dependent under age 22 attending college

- Note: If both blind and disabled, only one extra exemption is granted
- Note: First time Veteran exemption requires that discharge documentation be provided – see Preparer page for link to NJ page with more details

➤ TSO: Handled automatically via Personal Information (Federal) and Basic Information (NJ) questions

- Record on NJ Checklist (Disabled), (Dependents under age 22...), and (Veteran)
 - Note: If blind is checked on Federal Personal Information screen, TSO automatically carries that to NJ and extra exemption is granted on NJ return; no need to record “Disabled” on NJ Checklist. Only record “Disabled” if person is not blind, but disabled in another way

TSO NJ Special Handling TY2019

❖ W-2 NJ Special Taxes (Unemployment, Disability, and Family Leave)

➤ Tax Law:

- Federal – allowable as part of Sch A, State Income Taxes, Line 5a (unless Private Plan)
- NJ –
 - Excess payments from single employer must be resolved with employer
 - Use Form NJ 2450 to apply for refund of excess payments (including Private Plan) from multiple employers and claim on NJ 1040

➤ TSO W-2 Box 14:

- Use the special NJ options in the dropdown for UI, DI, FLI amounts
 - If Private Plan (PP#), then
 - ◆ Use usual NJ options in the dropdown associated with the insurance covered by the Private Plan
 - ◆ Manually remove from Sch A Line 5a by entering PP amount as negative number on Federal Section \ Deductions \ Itemized Deductions \ Taxes You Paid \ Additional State and Local Income Tax box
 - ◆ Record W-2 EIN and PP# on NJ Checklist (Private Plan Number(s)...)
- 414H / PERS – use “Retirement (Not in Box 12) – Do not carry to Form 8880” in the dropdown
- Other amounts in Box 14 – use “Other”
- UI, DI, FLI amounts may also appear in or below Box 19 / 20 on W-2 paper form
- UI is short for UI/WF/SWF (unemployment insurance (UI)/workforce development partnership fund (WF)/supplemental workforce fund (SWF))
 - UI and WF/SWF have separate rates, so they are sometimes reported separately – you must add them together for entry into TSO

❖ Medicaid Waiver Payments on W-2

➤ Tax Law:

- Federal – Not taxed (if certain conditions met)
- NJ – Same as Federal
- See IRS Q&A page for more information: <https://www.irs.gov/individuals/certain-medicaid-waiver-payments-may-be-excludable-from-income>

➤ TSO

- W-2 screen
 - Enter Boxes 1-14 as usual
 - Enter excludable amount in special Waiver Box (near Box 14)
 - ◆ This will cause a negative amount to be included on Federal Other Income Schedule 1 Line 8
 - Subtract excludable amount from entry in Box 16 for NJ
 - ◆ This may cause Income to be less than Withholding on the NJ return, which will cause a reject when e-filed. You must paper file the NJ return
 - ◆ It is highly recommended that you attach an explanation to the NJ return to avoid getting a letter from NJ Division of Taxation
- Record excludable amount on NJ Checklist (Adjustments to Line 26 Other Income)

TSO NJ Special Handling TY2019

❖ Early withdrawal penalty on 1099-INT

- **Tax Law:**
 - Federal – Included in taxable interest on 1040 Line 2b, but offset as adjustment on Schedule 1 Line 17
 - NJ – Netted out of taxable interest on Line 16a
- **TSO:** Seems to handle this automatically

❖ US Savings bonds or other Federal Bond (1099-INT Box 3)

- **Tax Law:**
 - Federal – may or may not be taxed (OOS if not fully taxed, e.g. paying for tuition)
 - NJ – not taxed
- **TSO:** Interest Income screen –
 - Enter amount from paper Box 3 in screen box labeled: “Interest on U.S. Savings Bonds and Treasury obligations (Box 3)”
 - Enter (paper Box 3 minus paper Box 12) in screen box labeled “Amount of Interest on U.S. Savings Bonds and Treasury Obligations that you want subtracted from your state return”

❖ Exempt bond interest (1099-INT Box 8)

- **Tax Law:**
 - Federal – not taxed
 - NJ – taxability varies
 - If bond held directly, see NJ Bulletin GIT-5 for list and taxability of interest
 - Available at: <https://www.state.nj.us/treasury/taxation/pdf/pubs/tgi-ee/git5.pdf>
- **TSO:** Interest Income screen -
 - Enter amount from paper Box 8 in screen box labeled “Tax Exempt Interest (Box 8)”
 - If full amount is NOT exempt in NJ (e.g. Interest on a municipal bond from another state), then click “ADD INTEREST ITEMS” under Taxable State Interest
 - Enter “New Jersey,” owner and amount taxable in NJ

TSO NJ Special Handling TY2019

❖ Exempt Interest Dividends from Mutual Funds (Form 1099-DIV, Box 11)

- **Tax Law:**
 - Federal – not taxed
 - NJ – taxability varies
 - Percent of Box 11 attributable to federal obligations (including Puerto Rico, DC, territories, etc.) is always tax-exempt in NJ
 - Unlike interest from NJ Bonds held directly, the percent of Box 11 attributable to NJ Bonds held by mutual funds is only tax-exempt in NJ if the mutual fund is NJ specific (“NJ Qualified Investment Fund” – New Jersey will usually be part of fund name)
 - Percent of Box 11 attributable to other states is always taxed in NJ
- **TSO:** Dividend Income screen -
 - Enter amount from paper Box 11 in screen Box labeled “Exempt Interest Dividends (Box 11)”
 - Calculate amount taxable in NJ using rules under Tax Law
 - If full amount is NOT exempt in NJ (e.g. Percent of Box 11 tax-exempt interest attributable to NJ Bonds held by a non-Qualified Investment Fund or tax-exempt interest attributable to other states), then click “ADD DIVIDEND ITEMS” under Taxable State Dividend
 - Enter “New Jersey,” owner and amount taxable in NJ

❖ State Income Tax Refunds (Form 1099-G, Box 2)

- **Tax Law:**
 - Federal – may be taxed
 - NJ – not taxed
- **TSO:**
 - Ignore if did not itemize last year or used Sales Tax (Box checked on Sch A Line 5a) instead of Income Tax (Box not checked on Sch A Line 5a) last year – potentially taxable otherwise
 - If potentially taxable and have prior year return data, then
 - Do not use TSO built-in calculator. Use TaxPrep4Free NJ Tax Refund Calculator or Bogart Refund Calculator (links on Preparer page) to determine taxable amount of refund and enter result in “Bypass State Refund Worksheet” section. The calculators will use various other tests to potentially limit taxable amount
 - If potentially taxable and missing prior year return data, then treat whole amount as taxable and enter in “Bypass State Refund Worksheet” section

❖ Capital Gains / Losses

- **Tax Law:**
 - Federal – Capital losses can be applied against capital gains. Up to \$3,000 of net capital losses can be used to offset other current year income. Excess net capital losses over \$3,000 can be carried over to following years
 - NJ – Capital losses can be applied against capital gains; however, no net capital losses allowed; no losses carried over to following years
- **TSO:** Seems to handle this automatically

TSO NJ Special Handling TY2019

❖ Capital Gains on NJ Exempt Obligations

- **Tax Law:**
 - Federal – taxed
 - NJ – See NJ Bulletin GIT-5 for list and taxability of gains
 - Available at: <https://www.state.nj.us/treasury/taxation/pdf/pubs/tqi-ee/git5.pdf>
- **TSO:**
 - Federal – Enter on Capital Gains worksheet as usual
 - NJ – If taxability not same as Federal, record adjustment amount on NJ Checklist (Adjustments to Capital Gains)

❖ RRB Tier 2 (RRB-1099-R)

- **Tax Law:**
 - Federal – taxed
 - NJ – not taxed
- **TSO:** Use RRB-1099-R Screen to enter data – No special NJ action required, since TSO seems to handle this automatically

❖ Military Pensions (1099-R from Defense Finance & Accounting SVC)

- **Tax Law:**
 - Federal – taxed
 - NJ – not taxed
 - Coast Guard (from USCG, Pay and Personnel Center (PPC), Retiree and Annuitant Services (RAS)) also qualifies
- **TSO:**
 - Federal – Enter on 1099-R screen as usual
 - NJ – Record on NJ Checklist (Adjustments to Line 20a)

❖ Disability Pension (1099-R Code 3)

- **Tax Law:**
 - Federal – Reported as wages on 1040 Line 1 if under “minimum retirement age” for company (counted as earned income) / 1040 Line 4c/4d as pension otherwise (current disability status does not matter)
 - NJ – Not taxed if under 65 AND being received “due to permanent and total disability” / Taxed as pension otherwise
 - Federal / NJ – special case – “The [NJ] Division of Pensions and Benefits reports your Accidental Disability retirement benefit as exempt from federal income tax; your benefits are not subject to New Jersey State income tax until you reach age 65.”

TSO:

- Federal – 1099-R screen – If under “minimum retirement age,” then check box labeled “Check here to report on Form 1040, Line 1” (in Rollover or Disability section)
 - Do this whether currently (permanently and totally) disabled or not
- NJ – If not taxable in NJ, then record as a negative amount on NJ Checklist (Adjustments to Line 20a)

TSO NJ Special Handling TY2019

❖ Pensions with After-Tax Employee Contributions (1099-R, Code 7, IRA Box unchecked, and either Box 2a shown or Box 9b amount shown)

➤ Tax Law:

- Federal – taxable amount (Box 2a) included on 1040 Line 4c / 4d
- NJ – taxable amount (Box 2a) included on NJ 1040 Line 20a and non-taxable portion (Box 1 minus Box 2a) included on NJ 1040 Line 20b; can use 3-year rule

➤ TSO:

- See NJ Three Year Rule page if first year of retirement or ever used 3-year rule; otherwise,
- If taxable amount not given in Box 2a, calculate taxable/non-taxable portion using:
 - TSO built-in Simplified General Rule calculator, or
 - Bogart Annuity Calculator (link on Preparer page) – this is easier to use
- Enter 1099-R as usual, but also record non-taxable portion on NJ Checklist (Adjustments to Line 20b)

❖ Qualified Charitable Distribution (QCD) from IRA (1099-R – no special code)

➤ Tax Law:

- Federal – taxable amount on 1099-R will include QCD, but it can be excluded from income
- NJ – no special tax treatment

➤ TSO:

- Manually adjust Box 2a on 1099-R screen
- Record QCD amount on NJ Checklist (Adjustments to Line 20a - Taxable Amounts of IRAs, Pensions, and Annuities) to add back into taxable income

TSO NJ Special Handling TY2019

❖ **Government Employee Pension (414h Plans) (1099-R, Code 7, IRA Box unchecked)**

- **Note:** Because most employee contributions were pre-tax (Federal) and after-tax (NJ), the NJ taxable amount can be quite a bit less than the Federal taxable amount; however, calculating the NJ taxable and NJ non-taxable amounts requires that TP know their total contributions. (In most cases, TP can contact NJ Division of Pensions and Benefits for this at (609) 292-7524)
- **Tax Law:**
 - Federal – Federal taxable amount (Box 2a) included on 1040 Line 4c / 4d
 - NJ – NJ taxable amount (calculated) included on Line 20a and non-taxable portion (calculated) included on NJ 1040 Line 20b; can use 3-year rule
- **TSO:**
 - Federal – Enter 1099-R as usual (use Box 2a amount if given or, if 2a is blank, calculate using Bogart Annuity Calculator and Box 9b amount)
 - NJ –
 - See NJ Three Year Rule page if first year of retirement or ever used Three Year Rule; otherwise,
 - ◆ If TP not sure, safest assumption is that they DID use Three Year Rule
 - If did not use NJ Three Year Rule, then
 - ◆ If TP owes no NJ tax or TP cannot get total contributions, then
 - Let federal taxable amount flow to NJ Line 20a
 - Record non-taxable portion on NJ Checklist (Adjustments to Line 20b)
 - ◆ If TP owes NJ tax and TP has (or can get) total contributions amount, calculate NJ taxable and non-taxable amounts:
 - Use Bogart Annuity Calculator (link on Preparer page) to calculate NJ non-taxable portion (use total contributions instead of Box 9b amount)
 - Record (Box 2a amount minus calculated NJ taxable portion) as a negative amount on NJ Checklist (Adjustments to Line 20a)
 - Record calculated NJ non-taxable portion as a positive amount on NJ Checklist (Adjustments to Line 20b)

❖ **IRAs (1099-R, Code 7, IRA Box checked) and 403b, 457b, and Thrift Savings Plans (1099-R, Code 7, IRA Box unchecked)**

- **Note:** Calculating NJ non-taxable amount requires a record of all taxed contributions (first year) or amount of remaining taxed contributions (2nd and following years). Very few people have this information; if information not known, then treat whole distribution as taxable for NJ
- **Tax Law:**
 - Federal – whole amount included on 1040 Line 4c / 4d
 - NJ – taxable amount included on NJ 1040 Line 20a and non-taxable portion included on Line 20b
- **TSO:**
 - Federal – Enter 1099-R as usual
 - NJ – Record non-taxable portion on NJ Checklist (two places: Negative amount on Adjustments to Line 20a and positive amount on Adjustments to Line 20b)
 - Use NJ IRA (403b/457b/TSP) Worksheet (Link on Preparer page)

TSO NJ Special Handling TY2019

❖ Unemployment (1099-G, Box 1)

- **Tax Law:**
 - Federal – taxed (for any state which issues 1099-G)
 - NJ – not taxed (for any issuing state)
- **TSO:** 1099-G screen – No special NJ action required since TSO seems to handle automatically

❖ Alimony

- **Tax Law**
 - Federal
 - Divorces executed prior to 1/1/2019 – alimony received must be included in income; alimony paid can be claimed as an adjustment to income
 - Divorces executed beginning in 2019 (or modified and specifically states this) – alimony received is no longer included in income; alimony paid can no longer be claimed as an adjustment to income
 - NJ – For all divorces, alimony received is included in income; alimony paid can be claimed as an adjustment

❖ Social Security / RRB Tier 1

- **Tax Law:**
 - Federal – Up to 85% may be taxable
 - NJ – Not taxed
- **TSO:** TSO seems to handle this automatically

❖ Gambling Winnings / Losses

- **Tax Law:**
 - Federal: Winnings included on Schedule 1 Line 8; Losses included on Sch A
 - NJ: Net Winnings included on NJ 1040 Line 24
 - NJ Lottery (W-2G from NJ Lottery Board) winnings only taxed if over \$10,000 in one instance (entire amount is taxed); / Not taxed if \$10,000 or under in one instance
- **TSO:**
 - Enter Winnings on W-2G Screen – will flow to Schedule 1 Line 8
 - Enter Losses on W-2G screen also – will flow to Sch A Line 16
 - No information is carried to NJ return from Federal entries
 - Record Winnings and Losses on NJ Checklist (NJ Line 24) and calculate net

❖ Cancellation of Debt – Credit Card (1099-C from Credit Card)

- **Tax Law:**
 - Federal – taxed
 - NJ – not taxed
- **TSO:** Seems to handle this automatically

TSO NJ Special Handling TY2019

❖ Medical Expense Deduction

➤ Tax Law:

- Federal:
 - Amount over 7.5% of AGI allowed on Sch A
 - Can deduct expenses for TP, SP, and dependents. You can also include medical expenses you paid for an individual that would have been your dependent except that: (1) He or she received gross income of \$4,200 or more in 2019; (2) He or she filed a joint return for 2019; or (3) You, or your spouse if filing jointly, could be claimed as a dependent on someone else's 2019 return.
- NJ:
 - Amount over 2% of Gross Income allowed on Line 31 Medical Expenses
 - ◆ Self-employed health insurance premiums not subject to 2% threshold
 - Expenses not deductible for non-dependents

➤ TSO: Seems to handle this automatically for expenses allowed on Sch A

- Some types of expenses are not taxed federally (pre-tax), but are taxed in NJ (after-tax). These are not allowed on Sch A, but should be included on NJ Checklist – see following bullets for details
- Expenses for non-dependents should be subtracted out for NJ – Enter (as negative) on NJ Checklist (Pre-Tax (Federal) / Post-Tax (NJ) Medical)

❖ Federal pre-tax / NJ after-tax medical insurance premiums (e.g. Section 125 / cafeteria plan on W-2)

➤ Tax Law:

- Federal – not taxed (not included in Box 1 wages)
- NJ – taxed (included in Box 16 wages), but can be deducted as medical expenses on NJ 1040 Line 31
 - May need to look at 12/31 pay stub to confirm amount is medical / dental (not child care, health club, or other)

➤ TSO:

- Federal – Do NOT include as medical expenses on Federal Sch A
- NJ – Record on NJ Checklist (Pre-Tax (Federal) / Post Tax (NJ) Medical)

❖ Flexible Spending Account (FSA) Contributions (no tax form)

➤ Tax Law:

- Federal – not taxed (not included in Box 1 wages)
- NJ – taxed (included in Box 16 wages)

➤ TSO:

- Federal – Do NOT enter as medical expenses on Federal Sch A
- NJ – Nothing to do for NJ

❖ Flexible Spending Account (FSA) Distributions (no tax form)

➤ Tax Law:

- Federal – not allowed as medical deduction
- NJ – deductible as medical expenses on NJ 1040 Line 31

➤ TSO:

- Federal – Do NOT enter as medical expenses on Federal Sch A
- NJ – Record on NJ Checklist (Pre-Tax (Federal) / Post Tax (NJ) Medical)

TSO NJ Special Handling TY2019

❖ Health Savings Account (HSA) Contributions (Form 5498-SA)

➤ Tax Law:

- Federal – not taxed
 - Employer contributions (including contributions through a Section 125 cafeteria plan) not included in Box 1 wages; amount reported in W-2 Box 12 with Code W
 - HSA contributions other than employer contributions can be claimed as an adjustment to income on Schedule 1
- NJ – taxed

➤ TSO:

- Federal – Do NOT enter on Federal Sch A – use Form 8889 – HSA Contributions
- NJ – Nothing to do for NJ

❖ Health Savings Account (HSA) Distributions (Form 1099-SA)

➤ Tax Law:

- Federal – not allowed as deduction
- NJ – deductible as medical expenses on NJ 1040 Line 31

➤ TSO:

- Federal – Do NOT enter on Federal Sch A – use Form 8889 – HSA Distributions
- NJ –
 - If qualified, record on NJ Checklist (Pre-Tax (Federal) / Post Tax (NJ) Medical)
 - If not qualified, record on NJ Checklist (Adjustments to Line 26 – Other Income)

❖ Public Safety Officer (PSO) Health Insurance

➤ Tax Law:

- Federal – Eligible retired PSOs can exclude from 1099-R income up to \$3,000 of health insurance premiums paid directly from retirement plan to insurer
- NJ – Cannot be excluded from income; deductible as medical expenses on NJ 1040 Line 31

➤ TSO:

- Federal – Under Box 2a on 1099-R screen, click on “Click here for options” to calculate taxable amount. Choose “Public Safety Officers Distribution” and enter insurance premium amount
- NJ
 - Record on NJ Checklist (Adjustments to 20a) to add back into income
 - Record on NJ Checklist (Pre-Tax (Federal) / Post Tax (NJ) Medical) to add to medical expenses

TSO NJ Special Handling TY2019

❖ Property Taxes paid

➤ Tax Law:

- Federal – deduction allowed for multiple properties (Principal Residency not relevant)
- NJ – deduction/credit only allowed for Principal Residence (in NJ)
 - 18% of rent for Principal Residence treated as equivalent to property tax
- **Problem: Taxpayers may bring various kinds of documentation for their property taxes paid:**
 - See page “Property Tax on Federal Return” and “Property Tax on NJ Return”

➤ TSO:

- Federal – Enter sum of Property Taxes paid for all owned properties on Itemized Deductions \ Taxes You Paid screen
 - We no longer adjust this amount if there are property tax recoveries – See next major bullet “Property Tax Reimbursement (PTR) and/or Homestead Benefit”
- NJ – Record on NJ Checklist (Property Tax) – ONLY amount for principal residence (actual property tax and/or 18% of rent); also record Block/Lot/Qualifier and Owner/Unit percentages

❖ Property Tax Reimbursement (PTR) and/or Homestead Benefit

➤ Tax Law:

- Federal – Must be included on Schedule 1 Line 8 as Other Income if amount is a Recovery (i.e. TP claimed Itemized Deductions in relevant year)
- NJ – do not include at all

➤ TSO:

- **Problem: Figuring whether a recovery needs to be accounted for and where to enter it, if so, is tricky:**
 - See page “Property Tax Recoveries”

❖ NJ Income Tax Payments (other than withholding)

➤ Tax Law:

- Federal – Payments apply to Federal tax year in which payments made (cash basis)
- NJ – Payments claimed in tax year in which tax was imposed

➤ TSO:

- Enter on Itemized Deductions \ Taxes You Paid screen \ Additional State and Local Income Tax:
 - Amount(s) owed and paid from any Prior Year NJ return
 - NJ Prior Year 4th Quarter Estimate(s) paid after 12/31
- Enter on Payments & Estimates \ State Estimated Payments screen:
 - Amount applied from previous year’s NJ 1040 Refund
 - All NJ Current Year Estimated payments

TSO NJ Special Handling TY2019

❖ K-1

➤ Tax Law:

- Federal – In scope entries are allocated to the appropriate lines on the 1040
- NJ – entries are also allocated, but TP will probably not receive a corresponding NJ K-1

➤ TSO:

- Federal - Enter in scope entries on the TSO K-1 form.
 - **Known Bug (02-02-2018): Interest Income (e.g. Box 5 on K-1 1065) does not flow to the NJ return – enter it on the regular TSO Interest income screen instead.**
- NJ - When TP does not receive a NJ K-1, record date your interest in the partnership began on TSO NJ K-1 screen

❖ Use Tax

➤ Tax Law

- Federal – n/a
- NJ – Must pay use tax on taxable items purchased for use in NJ if bought online, by phone, mail order, or out of state and:
 - ◆ sales tax was not paid
 - ◆ sales tax was paid at a rate less than NJ's 6.625% rate

- Calculate sales tax due at NJ's rate and subtract sales tax actually paid; record on NJ Checklist (Use Tax)

❖ Wounded Warrior Caregiver Credit

➤ Tax Law:

- Federal – n/a
- NJ – Refundable – Requires Caregiver Approval Letter

➤ TSO:

- Use Form NJ-WWC to calculate amount. Record on NJ Checklist (Tax)

TSO NJ Special Handling TY2019

Property Taxes on Federal Return

- Claim property taxes on Federal Schedule A Line 5b if itemizing deductions
- Claim amounts paid in current tax year. Do not claim billed amounts if not paid yet. Do not claim amounts placed in escrow account by lender if not paid to taxing authority yet. If paid this year, can claim taxes billed in a prior year
- Claim **net property taxes** - amount billed after Veterans or Senior Citizens (SC) deduction(s) are applied, but prior to any Homestead Benefit credits received for a prior year
- Can claim property taxes paid on multiple properties

WHERE TO OBTAIN PROPERTY TAX AMOUNT TO CLAIM ON FEDERAL SCHEDULE A

DOCUMENT	AMOUNT TO USE	NOTES
Postcard from Tax Assessor	Net Taxes Billed	This is amount after Veterans and SC deductions have been applied, but prior to Homestead Benefit (HB) credits. Use amount as shown
Property Tax Bill	Net Tax	Use Net Tax amount as shown. Do not use Total Tax line since that is amount before Veterans and SC deductions are subtracted
Mortgage Statement 1098	Real Estate Taxes paid by mortgage co. + HB credits*	Mortgage company only pays amount of taxes due after HB credits received for a prior year are subtracted. So, must add HB amounts to amount on 1098
Cancelled checks from taxpayer	Total check amounts + HB credits*	Homeowner only pays amount of taxes due after HB credits received for a prior year are subtracted. So, must add HB amounts to total of cancelled checks.

*Amount of HB credits can be determined using the Online Inquiry for Homestead Rebate link on TaxPrep4Free.org Preparer page. Need primary Social Security # and zip code to look up amount

TSO NJ Special Handling TY2019

Property Taxes on NJ Return

- Claim either **PROPERTY TAX DEDUCTION** (maximum \$15K) or **PROPERTY TAX CREDIT** (\$50; \$25 MFS but maintain same principal residence), whichever is better
- Can only claim property taxes for principal residence
- Homeowners can claim **gross property** taxes - amount billed before Veterans and SC deductions are applied, and prior to any HB credits received for a prior year
- Tenant and mobile home owner can claim 18% of total rent or site fees paid as property taxes
- Taxpayer can claim both property taxes and rent during the same year, but not for the same period of time. Only one residence at a time can be considered taxpayer's principal residence

Eligibility Requirements for Deduction or Credit

Domiciled and maintained a principal residence as homeowner or tenant in NJ during current tax year

Principal residence was subject to property taxes paid as actual property taxes or through rent

- Not tax exempt properties, campus housing, or residences on which P.I.L.O.T. payments made

If rented, principal residence had its own separate kitchen and bathroom

If principal residence was a unit in a multiunit property, property had no more than 4 units and no more than 1 of them was commercial

NJ Gross Income (NJ 1040 Line 29) was more than filing threshold for taxpayer's filing status

- Exception - if income was under filing threshold, but taxpayer was 65 or older or blind or disabled on 12/31, taxpayer can get a \$50 property tax credit

TYPE OF TAXPAYER	PROPERTY TAX AMOUNT TO USE	WHERE TO OBTAIN PROPERTY TAX AMOUNT
Homeowner - PTR Recipient	Gross Property Taxes on principal residence for Base Year	PTR-2 Application (Blue book) Line 10
Homeowner - Non PTR Recipient	Gross Property Taxes on principal residence for Current Tax Year	Use amount from Federal chart above + Total amount of Veterans (\$250) and SC deductions (\$250) received*
Tenant/Mobile Home Owner	18% of total rent or site fees paid during tax year	Taxpayer

*Obtain info from: (1) Taxpayer (2) Tax Assessor's office (3) Link on TaxPrep4Free.org Preparer page "Tool from Monmouth – Assessment Records Search" under NJ section

Notes:

Use Worksheet G in NJ-1040 Instructions to calculate property tax amount to claim if:

- * Taxpayer had more than one principal residence during the tax year
- * Taxpayer shared ownership of home with non-spouse or shared rent with non-spouse
- * Principal residence was a unit in a multiunit property that taxpayer owned
- * Taxpayer was both a homeowner and a tenant in current tax year

TSO NJ Special Handling TY2019

Property Tax Recoveries

Process for handling property tax rebates received in current tax year for property taxes paid in a previous year (Includes Property Tax Reimbursement (PTR) and Homestead Benefit (HB))

STEP	QUESTION	ANSWER	REQUIRED ACTION
1	Did taxpayer itemize in previous year that rebate covers? <ul style="list-style-type: none"> • 1 year previous – PTR • 3 years previous – HB 	Taxpayer itemized	Rebate is a recovery. Must be claimed as income in current tax year
		Taxpayer did not itemize	Rebate is not a recovery. Ignore in current tax year
2	Is there a recovery for a PTR or a HB?	Recovery for a PTR	If info from previous year is available, complete NJ Tax Refund Worksheet to determine taxable amount of PTR recovery
		Recovery for a HB	NJ Tax Refund Worksheet does not work for info from 3 years ago, so entire HB recovery amount is taxable
3	Is taxable recovery for PTR and/or HB > 0?	Yes	Enter taxable recovery amounts as Other Income on Schedule 1 Line 8 Since recoveries are not taxable on NJ return, enter taxable recovery amounts on NJ Checklist as negative amounts to subtract from NJ Other Income on NJ 1040 Line 26
		No	No entries needed

TSO NJ Special Handling TY2019

NJ Three Year Rule

Tax Law: (see NJ-1040 Instructions or NJ GIT-1 for more detail)

“If you will recover your contributions within three years from the date you receive the first payment from the plan, and both you **and** your employer contributed to the plan, you may use the Three-Year Rule Method to determine your New Jersey taxable pension income. The Three-Year Rule allows you to exclude your pension and annuity payments from gross income until the payments you receive equal your contributions to the plan. Until that time, the amounts you receive, because they are considered your contributions, are not taxable and should not be reported on your return. Once you have received (recovered) an amount equal to the amount you contributed, the payments you receive are fully taxable. Since the Three-Year Rule has been repealed for Federal income tax purposes, if you retired after July 1, 1986, the taxable amount of pension or annuity that you report on your New Jersey return when using this method will differ from the amount you report on your Federal return.”

Example:

Initial situation:

Pension = 1,000/month, Federal Exclusion = 10/month; Total Contributions = 21,000

Year 1 (Partial year)

- 1099-R Box 1=5,000, Box 2a=4,950
- NJ Checklist (Adjustments to Line 20a) = -4,950
- NJ Checklist (Adjustments to Line 20b) = 5,000

Remaining unrecovered contributions after Year 1 = 16,000

Year 2

- 1099-R Box 1=12,000, Box 2a = 11,880
- NJ Checklist (Adjustments to Line 20a) = -11,880
- NJ Checklist (Adjustments to Line 20b) = 12,000

Remaining unrecovered contributions after Year 2 = 4,000

Year 3 (Last year with exclusion)

- 1099-R Box 1=12,000, Box 2a = 11,880
- NJ Checklist (Adjustments to Line 20a) = -3,880
- NJ Checklist (Adjustments to Line 20b) = 4,000

Remaining unrecovered contributions after Year 3 = 0

Year 4 and all following years

- 1099-R Box 1=12,000, Box 2a = 11,880
- NJ Checklist (Adjustments to Line 20a) = 120
- NJ Checklist (Adjustments to Line 20b) = 0

TSO NJ Special Handling TY2019

Change Log

10-01-2020 v1.2:

- Add Auto Table of Contents to replace to replace Manual ToC
- Adjust detail paging as result of above

02-10-2020 v1.1:

- Add how to handle not qualified HSA distributions for NJ

12-31-2019 v1.0:

- Remove DRAFT designation

12-27-2019 v0.9e:

- Change 10% back to 7.5% for Sch A medical

12-27-2019 v0.9d:

- Updated wording for TSO input for "US Savings bonds or other Federal Bond (1099-INT Box 3)" to account for newly in scope Box 12
- Updated wording for W-2G

12-13-2019 v0.9c:

- Updated wording around W-2 UI/WF/SWF (Thanks Bill)
- Updated wording for Unemployment

11-13-2019 v0.9b:

- Add section on Alimony
- Initial DRAFT release