



# 4012

## VITA/TCE Volunteer Resource Guide **2018 RETURNS**

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



Take your VITA/TCE training online at [www.irs.gov](http://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 4491X, 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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# FACT SHEET for SPEC Partners & Employees

Quality & Oversight Updates for 2019 Filing Season

October 2018



This fact sheet provides updates to prepare employees, partners, site coordinators and volunteers for Filing Season 2019. This document is to be shared with partners and coordinators.

**Background:** Stakeholder Partnerships, Education & Communication (SPEC) encourages consistent site operations and effective communication to improve quality of the Volunteer Income Tax Assistance and Tax Counseling for the Elderly (VITA/TCE) Programs. The following updates are effective for the 2019 Filing Season.

## **New for 2018:**

**New:** Publication 5299, Quality Review Refresher gives partners and volunteers additional details on the Quality Review Process.

**New:** Publication 5310, VITA/TCE Tax Return Quality Review Job Aid was designed to be used in conjunction with Publication 5299 and will provide SPEC employees and volunteers an outline of how to quality review a tax return.

**Why:** *To provide the additional requested guidance on the Quality Review Process.*

## **Key Changes and Updates:**

### **Form 13614-C, Intake/Interview and Quality Review Sheet**

**Update** - SPEC developed Form 15080, Consent to Disclose Tax Return Information to VITA/TCE Tax Preparation Sites to address the **Global Carry Forward (GCF)** of taxpayer data. The printed English/Spanish versions of Form 13614-C, Intake/Interview and Quality Review Sheet will now include Form 15080. The electronic version of foreign language Form 13614-C also includes a corresponding translated version of Form 15080.

**Note:** Form 15080 is not needed if the taxpayer denies the Global Carry Forward of return data to all sites, enters his/her own PIN into the TaxSlayer tax preparation software, or if the site uses another tax preparation software.

**Why:** *To reduce the partner burden of printing the Global Carry Forward paper consent if the volunteer is entering the granted Global Consent PIN and date into TaxSlayer on the taxpayer's behalf.*

**Update:** The Quality Review Checklist on page 4 of Form 13614-C is updated and moved to the Publication 4012.

**Why:** *To improve efficiencies and make room for the Form 15080*

**Change:** Form 13614-C now includes two new questions to measure Limited English Proficiency (LEP).

**Why:** *To clearly measure the LEP population at VITA/TCE Sites.*

**Update:** The Form 13614-C, Intake/Interview and Quality Review Sheet will be printed on white paper with a blue "title bar" that runs across the top of the form. The electronic version of this form does not include the "title bar". The Form 13614-C SP is now printed on yellow paper.

**Why:** *To assist volunteers with quickly identifying the English versus the Spanish version of the printed forms.*

### Form 13615, Volunteer Standards of Conduct Agreement

**Change:** Form 13615, Volunteer Standards of Conduct Agreement, is updated to include completion of Site Coordinator Training in the list of certifications. The indicator for certification in Federal Tax Law Update Test for Circular 230 Professionals is now moved below the certification list.

**Why:** *To add the Site Coordinator Training to the certification list.*

**Change:** A check box identifying IRS employee volunteers is added to Form 13615. Partners will transfer the IRS employee volunteer's information to Form 13206, Volunteer Assistance Summary Report (or a partner created list containing the same information). Territories will compile a list of current IRS employee volunteers to share with Headquarters.

**Why:** *To promote volunteerism within the IRS and acknowledge the contributions IRS employees provide to the VITA/TCE Programs.*

**Update:** Volunteer Standard of Conduct (VSC) #2 has changed to read - *Do not accept payment, solicit donations, or accept refund payments for federal or state tax return preparation “from customers.”*

**Why:** *To clarify volunteers who receive compensation from their employer or a sponsoring organization for working at a VITA/TCE site is not considered receiving payment from the customer, and is not a violation to the Volunteer Standards of Conduct.*

### Virtual VITA/TCE Site Identification Number (SIDN)

**Change:** All returns prepared using the Virtual VITA/TCE process (including Contingency and Drop-Off returns) will now utilize the SIDN of the **Preparation Site**.

**Why:** *To ensure Virtual VITA sites adhere to Quality Site Requirement #8 - Correct Site Identification Number (SIDN).*

### Tax Law Scope Changes

**Change 1:** The Itemized Deductions topic was removed from the Basic certification and is now included in **Advanced certification**.

**Change 2:** Form 8615, Tax for Certain Children Who Have Unearned Income and the **Self-Employed Health Insurance Deduction**, are now in scope for the VITA/TCE Program with some limitations. Both topics are included in the current Publication 4491, VITA/TCE Training Guide.

**Why:** *To provide the ability to better serve VITA/TCE clients.*

# How to Use This Guide

This publication is designed as a guide to assist you in preparing an accurate paper or software-prepared 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 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. While there have been tax law changes this year, in many instances calculations take place “behind the scenes” and you will not see changes reflected in the entry screens. 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 preparers and standards in creating and/or modifying returns. Publication 4491X, VITA/TCE Training Supplement will be released in January, to notify volunteers of any tax law and software updates.

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# Scope of Service

Volunteers are trained to assist in the filing of Form 1040 and certain schedules and forms. To be covered under the Volunteer Protection Act, volunteers must stay within the scope of the VITA/TCE programs and prepare returns for which they achieved certification. This chart covers limitations of scope of service for each certification level. **This list is a guide, and is not all-inclusive.**

**The un-shaded boxes are within the certification level for the tax topic shown.** Within each line item, there may be specific elements that are Out of Scope for the VITA/TCE programs as indicated in the training material.

Form 1040 Line # or Schedule #	Tax Law Topic Description	Information Reporting Source Document	Included in Volunteer Tax Law Certification Level B=Basic; A=Advanced;		Included in Specialty Tax Law Certifications M=Military; H=Health Savings Accounts; I=International		
			B	A	M	H	I
<b>Filing Status</b>							
	Filing Status (All statuses)						
<b>Dependents</b>							
	Dependents						
<b>Additional Income and Adjustments to Income</b>							
<b>Line 1</b>	Wages, salaries, tips, etc.	W-2					
<b>Line 1</b>	Unreported tips	W-2					
<b>Line 1</b>	Military compensation	W-2					
<b>Line 1</b>	Foreign pay/income	Varies					
<b>Lines 2a-b</b>	Tax-exempt interest, Taxable interest	1099-INT					
<b>Lines 2a-b</b>	Tax-exempt interest, Taxable interest	Schedule K-1					
<b>Lines 3a-b</b>	Qualified dividends, Ordinary dividends	1099-DIV					
<b>Lines 3a-b</b>	Qualified dividends, Ordinary dividends	Schedule K-1					
<b>Line 3</b>	Non-Dividend Distribution	1099-DIV					
<b>Schedule 1</b>	Taxable state and local refunds	1099-G					
<b>Schedule 1</b>	Alimony received						
<b>Schedule 1</b>	Schedule C-EZ (up to \$5,000 expenses) or Schedule C (up to \$25,000 expenses)	1099-MISC, Box 7 & 1099-K					
<b>Schedule 1</b>	Capital gain or loss	1099-B					
<b>Line 4a-b</b>	IRA distributions, taxable amount determined	1099-R, RRB-1099-R					
<b>Line 4a-b</b>	IRA distributions, taxable amount not determined	1099-R, RRB-1099-R					
<b>Line 4a-b</b>	Pensions and annuities, taxable amount determined	1099-R, RRB-1099-R					
<b>Line 4a-b</b>	Pensions and annuities, taxable amount not determined	1099-R, RRB-1099-R 1099-R Codes W, J, T, 6, & U					

• Schedule 1, Additional Income and Adjustments to Income

Form 1040 Line # or Schedule #	Tax Law Topic Description	Information Reporting Source Document	Included in Volunteer Tax Law Certification Level B=Basic; A=Advanced;		Included in Specialty Tax Law Certifications M=Military; H=Health Savings Accounts; I=International		
			B	A	M	H	I
<b>Additional Income and Adjustments to Income</b>							
Schedule 1	Rental real estate income	1099-MISC					
Schedule 1	Royalty income (With limitations)	1099-MISC, Box 2 & Schedule K-1					
Schedule 1	Unemployment compensation	1099-G					
Lines 5a-b	Social security benefits	SSA-1099; RRB-1099-R					
Schedule 1	Other income (Certification level varies)	1099-MISC, Box 3					
Schedule 1	Cancellation of debt income principle residence (if extended)	1099-C, 1099-A					
Schedule 1	Cancellation of debt income (Credit card only)	1099-C					
Schedule 1	Foreign Earned Income Exclusion						
Schedule 1	Distributions from Sections 529 & 530 education programs only if it exceeds qualified expenses, it is Out of Scope.	1099-Q					
Schedule 1	Educator expenses	Taxpayer records					
Schedule 1	Certain business expenses of reservists/ National Guard personnel	Taxpayer records					
Schedule 1	Health savings account deduction	5498-SA, 1099-SA, W-2 Box 12, Code W					
Schedule 1	Military moving expenses	W-2 Box 12, Code P					
Schedule 1	Deductible part of self-employment tax						
Schedule 1	Self-employed health insurance deduction (Calculation with premium tax credit is Out of Scope)	Taxpayer records					
Schedule 1	Penalty of early withdrawal of savings	1099-INT					
Schedule 1	Alimony paid	Taxpayer records					
Schedule 1	IRA deduction	5498 or taxpayer records					
Schedule 1	Student loan interest deduction	1098-E					
Schedule 1	Tuition and fees deduction (If extended)	1098-T					
1040 Page 1	Check if blind/born before January 2, 1954 boxes						
1040 Page 1	If your spouse itemizes on a separate return						
Line 8	Standard deduction						
Schedule A	Itemized deduction	Taxpayer records					
Line 9	Qualified business income deduction	Taxpayer records					
<b>Tax</b>							
Schedule 2	Tax for certain children who have unearned income (Kiddie Tax) – Limited, see Note below	Taxpayer records					
Schedule 2	Excess Advance Premium Tax Credit (APTC) repayment	1095-A					
<b>Nonrefundable Credits</b>							
Schedule 3	Foreign tax credit (If Form 1116 not required)	1099-INT, 1099-DIV, brokerage statement					
Schedule 3	Foreign tax credit (If Form 1116 is required)	1099-INT, 1099-DIV, brokerage statement					
Schedule 3	Credit for child and dependent care expenses	W2, Provider statement					

**Note:** Tax for certain children who have unearned income is limited to taxable scholarship and fellowship grants not reported on Form W-2.

- Schedule 1, Additional Income and Adjustments to Income
- Schedule 2, Tax
- Schedule 3, Nonrefundable Credits

Form 1040 Line # or Schedule #	Tax Law Topic Description	Information Reporting Source Document	Included in Volunteer Tax Law Certification Level B=Basic; A=Advanced;		Included in Specialty Tax Law Certifications M=Military; H=Health Savings Accounts; I=International		
			B	A	M	H	I
<b>Schedule 3</b>	Education credits	1098-T					
<b>Schedule 3</b>	Retirement savings contributions credit	W-2 box 12, taxpayer records					
<b>Schedule 3</b>	Child tax credit and credit for other dependents						
<b>Schedule 3</b>	Nonbusiness energy property credit, Form 5695, Part II Only (if extended)	Taxpayer records					
<b>Schedule 3</b>	Credit for the elderly or the disabled						
<b>Other Taxes</b>							
<b>Schedule 4</b>	Self-employment tax						
<b>Schedule 4</b>	Social security and Medicare tax on tip income not reported to employer (Form 4137 only)	Taxpayer records					
<b>Schedule 4</b>	Additional tax on IRAs, other qualified retirement plans, etc. Part I only (If no exception applies)	1099-R					
<b>Schedule 4</b>	Additional tax on IRAs, other qualified retirement plans, etc. Part I only (If exception applies)	1099-R					
<b>Schedule 4</b>	Repayment of first-time homebuyer credit	Taxpayer records					
<b>1040 Page 1</b>	Full-year health care coverage or coverage exemptions						
<b>Schedule 4</b>	Health care: individual responsibility	1095-A, 1095-B, 1095-C					
<b>Other Payments and Refundable Credits</b>							
<b>Line 16</b>	Federal income tax withheld	W-2, 1099					
<b>Schedule 5</b>	2018 estimated tax payments and amount applied from 2017 return	1040-ES					
<b>Line 17a</b>	Earned income credit (EIC)						
<b>Line 17b</b>	Additional child tax credit						
<b>Line 17c</b>	American opportunity credit	1098-T					
<b>Schedule 5</b>	Net premium tax credit	1095-A					
<b>Schedule 5</b>	Amount paid with request for extension to file	4868					
<b>Schedule 5</b>	Excess Social Security and tier 1 tax withheld	SSA-1099; RRB-1099					
<b>Refund</b>							
<b>Line 19</b>	Amount overpaid						
<b>Lines 20a-d</b>	Bank account information						
<b>Line 21</b>	Amount you want applied to 2019 estimated tax						
<b>Amount You Owe</b>							
<b>Line 22</b>	Amount you owe						
<b>Line 23</b>	Estimated tax penalty (Out of Scope, see Note below.)						
<b>Foreign Address and Third-Party Designee</b>							
<b>Schedule 6</b>	Foreign address or Third-party designee						
<b>Signature</b>							
<b>1040 Page 1</b>	Identity Protection PIN	CP01A Notice					

**Note:** If it appears taxpayers may owe an estimated tax penalty, let them know the IRS will calculate the penalty and send a bill. Leave the estimated tax penalty line blank on Form 1040. Completion of Form 2210 is Out of Scope.

- Schedule 3, Nonrefundable Credits
- Schedule 4, Other Taxes
- Schedule 5, Other Payments and Refundable Credits
- Schedule 6, Foreign Address and Third-Party Designee

# 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.



# **Legislative Extenders**





This provision was expired at the time this publication became available. This content is being provided in the event that it is extended for the current tax year. Publication 4491X will be released in January to notify volunteers if they should consult this information and will contain any legislative changes to this provision.

# 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

<b>STEP 1</b>	Did the taxpayer receive Form 1099-A, Acquisition or Abandonment of Secured Property, from their home mortgage lender?	<b>YES</b> – Go to Step 2 <b>NO</b> – Advise the taxpayer to get the documentation from the home mortgage lender.
<b>STEP 2</b>	Did the taxpayer ever use the home in a trade or business or as rental property?	<b>YES</b> – Go to Step 6 <b>NO</b> – Go to Step 3
<b>STEP 3</b>	Is box 5 of Form 1099-A checked indicating a recourse loan in which the taxpayer is personally liable?	<b>YES</b> – 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. <b>NO</b> – The sales price is the amount in box 2 (Balance of principal outstanding) on Form 1099-A. The taxpayer is not personally liable (non-recourse loan).
<b>STEP 4</b>	Ask the taxpayer for the cost or basis of the home. Refer to Publication 523, Selling your Home, for further information, if needed.	
<b>STEP 5</b>	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: <b>Gain</b> – 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. <b>Loss</b> – 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.	
<b>STEP 6</b>	These tax issues are outside the scope of the volunteer program. <b>Refer the taxpayer to:</b> <ul style="list-style-type: none"><li>• IRS website for the most up-to-date information.</li><li>• 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.</li><li>• A professional tax preparer.</li></ul>	<b>Additional Resources:</b> <ul style="list-style-type: none"><li>• Publication 523, Selling your Home</li><li>• Publication 525, Taxable and Nontaxable Income</li><li>• Publication 4681, Canceled Debts, Foreclosures, Repossessions, and Abandonments</li></ul>





# 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 cancelled but kept the home (loan modification or mortgage workout),

- Enter the amount of debt cancelled 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 cancelled 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
  - 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



This provision was expired at the time this publication became available. This content is being provided in the event that it is extended for the current tax year. Publication 4491X will be released in January to notify volunteers if they should consult this information and will contain any legislative changes to this provision.

## 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"><li>• you</li><li>• your spouse, or</li><li>• your dependent for whom you claim an exemption</li></ul>
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.





This provision was expired at the time this publication became available. This content is being provided in the event that it is extended for the current tax year. Publication 4491X will be released in January to notify volunteers if they should consult this information and will contain any legislative changes to this provision.

## 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. Beginning in 2016, exterior doors, exterior windows, and skylights will only be 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.



## **Tab A: Who Must File**



# 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 2018 you were...*	THEN file a return if your gross income was at least...**
Single	under 65	\$12,000
	65 or older	\$13,600
Married filing jointly***	under 65 (both spouses)	\$24,000
	65 or older (one spouse)	\$25,300
	65 or older (both spouses)	\$26,600
Married filing separately (see the Instructions for Form 1040)	any age	\$5
Head of household (see the Instructions for Form 1040)	under 65	\$18,000
	65 or older	\$19,600
Qualifying widow(er) (see the Instructions for Form 1040)	under 65	\$24,000
	65 or older	\$25,300

\* If you were born on January 1, 1954 you are considered to be age 65 at the end of 2018. (If your spouse died in 2018 or if you are preparing a return for someone who died in 2018, 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 2018 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 2018 (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.

# 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 <b>any</b> of the following apply. <ol style="list-style-type: none"> <li>1. Your unearned income was over \$2,650 (\$4,250 if 65 or older <b>and</b> blind).</li> <li>2. Your earned income was over \$13,600 (\$15,200 if 65 or older <b>and</b> blind).</li> <li>3. Your gross income was more than the <b>larger</b> of —               <ol style="list-style-type: none"> <li>a. \$2,650 (\$4,250 if 65 or older <b>and</b> blind) or</li> <li>b. Your earned income (up to \$11,650) plus \$1,950 (\$3,550 if 65 or older <b>and</b> blind).</li> </ol> </li> </ol>
Under 65 and not blind	You must file a return if <b>any</b> of the following apply. <ol style="list-style-type: none"> <li>1. Your unearned income was over \$1,050.</li> <li>2. Your earned income was over \$12,000.</li> <li>3. Your gross income was more than the <b>larger</b> of —               <ol style="list-style-type: none"> <li>a. \$1,050, or</li> <li>b. Your earned income (up to \$11,650) plus \$350.</li> </ol> </li> </ol>
Married Dependents	
Either age 65 or older or blind	You must file a return if <b>any</b> of the following apply. <ol style="list-style-type: none"> <li>1. Your unearned income was over \$2,350 (\$3,650 if 65 or older <b>and</b> blind).</li> <li>2. Your earned income was over \$13,300 (\$14,600 if 65 or older <b>and</b> blind).</li> <li>3. Your gross income was at least \$5 and your spouse files a separate return and itemizes deductions.</li> <li>4. Your gross income was more than the <b>larger</b> of —               <ol style="list-style-type: none"> <li>a. \$2,350 (\$3,650 if 65 or older <b>and</b> blind), or</li> <li>b. Your earned income (up to \$11,650) plus \$1,650 (\$2,950 if 65 or older <b>and</b> blind).</li> </ol> </li> </ol>
Under age 65 and not blind	You must file a return if <b>any</b> of the following apply. <ol style="list-style-type: none"> <li>1. Your unearned income was over \$1,050.</li> <li>2. Your earned income was over \$12,000.</li> <li>3. Your gross income was at least \$5 and your spouse files a separate return and itemizes deductions.</li> <li>4. Your gross income was more than the <b>larger</b> of —               <ol style="list-style-type: none"> <li>a. \$1,050, or</li> <li>b. Your earned income (up to \$11,650) plus \$350.</li> </ol> </li> </ol>

## 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 \$2,100 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.

# Chart C – Other Situations When You Must File

You must file a return if any of the conditions below apply for 2018.

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 4.
  - 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 have a net tax liability that you deferred by making an election under section 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.





## **Tab B: Starting a Return and Filing Status**



# Form 1040 Job Aid

Form **1040** Department of the Treasury—Internal Revenue Service (99) **2018** U.S. Individual Income Tax Return OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

Filing status:  Single  Married filing jointly  Married filing separately  Head of household  Qualifying widow(er)

Your first name and initial \_\_\_\_\_ Last name \_\_\_\_\_ Your social security number \_\_\_\_\_

Your standard deduction:  Someone can claim you as a dependent  You were born before January 2, 1954  You are blind

If joint return, spouse's first name and initial \_\_\_\_\_ Last name \_\_\_\_\_ Spouse's social security number \_\_\_\_\_

Spouse standard deduction:  Someone can claim your spouse as a dependent  Spouse was born before January 2, 1954  Full-year health care coverage or exempt (see inst.)

Spouse is blind  Spouse itemizes on a separate return or you were dual-status alien

Home address (number and street). If you have a P.O. box, see instructions. \_\_\_\_\_ Apt. no. \_\_\_\_\_ Presidential Election Campaign (see inst.)  You  Spouse

City, town or post office, state, and ZIP code. If you have a foreign address, attach Schedule 6. \_\_\_\_\_ If more than four dependents, see inst. and  here

Dependents (see instructions):		(2) Social security number	(3) Relationship to you	(4) <input checked="" type="checkbox"/> if qualifies for (see inst.):	
(1) First name	Last name			Child tax credit	Credit for other dependents
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>

**Sign Here**  
Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature \_\_\_\_\_ Date \_\_\_\_\_ Your occupation \_\_\_\_\_  
If the IRS sent you an Identity Protection PIN, enter it here (see inst.) \_\_\_\_\_

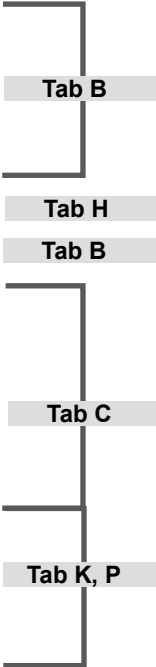
Spouse's signature. If a joint return, **both** must sign. \_\_\_\_\_ Date \_\_\_\_\_ Spouse's occupation \_\_\_\_\_  
If the IRS sent you an Identity Protection PIN, enter it here (see inst.) \_\_\_\_\_

**Paid Preparer Use Only**

Preparer's name \_\_\_\_\_ Preparer's signature \_\_\_\_\_ PTIN \_\_\_\_\_ Firm's EIN \_\_\_\_\_ Check if:  
 3rd Party Designee  
 Self-employed

Firm's name ▶ \_\_\_\_\_ Phone no. \_\_\_\_\_  
Firm's address ▶ \_\_\_\_\_

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11320B Form **1040** (2018)



Form 1040 (2018) Page **2**

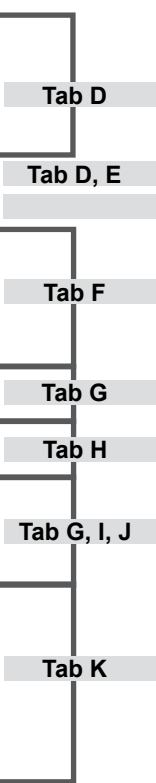
Attach Form(s) W-2. Also attach Form(s) W-2G and 1099-R if tax was withheld.

<b>1</b> Wages, salaries, tips, etc. Attach Form(s) W-2	<b>1</b>
<b>2a</b> Tax-exempt interest	<b>2a</b>
<b>3a</b> Qualified dividends	<b>3a</b>
<b>4a</b> IRAs, pensions, and annuities	<b>4a</b>
<b>5a</b> Social security benefits	<b>5a</b>
<b>6</b> Total income. Add lines 1 through 5. Add any amount from Schedule 1, line 22	<b>6</b>
<b>7</b> Adjusted gross income. If you have no adjustments to income, enter the amount from line 6; otherwise, subtract Schedule 1, line 36, from line 6	<b>7</b>
<b>8</b> Standard deduction or itemized deductions (from Schedule A)	<b>8</b>
<b>9</b> Qualified business income deduction (see instructions)	<b>9</b>
<b>10</b> Taxable income. Subtract lines 8 and 9 from line 7. If zero or less, enter -0-	<b>10</b>
<b>11</b> a Tax (see inst.) (check if any from: 1 <input type="checkbox"/> Form(s) 8814 2 <input type="checkbox"/> Form 4972 3 <input type="checkbox"/> )	<b>11</b>
<b>12</b> b Add any amount from Schedule 2 and check here ▶ <input type="checkbox"/>	<b>12</b>
<b>13</b> a Child tax credit/credit for other dependents b Add any amount from Schedule 3 and check here ▶ <input type="checkbox"/>	<b>13</b>
<b>14</b> Subtract line 12 from line 11. If zero or less, enter -0-	<b>14</b>
<b>15</b> Other taxes. Attach Schedule 4	<b>15</b>
<b>16</b> Total tax. Add lines 13 and 14	<b>16</b>
<b>17</b> Federal income tax withheld from Forms W-2 and 1099	<b>17</b>
Refundable credits: a EIC (see inst.) b Sch 8812 c Form 8863	<b>17</b>
<b>18</b> Add any amount from Schedule 5	<b>18</b>
<b>19</b> Add lines 16 and 17. These are your total payments	<b>19</b>
<b>20a</b> If line 18 is more than line 15, subtract line 15 from line 18. This is the amount you overpaid	<b>20a</b>
<b>21</b> Amount of line 19 you want refunded to you. If Form 8888 is attached, check here ▶ <input type="checkbox"/>	<b>21</b>
<b>22</b> a Routing number ▶ c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings	<b>22</b>
<b>23</b> d Account number	<b>23</b>
<b>24</b> Amount of line 19 you want applied to your 2019 estimated tax ▶ <b>21</b>	<b>24</b>
<b>25</b> Amount you owe. Subtract line 18 from line 15. For details on how to pay, see instructions ▶	<b>25</b>
<b>26</b> Estimated tax penalty (see instructions) ▶ <b>23</b>	<b>26</b>

**Standard Deduction for—**  
• Single or married filing separately, \$12,000  
• Married, filing jointly or Qualifying widow(er), \$24,000  
• Head of household, \$18,000  
• If you checked any box under Standard deduction, see instructions.

**Refund**  
Direct deposit? ▶ See instructions.

Go to [www.irs.gov/Form1040](http://www.irs.gov/Form1040) for instructions and the latest information. Form **1040** (2018)



# Form 1040 Schedules

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

<b>If You...</b>	<b>Then Use...</b>
Have additional income, such as capital gains, 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
Owe AMT or need to make an excess advance premium tax credit repayment.	Schedule 2, Tax
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.	Schedule 3, Nonrefundable Credits
Owe other taxes, such as self-employment tax, household employment taxes, additional tax on IRAs or other qualified retirement plans and tax-favored accounts.	Schedule 4, Other Taxes
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 5, Other Payments and Refundable Credits
Have a foreign address or a third-party designee.	Schedule 6, Foreign Address and Third-Party Designee

# Form 13614-C Job Aid for Volunteers

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 17, for definition of Legally Blind, Totally and Permanently Disabled and Full Time Student.	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 2018) Department of the Treasury - Internal Revenue Service  
**Intake/Interview & Quality Review Sheet** OMB Number 1545-1964

**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 1-3 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](mailto: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? <input type="checkbox"/> Yes <input type="checkbox"/> No
2. Your spouse's first name	M.I.	Last name	Daytime telephone number	Is your spouse a U.S. citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No
3. Mailing address			Apt #	City
4. Your Date of Birth	5. Your job title		6. Last year, were you:	
			b. Totally and permanently disabled	<input type="checkbox"/> Yes <input type="checkbox"/> No
7. Your spouse's Date of Birth	8. Your spouse's job title		9. Last year, was your spouse:	
			b. Totally and permanently disabled	<input type="checkbox"/> Yes <input type="checkbox"/> No
10. Can anyone claim you or your spouse as a dependent? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unsure				
11. Have you, your spouse, or dependents been a victim of tax related identity theft or been issued an Identity Protection PIN? <input type="checkbox"/> Yes <input type="checkbox"/> No				

**Part II – Marital Status and Household Information**

1. As of December 31, 2018, what was your marital status?

Never Married (This includes registered domestic partnerships, civil unions, or other formal relationships under state law)  
 Married a. If Yes, Did you get married in 2018?  Yes  No  
 b. Did you live with your spouse during any part of the last six months of 2018?  Yes  No  
 Divorced Date of final decree \_\_\_\_\_  
 Legally Separated Date of separate maintenance agreement \_\_\_\_\_  
 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 12/31/18 (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 \$4,150 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)					

Taxpayer must include <b>everyone</b> who lived with the taxpayer and <b>anyone</b> 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 2018 (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 determining Dependency Exemptions and Filing Status.

**Important Reminder:** The Intake/Interview process may be considered incomplete if:  
 - questions are left unanswered in Parts I thru VI  
 - Unsure answers are not addressed with the taxpayer and then annotated to "yes" or "no".  
 - applicable Certified Volunteer Preparer shaded areas are 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.

# Form 13614-C Job Aid for Volunteers Page 2

**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.

Check appropriate box for each question in each section

Yes	No	Unsure	Part III – Income – Last Year, Did You (or Your Spouse) Receive
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. (B) Wages or Salary? (Form W-2) If yes, how many jobs did you have last year? _____
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2. (A) Tip Income?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3. (B) Scholarships? (Forms W-2, 1098-T)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4. (B) Interest/Dividends from: checking/savings accounts, bonds, CDs, brokerage? (Forms 1099-INT, 1099-DIV)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5. (B) Refund of state/local income taxes? (Form 1099-G)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6. (B) Alimony income or separate maintenance payments?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. (A) Self-Employment income? (Form 1099-MISC, cash)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. (A) Cash/check payments for any work performed not reported on Forms W-2 or 1099?
<input type="checkbox"/>	<input type="checkbox"/>	<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"/>	<input type="checkbox"/>	<input type="checkbox"/>	10. (B) Disability income? (such as payments from insurance, or workers compensation) (Forms 1099-R, W-2)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11. (A) Retirement income or payments from Pensions, Annuities, and or IRA? (Form 1099-R)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12. (B) Unemployment Compensation? (Form 1099G)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13. (B) Social Security or Railroad Retirement Benefits? (Forms SSA-1099, RRB-1099)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14. (M) Income (or loss) from Rental Property?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15. (B) Other income? (gambling, lottery, prizes, awards, jury duty, Sch K-1, royalties, foreign income, etc.) Specify _____

Yes	No	Unsure	Part IV – Expenses – Last Year, Did You (or Your Spouse) Pay
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. (B) Alimony or separate maintenance payments? If yes, do you have the recipient's SSN? Yes <input type="checkbox"/> No <input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<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"/> Other
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3. (B) College or post secondary educational expenses for yourself, spouse or dependents? (Form 1098-T)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4. (A) Deductions: <input type="checkbox"/> Medical & Dental (including insurance premiums) <input type="checkbox"/> Mortgage Interest (Form 1098) <input type="checkbox"/> Taxes (State, Real Estate, Personal Property, Sales) <input type="checkbox"/> Charitable Contributions
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5. (B) Child or dependent care expenses such as daycare?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6. (B) For supplies used as an eligible educator such as a teacher, teacher's aide, counselor, etc.?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. (A) Expenses related to self-employment income or any other income you received?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. (B) Student loan interest? (Form 1098-E)

Yes	No	Unsure	Part V – Life Events – Last Year, Did You (or Your Spouse)
<input type="checkbox"/>	<input type="checkbox"/>	<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"/>	<input type="checkbox"/>	<input type="checkbox"/>	2. (A) Have credit card or mortgage debt cancelled/forgiven by a lender or have a home foreclosure? (Forms 1099-C, 1099-A)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3. (A) Adopt a child?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4. (B) Have Earned Income Credit, Child Tax Credit or American Opportunity Credit disallowed in a prior year? If yes, for which tax year?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5. (A) Purchase and install energy-efficient home items? (such as windows, furnace, insulation, etc.)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6. (B) Live in an area that was declared a Federal disaster area? If yes, where?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7. (A) Receive the First Time Homebuyers Credit in 2008?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8. (B) Make estimated tax payments or apply last year's refund to this year's tax? If so how much?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9. (A) File a federal return last year containing a "capital loss carryover" on Form 1040 Schedule D?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10. Receive a letter from the IRS?

Certification indicators (B, A, HSA, M) should only be used to assign returns to preparers.

Final certification level determinations should be made by using the Scope of Service Chart after completing the interview process.

Not all of these items are reported on F1040, Line 21. See Pub 17.

Verify eligibility for Saver's Credit.

Verify if taxpayer can itemize.

Student Loan Interest adjustment See Tab E.

The taxpayer may have a requirement to repay their credit.

Ask taxpayer for a copy of last year's return to locate necessary information.

See Tab D Form W-2 Instructions

If yes, verify tips were reported to employer. If not, complete Form 4137 (Advanced).

See Tab D for information on how to enter taxable scholarships.

Verify the return is within the scope of VITA/TCE Programs.

If yes, determine if taxable.

See Tab E for definition of alimony.

See Tab J and compare credits and adjustments.

Advise taxpayer of records requirements (Sch A) see Pub 17.

If yes, ask taxpayer for child care provider's TIN.

Check for tax benefits for declared disaster areas.

Determine if the letter may impact the return and refer them to any available resources if help is needed.

# Form 13614-C Job Aid for Volunteers Page 3

Check appropriate box for each question in each section

Yes	No	Unsure	Part VI - Health Care Coverage - Last year, did you, your spouse, or dependent(s)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. (B) Have health care coverage?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2. (B) Receive one or more of these forms? (Check the box) <input type="checkbox"/> Form 1095-B <input type="checkbox"/> Form 1095-C
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3. (A) Have coverage through the Marketplace (Exchange)? [Provide Form 1095-A]
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3a. (A) If yes, were advance credit payments made to help you pay your health care premiums?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3b. (A) If yes, Is everyone listed on your Form 1095-A being claimed on this tax return?
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4. (B) Have an exemption granted by the Marketplace?

To be Completed by a Certified Volunteer Preparer (Use Publication 4012 and check the appropriate box(es) indicating Minimum Essential Coverage (MEC) for everyone listed on the return.)

Name	MEC All Year	No MEC	Months with MEC	Months with Exemption	Exempt All Year	Notes
taxpayer			J F M A M J J A S O N D	J F M A M J J A S O N D		
spouse			J F M A M J J A S O N D	J F M A M J J A S O N D		
dependent			J F M A M J J A S O N D	J F M A M J J A S O N D		
dependent			J F M A M J J A S O N D	J F M A M J J A S O N D		
dependent			J F M A M J J A S O N D	J F M A M J J A S O N D		

Part VII – Additional Information and Questions Related to the Preparation of Your Return

You must use the flow chart in Tab H for all taxpayers.

Taxpayer must provide a copy of Form 1095-A if they received insurance through the marketplace.

Complete for taxpayers and dependents after answering questions in the Certified Volunteer Preparer Section (Page 1, Part II).

Receiving advanced payments creates an automatic filing requirement. See Pub 17.

# Starting a New Return

Welcome to SUPPORT

Message Center 0 Rejected Clients 0

---

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

---

**Client Search** Select  
Edit returns you previously started.

---

**Review Returns** Select  
Returns that are currently waiting to be reviewed

---

**Configuration** Select  
Setup the configuration options for your office.

---

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

---

**Transmissions** Select  
Transmit returns to IRS.

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

## 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 v

PULL ITEM?	SSN	FIRST	LAST	AGE
<input checked="" type="checkbox"/>	████████	child one	████████	1
<input checked="" type="checkbox"/>	████████	child two	████████	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 E

W-2 Items Close Details v

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

Form 1099R Items Close Details v

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 v

PULL ITEM?	OWNER	TYPE	PAYER
------------	-------	------	-------

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 v

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.



# Filing Status - Interview Tips

Probe/Action: Ask the taxpayer:

step <b>1</b>	Were you married on December 31 of the tax year? 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.	If <b>YES</b> , go to Step 2. If <b>NO</b> , go to Step 4.
step <b>2</b>	Do you and your spouse wish to file a joint return?	If <b>YES</b> , your filing status is <b>married filing jointly</b> . If <b>NO</b> , go to Step 3. <sup>2</sup>
step <b>3</b>	Do all the following apply? <ul style="list-style-type: none"> <li>You file a separate return from your spouse</li> <li>You paid more than half the cost of keeping up your home for the required period of time.<sup>1</sup></li> <li>Your spouse didn't live in your home during the last 6 months of the tax year<sup>3</sup></li> <li>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)</li> <li>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)</li> </ul>	If <b>YES</b> , STOP. You are considered unmarried and your filing status is <b>head of household</b> . If <b>NO</b> , STOP. Your filing status is <b>married filing separately</b> <sup>5</sup> .
step <b>4</b>	Did your spouse die in 2016 or 2017?	If <b>YES</b> , go to Step 5. If <b>NO</b> , go to Step 6.
step <b>5</b>	Do all the following apply? <ul style="list-style-type: none"> <li>You were entitled to file a joint return with your spouse for the year your spouse died</li> <li>You didn't remarry before the end of this tax year</li> <li>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.</li> <li>You paid more than half the cost of keeping up the home for the required period of time.<sup>1</sup></li> </ul>	If <b>YES</b> , STOP. Your filing status is <b>qualifying widow(er) with dependent child</b> . If <b>NO</b> , go to Step 6.
step <b>6</b>	Do both of the following apply? <ul style="list-style-type: none"> <li>You paid more than 1/2 the cost of keeping up your home for the required period of time.<sup>1</sup></li> <li>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.<sup>4</sup></li> </ul>	<b>YES</b> – Head of Household <b>NO</b> – Single

## Footnotes

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> 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).

<sup>5</sup> 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.

# Who Is a Qualifying Person Qualifying You To File as Head of Household?<sup>1</sup>

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) <sup>2</sup>	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. <sup>3</sup>
qualifying relative <sup>4</sup> who is your father or mother	you can claim him or her as a dependent <sup>5</sup>	a qualifying person. <sup>6</sup>
	you can't claim him or her as a dependent	not a qualifying person.
qualifying relative <sup>4</sup> 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 <sup>5</sup>	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

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

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> The term "qualifying relative" is covered in Tab C, Dependents.

<sup>5</sup> 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.

<sup>6</sup> 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.

# Cost of Keeping Up a Home

*Keep for Your Records*

---

	<b>Amount You Paid</b>	<b>Total Cost</b>
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 (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

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## 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.

# 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 1040NR or Form 1040NR-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.

- Check here if the Spouse lived with the Taxpayer at any time during the year
- Check here to claim the exemption for your spouse if he/she has NO Gross Income, is NOT filing a return, and CANNOT be claimed as a dependent on another person's return

**i** If your spouse itemizes deductions on their Married Filing Separate tax return, you must also itemize the deductions on your Married Filing Separate tax return. To do so, you must force the program to use the itemized deduction instead of the standard deduction. This can be done by visiting the Federal Section > Deductions > Itemized Deductions > Use Standard or Itemized Deduction. Select 'Must itemize because spouse itemized.'

Refer to line 40 of the 1040 form to determine if the standard or itemized deduction was used.

**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	JinZhang	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 \*  MM  DD  YYYY

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 Q, Taxslayer Admin, Glossary 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.

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.

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

**Spouse Information**

Spouse First Name \*  MI

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

Social Security Number \*  -  -

Date of Birth \*  MM  DD  YYYY

Occupation

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.

# Entering Basic Information (continued)

Address and Phone Number

I have a stateside military address. Check the Military or foreign address boxes if they apply.

Check here if foreign address

Address (Number and Street) \*

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

City, Town, or Post Office \*

  
  
State \*  

Resident State as of 12/31/2017 \*  
 See Note below for residency status.

Daytime Telephone Number \*  
(  )  -  Always ask for at least one telephone number so the site can contact the taxpayer if the return rejects or if additional information is needed.

Secondary Telephone Number  
(  )  -

**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

First Name \*  Middle

Last Name \*

Date of Birth \*

Social Security Number \*  
 -  -

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

Relationship \*

Number of months this person lived in your home during 2017

Note: If this dependent was born in 2017, you must select 12 months

**Please answer the following**

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 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.**

**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 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.**

**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.**

**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.

**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.**

**Note:** If the child has an ITIN but was a resident of the U.S., be sure to select the **Check if this dependent meets the substantial presence test** box in the Dependents Section or the credit for other dependents will not be included on the return.

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

EIC is considered for every return until 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.).

## **Tab C: Dependents**



# 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.<sup>1</sup>
- 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

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.	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.
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.	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 household <sup>2</sup> (and your relationship must not violate local law).
3. The child must have lived with you for more than half of the year. <sup>2</sup>	3. The person's gross income for the year must be less than \$4,150. <sup>3</sup> 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).
4. The child must not have provided more than half of his or her own support for the year. <sup>5</sup>	4. You must provide more than half of the person's total support for the year. <sup>4, 5</sup>
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).	
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.	

## Footnotes

<sup>1</sup> There is an exception for certain adopted children.

<sup>2</sup> 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.

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

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

<sup>5</sup> 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

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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 applies<sup>1</sup>.

- 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.**

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

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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.

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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.

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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

<sup>1</sup> 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.

# Table 1: All Dependents

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

Probe/Action: Ask the taxpayer:

step <b>1</b>	Can you or your spouse (if filing jointly) be claimed as a dependent on another taxpayer's tax return this year?	If <b>YES</b> : If you can be claimed as a dependent by another taxpayer, you may not claim anyone else as your dependent. If <b>NO</b> : Go to Step 2
step <b>2</b>	Was the person married as of December 31, 2018?	If <b>YES</b> : Go to Step 3 If <b>NO</b> : Go to Step 4
step <b>3</b>	Is the person filing a joint return for this tax year? <i>(Answer "NO" if the person is filing a joint return only to claim a refund of income tax withheld or estimated tax paid.)</i>	If <b>YES</b> : You can't claim this person as a dependent. If <b>NO</b> : Go to Step 4
step <b>4</b>	Was the person a U.S. citizen, U.S. resident alien, U.S. national, or a resident of Canada or Mexico? <i>(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.)</i>	If <b>YES</b> : Go to Step 5 If <b>NO</b> : You can't claim this person as a dependent.
step <b>5</b>	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)?	If <b>YES</b> : Go to Step 6 If <b>NO</b> : This person isn't your qualifying child. Go to Table 2: Qualifying Relative Dependents
step <b>6</b>	Was the person: -under age 19 at the end of the year and younger than you <i>(or your spouse, if filing jointly)</i> OR -under age 24 at the end of the year, a full-time student (see definition in the glossary) and younger than you <i>(or your spouse, if filing jointly)</i> OR -any age if permanently and totally disabled <sup>1</sup> at any time during the year?	If <b>YES</b> : Go to Step 7 If <b>NO</b> : This person isn't your qualifying child. Go to Table 2: Qualifying Relative Dependents
step <b>7</b>	Did the person live with you as a member of your household, except for temporary absences <sup>2</sup> , for more than half the year? <i>(Answer "YES" if the child was born or died during the year.)</i>	If <b>YES</b> : 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 <b>NO</b> : This person isn't your qualifying child. Go to Table 2: Qualifying Relative Dependents
step <b>8</b>	Did the person provide more than half of his or her own support <sup>3</sup> for the year?	If <b>YES</b> : You can't claim this person as a dependent If <b>NO</b> : Go to Step 9
step <b>9</b>	Is the person a qualifying child of any other taxpayer?	If <b>YES</b> : Go to the chart: Qualifying Child of More Than One Person If <b>NO</b> : You can claim this person as a dependent

## Footnotes

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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.

## 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 <b>1</b>	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 <b>YES</b> , the person isn't a qualifying relative. (See Table 1: All Dependents) If <b>NO</b> , go to Step 2.
step <b>2</b>	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? <sup>1</sup>	If <b>NO</b> , go to Step 3. If <b>YES</b> , go to Step 4.  <b>Note:</b> The relatives listed in Step 2 are considered "Relatives who don't have to live with you" <b>Note:</b> 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 <b>3</b>	Was the person any other person (other than your spouse) who lived with you all year as a member of your household? <sup>2</sup>	If <b>NO</b> , you can't claim this person as a dependent. If <b>YES</b> , go to Step 4. <b>Note:</b> There are exceptions for kidnapped children; a child who was born or died during the year; certain temporary absences— school, vacation, medical care, etc. <b>Divorced or separated spouse.</b> 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 <b>4</b>	Did the person have gross income of less than \$4,150 in 2018? <sup>3</sup>	If <b>NO</b> , you can't claim this person as a dependent. If <b>YES</b> , go to Step 5.

continued on next page

### Footnotes

<sup>1</sup> Any of these relationships that were established by marriage aren't ended by death or divorce.

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

<sup>3</sup> 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 <b>5</b>	Did you provide more than half the person's total support for the year? <sup>4</sup>	If <b>YES</b> , 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 <b>NO</b> , go to Step 6.
step <b>6</b>	Did another person provide more than half the person's total support?	If <b>YES</b> , you can't claim this person as a dependent. If <b>NO</b> , go to Step 7.
step <b>7</b>	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 <b>YES</b> , go to Step 8. If <b>NO</b> , you can't claim this person as a dependent.
step <b>8</b>	Did you provide more than 10% of the person's total support for the year?	If <b>YES</b> , go to Step 9. If <b>NO</b> , you can't claim this person as a dependent.
step <b>9</b>	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 <b>YES</b> , you can claim this person as a dependent. You must file Form 2120, Multiple Support Declaration, with your return. If <b>NO</b> , you can't claim this person as a dependent.

### Footnote

<sup>4</sup> 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 <b>1</b></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 <b>YES</b>, go to Step 2.            If <b>NO</b>, Table 3 doesn't apply.</p>
<p>step <b>2</b></p>	<p>Was the child in the custody of one or both parents for more than half the year?<sup>1</sup></p>	<p>If <b>YES</b>, go to Step 3.            If <b>NO</b>, Table 3 doesn't apply.</p>
<p>step <b>3</b></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 <b>YES</b>, the Table 3 exception applies.<sup>2</sup>            Return to the appropriate step in Table 1 or Table 2.            If <b>NO</b>, go to Step 4.</p>
<p>step <b>4</b></p>	<p>Are either of the following statements true?            The taxpayer has a Post-1984 and Pre-2009 decree<sup>3</sup> 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"> <li>1. The noncustodial parent can claim the child as a dependent without regard to any condition, such as payment of support.</li> <li>2. The other parent won't claim the child as a dependent for the year.</li> <li>3. The years for which the noncustodial parent can claim the child as a dependent.</li> </ol> <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 <b>YES</b>, the Table 3 exception applies.            Return to the appropriate step in Table 1 or Table 2.            If <b>NO</b>, Table 3 doesn't apply.</p>

## Footnotes

<sup>1</sup> 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).

<sup>2</sup> **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 an e-filed return, attach and submit the Form 8332 with Form 8453, U.S. Individual Income Tax Transmittal for an IRS e-file Return.

<sup>3</sup> **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.

# 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

**Tab D: Income**



# 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.** 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	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
Debts forgiven <sup>1</sup>	Recovery of prior year deduction <sup>2</sup> (medical, property taxes, etc.)
Director's fees	Refunds of State and local income tax (if reportable) <sup>2</sup>
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	Qualified Medicaid waiver payments
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 <sup>5</sup>
Federal Employees' Compensation Act payments	Rental allowance of clergyman
Federal income tax refunds	Reverse mortgages
Gifts	Sickness and injury payments
Inheritance <sup>3</sup> 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 <sup>4</sup>	Worker's compensation and similar payments

### Footnotes

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

<sup>2</sup>If itemized in year paid and taxes were reduced because of deduction

<sup>3</sup>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.

<sup>4</sup>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).

<sup>5</sup>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.

<b>Table 1—Included Items</b>					
These items are included in gross income, unless the pay is for service in a combat zone					
<b>Basic pay</b>	<ul style="list-style-type: none"> <li>Active duty</li> <li>Attendance at a designated service school</li> <li>Back wages</li> <li>CONUS COLA</li> <li>Drills (Inactive Duty Training)</li> <li>Reserve training</li> <li>Training Duty</li> </ul>	<b>Special pay (cont.)</b>	<ul style="list-style-type: none"> <li>Hostile fire or imminent danger</li> <li>Medical and dental officers</li> <li>Nuclear-qualified officers</li> <li>Optometry</li> <li>Other Health Professional Special Pay (for example, nurse, physician assistant, social work, etc.)</li> <li>Pharmacy</li> <li>Special compensation for assistance with activities of daily living (SCAADL)</li> <li>Special duty assignment pay</li> <li>Veterinarian</li> <li>Voluntary Separation Incentive</li> </ul>	<b>Incentive pay</b>	<ul style="list-style-type: none"> <li>Submarine</li> <li>Flight</li> <li>Hazardous duty</li> <li>High altitude/Low altitude (HALO)</li> </ul>
				<b>Other pay</b>	<ul style="list-style-type: none"> <li>Accrued leave</li> <li>High deployment per diem</li> <li>Personal money allowances paid to high ranking officers</li> <li>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</li> </ul>
<b>Special pay</b>	<ul style="list-style-type: none"> <li>Aviation career incentives</li> <li>Career sea</li> <li>Diving duty</li> <li>Foreign duty (outside the 48 contiguous states and the District of Columbia)</li> <li>Foreign language proficiency</li> <li>Hardship duty</li> </ul>	<b>Bonus pay</b>	<ul style="list-style-type: none"> <li>Career status</li> <li>Continuation pay</li> <li>Enlistment</li> <li>Officer</li> <li>Overseas extension</li> <li>Reenlistment</li> </ul>	<b>In-kind military benefits</b>	<ul style="list-style-type: none"> <li>Personal use of government-provided vehicle</li> </ul>

<b>Table 2—Excluded Items</b>					
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.					
<b>Combat zone and qualified hazardous duty area pay</b>	<ul style="list-style-type: none"> <li>Compensation for active service while in a combat zone <b>Note:</b> Limited amount for commissioned officers</li> <li>Leave earned or accrued while performing service in a combat zone</li> </ul>	<b>Family allowances</b>	<ul style="list-style-type: none"> <li>Certain educational expenses for dependents</li> <li>Emergencies</li> <li>Evacuation to a place of safety</li> <li>Separation</li> </ul>	<b>Travel allowances</b>	<ul style="list-style-type: none"> <li>Annual round trip for dependent students</li> <li>Leave between consecutive overseas tours</li> <li>Reassignment in a dependent restricted status</li> <li>Transportation for you or your dependents during ship overhaul or inactivation</li> <li>Per diem</li> </ul>
<b>Other pay</b>	<ul style="list-style-type: none"> <li>Defense counsel services</li> <li>Disability, including payments received for injuries incurred as a direct result of a terrorist or military action</li> <li>Group-term life insurance</li> <li>Professional education</li> <li>ROTC educational and subsistence allowances</li> <li>State bonus pay for service in a combat zone</li> <li>Survivor and retirement protection plan premiums</li> <li>Uniform allowances</li> <li>Uniforms furnished to enlisted personnel</li> </ul>	<b>Living allowances</b>	<ul style="list-style-type: none"> <li>BAH (Basic Allowance for Housing)</li> <li>BAS (Basic Allowance for Subsistence)</li> <li>Housing and cost-of-living allowances abroad paid by the U.S. Government or by a foreign government</li> <li>OHA (Overseas Housing Allowance)</li> </ul>	<b>In-kind military benefits</b>	<ul style="list-style-type: none"> <li>Dependent-care assistance program</li> <li>Legal assistance</li> <li>Medical/dental care</li> <li>Commissary/exchange discounts</li> <li>Space-available travel on government aircraft</li> </ul>
<b>Death allowances</b>	<ul style="list-style-type: none"> <li>Burial services</li> <li>Death gratuity payments to eligible survivors</li> <li>Travel of dependents to burial site</li> </ul>	<b>Moving allowances</b>	<ul style="list-style-type: none"> <li>Dislocation</li> <li>Military base realignment and closure benefit (the exclusion is limited as described above)</li> <li>Move-in housing</li> <li>Move household and personal items</li> <li>Moving trailers or mobile homes</li> <li>Storage</li> <li>Temporary lodging and temporary lodging expenses</li> </ul>		



# 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 2018 and itemized deductions for 2017 that included a deduction for state income tax, select the State and Local Refunds option and complete the State Refunds worksheet.**

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

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

**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.**

# Form W-2 Instructions



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

**W-2**

This is a standard W-2

This is a corrected W-2

This is a substitute W-2

Control Number is not needed for e-filing

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.

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.

**Employee**

Whose W-2 is this? \*

Screenshot Sample

Spouse Sample

Check here if foreign address

Address (Number and Street) \*

1234 Main St

ZIP Code \*

33714 - [ ]

City, Town, or Post Office \*

Saint Petersburg

State \*

Florida

**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 -

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.

A taxpayer with multiple Forms W-2 could possibly have a different address on several, if not all, 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	

13

Statutory Employee

Retirement Plan

Third Party Pay

Medicaid Waiver Payment in Box 1

\$

**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.

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

## Form W-2 Reference Guide for Common Box 12 Codes

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

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

# 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, Form 1099-OID (including interest income < 1,500)
- Tax Exempt Interest Income, Form 1099-INT, Box 8 or Form 1099-DIV, Box 10
- Dividend Income, Form 1099-DIV
- Seller Financed Interest Income

---

If tax-exempt interest is present on the Form 1099-INT, enter separately using the tax-exempt link.

# Interest Income (continued)

Type of transaction	
<b>Interest Income</b>	
Enter the name of payer. Don't use punctuation.	Payer's Name * <input type="text"/>
Enter each Form 1099-INT separately.	Taxpayer, Spouse, or Joint? Taxpayer ▾
Enter the taxable interest paid in box 1. This doesn't include interest shown in box 3.	Interest Income (Box 1) \$ <input type="text"/>
The early withdrawal penalty is carried as an adjustment to Form 1040.	Early Withdrawal Penalty (Box 2) \$ <input type="text"/>
Enter any taxable amount from box 3 on the Interest on U.S. Savings Bonds and Treasury obligations line.	Interest on U.S. Savings Bonds and Treasury obligations (Box 3) (Note: Enter Taxable amount only) \$ <input type="text"/>
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.	Federal Tax Withheld (Box 4) \$ <input type="text"/>
	Foreign Tax Paid (Box 6) \$ <input type="text"/>
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.	Amount of Interest on U.S. Savings Bonds and Treasury Obligations that you want subtracted from your state return \$ <input type="text"/>
Accrued interest – Interest paid to seller at time of purchase – Out of Scope.	Nominee Interest \$ <input type="text"/>
	Form 1099-OID Adjustment \$ <input type="text"/>
	Accrued Interest \$ <input type="text"/>
	ABP Adjustment \$ <input type="text"/>
	Accrued Market Discount \$ <input type="text"/>

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.

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

OID adjustment – Don't use this for interest reported on Form 1099-OID. This is only used when the OID instrument was bought or sold during the year. In that case, the return is Out of Scope. OID interest is treated the same as regular interest.

**Note:** Private activity bond interest (PAB) is entered in Other Taxes>Alternative Minimum Tax>Interest from specified private activity bonds exempt from the regular tax.

**Note:** If Form 1099-INT shows state tax withheld, go to the Payments and Estimates section and enter them there as Other State Withholdings.

# Tax-Exempt Interest



**TaxSlayer Navigation:** Federal Section>Income>Interest and Dividends>Interest or Dividend Income>Tax Exempt Interest Income; or Keyword "INT"

Enter the payer's name. Select whether the interest income belongs to the taxpayer, the spouse or if it is joint income.

Enter the amount of tax exempt interest from Box 8 of Form 1099-INT. Tax exempt interest may also appear in box 10 of Form 1099-DIV.

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.

**Schedule B Tax-Exempt Interest/Dividend**

Type of transaction  
Tax Exempt Interest Income, Form 1099-INT, Box 8 or Form 1099-DIV, Box 10

Payer's Name \*  
|

Taxpayer, Spouse, or Joint?  
Taxpayer ▾

Interest Income \*  
\$

Taxable State Interest (You may need to re-enter within certain Part Year and Nonresident state returns)  
ADD INTEREST ITEMS

CANCEL

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

**Taxable State Interest Item**

State \*  
- Please Select - ▾

Owner  
Taxpayer ▾

Amount  
\$

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



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

**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 Tax-Exempt Interest/Dividend

Type of transaction

**Seller Financed Interest Income**

Payer's Name \*

Taxpayer, Spouse, or Joint?

Payer's Social Security Number \*

 -  - 

Payer's Address \*

Address (Number and Street) \*

ZIP Code \*

 - 

City, Town, or Post Office \*

State \*

Interest Income \*



# Dividend Income (Form 1099-DIV)



**TaxSlayer Navigation:** Federal Section>Income>Interest and Dividends>Dividend Income; or Keyword “D”

**Note:** Private activity bond interest (PAB) is entered in Other Taxes>Alternative Minimum Tax>Interest from specified private activity bonds exempt from the regular tax.

## Dividend Income (Form 1099-DIV)

Type of transaction  
**Dividend Income**

Payer's Name \*

Taxpayer, Spouse, or Joint?  
 ▾

Ordinary Dividends (Box 1a)

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

Capital Gain to Schedule D (Box 2a)

Unrecaptured Section 1250 Gain (Box 2b)

Section 1202 Gain (Box 2c)

Collectibles (28%) Gain (Box 2d)

Nondividend Distributions (Box 3)

Federal Income Tax Withheld (Box 4)

Foreign Tax Paid (Box 6)

Nominee Dividend

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

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

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

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.

Non-dividend 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.

An entry in Foreign tax paid (box 6) will flow as a foreign tax credit to Form 1040.

**CAUTION** 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.

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”



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.



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.

### 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  
\$

**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 2017.

If the taxpayer itemized in the prior year, enter sales tax deduction that could have been claimed in 2018 (for tax year 2017). See Publication 600, State and Local General Sales Tax, for details.

# Schedule C Self-Employment Income



TaxSlayer Navigation: Federal Section>Income

If any of the self-employment income is reported on Form 1099-MISC, Miscellaneous Income, select Form 1099-Misc. 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	BEGIN
Unemployment Compensation Form 1099-G Box 1	BEGIN
Form 1099-Misc	BEGIN
Profit or Loss From A Business Schedule C	BEGIN
Payment Card and Third Party Network Transactions Form 1099-K	BEGIN

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; Keyword "MIS"

## Form 1099-MISC

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.

## 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 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







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.

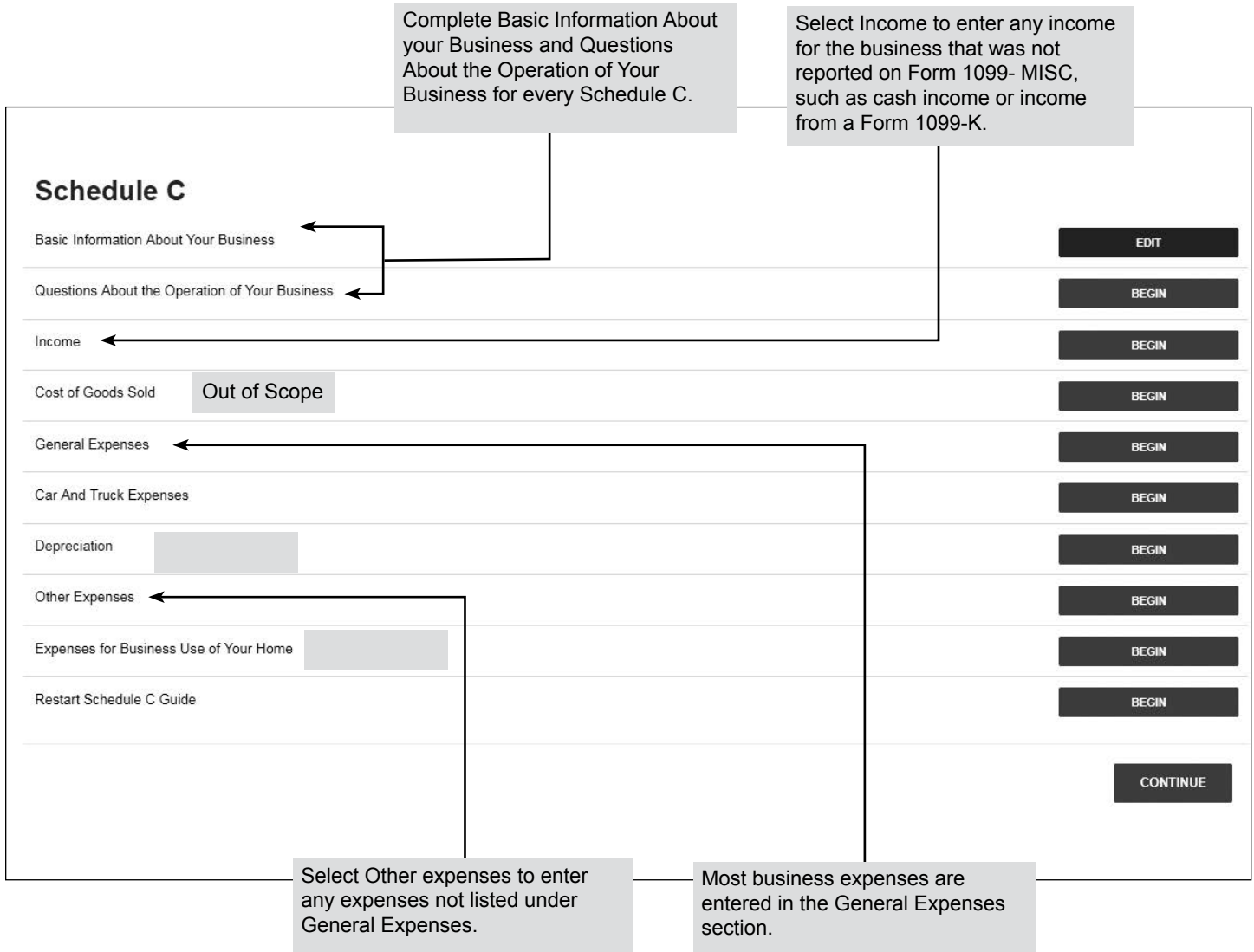
# Schedule C - Menu



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



**CAUTION** Businesses with inventory, employees, contract labor, depreciation, business use of the home, expenses over \$25,000 or a net loss are Out of Scope.



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



**CAUTION** 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

### 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.

**i** 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 2016 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.

# Schedule C - General Expenses



**TaxSlayer Navigation:** Federal Section>Income>Profit or Loss from a Business>General Expenses; Keyword "SC"

**Note:** The following expenses are Out of Scope:

Contract Labor, Depletion, Employee benefit program, Health Insurance, Mortgage interest, Pension and profit sharing, and Wages.

### Schedule C - Expenses

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

**Note:** See Tab E, Adjustments for information about the self-employed health insurance deduction.

Cancel Continue

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.

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

**Note:** Rentals or leases of equipment 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;  
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 \***

MM  DD  YYYY

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.

<b>Business miles *</b>	<b>Commuting</b>	<b>Other</b>
<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>	<input style="width: 100%;" type="text"/>

- 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.

**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.



**CAUTION** 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 54.5 cents per mile for tax year 2018. 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 non-tax portion of registration, but not parking, tolls, or business part of registration tax. Taxpayer should have a written record (log or appointment book).

# Schedule D Capital Gains and Losses



TaxSlayer Navigation: Income>Capital Gain and Losses>Capital Gain and Loss Items; 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.

## Other Capital Gains Data

Adjust Section 1250 Amounts

Adjust 28% Gain

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

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

If the taxpayer has a Short Term or Long Term capital loss carryover from the prior year, enter on the appropriate lines.

# 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 \*

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 ▾

Form 1099-B box 1c

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

# 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. If inherited from a 2010 death see Adjustments to Basis Chart in this tab.

If an adjustment to basis or net capital gain is required, enter the adjustment amount and mark the reason(s) from the list. For most transactions, no adjustment to gain or loss is needed. 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 drop down 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. Submit the document using either of the following two methods:
  - Hardcopy: Make a photocopy and attach it to Form 8453, U.S. Individual Income Tax Transmittal for an IRS e-file Return, to be mailed to the IRS Service Center in Austin, Texas.
  - Electronic: Scan the pages and save as a PDF. Attach the PDF to the electronic return prior to creating the e-file.



### 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 a capital gain and 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...	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	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

# Capital Gains or Losses Sale of Main Home

Report the sale or exchange of your main home as a Capital Gain or Loss if:

- You can't exclude all of your gain from income, or
- You received a Form 1099-S for the sale or exchange.

Generally, if you meet the following two tests, you can exclude up to \$250,000 of gain. If both you and your spouse meet these tests and you file a joint return, you 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 you sold or exchanged your home, you owned it for 2 years or more (the ownership requirement) and lived in it as your 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. You haven'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 your home.

If you have a gain that can't be excluded, it is taxable.

**Death of spouse.** If you sell your home within 2 years after your spouse dies, and you have not remarried as of the sale date, you can count any time when your spouse owned the home as time you owned it, and any time when the home was your spouse's residence as time when it was your residence.

## 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

\$

Depreciation taken after 05/06/1997

\$

If you are 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).



# 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 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.

**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 wasn't 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 <b>Note</b> 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 <b>Note</b> 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	

 Nondeductible Loss other than a Wash Sale

↑  
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



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. 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.

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? ←

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

Recipient \*

- Taxpayer Example
- Spouse Example

Payer Information

Payer's ID \*

 - 

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

Payer Name \*

Check here if foreign address

Address (Number and Street) \*

City, Town, or Post Office \*

1099-R Information

1 Gross Distribution \*

2a Taxable Amount

**i** 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 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.

# 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.

<div style="border: 1px solid black; padding: 5px;"> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <p><b>State *</b></p> <div style="border: 1px solid black; padding: 2px; width: 100%;">- Please Select -</div> <p><b>Zip Code *</b></p> <div style="display: flex; border-bottom: 1px solid black;"> <div style="width: 15%;"></div> <div style="width: 10%; text-align: center;">-</div> <div style="width: 75%;"></div> </div> <p><b>Recipient Information</b></p> <p><input type="checkbox"/> Check here if foreign address</p> <p><b>Address (Number and Street) *</b></p> <div style="border: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <p><b>City, Town, or Post Office *</b></p> <div style="border: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <p><b>State *</b></p> <div style="border: 1px solid black; padding: 2px; width: 100%;">- Please Select -</div> <p><b>Zip Code *</b></p> <div style="display: flex; border-bottom: 1px solid black;"> <div style="width: 15%;"></div> <div style="width: 10%; text-align: center;">-</div> <div style="width: 75%;"></div> </div> </div>	<div style="border: 1px solid black; padding: 5px;"> <p><b>5 Employee contributions or insurance premiums</b></p> <p>\$ <input style="width: 80%;" type="text"/></p> <p><b>6 Net unrealized appreciation in employer's securities</b></p> <p>\$ <input style="width: 80%;" type="text"/></p> <p><b>7 Distribution Code(s) *</b></p> <div style="border: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <p><input type="checkbox"/> IRA/SEP/Simple</p> <p><b>8 Other (Not collected)</b></p> <p><b>9a Your percentage of total distribution</b></p> <div style="display: flex; border-bottom: 1px solid black;"> <input style="width: 80%;" type="text"/> <span style="margin-left: 10px;">%</span> </div> <p><b>9b Total employee contributions</b></p> <p>\$ <input style="width: 80%;" type="text"/></p> <p><b>10 Amount allocable to IRR within 5 years</b> Not needed for e-filing</p> </div>
--	---

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.

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

**Note: Tax Law for Hurricane Victims**

Participants in a 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 the hurricane disaster area and who has sustained an economic loss by reason of Hurricane Harvey, Irma, or Maria. Public Law 155, H.R. 3823 Disaster Tax Relief and Airport and Airway Extension Act of 2017, which was passed September 29, 2017, allows for Hurricane Harvey, Irma, or Maria impacted individuals to obtain tax-favored withdrawals from retirement plans, by providing an exception to the 10 percent early retirement plan withdrawal penalty for qualified hurricane 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. These options require the completion of Forms 8915 and/or 8606 and are Out of Scope.

For more information about other tax relief related to Hurricane Harvey, Hurricane Irma, and other disasters, see the IRS disaster relief page or Publication 976, Disaster Relief.

# 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”

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

Calculate Taxable Amount

Simplified General Rule Worksheet

Public Safety Officers Distribution

Begin

Begin

Continue

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.

### Simplified General Rule Worksheet

**CANCEL** **CONTINUE**

Gross distribution amount (from 1099-R)  
\$0.00

Plan cost at annuity start date  
\$

Starting date of annuity \*  
MM DD YYYY

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 2017 \*

Amounts previously recovered  
\$

Public Safety Officer Exclusion  
\$

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 2018 tax year times the number of months prior to 2018. For annuitants who retired between July 2, 1986 and Dec. 31, 1986, enter zero.

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

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.

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 \***

\$

Check here to report on Form 1040, Line 7 (Distribution code must be a "3")

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.

\*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 non-taxable). 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.

**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

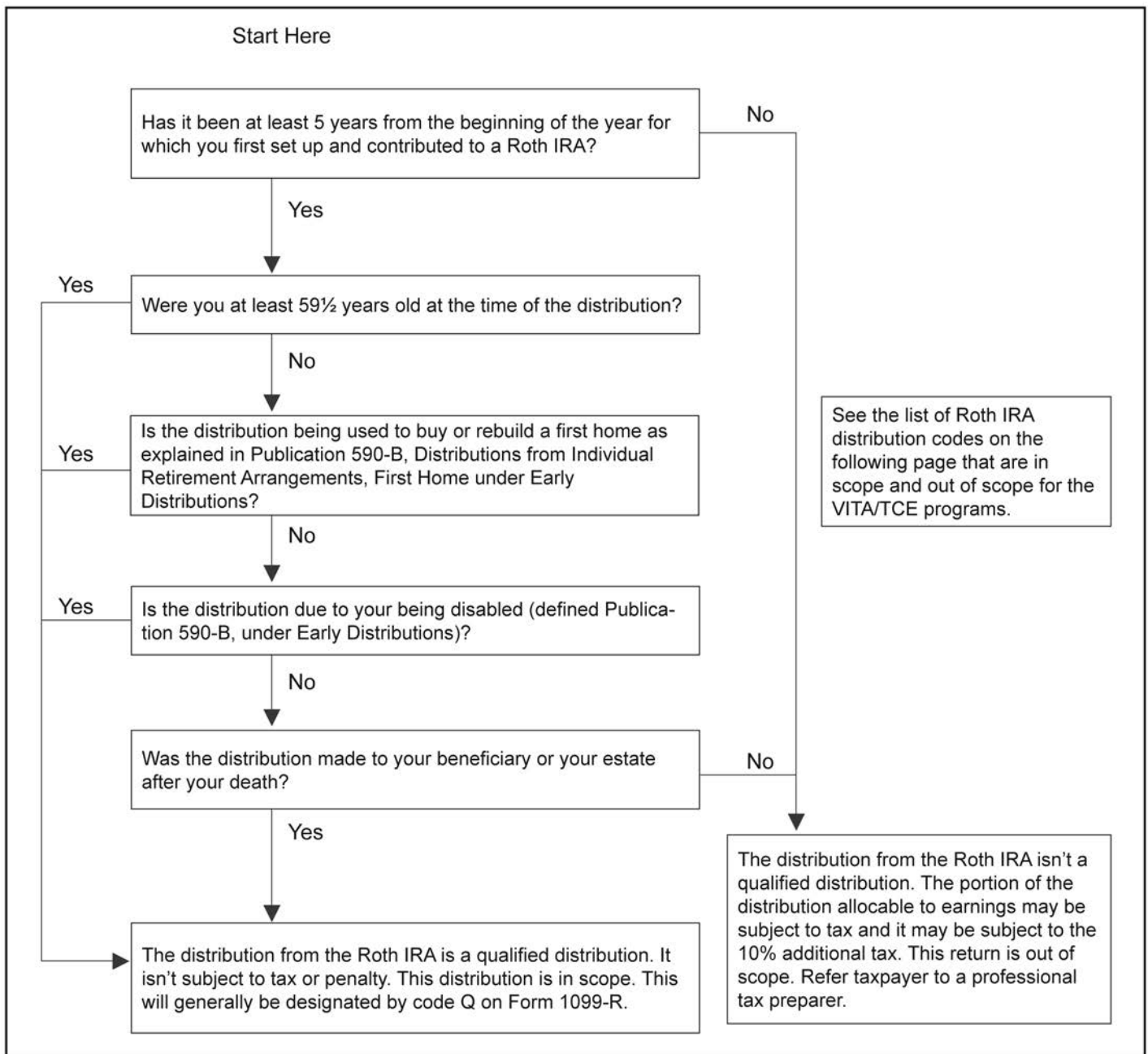
The basis of property distributed from a Roth IRA is its fair market value (FMV) on the date of distribution, whether or not the distribution is a qualified distribution.

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)

Is the Distribution From Your Roth IRA a Qualified Distribution?



# Form 1099-R Box 7 Distribution Codes

Box 7 Distribution Codes	Explanations
<b>1 — Early distribution, no known exception.</b>	<ul style="list-style-type: none"> <li>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, enter the amount rolled over in Line 1 of the Exclusion Worksheet below the 1099-R screen. 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.</li> <li>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.</li> </ul>
<b>2 — Early distribution, exception applies.</b>	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 <b>ISN'T</b> checked, no further action needed. If the IRA/SEP/SIMPLE box <b>IS</b> checked, additional reporting may be required on Form 8606, and the return is Out of Scope.
<b>3 — Disability.</b>	Code 3 is for a disability pension. <ul style="list-style-type: none"> <li>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.</li> <li>If the taxpayer has reached the minimum retirement age, no further action is needed.</li> </ul>
<b>4 — Death.</b>	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. If it's an inherited IRA and the original owner had a basis, the survivor takes over that basis.
<b>5 — Prohibited transaction.</b>	This code is Out of Scope.
<b>6 — Tax-free Section 1035 exchange.</b>	This code is Out of Scope.
<b>7 — Normal distribution.</b>	Code 7 is for normal distributions. It may occur in several different situations: <ul style="list-style-type: none"> <li>If the amounts in Box 1 and 2a are the same, and Box 2b isn't checked, the pension is fully taxable.</li> <li>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.</li> <li>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.</li> <li>If there is an amount in Box 2 that is different than Box 1, no further action is needed.</li> <li>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. Enter the Box 5 amount on line 5 of the Exclusion Worksheet. None of the distribution will be taxed.</li> <li>If any portion of this distribution was sent directly from the trustee to a charity, and the taxpayer is over 70 1/2 years old, enter the net taxable amount in box 2a (which may be zero). 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.</li> </ul>
<b>8 — Excess contributions</b>	This code is Out of Scope.
<b>9 — Cost of current life insurance</b>	This code is Out of Scope.

# Form 1099-R Box 7 Distribution Codes (continued)

Box 7 Distribution Codes	Explanations
<b>A — May be eligible for 10-year tax option.</b>	This code is Out of Scope.
<b>B — Designated Roth account distribution</b>	Code B is for a distribution from a designated Roth account. This code is in scope only if taxable amount has been determined.
<b>D — Annuity payments from nonqualified annuities</b>	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.
<b>E — Distributions under Employee Plans Compliance Resolution System (EPCRS).</b>	This code is Out of Scope.
<b>F — Charitable gift annuity.</b>	Code F is used for the annuity payments from a charitable gift annuity. The difference between the distribution in Box 1 and the capital gain shown in Box 3 will appear on the IRAs, pensions, and annuities line of the Form 1040. Schedule D must be completed to report the capital gain. Describe it as "From 1099-R". The gain should be the amount in Box 3, and the gain is long term.
<b>G — Direct rollover of distribution and direct payment.</b>	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.
<b>H — Direct rollover of a designated Roth account distribution to a Roth IRA.</b>	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.
<b>J — Early distribution from a Roth IRA.</b>	This code is Out of Scope.
<b>K — Distribution of Traditional IRA assets not having a readily available FMV</b>	This code is Out of Scope.
<b>L — Loans treated as deemed distributions</b>	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.
<b>N — Recharacterized IRA contribution.</b>	This code is Out of Scope.
<b>P — Excess contributions plus earnings/excess deferrals</b>	This code is Out of Scope.
<b>Q — Qualified distribution from a Roth IRA.</b>	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.
<b>R — Recharacterized IRA contribution.</b>	This code is Out of Scope.
<b>S — Early distribution from a SIMPLE IRA in the first 2 years, no known exception.</b>	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.
<b>T — Roth IRA distribution, exception applies.</b>	This code is Out of Scope.
<b>U — Dividends distributed from an ESOP</b>	This code is Out of Scope.
<b>W — Charges or payments for LTC contracts</b>	This code is Out of Scope.

# 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 non-taxable.

## 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 entered in box 2A on the Form 1099-R input screen.

# 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 this form just like the information reported on Form SSA-1099. This screenshot 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 Pub 575, Pensions and Annuity Income for additional information.

## RRB-1099-R

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

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

Taxable amount may have to be determined using Simplified Method.



# Form SSA-1099 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)

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

\$

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

\$

Taxpayer's Medicare Premiums

\$

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.

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)

\$

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

Spouse's Medicare Premiums

\$

Lump-Sum Payments

[Begin Worksheet](#)

[Cancel](#)

[Continue](#)

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.

# Form SSA-1099 Lump-Sum Distributions

## Social Security Lump-Sum Payment

Year the lump sum payment was made for

Filing Status in Earlier Year \*  
  
Single  
Married Filing Joint  
Married Filing Separate  
Head of Household  
Qualifying Widow(er) with Dependent Children  
Nonresident Alien

\$

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  
\$

Portion of this years SSA for Earlier year \*  
\$

Modified Adjusted Gross Income for Earlier Year \*  
\$

Taxable Benefits Reported in Earlier Year  
\$

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

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

Dropdown menu is available for prior year Filing Status.

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.

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

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

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



# Schedule K-1 Scope

OOS = Out of Scope

<b>Schedule K-1 (Form 1041)</b> Department of the Treasury Internal Revenue Service		661117 OMB No. 1545-0092																																	
<b>2017</b> For calendar year 2017, or tax year		<input type="checkbox"/> Final K-1 <input type="checkbox"/> Amended K-1																																	
beginning <input type="text"/> / <input type="text"/> / 2017    ending <input type="text"/> / <input type="text"/> /		<b>Part III Beneficiary's Share of Current Year Income, Deductions, Credits, and Other Items</b>																																	
<b>Beneficiary's Share of Income, Deductions, Credits, etc.</b> ▶ See back of form and instructions.		<table border="1"> <tr> <td><b>1</b> Interest income</td> <td><b>11</b> Final year deductions</td> </tr> <tr> <td><b>2a</b> Ordinary dividends</td> <td><b>B</b> Short term cap loss</td> </tr> <tr> <td><b>2b</b> Qualified dividends</td> <td><b>C</b> Long term cap</td> </tr> <tr> <td><b>3</b> Net short-term capital gain</td> <td><b>Other codes OOS</b></td> </tr> <tr> <td><b>4a</b> Net long-term capital gain</td> <td></td> </tr> <tr> <td><b>4b</b> 28% rate gain OOS</td> <td><b>12</b> Alternative minimum tax adjustment</td> </tr> <tr> <td><b>4c</b> Unrecaptured section 1250 gain OOS</td> <td><b>OOS</b></td> </tr> <tr> <td><b>5</b> Other portfolio and nonbusiness income OOS</td> <td></td> </tr> <tr> <td><b>6</b> Ordinary business income OOS</td> <td></td> </tr> <tr> <td><b>7</b> Net rental real estate income OOS</td> <td></td> </tr> <tr> <td><b>8</b> Other rental income OOS</td> <td><b>13</b> Credits and credit recapture OOS</td> </tr> <tr> <td><b>9</b> Directly apportioned deductions OOS</td> <td></td> </tr> <tr> <td></td> <td><b>14</b> Other information</td> </tr> <tr> <td></td> <td><b>A Tax-exempt interest</b> ←</td> </tr> <tr> <td></td> <td><b>B Foreign tax</b></td> </tr> <tr> <td></td> <td><b>Other codes OOS</b></td> </tr> </table>		<b>1</b> Interest income	<b>11</b> Final year deductions	<b>2a</b> Ordinary dividends	<b>B</b> Short term cap loss	<b>2b</b> Qualified dividends	<b>C</b> Long term cap	<b>3</b> Net short-term capital gain	<b>Other codes OOS</b>	<b>4a</b> Net long-term capital gain		<b>4b</b> 28% rate gain OOS	<b>12</b> Alternative minimum tax adjustment	<b>4c</b> Unrecaptured section 1250 gain OOS	<b>OOS</b>	<b>5</b> Other portfolio and nonbusiness income OOS		<b>6</b> Ordinary business income OOS		<b>7</b> Net rental real estate income OOS		<b>8</b> Other rental income OOS	<b>13</b> Credits and credit recapture OOS	<b>9</b> Directly apportioned deductions OOS			<b>14</b> Other information		<b>A Tax-exempt interest</b> ←		<b>B Foreign tax</b>		<b>Other codes OOS</b>
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	<b>B Foreign tax</b>																																		
	<b>Other codes OOS</b>																																		
<b>Part I Information About the Estate or Trust</b>		<b>Part II Information About the Beneficiary</b>																																	
<b>A</b> Estate's or trust's employer identification number		<b>F</b> Beneficiary's identifying number																																	
<b>B</b> Estate's or trust's name		<b>G</b> Beneficiary's name, address, city, state, and ZIP code																																	
<b>C</b> Fiduciary's name, address, city, state, and ZIP code		*See attached statement for additional information. <b>Note:</b> 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.																																	
<b>D</b> <input type="checkbox"/> Check if Form 1041-T was filed and enter the date it was filed _____		For IRS Use Only																																	
<b>E</b> <input type="checkbox"/> Check if this is the final Form 1041 for the estate or trust																																			
<b>H</b> <input type="checkbox"/> Domestic beneficiary <input type="checkbox"/> Foreign beneficiary																																			

Box 14 not in TaxSlayer K-1 screen.

- 1) Enter amounts for Code A in Income>Interest and Dividends> Tax-exempt Interest
- 2) Enter amounts for Code B in Deductions>Credits>Foreign Taxes Paid.
- 3) Enter in state as needed.

# Schedule K-1 Scope (continued)



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

**Schedule K-1 (Form 1120S) 2017**  
 Department of the Treasury Internal Revenue Service  
 For calendar year 2017, or tax year  
 beginning / / 2017 ending / /

671117  
 OMB No. 1545-0123

**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**

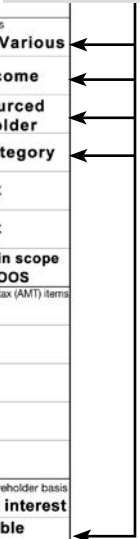
D Shareholder's identifying number

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

**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			
5b Qualified dividends		14 Foreign transactions	
6 Royalties		A Country or various	
7 Net short-term capital gain (loss)		B Foreign income	
8a Net long-term capital gain (loss)		C Income sourced by shareholder	
8b Collectibles (28%) gain (loss)	OOS	D Passive category	
8c Unrecaptured section 1250 gain (loss)	OOS	L Foreign tax	
9 Net section 1231 gain (loss)	OOS	M Foreign tax	
10 Other income (loss)	OOS	A, B, D, L, M in scope	
		Other codes OOS	
		15 Alternative minimum tax (AMT) items	
			OOS

No need to enter in TaxSlayer



**Schedule K-1 (Form 1065) 2017**  
 Department of the Treasury Internal Revenue Service  
 For calendar year 2017, or tax year  
 beginning / / 2017 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 publicly traded partnership

**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 What type of entity is this partner?

J 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	%	%

L Partner's share of liabilities at year end:

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

No need to enter in TaxSlayer

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

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

\*See attached statement for additional information.

For IRS Use Only

Box 14 not on TaxSlayer K-1 screen.

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

Box 16 not on TaxSlayer K-1 screen.

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

# Entering K-1 Information in TaxSlayer

## Schedule K-1

Schedule K-1 Form 1065 ←

Schedule K-1 Form 1120S ←

Schedule K-1 Form 1041 ←

Schedule E (Page 2) Questions

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

Begin

Begin

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 Continue

This situation would be Out of Scope.

# 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.

# Entering Rental Income in TaxSlayer



**TaxSlayer Navigation:** Income>Rents and Royalties; 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 \*  
 %

Rental payments received

Refunds, Returns and Allowances

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

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).

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.

## Schedule E Rentals and Royalties

Currently Editing: House

Rent and Royalty Basic Information	Select to edit the physical address, type of property, and to report the number of fair rental and personal use days.	<input type="button" value="Edit"/>
Depreciation	Select depreciation to complete Form 4562, Depreciation and Amortization. If Form 4562 is required, the tax return is Out of Scope.	<input type="button" value="Begin"/>
Expenses		<input type="button" value="Begin"/>
Car and Truck Expenses	Select to enter rental expenses.	<input type="button" value="Begin"/>
	Select to enter vehicle expenses.	<input type="button" value="Continue"/>

# Entering Rental Income in TaxSlayer (continued)

**Schedule E Rental/Royalty Expense**

**CANCEL**

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)  
\$

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

**CANCEL** **CONTINUE**



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.

# Other Income



**TaxSlayer Navigation:** Federal Section>Income>Other 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
- Alaska Permanent Fund Dividend
- Gambling winnings not reported on a Form W-2 (use the description "Gambling Winnings")
- Other income not entered elsewhere on the return

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

## 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 2018, the maximum exclusion is \$103,900. 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

## Form 2555 Qualifying Test

Taxpayer qualifies under \*

Physical Presence Test

Bona Fide Residence Test

### Physical Presence Test Based on 12-Month Period

From \*

MM ▼ DD ▼ YYYY ▼

Ending \*

MM ▼ DD ▼ YYYY ▼

Your Principal Country of Employment During 2017 \*

- Please Select - ▼

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 2018. The dates may begin or end in a calendar year other than 2018.

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 travelled, 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 \*

MM DD YYYY

**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**

**CANCEL**

---

**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 2018 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.

# Entering Foreign Earned Income Exclusion Information in TaxSlayer (continued)

## Form 2555 Housing/Foreign Income Exclusion

Number of days in your qualifying period that fall within your 2017 tax year \*



Check here if you are claiming the Housing Exclusion or Deduction

Enter the number of days in your qualifying period that fall within your 2018 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:** 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 non-qualifying 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 2018. "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.

# Entering Medicaid Waiver Payments

## **Scenario A:**

If income is reported on Form W-2 (and payer will not change), enter the Form W-2 as provided. Then, go to Schedule 1, line 21, Other income not reported elsewhere and enter Notice 2014-7 in the description field and the amount as a negative number. Then, go to Other Income, Other Compensation and enter the income as Medicaid Waiver wages. This will remove the income from EIC and other credit calculations as necessary.

## **Scenario B:**

If income is reported on a Form 1099-MISC, go to Schedule 1, line 21>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 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 1:** For the income to be excludable, the care must be in provider's home.

**Note 2:** If the income is not reported, do not do anything. It is excludable income. A taxpayer may not choose to include in gross income difficulty of care payments that are excludable from gross income under § 131 as provided in Notice 2014-7. You cannot exclude gross receipts that are not Notice 2014-7 Medicaid waiver payments.



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 <b>1</b>	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?  <b>Note:</b> 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.	<b>YES</b> – Go to Step 2 <b>NO</b> – Go to Step 6
step <b>2</b>	Was the credit card debt related to a business?	<b>YES</b> – Go to Step 6 <b>NO</b> – Go to Step 3
step <b>3</b>	Does box 6 of the Form 1099-C indicate Code A for bankruptcy?  <b>Note:</b> If box 6 is not marked with a Code A, but the taxpayer has subsequently filed bankruptcy, answer “yes.”	<b>YES</b> – Go to Step 6 <b>NO</b> – Go to Step 4
step <b>4</b>	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.	<b>YES</b> – Go to Step 6 <b>NO</b> – Go to Step 5
step <b>5</b>	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 <b>6</b>	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.  <b>Refer the taxpayer to:</b> <ul style="list-style-type: none"><li>• The IRS website for the most up-to-date information.</li><li>• 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.</li><li>• A professional tax preparer.</li><li>• Publication 4681, Canceled Debts, Foreclosures, Repossessions, and Abandonments (For Individuals)</li></ul>	

\* 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)		Liabilities	
Homes	\$	Mortgages	\$
Cars		Home equity loans	
Recreational vehicles, etc.		Vehicle loans	
Bank accounts		Personal signature loans	
IRAs, 401Ks, etc.		Credit card debts	
Jewelry		Past-due mortgage interest, real estate taxes, utilities, and child care costs	
Furniture		Student loans	
Clothes		Other liabilities	
Misc.			
Other assets			
<b>Total Assets:</b>	<b>\$</b>	<b>Total Liabilities:</b>	<b>\$</b>

**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; 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 volunteer program.

If the taxpayer has another 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 cancelled 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.

### Form 1099-C

Form belongs to \*

Testing Taxpayer  
 Spouse Taxpayer

Creditor's name \*

Creditor's federal identification number \*

 -   

Amount of debt cancelled \*

\$

CANCEL CONTINUE

### Reduction of Tax Attributes

CANCEL CONTINUE

---

#### Part I: General Information

Form belongs to

Testing Taxpayer  
 Spouse Taxpayer

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 \*

\$

## **Tab E: Adjustments**



# Adjustments to Income



Taxslayer Navigation: Federal Section >Deductions >Adjustments

Adjustments		
Medical Savings Account Form 8853		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		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	Form 8606 Nondeductible IRAs is Out of Scope	BEGIN
Student Loan Interest Deduction		BEGIN
Tuition and Fees Deduction		BEGIN
Domestic Production Form 8903	Form 8903 Domestic Production Activities Deduction is Out of Scope	BEGIN
Other Adjustments		BEGIN

Must be Certified for Military. Check the box near the top of the form to indicate an Armed Forces PCS move. Moving expenses for tax year 2018 apply to Military only.

Flows over from input of Form 1099- INT in Interest Income.

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 additional information.

Select other adjustments for jury duty pay turned over to employer

**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.

# Adjustments to Income (continued)

**Form 2106 Information**

**CANCEL** **CONTINUE**

**Personal Information**

**Form belongs to \***

- Taxpayer Test
- Spouse Test

Occupation \*

Required for input of auto expenses.  
Entry of auto expenses will be available once you "Continue"

- 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**

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 and entertainment

\$

Business expenses not included above or in vehicle expenses. **Do not** include meals and entertainment

\$

Amount paid by employer (not on W-2 Box 1)

\$

Check the box to indicate that the taxpayer is a member of the Reserve Component.



# 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 <b>neither</b> 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 non qualifying expenses?	Expenses for home schooling or non-athletic supplies for courses in health or physical education.
What other issues apply?	Taxpayer must reduce qualified expenses by <ul style="list-style-type: none"> <li>• Excludable U.S series EE and I savings bond interest from Form 8815</li> <li>• Nontaxable qualified tuition program earnings or distributions</li> <li>• Nontaxable distribution of earnings from a Coverdell education savings account</li> <li>• Any reimbursements received for expenses that weren't reported on the Form W-2</li> </ul>

**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.

# Self-Employed Health Insurance Deduction



TaxSlayer Navigation: Federal Section>Adjustments>Self-Employment Health Insurance

## 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

\$

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 \*

\$

Enter total amount of premiums paid here for health insurance



TaxSlayer Navigation: Federal Section>Adjustments>Self-Employment Health Insurance

Complete the remainder of this form if any of the following apply to you:

- You have more than 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

\$

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 an S corporation

**Note:** Calculations with Premium Tax Credit remain Out of Scope with respect to the self-employed health insurance deduction.



# 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

<b>STEP 1</b>	If eligible, were contributions made to an HSA?	<b>YES</b> – Complete Form 8889, Part, I, lines 1 and 2. Go to Step 2. <b>NO</b> – STOP
<b>STEP 2</b>	Was the taxpayer enrolled in the same HDHP coverage for the <b>entire</b> year?  (Answer Yes, if last-month rule applies, and see Form 8889 Instructions) <b>Caution:</b> 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).	<b>YES</b> – Complete Form 8889, Part I, lines 3-13. <b>FOR YES AND NO: Lines 4 and 10 are Out of Scope.</b> <b>NO</b> – Refer to Form 8889 Instructions for additional information on completing line 3.

### PART II – HSA Distributions

<b>STEP 1</b>	Did the taxpayer receive distributions from the HSA trustee (whether or not Form 1099-SA received)?	<b>YES</b> – Complete Form 8889 Part II, Line 14a, 14b, if applicable, and 14c. Go to Step 2. <b>NO</b> – STOP, do not complete Part II.
<b>STEP 2</b>	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 <b>and</b> were for qualified persons?	<b>YES</b> – Enter the amount on line 15 and complete line 16. Go to Step 3. <b>NO</b> – Enter zero on line 15 and complete line 16. Go to Step 3.
<b>STEP 3</b>	If any part of the distribution is taxable, was the distribution made after the taxpayer died, became disabled or turned 65?	<b>YES</b> – Check box on line 17a and complete 17b. <b>NO</b> – 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 box 5 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

CANCEL

---

Form belongs to:

Taxpayer ← Add a second Form 8889 if taxpayer and spouse have separate HSAs.

Spouse

Coverage under high deductible health plan \*

-- Please Select -- v ← Select the appropriate HDHP coverage for the taxpayer: Self-only or family. This determines the maximum HSA contribution limits.

#### 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).

\$ ← 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.

Number of months during this tax year that you were an eligible individual

- Please Select - v ← 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.

Amount you and your employer contributed to your Archer MSAs for 2018 from Form 8853, lines 3 and 4. If you and your spouse had family coverage under an HDHP at any time during the tax year, also include any amount contributed to your spouse's Archer MSA.

\$

Amount to Adjust Employer Contributions made to your HSA(s) for 2018

We will automatically pull your employer contributions from your W-2. DO NOT enter amounts from your W-2.

\$

Qualified HSA Funding Distributions from IRA or ROTH IRA

\$

# 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.

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.



If the excess isn't withdrawn by the due date of the return 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.

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 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.

Age 55 or older, look up "catch up" contribution limits in Form 8889 instructions.

**Note:** For 2018, the annual contribution limits on deductions for HSAs for individuals with self-only coverage is \$3,450 (increase of \$50) and \$6,900 for family coverage (increase of \$150). There is an additional contribution amount of \$1,000 for taxpayers who are age 55 or older.

# Alimony Requirements (Instruments Executed After 1984)

<p><b>Payments ARE defined as alimony if <u>all</u> of the following are true:</b></p> <p>Payments are required by a divorce or separation instrument.</p> <p>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.</p> <p>Spouses legally separated under a decree of divorce or separate maintenance aren't members of the same household.</p> <p>Payments aren't required after death of the recipient spouse.</p> <p>Payment isn't treated as child support.</p>	<p><b>Payments AREN'T alimony if <u>any</u> of the following are true:</b></p> <p>Payments aren't required by a divorce or separation instrument.</p> <p>Payer and recipient spouse file a joint return with each other.</p> <p>Payment is:</p> <ul style="list-style-type: none"> <li>• Not in cash,</li> <li>• A noncash property settlement,</li> <li>• Spouse's part of community income, or</li> <li>• To keep up the payer's property.</li> </ul> <p>Payment is designated in the instrument as not alimony.</p> <p>Spouses legally separated under a decree of divorce or separate maintenance are members of the same household.</p> <p>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.

# IRA Deduction



**TaxSlayer Navigation:** Federal Section >Deductions >Adjustments>IRA deductions

## IRA Deduction

### Enter amount of IRA Contribution made by Taxpayer

**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:** Taxpayer's age must be 70½ or younger to contribute to a traditional IRA. Contributions 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, alimony and separate maintenance, and nontaxable combat pay.



**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"><li>• must have been taken out solely to pay education expenses, and</li><li>• can't be from a related person or made under a qualified employer plan.</li></ul>
Student qualifications	The student must be: <ul style="list-style-type: none"><li>• 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.</li><li>• enrolled at least half-time in a program leading to a degree, certificate or other recognized educational credential.</li></ul>
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.

## **Tab F: Deductions**





# Standard Deduction

This chart provides the standard deduction amounts for tax year 2018.

Standard Deduction Chart for Most People*	
If the taxpayer's filing status is...	Your standard deduction is ...
Single or married filing separate return	\$12,000
Married filing joint return or qualifying widow(er) with dependent child	\$24,000
Head of household	\$18,000

\*Don't use this chart if the taxpayer was born before January 2, 1954, 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
- 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, 1954, or Who are Blind

### Standard Deduction Chart for People Who Were Born Before January 2, 1954, or Were Blind

Don't use this chart if someone can claim you, or your spouse if filing jointly, as a dependent. Instead, use the worksheet above.

- You were born before January 2, 1954  
 You are blind  
 Spouse was born before January 2, 1954  
 Spouse is blind

**DRAFT AS OF 9/26/2018**

Enter the total number of boxes checked .....

IF your filing status is . . .	AND the number in the box above is . . .	THEN your standard deduction is . . .
Single	1	\$13,600
	2	15,200
Married filing jointly	1	\$25,300
	2	26,600
	3	27,900
	4	29,200
Qualifying widow(er)	1	\$25,300
	2	26,600
Married filing separately	1	\$13,300
	2	14,600
	3	15,900
	4	17,200
Head of household	1	\$19,600
	2	21,200

### Standard Deduction Worksheet for Dependents

Use this worksheet only if someone else can claim you (or your spouse if filing jointly) as a dependent.

1. Check if:  You were born before January 2, 1954  
 You are blind  
 Spouse was born before January 2, 1954  
 Spouse is blind

Total number of boxes checked ..... 1. \_\_\_\_\_

2. Is your **earned income**\* more than \$700?  
 Yes. Add \$350 to your earned income. Enter the total ..... 2. \_\_\_\_\_  
 No. Enter \$1,050

3. Enter the amount shown below for your filing status.  
 • Single or married filing separately—\$12,000  
 • Married filing jointly—\$24,000  
 • Head of household—\$18,000

..... 3. \_\_\_\_\_

4. **Standard deduction.**

a. Enter the **smaller** of line 2 or line 3. If born after January 1, 1954, and not blind, **stop here** and enter this amount on Form 1040, line 8. Otherwise, go to line 4b ..... 4a. \_\_\_\_\_

b. If born before January 2, 1954, or blind, multiply the number on line 1 by \$1,300 (\$1,600 if single or head of household) ..... 4b. \_\_\_\_\_

c. Add lines 4a and 4b. Enter the total here and on Form 1040, line 8 ..... 4c. \_\_\_\_\_

\* **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 12 and 18, minus the amount, if any, on Schedule 1, line 27.

# 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	<p>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.</p> <p><b>Note:</b> Casualty and theft losses are beyond the scope of VITA/TCE.</p>	<p>If <b>YES</b>, go to Step 2. If <b>NO</b>, 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.</p>
step 2	<p>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?</p>	<p>If <b>YES</b>, you can't deduct reimbursed expenses. Go to Step 4. If <b>NO</b>, you can claim these expenses. Go to Step 3.</p>
step 3	<p>Were the medical and dental expenses more than 7.5% of your adjusted gross income?</p> <p><b>Note:</b> You can include medical and dental bills you paid for:</p> <ul style="list-style-type: none"><li>• Yourself and your spouse</li><li>• All dependents you claim on your return</li><li>• Your child whom you don't claim as a dependent because of the rules for children of divorced or separated parents</li><li>• Any person you could have claimed as a dependent on your return except that person received \$4,150 or more of gross income or filed a joint return</li><li>• 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 2018 return</li></ul>	<p>If <b>YES</b>, you can claim qualified expenses. Go to Step 4. If <b>NO</b>, you can't deduct these expenses. Go to Step 4.</p>
step 4	<p>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?</p> <p><b>Note:</b> The total amount of these taxes is limited to \$10,000 (\$5,000 MFS) per return.</p>	<p>If <b>YES</b>, go to Step 5. If <b>NO</b>, you can't claim this expense as a deduction because you weren't obligated to pay the taxes. Go to Step 6.</p>
step 5	<p>Did you pay these taxes during this tax year?</p>	<p>If <b>YES</b>, you can claim these expenses and go to Step 6. If <b>NO</b>, you can't deduct taxes for this year that were paid in another year. Go to Step 6.</p>
step 6	<p>Are you legally liable for a home mortgage loan?</p>	<p>If <b>YES</b>, go to Step 7. If <b>NO</b>, you can't take an interest expense for a mortgage for which you aren't legally liable. Go to Step 12.</p>

# Interview Tips – Itemized Deductions (continued)

step <b>7</b>	Was the mortgage a secured debt on a main or second home?	If <b>YES</b> , go to Step 8. If <b>NO</b> , you can't take an interest expense. Go to Step 11.
step <b>8</b>	Did you pay the mortgage interest in this tax year?	If <b>YES</b> , go to Step 9. If <b>NO</b> , you can't take the mortgage interest deduction. Go to Step 11.
step <b>9</b>	Did you take out the mortgage on or before October 13, 1987?	If <b>YES</b> , your mortgage interest is fully deductible. Go to Step 10. If <b>NO</b> , follow the flowchart, Is My Home Mortgage Interest Fully Deductible in Publication 17 to determine what is deductible. Go to Step 11.
step <b>10</b>	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 <b>YES</b> , follow the Are My Points Fully Deductible This Year flowchart in Publication 17 and then go to Step 11. See Note 1. If <b>NO</b> , go to Step 11.
step <b>11</b>	Did you have home equity interest that was used to buy, build, or improve your home?	If <b>YES</b> , your home equity interest is deductible. If <b>NO</b> , go to Step 12.
step <b>12</b>	Did you make a cash contribution to a qualified organization?	If <b>YES</b> , you must have a written record from that particular organization, and then go to Step 13. If <b>NO</b> , go to Step 13.
step <b>13</b>	Did you make a noncash donation to a qualified organization? <b>Note:</b> Generally the value of a donation is the lesser of your cost or fair market value.	If <b>YES</b> , advise the taxpayer that generally he or she must have a written receipt from that particular organization. Go to Step 14. See Note 2. If <b>NO</b> , Go to Step 14
step <b>14</b>	Is the total of all noncash donations \$500 or less?	If <b>YES</b> , see Publication 17 for more details. If <b>NO</b> , 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).

# Schedule A – Itemized Deductions



TaxSlayer Navigation: Federal Section>Deductions>Itemized Deductions>Medical and Dental Expenses


Itemized Deductions	
Use Standard or Itemized Deduction	<b>BEGIN</b>
Medical and Dental Expenses	<b>BEGIN</b>
Taxes You Paid	<b>BEGIN</b>
Mortgage Interest and Expenses	<b>BEGIN</b>
Gifts to Charity	<b>BEGIN</b>
Miscellaneous Deductions	<b>BEGIN</b>
Less Common Deductions	<b>BEGIN</b>

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 medical expenses.

Select to enter taxes not entered elsewhere in the software.

## Schedule A Deductible and Non Deductible Medical Expenses

You can include:	You can't include:
<ul style="list-style-type: none"> <li>Bandages</li> <li>Birth control pills prescribed by your doctor</li> <li>Body scan</li> <li>Braille books</li> <li>Breast pump and supplies</li> <li>Capital expenses for equipment or improvements to your home needed for medical care (see Worksheet A, Capital Expense Worksheet, in Pub. 502)</li> <li>Diagnostic devices</li> <li>Expenses of an organ donor</li> <li>Eye surgery (to promote the correct function of the eye)</li> <li>Fertility enhancement, certain procedures</li> <li>Guide dogs or other animals aiding the blind, deaf, and disabled</li> <li>Hospital services fees (lab work, therapy, nursing services, surgery, etc.)</li> <li>Lead-based paint removal</li> <li>Legal abortion</li> <li>Legal operation to prevent having children such as a vasectomy or tubal ligation</li> <li>Long-term care contracts, qualified</li> <li>Meals and lodging provided by a hospital during medical treatment</li> <li>Medical services fees (from doctors, dentists, surgeons, specialists, and other medical practitioners)</li> <li>Medicare Part D premiums</li> </ul>	<ul style="list-style-type: none"> <li>Medical and hospital insurance premiums</li> <li>Nursing services</li> <li>Oxygen equipment and oxygen</li> <li>Part of life-care fee paid to retirement home designated for medical care</li> <li>Physical examination</li> <li>Pregnancy test kit</li> <li>Prescription medicines (prescribed by a doctor) and insulin</li> <li>Psychiatric and psychological treatment</li> <li>Social security tax, Medicare tax, FUTA, and state employment tax for worker providing medical care (see Wages for nursing services below)</li> <li>Special items (artificial limbs, false teeth, eyeglasses, contact lenses, hearing aids, crutches, wheelchair, etc.)</li> <li>Special education for mentally or physically disabled persons</li> <li>Stop-smoking programs</li> <li>Transportation for needed medical care</li> <li>Treatment at a drug or alcohol center (includes meals and lodging provided by the center)</li> <li>Wages for nursing services</li> <li>Weight loss, certain expenses for obesity</li> </ul>
	<ul style="list-style-type: none"> <li>Baby sitting and childcare</li> <li>Bottled water</li> <li>Contributions to Archer MSAs (see Pub. 969)</li> <li>Diaper service</li> <li>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</li> <li>Flexible spending account reimbursements for medical expenses (if contributions were on a pre-tax basis)</li> <li>Funeral, burial, or cremation expenses</li> <li>Health savings account payments for medical expenses</li> <li>Operation, treatment, or medicine that is illegal under federal or state law</li> <li>Life insurance or income protection policies, or policies providing payment for loss of life, limb, sight, etc.</li> <li>Maternity clothes</li> </ul>
	<ul style="list-style-type: none"> <li>Medical insurance included in a car insurance policy covering all persons injured in or by your car</li> <li>Medicine you buy without a prescription</li> <li>Nursing care for a healthy baby</li> <li>Prescription drugs you brought in (or ordered shipped) from another country, in most cases</li> <li>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</li> <li>Surgery for purely cosmetic reasons</li> <li>Toothpaste, toiletries, cosmetics, etc.</li> <li>Teeth whitening</li> <li>Weight-loss expenses not for the treatment of the treatment of obesity or other disease</li> </ul>
	<p> 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.</p>

# Schedule A - Itemized Deductions (continued)

## Schedule A - Medical Deductions

CANCEL

CONTINUE

Medical and dental insurance

\$|



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

ADD PREMIUMS

CANCEL

CONTINUE

**Note:** Medical and dental floor percentage is 7.5%. Some senior residences have an amount in the monthly cost which is a medical expense.

# Schedule A - Taxes You Paid



The itemized deduction for state and local taxes is limited to \$10,000 (\$5,000 MFS) per return.

\*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

Click here to open the sales tax worksheet.

Prior Year 4th Quarter State Estimates paid after 12/31/2016

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 under Personal Property taxes.

## Other Taxes

Description

Amount

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, for more information.

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.).

## Modified Adjusted Gross Income

Calculated Modified Adjusted Gross Income (MAGI)

Amount to Adjust the Calculated MAGI by

**Note:** In general, whether a taxpayer is allowed a deduction for the prepayment of state or local real property taxes in 2018 depends on whether the taxpayer makes the payment in 2018 and the real property taxes are assessed prior to 2019. A prepayment of anticipated real property taxes that have not been assessed prior to 2019 are not deductible in 2018. State or local law determines whether and when a property tax is assessed, which is generally when the taxpayer becomes liable for the property tax imposed.



# Schedule A - Itemized Deductions (continued)

## 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 \*

If not using the override feature, enter the ZIP code and number of days for TaxSlayer to calculate the deduction.

**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

Leave these blank if you want the software to use the default rates.

**!** 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

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.

\*[Click here](#) to view the IRS sales tax deduction calculator.

Link to 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.

**Note:** If using the override feature, leave all fields on this screen blank.

## 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



# Schedule A - Itemized Deductions (continued)

**Schedule A Interest**

Mortgage Interest Reported on Form 1098	BEGIN
Mortgage Interest Not Reported on Form 1098	BEGIN
Points Not Reported on Form 1098	BEGIN
Private Mortgage Insurance (PMI) Deduction	BEGIN
CONTINUE	

Select for mortgage interest reported on Form 1098. Enter amount from Form 1098, box 1 (and box 2, if applicable).

See Tab EXT, Legislative Extenders

**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 improve the taxpayer's qualified residence.

**Mortgage Interest Reported on 1098**

Add/Edit Interest Reported

**ADD INTEREST & POINTS PAID**

---

**Real Estate Taxes (Non-Business Property)**

Real Estate Taxes (Non-Business Property)

\$|

**CANCEL** **CONTINUE**

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 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 Publication 17, Points). Enter loan origination fee from closing statement as points not reported on Form 1098 if not included as points on Form 1098.

**Gifts to Charity**

Cash Gifts to Charity	BEGIN
Non-Cash Gifts to Charity	BEGIN
Non-Cash Donations (more than \$500)	BEGIN
Limitation on Charitable Contributions Deduction	BEGIN
Declaration of Appraiser	BEGIN
Donee Acknowledgement	BEGIN

**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 - Itemized Deductions (continued)

## Charity Cash Contributions

**i** 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

**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 non-cash items (including miles driven in service to a charity) donated under Non-Cash Gifts to Charity. Be careful to list them separately. If Non-Cash contributions are greater than \$500, Form 8283, Noncash Charitable Contributions must be completed and this form is Out of Scope.

Certain qualified contributions made for relief efforts in disaster areas are not subject to the AGI limitation. See Publication 976, Disaster Relief.

# Schedule A - Miscellaneous Deductions

## 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)

\$

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.

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.

\$

Nondeductible expenses: Commuting; home repair; rent; loss from sale of home; personal legal expenses; lost/misplaced cash or property; fines/penalties.

Unrecovered investment in pension

\$

Tax Return Preparation

\$

Safe Deposit Box Rental

\$

Investment Fees and Expenses

\$

No miscellaneous itemized deductions will be allowed for job expenses and certain miscellaneous deductions subject to the 2% limitation.

Add/Edit Miscellaneous Deductions that are not listed above

ADD ADDITIONAL

# Qualified Business Income Deduction

For tax years beginning after 2017, Taxpayers that report a profit on Schedule C may be entitled to a deduction up to 20%.

- The deduction will be subject to various limitations
- This deduction is claimed on Form 1040, and can be taken in addition to the standard deduction or itemized deductions
- Only the 20% deductions for Sole proprietors will be in scope.

See Publication 535, Business Expenses for additional information.



## **Tab G: Nonrefundable Credits**



# Nonrefundable Credits



**TaxSlayer Navigation:** Federal Section>Deductions>Credits Menu

Credits		
Foreign Tax Credit Form 1116	<b>EDIT</b>	Select for Form 1116, Foreign Tax Credit
Child Care Credit Form 2441	<b>EDIT</b>	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	<b>BEGIN</b>	Select for Form 8863 Education Credits. See Tab J, Education Benefits
Retirement Savings Credit Form 8880	<b>BEGIN</b>	
Residential Energy Credit Form 5695	<b>BEGIN</b>	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	<b>BEGIN</b>	Select for Form 5695, Residential Energy Credit. See Tab EXT, Legislative Extenders for more information.
DC First-Time Homebuyer Credit Form 8859	<b>BEGIN</b>	
Mortgage Interest Credit Form 8396	<b>BEGIN</b>	Select for EIC worksheets, See Tab I, Earned Income Credit.
Claiming Refundable Credits after Disallowance Form 8862	<b>BEGIN</b>	
EIC Check-list	<b>BEGIN</b>	See Tab G, Nonrefundable Credits, Credit for the Elderly and Disabled.
Credit for the Elderly or Disabled Schedule R	<b>BEGIN</b>	
Alternative Motor Vehicle Credit (Hybrid Cars) Form 8910	<b>BEGIN</b>	
Qualified Electric Motor Vehicle Credit Form 8936	<b>BEGIN</b>	
Small Employer Health Insurance Premiums Form 8941	<b>BEGIN</b>	
Credit for Federal Tax Paid on Fuels Form 4136	<b>BEGIN</b>	
Credit for Increasing Research Activities from Pass-through Entities Form 6765	<b>BEGIN</b>	

**Hint:** Nonrefundable credits can't exceed the taxpayer's federal income tax.

## Form 8863



**TaxSlayer Navigation:** Federal Section>Deductions>Credits Menu>Education Credits, 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.

# 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 \$600
- 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 \$600

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.

**Note:** If the taxpayer has a carryback or a carryforward of unused foreign tax, refer taxpayer to a tax professional.



# Form 1116 – Foreign Tax Credit (continued)

**Foreign tax credit**

Passive income	<p>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.</p>		
General limited income			
Section 901(j) income			
Income resourced by treaty	<p>The remaining selections on this menu are Out of Scope.</p>		
Lump-sum distributions			

**Passive income**

Country of residence \*

← 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)

Enter the gross income of this category type in both places (not the tax). Enter income from this category type only, not total income. Do not enter any income excluded by Form 2555 in the first gross income box. Include any income excluded by Form 2555 in the second gross income box, but only if that income is of the category selected (passive or general income)

Foreign Country or U.S. possession  
 ← Select the country that imposed the tax.

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

Gross income from sources within the country of the specified type (Including any income excluded by Form 2555, Foreign Earned Income)

Home mortgage interest  ← Enter the taxes paid (in U.S. dollars) in the appropriate category.

Other interest expense

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 or Form 2555-EZ) does not exceed \$5,000, you can allocate all of 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.

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).

# 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 \$4,150 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 2018 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, 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 non-custodial 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 <b>1</b>	Was the care for one or more qualifying persons? See prior page for definition.	<b>YES</b> – Go to Step 2 <b>NO</b> – You CAN'T claim the child and dependent care credit <sup>2</sup>
step <b>2</b>	Did you (and your spouse if applicable) have earned income during the year? Refer to the Earned <sup>1</sup> Income Table in the Earned Income Credit tab.	<b>YES</b> – Go to Step 3 <b>NO</b> – You CAN'T claim the child and dependent care credit <sup>2</sup>
step <b>3</b>	Did you pay the expenses to allow you <sup>1</sup> to work or look for work? See prior page for qualifying expenses.	<b>YES</b> – Go to Step 4 <b>NO</b> – You CAN'T claim the child and dependent care credit <sup>2</sup>
step <b>4</b>	Were your payments made to someone you or your spouse could claim as a dependent?	<b>YES</b> – You CAN'T claim the child and dependent care credit <sup>2</sup> <b>NO</b> – Go to Step 5
step <b>5</b>	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.	<b>YES</b> – You CAN'T claim the child and dependent care credit <sup>2</sup> <b>NO</b> – Go to Step 6
step <b>6</b>	Were your payments made to your child who was under the age of 19 at the end of the year?	<b>YES</b> – You CAN'T claim the child and dependent care credit <sup>2</sup> <b>NO</b> – Go to Step 7
step <b>7</b>	Are you single?	<b>YES</b> – Go to Step 10 <b>NO</b> – Go to Step 8
step <b>8</b>	Are you filing a joint return?	<b>YES</b> – Go to Step 10 <b>NO</b> – Go to Step 9
step <b>9</b>	Do you meet the requirements to be considered unmarried?	<b>YES</b> – Go to Step 10 <b>NO</b> – You CAN'T claim the child and dependent care credit <sup>2</sup>
step <b>10</b>	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)	<b>YES</b> – Go to Step 11 <b>NO</b> – You CAN'T claim the child and dependent care credit <sup>2</sup>
step <b>11</b>	Did you have only one qualifying person and exclude or deduct at least \$3,000 of dependent care benefits? <sup>3</sup>	<b>YES</b> – You CAN'T claim the child and dependent care credit <sup>2</sup> <b>NO</b> – You CAN claim the child and dependent care credit. Fill out Form 2441.

### Footnotes

<sup>1</sup> 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.)

<sup>2</sup> If you had expenses that met the requirements for 2017, except that you didn't pay them until 2018, you may be able to claim those expenses in 2018.

<sup>3</sup> If two or more, the amount you can exclude or deduct is limited to \$6,000.

# Form 2441 – Credit for Child and Dependent Care Expenses



**TaxSlayer Navigation:** Federal Section>Deductions>Credits>Child Care Credit>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

\$

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.



Only enter dependent care benefits not reported on a Form W-2

**Note:** Foreign earned income, foreign housing exclusion, and Medicaid Waiver payments are subtracted from the 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 <b>1</b>	Did you make a voluntary contribution or deferral to an IRA or other qualified plan for 2018? <sup>1</sup>	<b>YES</b> – Go to Step 2 <b>NO</b> – Not qualified for credit
step <b>2</b>	Is AGI \$31,500 or less (\$47,250 if head of household, \$63,000 if married filing jointly)?	<b>YES</b> – Go to Step 3 <b>NO</b> – Not qualified for credit
step <b>3</b>	Were you born before January 2, 2001?	<b>YES</b> – Go to Step 4 <b>NO</b> – Not qualified for credit
step <b>4</b>	Are you being claimed as a dependent on someone else's tax return for 2018?	<b>YES</b> – Not qualified for credit <b>NO</b> – Go to Step 5
step <b>5</b>	Were you a full-time student <sup>2</sup> during 2018?	<b>YES</b> – Not qualified for credit <b>NO</b> – Qualified for credit

## Footnotes

<sup>1</sup> 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 2018 by the due date of the return.

<sup>2</sup> You were a student if during any part of 5 calendar months of 2018 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 the note on the next page for a list of distributions 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.

**TAXPAYER**

Enter Any Qualifying Retirement Distributions in 2017, or 2016 (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.

\$

Enter Any Current Year Traditional or ROTH IRA 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 2015 and before the due date (including extensions) of your 2018 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.

See the list on the following page for other examples of income that should not be included.



# 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

**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)
---	\$19,000	.5	.5	.5
\$19,000	\$20,500	.5	.5	.2
\$20,500	\$28,500	.5	.5	.1
\$28,500	\$30,750	.5	.2	.1
\$30,750	<b>\$31,500</b>	.5	.1	.1
<b>\$31,500</b>	\$38,000	.5	.1	.0
\$38,000	\$41,000	.2	.1	.0
\$41,000	<b>\$47,250</b>	.1	.1	.0
<b>\$47,250</b>	<b>\$63,000</b>	.1	.0	.0
<b>\$63,000</b>	---	.0	.0	.0

# 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.

## 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 valid social security number by 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 Refundable 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 now 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 or Form 2555-EZ, you can't claim the additional child tax credit.

**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.

# 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><b>step 1</b> 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 <b>YES</b>, go to Step 2. If <b>NO</b>, 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><b>step 2</b> Did this person provide over half of his or her own support for the tax year?</p>	<p>If <b>NO</b>, go to Step 3. If <b>YES</b>, 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><b>step 3</b> 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"> <li>• Exception to Time Lived with You</li> <li>• Kidnapped Child</li> <li>• Children of Divorced or Separated Parents or Parents who live apart.</li> </ul>	<p>If <b>YES</b>, go to Step 4. If <b>NO</b>, 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><b>step 4</b> 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 <b>YES</b>, go to Step 5. If <b>NO</b>, you can't claim the child tax credit or the credit for other dependents for this person.</p>
<p><b>step 5</b> Does this person have a valid Social Security number that was issued by the due date of the return (including extensions)?</p>	<p>If <b>YES</b>, go to Step 6. If <b>NO</b>, 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><b>step 6</b> Is this person under age 17 at the end of the tax year?</p>	<p>If <b>YES</b>, go to Step 7 If <b>NO</b>, 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><b>step 7</b> Are you excluding income from Puerto Rico or are you filing Form 2555, Form 2555-EZ (relating to foreign earned income), or Form 4563, Exclusion of Income for Bona Fide Residents of American Samoa?</p>	<p>If <b>NO</b>, go to Step 8. If <b>YES</b>, you must use Publication 972 to figure the credit.</p>
<p><b>step 8</b> Are you claiming any of the following credits?</p> <ul style="list-style-type: none"> <li>• Adoption Credit, a residential energy credit, Form 5695, Part II;</li> <li>• Mortgage Interest credit, Form 8396; District of Columbia first-time homebuyer credit, Form 8859.</li> </ul>	<p>If <b>NO</b>, use the Child Tax Credit Worksheet to figure the credit. If <b>YES</b>, 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 2018 and your home was this child's home for the entire 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 2018.

### 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.
- A decree of divorce or separate maintenance or written separation agreement that applies to the current tax year provides that (a) the noncustodial parent can claim the child as a dependent, or (b) the custodial parent will sign a written declaration that he or she won't claim the child as a dependent for 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. If the divorce decree or separation agreement went into effect before 2009, the non custodial parent may be able to attach certain pages of the decree or agreement instead of Form 8332.

# 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 or dependents with other relationships (such as elderly parents). Taxpayers cannot claim the credit for themselves (or a spouse if Married Filing Jointly).



Dependents who are residents of Canada or Mexico do not qualify for either the Child Tax Credit or the Credit for Other Dependents.



While there have been tax law changes this year, in many instances calculations take place “behind the scenes” and you will not see changes reflected in the entry screens. Follow the menus and prompts to enter current year tax information in the software.

## 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:

<b>step</b> <b>1</b>	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 <b>YES</b> , you can't claim the credit for other dependents for this person. If <b>NO</b> , go to Step 2.
<b>step</b> <b>2</b>	<p>Was the person your son, daughter, stepchild, foster child, or a descendant of any of them (i.e., 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 below the chart:</p> <ul style="list-style-type: none"> <li>• Exceptions to Time Lived with You</li> </ul>	If <b>YES</b> , go to Step 3. If <b>NO</b> , you can't claim the credit for other dependents for this person.
<b>step</b> <b>3</b>	<p>Did the person have gross income of less than \$4,150 in 2018?</p> <p>See the following note below the chart:</p> <ul style="list-style-type: none"> <li>• Exceptions to Gross Income Test</li> </ul>	If <b>YES</b> , go to Step 4. If <b>NO</b> , you can't claim the credit for other dependents for this person.
<b>step</b> <b>4</b>	<p>Did you provide more than half the person's total support for the year?</p> <p>See the following notes at the end of the chart:</p> <ul style="list-style-type: none"> <li>• Kidnapped Child</li> <li>• Child of Divorced or Separated Parents or Parent who live apart</li> <li>• Multiple Support Agreement</li> </ul>	If <b>NO</b> , you can't claim the credit for other dependents for this person. If <b>YES</b> , go to Step 5.

**Continued on next page**

# Table 2: Credit for Other Dependents

## Continued

Probe/Action: Ask the taxpayer:

<p><b>step</b> <b>5</b></p>	<p>Is the person a U.S. citizen, U.S. national, U.S. resident alien, or a 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 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 <b>NO</b>, you can't claim the credit for other dependents for this person. If <b>YES</b>, go to Step 6.</p>
<p><b>step</b> <b>6</b></p>	<p>Does this person have a SSN, ATIN, or an ITIN?</p>	<p>If <b>YES</b>, you can claim the credit for other dependents for this person. If <b>NO</b>, you can't claim the credit for other dependents. A SSN, ATIN, or ITIN is required. See the following information below the chart:</p> <ul style="list-style-type: none"> <li>• Taxpayer Identification Numbers (SSN, ATIN, ITIN)</li> </ul>

### 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 2018 and your home was this child's home for the entire 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 2018.

### 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.
- A decree of divorce or separate maintenance or written separation agreement that applies to the current tax year provides that (a) the noncustodial parent can claim the child as a dependent, or (b) the custodial parent will sign a written declaration that he or she won't claim the child as a dependent for 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. If the divorce decree or separation agreement went into effect before 2009, the noncustodial parent may be able to attach certain pages of the decree or agreement instead of Form 8332.

### 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 and 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.

# 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 <b>1</b>	Were you married at the end of the tax year?	<b>YES</b> – Go to Step 2 <b>NO</b> – Go to Step 4
step <b>2</b>	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.	<b>YES</b> – Go to Step 3 <b>NO</b> – Go to Step 4
step <b>3</b>	Are you filing a joint return with your spouse?	<b>YES</b> – Go to Step 4 <b>NO</b> – You aren't a qualified individual and can't take the credit for the elderly or the disabled
step <b>4</b>	Are you a U.S. citizen or resident alien? <sup>1</sup>	<b>YES</b> – Go to Step 5 <b>NO</b> – You aren't a qualified individual and can't take the credit for the elderly or the disabled
step <b>5</b>	Were you 65 or older at the end of the tax year?	<b>YES</b> – 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 <b>NO</b> – Go to Step 6
step <b>6</b>	Are you retired on permanent and total disability?	<b>YES</b> – Go to Step 7 <b>NO</b> – You aren't a qualified individual and can't take the credit for the elderly or the disabled
step <b>7</b>	Did you reach mandatory retirement age before this year? <sup>2</sup>	<b>YES</b> – You aren't a qualified individual and can't take the credit for the elderly or the disabled <b>NO</b> – Go to Step 8
step <b>8</b>	Did you receive taxable disability benefits this year?	<b>YES</b> – 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 <b>NO</b> – You aren't a qualified individual and can't take the credit for the elderly or the disabled

### Footnotes

<sup>1</sup> 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.

<sup>2</sup> 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 2018	\$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; 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 2017.

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)

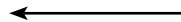
## Income

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.



## **Tab H: Other Taxes, Payments and ACA**



# 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
Tax on Unreported Tip Income Form 4137	BEGIN
Tax on Early Distribution Form 5329	BEGIN
Household Employment Tax Schedule H	BEGIN
First-time Homebuyer Repayment Form 5405	BEGIN
Tax For Children Under Age 18 Form 8615	BEGIN
Child's Interest/Dividend Earnings Form 8814	BEGIN
Net Investment Income Tax Form 8960	BEGIN
Uncollected Social Security and Medicare Tax on Wages Form 8919	BEGIN

## Self-Employment Tax –

Entered automatically from Schedule SE. TaxSlayer calculates the amount using the entries from Schedule C.

## Unreported Social Security and Medicare Tax –



**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, Federal Section>Other Taxes>Tax on Unreported Tip Income; Keyword “4137”

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.

## Household Employment Taxes – Out of Scope

## Repayment of First-Time Homebuyer Credit Form 5405 –



**TaxSlayer Navigation:** Federal Section>Other Taxes>First-Time Homebuyer Repayment; Keyword “FIR”

Taxpayers who purchased a home in 2008 and received the First Time Homebuyer Credit (\$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.)

# Other Taxes and Payments (continued)



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 \$2,100, the student will be subject to filing Form 8615, Tax for Certain Children Who Have Unearned Income (Kiddie Tax) to compute the tax.

### 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 \*

**Note:** This is in scope but limited to students electing to include unearned income such as scholarships/grants as income on the return.

# 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.

### 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 --

When using TaxSlayer enter the amount not subject to additional tax. Select the appropriate exception from the drop down menu.

#### Part II - Additional Tax on Certain Distributions from Education Accounts

Coverdell ESAs and QTPs that are not subject to the additional tax

\$

# Other Taxes and Payments (continued)

Exception codes and explanations for early distributions from IRA 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 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) 10% of your adjusted gross income for the year.
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. <sup>1</sup>
08	IRA distributions made qualified for higher education expenses.
09	IRA distributions made for purchase of a first home, up to \$10,000.
10	Distributions due to an IRS levy on the qualified retirement plan.
11	Qualified distributions to reservists while serving on active duty for at least 180 days.
12	Other (see Other, below). Also, enter this code if more than one exception applies. <sup>2</sup>

## Footnotes

<sup>1</sup> Medical insurance for yourself, your spouse, and your dependents (no 10% 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.

<sup>2</sup> Other: 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.

**Note:** For those with HSA certification only. Additional taxes for HSA distributions not used for qualified medical expenses may be applicable unless age 65, disabled, or deceased. See Form 8889, Health Savings Accounts (HSAs). All other taxes on this line are Out of Scope.



# Affordable Care Act (ACA)

## Health Insurance Questionnaire

Did you or your family have health insurance at any time in 2017?

Yes

No

Select Yes if anyone in the tax household had Minimum Essential Coverage (MEC) at any time during the year. (See Types of Minimum Essential Coverage chart, later in this tab).

## Health Insurance Questionnaire

Did you purchase health insurance via HealthCare.gov or a State Marketplace? \*

Yes

No

Answer Yes if the taxpayer received Form 1095-A for any part of the year.

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.

# Types of Minimum Essential Coverage

Minimum essential coverage means health care coverage under any of the following programs. It does not, however, include coverage consisting solely of excepted benefits. Excepted benefits include stand-alone vision and dental plans, workers' compensation coverage, and coverage limited to a specified disease or illness.

## **Employer-sponsored coverage:**

Group health insurance coverage for employees under—  
A governmental plan, such as the Federal Employees Health Benefit program,  
A plan or coverage offered in the small or large group market within a state, or  
A grandfathered health plan offered in a group market  
A self-insured health plan for employees,  
COBRA coverage,  
Retiree coverage, or  
Coverage under an expatriate health plan for employees and related individuals  
Department of Defense Nonappropriated Fund Health Benefits Program

## **Individual health coverage:**

Health insurance you purchase directly from an insurance company  
Health insurance you purchase through the Marketplace  
Health insurance provided through a student health plan  
Catastrophic coverage, or  
Coverage under an expatriate health plan for non-employees such as students and missionaries

## **Coverage under government-sponsored programs:**

Medicare Part A coverage,  
Medicare Advantage plans,  
Most Medicaid coverage,\*  
Children's Health Insurance Program (CHIP) coverage,  
Most types of TRICARE coverage,  
Comprehensive health care programs offered by the Department of Veterans Affairs,  
Health coverage provided to Peace Corps volunteers,  
Refugee Medical Assistance, or  
Coverage through a Basic Health Program (BHP) standard health plan.

## **Other coverage:**

Certain foreign coverage,  
Certain coverage for business owners, or  
Coverage recognized by HHS as minimum essential coverage.\*\*

\*Medicaid programs that provide limited benefits generally don't qualify as minimum essential coverage; however, HHS will provide a hardship exemption to individuals with certain types of limited-benefit Medicaid coverage.

\*\*Other plans recognized by HHS as minimum essential coverage are listed at Centers for Medicare & Medicaid Services

**Note:** No proof of coverage is needed. Oral statement from the taxpayer is acceptable, unless normal due diligence leads you to believe the taxpayer's statement is incorrect.

# Verification of Household Members

## Verify Your Household Members



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](#).

+ Add New Household Member

Name	SSN	Date of Birth
Screenshot Sample	001-00-XXXX	2/7/1983
Spouse Sample	002-00-XXXX	3/12/1986

+ Add New Household Member

← Use the Add a New Household Member button only to add a family member for whom you must pay an SRP or claim an exemption. This may include a person the taxpayer can, but does not, claim as a dependent.

# Verification of Household Members (continued)

**Months Insured** – Select Yes if everyone in the tax household was insured for all 12 months. If No, select the number of months each individual had coverage. Individuals are treated as having MEC for a month as long as they were covered for at least one day during that month.

## Months Insured

Was your entire household insured for all 12 months of 2017? \*

Yes  
 No

Please enter the number of months insured for each household member.

Name	Months Insured
Screenshot Sample	<input type="text" value="- Please Select -"/>
Spouse Sample	<input type="text" value="- Please Select -"/>

Then indicate which months the individual had coverage:

## Months Insured - Screenshot Sample

Specify the 10 months that Screenshot Sample had minimum essential coverage

<input type="checkbox"/> January	<input type="checkbox"/> February	<input checked="" type="checkbox"/> March
<input checked="" type="checkbox"/> April	<input checked="" type="checkbox"/> May	<input checked="" type="checkbox"/> June
<input checked="" type="checkbox"/> July	<input checked="" type="checkbox"/> August	<input checked="" type="checkbox"/> September
<input checked="" type="checkbox"/> October	<input checked="" type="checkbox"/> November	<input checked="" type="checkbox"/> December

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# Exemptions: Overview

## Exemptions: Where do I start?

step	<b>Is household or gross income under the filing threshold?</b>
<b>1</b>	If yes, everyone on the tax return is exempt from the coverage requirement, and there is no need to consider additional exemptions. Line 7 on Form 8965, Health Coverage Exemptions, is used to claim an income-based exemption. See Household Exemptions for Income Below Filing Threshold section later in this tab for more information about this exemption.
step	<b>If the tax household does not qualify for an exemption under Step 1, does any individual qualify for an exemption that can be claimed directly on the tax return?</b>
<b>2</b>	If yes, the exemption code is entered on Form 8965, Part III. (Refer to the Types of Coverage Exemptions chart later in this tab).
step	<b>For any uninsured individual in the household that does not qualify under Step 1 or 2, does the individual qualify for an exemption from the Marketplace?</b>
<b>3</b>	<p>If yes, direct the person to the Marketplace for additional help. Marketplace exemptions require an application. Enter “pending” as shown later in this tab if the Marketplace has not processed the application for exemption before the return is filed. A tax return with a “pending” exemption can still be e-filed. The IRS may follow up with a taxpayer directly on a pending submission if the Marketplace does not approve the exemption.</p> <p>If a person already applied for an exemption through the Marketplace (or if they were granted an exemption because they were denied Medicaid coverage in a state that did not expand Medicaid), they should have received an Exemption Certificate Number (ECN) from the Marketplace. It is a 6 or 7 digit alphanumeric code.</p>

# Exemptions: Form 8965, Part II

## Household Exemptions for Income Below Filing Threshold

Exemption Type	Details
Household income below filing threshold (Form 8965, Line 7)	<p>Household income is the sum of the modified adjusted gross income (MAGI) from the tax return and the MAGI of all dependents required to file a tax return. Use the Filing Requirements for Children and Other Dependents chart (in this tab) to determine whether the dependent is required to file his or her own tax return.</p> <div style="text-align: center;"> <p><b>MAGI</b> = <b>Adjusted Gross Income (AGI)</b> + <b>Tax-Exempt Interest</b> + <b>Excluded Foreign Income</b></p> <p><i>Form 1040</i>      <i>Form 1040</i>      <i>Form 2555, Form 2555-EZ</i></p> <p><small>* International certification only</small></p> </div>
Gross income below filing threshold (Form 8965, Line 7)	<p>Gross Income means all income received in the form of money, goods, property, and services that is not exempt from tax, see definition of gross income below.</p> <ul style="list-style-type: none"> <li>• <b>Do not include income of any dependents</b></li> </ul>

If either exemption applies, stop. There is no need to consider other exemptions for individual members of the household.

## 2018 Federal Tax Filing Thresholds for Most People

Filing Status	Age*	Must file a return if gross income** exceeds
Single	Under 65	\$12,000
	65 or older	\$13,600
Head of Household	Under 65	\$18,000
	65 or older	\$19,600
Married Filing Jointly***	Under 65 (both spouses)	\$24,000
	65 or older (one spouse)	\$25,300
	65 or older (both spouses)	\$26,600
Married Filing Separately	Any age	\$5
Qualifying Widow(er)	Under 65	\$24,000
	65 or older	\$25,300

\* If you were born on January 1, 1954, you are considered to be age 65 at the end of 2018. (If your spouse died in 2018 or if you are preparing a return for someone who died in 2018, see Pub. 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. It also includes gain from the sale of your main home, even if you can exclude part or all of it. Include only the taxable part of social security benefits. It also includes gains, but not losses, reported on Form 8949, Sale and Other Disposition of Capital Assets, 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, do not reduce your income by any losses, including any loss on Schedule C, line 7, or Schedule F, line 9.

\*\*\* If you did not live with your spouse at the end of 2018 (or on the date your spouse died) and your gross income was at least \$5, you must file a return regardless of your age.

# 2018 Federal Tax Filing Requirement Thresholds – Dependents

Use this information to help you determine if a dependent you claimed on your return must file his or her own tax return. If the dependent is required to file a tax return because his or her income meets the filing threshold, the dependent's MAGI must be included in household income for purposes of Form 8965, even if you elect to report that dependent's income on Form 8814. Don't include a dependent's MAGI in household income if the dependent's income is below the filing threshold, even if he or she chooses to file a return for another reason.

Unearned income includes taxable interest, ordinary dividends, capital gain distributions, 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. Was your dependent either age 65 or older or blind?

No. Your dependent must file a return if any of the following apply.

1. Your dependent's unearned income was over \$1,050.
2. Your dependent's earned income was over \$12,000.
3. Your dependent's gross income was more than the larger of —
  - a. \$1,050, or
  - b. Your dependent's earned income (up to \$11,650) plus \$350.

Yes. Your dependent must file a return if any of the following apply.

1. Your dependent's unearned income was over \$2,650 (\$4,250 if 65 or older **and** blind).
2. Your dependent's earned income was over \$13,600 (\$15,200 if 65 or older **and** blind).
3. Your dependent's gross income was more than the larger of —
  - a. \$2,650 (\$4,250 if 65 or older **and** blind) or
  - b. Your dependent's earned income (up to \$11,650) plus \$1,950 (\$3,550 if 65 older and blind).

Married dependents. Was your dependent either age 65 or older or blind?

No. Your dependent must file a return if any of the following apply.

1. Your dependent's unearned income was over \$1,050.
2. Your dependent's earned income was over \$12,000.
3. Your dependent's gross income was at least \$5 and his or her spouse files a separate return and itemizes deductions.
4. Your dependent's gross income was more than the larger of —
  - a. \$1,050, or
  - b. Your dependent's earned income (up to \$11,650) plus \$350.

Yes. Your dependent must file a return if any of the following apply.

1. Your dependent's unearned income was over \$2,350 (\$3,650 if 65 or older and blind).
2. Your dependent's earned income was over \$13,300 (\$14,600 if 65 or older and blind).
3. Your dependent's gross income was at least \$5 and his or her spouse files a separate return and itemizes deductions.
4. Your dependent's gross income was more than the larger of —
  - a. \$2,350 (\$3,650 if 65 or older and blind), or
  - b. Your dependent's earned income (up to \$11,650) plus \$1,650 (\$2,950 if 65 or older and blind).

**Note:** For children under age 18 and certain older children, unearned income over \$2,100 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. If the child's unearned income is more than \$2,100 and the child is required to file a tax return, Form 8615 must be used to figure the child's tax. Form 8615 is in scope, with limitations. See Tab H, Other Taxes, Payments and ACA.

# How to Enter Exemptions

## Household Income

Enter any premium amount paid through a salary reduction agreement that is excluded from gross income.  
(Note: This entry is included in the Affordability Threshold when determining affordability if applicable. This information is unnecessary if you will not be completing the affordability worksheets.)

Enter the salary-reduction amount that was excluded from income and used to pay health insurance premiums, if any.

## Dependents' Modified AGI (if filing requirement)

Enter the AGI for your dependents from Form 1040, line 38; Form 1040A, line 22; Form 1040EZ, line 4; and Form 1040NR, line 37

Enter any tax-exempt interest for your dependents from Form 1040, line 8b; Form 1040A, line 8b; Form 1040EZ, the amount written to the left of the line 2 entry space; and Form 1040NR, line 9b

Enter any amounts for your dependents from Form 2555, lines 45 and 50, and Form 2555-EZ, line 18

Enter for each of your dependents the difference, if any, between Form 1040, lines 20a and 20b; and Form 1040A, lines 14a and 14b

- Enter the dependent's income ONLY if his or her gross income exceeds the filing threshold. (See the chart earlier in this tab.) Prepare the dependent's return first or have a copy of the dependent's already filed return available.
- The software will calculate household income for the filing threshold exemption.
- TaxSlayer will also use the appropriate dependents' MAGI for SRP and PTC purposes.

**Note:** MAGI of an unclaimed dependent (an individual who qualifies as a dependent of a taxpayer but is not claimed by the taxpayer as a dependent) is NOT included in the taxpayer's household income; the unclaimed dependent has his or her own separate household income for all exemption purposes.


That means that any exemption that might apply to the unclaimed dependent, especially filing threshold, less than 138% of FPL in a state that did not expand Medicaid, and affordability (cost of coverage is more than 8.05% of the dependent's separate MAGI), is determined for that individual independently from the other members of the tax household. There is a high likelihood that the unclaimed dependent will be entitled to an exemption and no SRP will be due for the unclaimed dependent.



# How to Enter Exemptions (continued)

Filing Threshold Exemption - Form 8965, Line 7

## Health Care Exemptions


 You qualify for the coverage exemption for Household or Gross Income below the Filing Threshold. Please select continue and we will apply the coverage exemption to the return.

TaxSlayer determines if the gross income or household income filing threshold test is met. If it is met, no other exemption is needed.



You need to identify which exemption(s) will be applied to each member of the household that needs an exemption. The software will assist in determining only the affordability exemption. You will need to identify any others that apply. See Types of Coverage Exemptions later in this tab.

## Health Care Exemptions

 You do not qualify for the exemption based on Household or Gross Income below Filing Threshold, but if you or another household member received a Marketplace Issued Exemption Certificate or qualify for a coverage exemption, please refer to the question below.

Did you qualify for an exemption due to circumstances or receive an exemption certificate from the marketplace?

Yes  
 No

Would you like to determine if you qualify for an exemption due to unaffordable premiums?

Yes  
 No

Check YES to navigate to the affordability worksheets.  
Check NO if no exemption applies.

When the filing threshold exemption does not apply and you wish to claim another exemption, check YES to the first question. The second question will not appear.

**However**, check NO if you would like to determine if the affordability exemption applies (See page Coverage is Unaffordable, Code A or G later in this tab.) or if the taxpayer is not eligible for an exemption.

# How to Enter Exemptions (continued)

## Health Care Exemption

Name of Individual \*

Testing Taxpayer ▾

**Do you have a marketplace-issued certificate for this exemption or going to apply for an exemption from the marketplace? \***

Yes

No

Exemption Certificate Number (enter PENDING if applying or applied for)

PENDING

Indicate full year or specify months for which you qualify to take the exemption. (Note: Selecting "Coverage is Unaffordable" above will prompt the Affordability Worksheet when continuing)

Full Year

<input type="checkbox"/> January	<input type="checkbox"/> February	<input type="checkbox"/> March	<input type="checkbox"/> April
<input type="checkbox"/> May	<input type="checkbox"/> June	<input type="checkbox"/> July	<input type="checkbox"/> August
<input type="checkbox"/> September	<input type="checkbox"/> October	<input type="checkbox"/> November	<input type="checkbox"/> December

If you answered YES to the first question on the previous screen (Did you qualify for an exemption due to circumstances or receive an exemption certificate from the Marketplace?), you will see this screen.

Use this screen to claim an exemption without using the affordability worksheets. Select the appropriate exemption(s) for all household members that are eligible for an exemption and indicate the months or full year to which the exemption applies.

Select the same person again if they are eligible for another exemption for other months.



See the Federal Poverty Lines chart later in this tab, if the taxpayer lives in a state that did not expand Medicaid.

# Types of Coverage Exemptions

This chart shows all of the coverage exemptions available for 2018, including information about where each can be obtained and the code that is to be used on Form 8965 when you claim the exemption. If your coverage exemption was granted by the Marketplace, you will need to enter the Exemption Certificate Number (ECN) provided by the Marketplace. For additional details about the eligibility rules for the coverage exemptions that are claimed on the tax return, see the Instructions for Form 8965.

Coverage Exemption	Granted by Marketplace	Claimed on tax return	Code for Exemption
<b>Income below the filing threshold</b> — Your gross income or your household income was less than your applicable minimum threshold for filing a tax return.		✓	No Code See Part II
<b>Coverage considered unaffordable</b> — The required contribution is more than 8.05% of your household income.		✓	A
<b>Short coverage gap</b> — You went without coverage for less than 3 consecutive months during the year. There is a look-back rule for gaps of coverage at the start of the year. See the Instructions for Form 8965 for details.		✓	B
<b>Citizens living abroad and certain noncitizens</b> — You were: <ul style="list-style-type: none"> <li>• A U.S. citizen or resident who was physically present in a foreign country or countries for at least 330 full days during any period of 12 consecutive months;</li> <li>• A U.S. citizen who was a bona fide resident of a foreign country or countries for an uninterrupted period that includes an entire tax year;</li> <li>• A bona fide resident of a U.S. territory;</li> <li>• A resident alien who was a citizen or national of a foreign country with which the U.S. has an income tax treaty with a nondiscrimination clause, and you were a bona fide resident of a foreign country for an uninterrupted period that includes an entire tax year;</li> <li>• Not lawfully present in the U.S and not a U.S. citizen or U.S. national. For this purpose, an immigrant with Deferred Action for Childhood Arrivals (DACA) status is not considered lawfully present and therefore qualifies for this exemption. For more information about who is treated as lawfully present in the U.S. for purposes of this coverage exemption, visit <a href="http://Healthcare.gov">Healthcare.gov</a>; or</li> <li>• A nonresident alien, including (1) a dual-status alien in the first year of U.S. residency and (2) a nonresident alien or dual-status nonresident alien who elects to file a joint return with a U.S. spouse. This exemption doesn't apply if you are a nonresident alien for 2018, but met certain presence requirements and elected to be treated as a resident alien. For more information see Pub. 519.</li> </ul>		✓	C
<b>Members of a health care sharing ministry</b> — You were a member of a health care sharing ministry.		✓	D
<b>Members of Indian tribes</b> — You were either a member of a Federally-recognized Indian tribe, including an Alaska Native Claims Settlement Act (ANCSA) Corporation Shareholder (regional or village), or you were otherwise eligible for services through an Indian health care provider or the Indian Health Service.	*	✓	E
<b>Incarceration</b> — You were in a jail, prison, or similar penal institution or correctional facility after the disposition of charges.		✓	F
<b>Aggregate self-only coverage considered unaffordable</b> — Two or more family members' aggregate cost of self-only employer-sponsored coverage was more than 8.05% of household income, as was the cost of any available employer-sponsored coverage for the entire family.		✓	G
<b>Resident of a state that did not expand Medicaid</b> — Your household income was below 138% of the federal poverty line for your family size and at any time in 2018 you resided in a state that didn't participate in the Medicaid expansion under the Affordable Care Act. See calculation on the following page.		✓	G
<b>General hardship</b> — You experienced a hardship that prevented you from obtaining coverage under a qualified health plan.		✓	G
<b>Member of tax household born or adopted during the year</b> — The months before and including the month that an individual was added to your tax household by birth or adoption. You should claim this exemption only if you are also claiming another exemption on your Form 8965.		✓	H
<b>Member of tax household died during the year</b> — The months after the month that a member of your tax household died during the year. You should claim this exemption only if you are also claiming another exemption on your Form 8965.		✓	H
<b>Members of certain religious sects</b> — The marketplace determined that you are a member of a recognized religious sect.	✓		Need ECN See Part I
<b>Ineligible for Medicaid based on a state's decision not to expand Medicaid coverage</b> — The marketplace found that you would have been determined ineligible for Medicaid solely because the state in which you resided didn't participate in Medicaid expansion under the Affordable Care Act.	✓		Need ECN See Part I
<b>Coverage considered unaffordable based on projected income</b> — The Marketplace determined that you didn't have access to coverage that is considered affordable based on your projected household income.	✓		Need ECN See Part I
<b>Certain Medicaid programs that are not minimum essential coverage</b> — The Marketplace determined that you were (1) enrolled in Medicaid coverage provided to a pregnant woman that is not recognized as minimum essential coverage; (2) enrolled in Medicaid coverage provided to a medically needy individual (also known as Spend-down Medicaid or Share-of-Cost Medicaid) that is not recognized as minimum essential coverage; or (3) enrolled in Medicaid coverage provided to a medically needy individual and were without coverage for other months because the spend-down had not been met.	✓		Need ECN See Part I

## General hardship (code "G") See Instructions for Form 8965 for details

- Homelessness
- Evicted or facing eviction or foreclosure
- Utility shut-off notice
- Domestic violence
- Recent death of a close family member
- Disaster that resulted in significant property damage
- Bankruptcy in the last 6 months
- You had medical expenses you could not pay
- Unexpected increases in necessary expenses due to caring for ill, disabled or aging relative
- Failure of another party to comply with a medical support order for a dependent child who is determined ineligible for Medicaid or CHIP
- You were without coverage while awaiting an appeals decision from the Marketplace;
- Determined ineligible for Medicaid because the state did not expand coverage
- You lived in a country where there is no qualified health plan offered, there is only one issuer offering coverage, or all affordable plans provide abortion coverage contrary to your beliefs
- You experienced personal circumstances that create a hardship, such as when no affordable plans provide access to needed specialty care
- You experienced a hardship not included in this list that prevented you from getting health insurance

\* The coverage exemptions for members of Indian tribes is no longer granted by the Marketplace, except in Connecticut. See the Instructions for Form 8965 to claim the exemption.

# Determining Eligibility for Certain Exemptions

Keep for Your Records

## Worksheet: Resident of a State That Didn't Expand Medicaid Exemptions (Code G)

Taxpayer(s) Household Income (Click on "Summary/Print" in the Menu to see Form 1040)

1. AGI (Form 1040) 1. \$ \_\_\_\_\_
2. Tax-Exempt Interest (Form 1040). 2. \$ \_\_\_\_\_
3. Amounts from Form 2555, lines 45 and 50;  
and Form 2555-EZ, line 18 3. \$ \_\_\_\_\_
4. If there is untaxed Social Security:
 

Form 1040, Total Social Security	a.	\$ _____	
Form 1040, Taxable Social Security	b.	\$ _____	
Untaxed Social Security (Subtract line b from a)			4. \$ _____
5. Add lines 1-4 5. \$ \_\_\_\_\_

### Dependent's Household Income

*Note:* This is only done for any dependent who is required to file because the dependent's income exceeds the filing threshold (page H-11).

6. Dependent's Modified AGI (calculated as shown above for the taxpayer) 6. \$ \_\_\_\_\_

### Total Household Income

7. Total Household Income (adds lines 5 and 6). 7. \$ \_\_\_\_\_
8. Family size (see table below) 8. \_\_\_\_\_
9. 138% of FPL (from table below) 9. \$ \_\_\_\_\_

If **line 9 is greater than line 7**, everyone on the return qualifies for Exemption Code G (Resident of a state that did not expand Medicaid).

### Table: 138% of Federal Poverty Line

*Note:* The Family Size is the total number of taxpayer, spouse and all dependents claimed on Form 1040.

Family Size	1	2	3	4	5	6	7	8
138% FPL	\$16,643	\$22,411	\$28,180	\$33,948	\$39,716	\$45,485	\$51,253	\$57,022

## Short Coverage Gap Exemption (Code B)

**Exemption Code B:** Uninsured for less than 3 consecutive months.

### Notes:

- If the coverage gap is 3 months or longer, none of the months in the gap qualify for the exemption.
- Exemption must be applied to the first gap in coverage.
- A person is considered to have coverage for the entire month if they have coverage for one day in the month.
- Months covered by another exemption are treated like months with coverage.
- When a gap in coverage straddles two tax years, the months in the second tax year in the continuous period aren't counted. For example, a person who is uninsured December 2017 through February 2018 cannot claim the Code B exemption for the 2018 gap because the gap is not less than 3 months. However, a person who is uninsured November 2018 through January 2019 can claim this exemption because the months in the second year aren't counted in the continuous period.

# Coverage is Unaffordable, Code A or G

## STEP 1

Determine what type of affordability exemption each uninsured person in the household might be eligible for. There are three options. STOP at the first one that applies to each uninsured household member.

step <b>1</b>	Is there an offer of coverage through an employer?	<b>YES</b> – Go to Step 2 <b>NO</b> – Go to Step 4
step <b>2</b>	Is the uninsured the employee? Use the lowest-cost plan that covers only the employee.	<b>YES</b> – Get the plan cost(s) from the taxpayer. Figure out the cost to the employee or the employee’s family for the entire year (“annualized premium”). Enter annualized premium on table for each month it applies. <b>NO</b> – Go to Step 3
step <b>3</b>	Is the uninsured a family member of an employee? Use the lowest cost family policy* offered by the employer or the spouse’s employer (if filing a joint return).	<b>YES</b> – Get the plan cost(s) from the taxpayer. Figure out the cost to the employee or the employee’s family for the entire year (“annualized premium”). Enter annualized premium on table for each month it applies.
step <b>4</b>	If no offer of coverage through an employer: Look at the marketplace coverage affordability. Use the lowest-cost bronze plan available (after accounting for subsidies).	Use the Marketplace Coverage Affordability Worksheet to determine cost of coverage.

\*The policy must cover everyone in your tax household:

- Claimed on your tax return (taxpayer, spouse and each dependent),
- Who isn’t eligible for employer coverage, and
- Who doesn’t qualify for another coverage exemption.



COBRA and retiree coverage are not considered offers of employer sponsored coverage if the individual did not enroll in the coverage. If the individual enrolled in COBRA or retiree coverage, that person has MEC for that month and does not need an exemption.

## STEP 2: CODE A

Calculate the affordability of the offer of coverage: **Annualized premium for a month > Affordability threshold = Unaffordable**

A person can claim **CODE A** exemption on Form 8965 for that month.

When the employer offers separate coverage for one or more members of the tax household (may be referred to as stand-alone coverage), add the cost of the offers needed to cover everyone in the tax household as appropriate and test the aggregate offer.

*Why do we use an “annualized” premium for each month? The affordability threshold is always based on a percentage of annual income. Using annualized premiums allows an apples-to-apples comparison between premium cost and income in the relevant months.*

## STEP 3: (if applicable) CODE G

**If multiple people in the household have employer coverage offers:**

There is an exemption that may be claimed if the self-only offer is affordable but the combined cost crosses the affordability threshold.

This can only be claimed if:

- Multiple people have employer offers of coverage.
- The cost of self-only coverage is affordable for each person. (Each is less than the affordability threshold.)
- The cost of self-only coverage for both, combined, exceeds the affordability threshold.
- Family coverage is not offered, or, if it is offered, its cost exceeds the affordability threshold.
- If the coverage an employer offers a taxpayer during the year changes, the premium may change.

# How to Enter Exemptions (continued)



Only enter premium costs below if there is no offer of employer sponsored coverage.

## Do you qualify for Health Care Exemptions?



You only need to fill in these values if a household member was not eligible for employer-sponsored coverage for one or more months. These values will be used to compute your annualized required contribution from the Marketplace Coverage Affordability Worksheet.

To determine if you can claim the "Coverage is Considered Unaffordable" exemption if health insurance was not offered through an employer, enter the premium values captured from the healthcare.gov tax tool that is made available to you. The link at the bottom of this page will assist you in determining the needed premium amounts. Note: If you were eligible for employer-sponsored coverage, select continue below and enter the required information asked to further determine affordability.

Monthly Premium for the Lowest Cost Bronze Plan Premium (worksheet line 1)

Monthly Premium for the Second Lowest Cost Silver Plan Premium (worksheet line 10)

[Click here to obtain the LCBP and SLCSP premium amounts to enter above.](#)  
[Click here to determine if you can claim a health coverage exemption.](#)

**Lowest cost bronze plan (LCBP)** for everyone in the tax household who is:

- Not offered employer sponsored coverage, and
- Does not qualify for another exemption.

**Remember:** Include people who are covered through Medicare or Medicaid!

**Second lowest cost silver plan (SLCSP):** Do not include individuals in your tax household who are eligible for other employer sponsored or government sponsored MEC, or who are otherwise exempt. For example, that means that the SLCSP cost would NOT INCLUDE the taxpayer or spouse who is enrolled in or eligible for Medicare or Medicaid. (This is different from LCBP).

If the taxpayer is unsure whether they or their dependents were eligible for Medicaid, see <https://www.medicaid.gov/medicaid/program-information/medicaid-and-chip-eligibility-levels/index.html>



Go to the taxpayer's marketplace, such as healthcare.gov to find LCBP and SLCSP.

Note: The look up tool asks about tobacco use. Tobacco use is the use of a tobacco product 4 or more times per week within no longer than the past 6 months by legal users of tobacco products (generally those 18 and older). See the healthcare.gov tax tool tips starting on page H-20.

**Note:** IRS Notice 2017-74 provides that for purposes of the affordability exemption, if an individual resides in a rating area served by a Marketplace that does not offer a bronze plan, the individual generally should use as his or her applicable plan the lowest cost metal-level plan available in the Marketplace serving the rating area in which the individual resides that would cover all nonexempt members of the individual's family.



Note that more than one marketplace coverage affordability worksheet may be needed if circumstances changed during the year.



# How to Enter Exemptions (continued)

## Affordability Worksheet

Enter the ANNUALIZED contribution amount this individual must pay for the first situation below that applies to the individual.

Enter the required ANNUALIZED contribution for each month that applies to this individual:

1. Lowest cost self-only policy offered to each member of your tax household by his/her employer (the monthly amount times 12).
2. Lowest cost family policy offered by your employer or your spouse's employer (the monthly amount times 12).
3. Amount from the Marketplace Coverage Affordability Worksheet. (\$0)

### Screenshot Sample

January

\$|

February

\$

March

Enter the required ANNUALIZED contribution amounts this individual must pay for the first situation below that applies to the individual.

1. Lowest cost self-only policy offered to each member of the tax household by his/her employer (the monthly amount times 12).
2. Lowest cost family policy offered by your employer or your spouse's employer (the monthly amount times 12).
3. Amount from the Marketplace Coverage Affordability Worksheet (\$0).

TaxSlayer will determine if the affordability exemption applies:

## Coverage Considered Unaffordable Exemption



Based on the information calculated using the Affordability Worksheet, you qualify to claim the Coverage is Considered Unaffordable exemption. This exemption has been automatically applied to the appropriate months for the applicable household members on the return.



Always verify results on Form 8965 to ensure the exemption is applied to the correct months.

# 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/>.

- Select “**Claim an ‘affordability’ exemption**”

### Get information you need to claim an affordability exemption

To claim an exemption based on Marketplace coverage being unaffordable, you'll need to know the premiums of two health plans available to your family for the year: the lowest cost Bronze plan and the second lowest cost Silver Plan (SLCSP). We'll ask a few questions and provide both premiums.

Please note: Your information will not be saved if you close your browser. You will be able to save your results at the end.

#### 1 Choose a tax year

Start

#### 2 Enter household details

Answer questions about who is in your household and information on each person, including date of birth, location(s) they lived in for the year, and months of health coverage eligibility & exemption status.

- Overall household

#### 3 Review your information

#### 4 View affordability exemption results

These instructions focus on using the tool to claim the affordability exemption but the tool also 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 or an exemption.

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.**

## Tell us about your household

### How many people are in your household?

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.

3

### 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.

John

### First name of person 2 and their relationship to John

Jane

is John's

Spouse

### First name of person 3 and their relationship to John

Sadie

is John's

Son/daughter

Continue

## Tell us about John

### Date of birth

Example: 4 5 1970

Month Day Year

4

5

1970

John uses tobacco

### Tell us where John lived during all of 2017

#### In what ZIP code did John live in 2017?

30308, Fulton County, GA

Clear search

John lived in another country or passed away.

#### What months did John live in Fulton County, GA?

Select all

Clear all

Jan  Feb  Mar  Apr  
 May  Jun  Jul  Aug  
 Sep  Oct  Nov  Dec



# How to Use the Healthcare.gov Tax Tool (continued)

## John: Health coverage eligibility & exemption status

Select the months John was eligible for employer coverage  
OR another coverage exemption in 2017

Jan  Feb  Mar  Apr  
 May  Jun  Jul  Aug  
 Sep  Oct  Nov  Dec

Select the months John was eligible for coverage outside  
the Marketplace like Medicare, Medicaid, or the Children's  
Health Insurance Program (CHIP) in 2017, except for  
individual market coverage.

Any months for which you indicated that John was eligible for  
employer coverage or qualified for another exemption are  
disabled. John is either not eligible for or does not need a  
Marketplace coverage affordability exemption for these months.

Jan  Feb  Mar  Apr

**Step 1** Determines for each family member whether someone will be included in the lowest cost bronze plan (LCBP), which you will enter in TaxSlayer.

Follow the instructions closely! Check the boxes for the months the person was:

- Eligible for employer-sponsored coverage (from their own employer or a member of their family on the same tax return)
- Eligible for another exemption

Leave the boxes unchecked if those circumstances don't apply.

**Step 2** Determines for each family member whether someone will be included in the second lowest cost silver plan (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](#)  
2017

### John

**Date of birth** [Edit](#)  
04/5/1970

**Location(s)** [Edit](#)  
**Residence months:** All year  
**Residence location:** 30308, Fulton County, GA

**Eligible for employer coverage or another coverage exemption** [Edit](#)  
All year

**Eligible for coverage outside the marketplace** [Edit](#)  
No coverage months selected

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](#)

## Claim an affordability exemption

Use the monthly premiums below to complete the Marketplace Coverage Affordability Worksheet (IRS Form 8965 Instructions, page 11). When you complete the worksheet, you'll find out if you qualify for the affordability exemption. The instructions explain how to claim the exemption if you do.

Wrong form? [Figure out your premium tax credit](#)

### Your results

	Monthly SLSCP premium	Monthly LCBP premium
Jan	\$659.69	\$712.15
Feb	\$659.69	\$712.15
Mar	\$659.69	\$712.15
Apr	\$659.69	\$712.15

The results page shows the **LCBP** and **SLCSP** for the household.

**Remember:** Print out the review information and the results page screens for the taxpayer's records.

#### NOTE:

**If household income on the ACA Marketplace Worksheet is less than 100% FPL or greater than 400% FPL, use only the LCBP.** Do not enter the SLSCP amount (because the person is not eligible for PTC).

**If the taxpayer's filing status is married filing separately, use only the LCBP.** Enter zero for SLSCP (because the person is not eligible for PTC).



Note that the SLSCP column is first and LCBP column is second.

## Shared Responsibility Payment

### How is the Payment Calculated?

- For 2018, the SRP is the greater of:
  - **The Percentage income amount** - 2.5% of household income above the filing threshold or
  - **The Flat dollar amount** - \$695 per adult; \$347.50 for individuals under 18
- Cannot exceed the national average premium for bronze level health plans
- Prorated for months without coverage/exemption
- TaxSlayer will calculate the SRP based on household income including the income of any dependent with a tax filing requirement.



Under the Tax Cuts and Jobs Act, the SRP amount moves to \$0 for tax year 2019.

# Premium Tax Credit: Form 1095-A Overview

A person who purchased insurance for himself/herself or for a dependent through the Marketplace will receive Form 1095-A. If advance payments of the premium tax credit (APTC) were made for coverage of the taxpayer or a dependent, the taxpayer must complete Form 8962. **You cannot prepare the return for taxpayers who received the benefit of APTC for themselves or a dependent without Form(s) 1095-A.**

**Carefully examine Form 1095-A** to make sure it reflects the taxpayer’s account of coverage. Look for critical errors that will affect the PTC calculation, such as errors in enrollment premiums, SLCSPP premiums, or APTC. The taxpayer should seek a corrected 1095-A if enrollment related information is incorrect.

This includes:

- Policy issuer’s name (Part I)
- Policy start or end date (Part I, Part II)
- Premium cost (Part III, Column A)
- APTC received (Part III, Column C)

Marketplace call center: 1-800-318-2596  
(TTY: 1-855-889-4325) For states not using Healthcare.gov, look up state Marketplace at healthcare.gov

**To obtain an original or corrected Form 1095-A the taxpayer can log into his or her online account, or call the Marketplace call center.**

**Form 1095-A**  
Health Insurance Marketplace Statement  
2015

**Part I Recipient Information**

1 Marketplace identifier	2 Marketplace-assigned policy number	3 Policy issuer's name
4 Recipient's name	5 Recipient's SSN	6 Recipient's date of birth
7 Recipient's spouse's name	8 Recipient's spouse's SSN	9 Recipient's spouse's date of birth
10 Policy start date	11 Policy termination date	12 Street address (including apartment no.)
13 City or town	14 State or province	15 Country and ZIP or foreign postal code

**Part II Covered Individuals**

**Part III Coverage Information**

Month	A. Monthly enrollment premiums	B. Monthly second lowest cost silver plan (SLCSPP) premium	C. Monthly advance payment of premium tax credit
21 January	Column A	Column B	Column C
22 February	Column A	Column B	Column C
23 March	Column A	Column B	Column C
24 April	Column A	Column B	Column C
25 May	Column A	Column B	Column C
26 June	Column A	Column B	Column C

**Column A - Monthly Premium:** These are the total monthly enrollment premiums for the policy in which the individuals are covered. **This is the full premium, including the amount paid by APTC but it includes only the premiums for essential health benefits. The amount does not include the cost of certain “extra” benefits such as adult dental coverage.**

**Column B - Monthly SLCSPP premium:** If this column is blank and the individuals enrolled in a plan through a Federally facilitated Marketplace, go to Healthcare.gov and use the tax tool to find the SLCSPP premium to enter in Column B. If the individuals enrolled through a State-based Marketplace, go to the state’s website to determine the SLCSPP premium. In some cases, the state will send a table with the information. If the State-based Marketplace does not have a look-up tool to find the SLCSPP premium, call the Marketplace to obtain a correct SLCSPP premium. The SLCSPP premium is the premium for the second lowest cost silver-level plan that covers all the members of the coverage family.

**Column C - Advance payment of PTC**

**You may need to look up the SLCSPP premium if:**

- It is incorrect, perhaps because a change in family size was not reported.
- It is missing. This happens when someone paid the full premium because he or she did not request advance payments of the premium tax credit. Marketplaces routinely leave this space blank.
- There are multiple Forms 1095-A with conflicting information or the taxpayer otherwise thinks it’s incorrect.

See Healthcare.Gov or your state’s tax tool.



A person may be entitled to PTC even if no APTC was paid for the coverage. Do not assume someone is ineligible for PTC just because Columns B and C of Form 1095-A are blank. If an individual meets all the eligibility rules in the Form 8962 instructions but only the enrollment premium amounts in Column A appear on Form 1095-A and Columns B and C are blank, look up the person’s SLCSPP premiums and enter them on the 1095-A screen in the Premium Amount of SLCSPP section.

# 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 the tax return:**

- Includes an undocumented immigrant who received APTC; or
- Has a person who was eligible for the Trade Adjustment Assistance Health Care Tax Credit (HCTC) (Out of Scope)

This question appears only if taxpayer's income is under 100% FPL:

**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% FPL, no APTC was paid, and the second bullet from above does not apply



**The TaxSlayer default answer is NO for this question.**

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 Form 8962 Instructions 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)

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.)

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 2018, are filing a joint return for 2018, and both spouses were unmarried as of January 1, 2018
- 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 <b>8962</b>	<b>Premium Tax Credit (PTC)</b> ▶ Attach to Form 1040 or Form 1040NR. ▶ Go to <a href="http://www.irs.gov/Form8962">www.irs.gov/Form8962</a> for instructions and the latest information.	OMB No. 1545-0074 <b>2018</b> Attachment Sequence No. <b>73</b>
Department of the Treasury Internal Revenue Service	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

<b>1</b>	Tax family size. Enter your tax family size (see instructions)	<b>1</b>	
<b>2a</b>	Modified AGI. Enter your modified AGI (see instructions)	<b>2a</b>	
<b>b</b>	Enter the total of your dependents' modified AGI (see instructions)	<b>2b</b>	
<b>3</b>	Household income. Add the amounts on lines 2a and 2b (see instructions)	<b>3</b>	
<b>4</b>	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. <b>a</b> <input type="checkbox"/> Alaska <b>b</b> <input type="checkbox"/> Hawaii <b>c</b> <input type="checkbox"/> Other 48 states and DC	<b>4</b>	
<b>5</b>	Household income as a percentage of federal poverty line (see instructions)	<b>5</b>	%
<b>6</b>	Did you enter 401% on line 5? (See instructions if you entered less than 100%) <input type="checkbox"/> <b>No.</b> Continue to line 7. <input type="checkbox"/> <b>Yes.</b> 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.		

The dependents' MAGI should appear on this line **ONLY IF the dependents' gross income is above the filing threshold.**

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 5. This amount will increase taxpayer's refund or reduce the balance due.

<b>24</b>	Total premium tax credit. Enter the amount from line 11(e) or add lines 12(e) through 23(e) and enter the total here	<b>24</b>	
<b>25</b>	Advance payment of PTC. Enter the amount from line 11(f) or add lines 12(f) through 23(f) and enter the total here	<b>25</b>	
<b>26</b>	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	<b>26</b>	
<b>Part III Repayment of Excess Advance Payment of the Premium Tax Credit</b>			
<b>27</b>	Excess advance payment of PTC. If line 25 is greater than line 24, subtract line 24 from line 25. Enter the difference here	<b>27</b>	
<b>28</b>	Repayment limitation (see instructions)	<b>28</b>	
<b>29</b>	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	<b>29</b>	

For Paperwork Reduction Act Notice, see your tax return instructions. Cat. No. 37784Z **Form 8962** (2018)

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.

# 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 SLCSPI 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 SLCSPI premiums. When in doubt, look it up in the Tax Tool for your Marketplace.

**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 (SLCSPI) 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 (SLCSPI) 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			

Even if the taxpayer isn't eligible for PTC, he or she is still considered to have coverage for the month, despite nonpayment of premium.

## 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 and 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 non-Marketplace coverage until the first day of the second month the individual may enroll in other coverage.

Employer-sponsored coverage:

- A person who was enrolled in employer-sponsored coverage cannot claim PTC for his or her Marketplace coverage; if APTC was paid for an individual who 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 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 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

## 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 should be referred to a professional return preparer if they wish 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 at a lower level based on income.

**Important!** If the taxpayer is currently enrolled in Marketplace coverage and has a 2018 repayment, the taxpayer should contact the Marketplace **now** to adjust their 2019 APTC to avoid similar repayments for the 2019 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%	\$775	\$1,550
300% – 399%	\$1,300	\$2,600
400% and above	No cap (full repayment)	No cap (full repayment)

# 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 2018 will be based on the 2017 federal poverty lines.

<b>2017 Poverty Lines for the 48 Contiguous States and the District of Columbia</b>			
For families/households with more than 8 persons, add \$4,180 for each additional person (100% Poverty Line)			
Persons in family/household	100% Poverty Line	138% Poverty Line	400% Poverty Line
1	\$12,060	\$16,643	\$48,240
2	\$16,240	\$22,411	\$64,960
3	\$20,420	\$28,180	\$81,680
4	\$24,600	\$33,948	\$98,400
5	\$28,780	\$39,716	\$115,120
6	\$32,960	\$45,485	\$131,840
7	\$37,140	\$51,253	\$148,560
8	\$41,320	\$57,022	\$165,280

<b>2017 Poverty Lines for Alaska</b>			
For families/households with more than 8 persons, add \$5,230 for each additional person (100% Poverty Line)			
Persons in family/household	100% Poverty Line	138% Poverty Line	400% Poverty Line
1	\$15,060	\$20,783	\$60,240
2	\$20,290	\$28,000	\$81,160
3	\$25,520	\$35,218	\$102,080
4	\$30,750	\$42,435	\$123,000
5	\$35,980	\$49,652	\$143,920
6	\$41,210	\$56,870	\$164,840
7	\$46,440	\$64,087	\$185,760
8	\$51,670	\$71,305	\$206,680

<b>2017 Poverty Lines for Hawaii</b>			
For families/households with more than 8 persons, add \$4,810 for each additional person (100% Poverty Line)			
Persons in family/household	100% Poverty Line	138% Poverty Line	400% Poverty Line
1	\$13,860	\$19,127	\$55,440
2	\$18,670	\$25,765	\$74,680
3	\$23,480	\$32,402	\$93,920
4	\$28,290	\$39,040	\$113,160
5	\$33,100	\$45,678	\$132,400
6	\$37,910	\$52,316	\$151,640
7	\$42,720	\$58,954	\$170,880
8	\$47,530	\$65,591	\$190,120

## Applicable Figure Table Tax Year 2018 - Applicable Percentage/Decimal

Income as % of FPL	Applicable Decimal
<133	0.0201
133	0.0302
134	0.0308
135	0.0314
136	0.0320
137	0.0326
138	0.0332
139	0.0338
140	0.0344
141	0.0350
142	0.0355
143	0.0361
144	0.0367
145	0.0373
146	0.0379
147	0.0385
148	0.0391
149	0.0397
150	0.0403
151	0.0408
152	0.0412
153	0.0417
154	0.0421
155	0.0426
156	0.0431
157	0.0435
158	0.0440
159	0.0445
160	0.0449
161	0.0454
162	0.0458
163	0.0463
164	0.0468
165	0.0472
166	0.0477
167	0.0482
168	0.0486
169	0.0491
170	0.0495
171	0.0500
172	0.0505
173	0.0509
174	0.0514
175	0.0519
176	0.0523
177	0.0528
178	0.0532
179	0.0537
180	0.0542
181	0.0546
182	0.0551
183	0.0555

Income as % of FPL	Applicable Decimal
184	0.0560
185	0.0565
186	0.0569
187	0.0574
188	0.0579
189	0.0583
190	0.0588
191	0.0592
192	0.0597
193	0.0602
194	0.0606
195	0.0611
196	0.0616
197	0.0620
198	0.0625
199	0.0629
200	0.0634
201	0.0638
202	0.0641
203	0.0645
204	0.0648
205	0.0652
206	0.0655
207	0.0659
208	0.0662
209	0.0666
210	0.0669
211	0.0673
212	0.0676
213	0.0680
214	0.0683
215	0.0687
216	0.0690
217	0.0694
218	0.0697
219	0.0701
220	0.0704
221	0.0708
222	0.0711
223	0.0715
224	0.0718
225	0.0722
226	0.0726
227	0.0729
228	0.0733
229	0.0736
230	0.0740
231	0.0743
232	0.0747
233	0.0750
234	0.0754
235	0.0757

Income as % of FPL	Applicable Decimal
236	0.0761
237	0.0764
238	0.0768
239	0.0771
240	0.0775
241	0.0778
242	0.0782
243	0.0785
244	0.0789
245	0.0792
246	0.0796
247	0.0799
248	0.0803
249	0.0806
250	0.0810
251	0.0813
252	0.0816
253	0.0819
254	0.0822
255	0.0825
256	0.0828
257	0.0830
258	0.0833
259	0.0836
260	0.0839
261	0.0842
262	0.0845
263	0.0848
264	0.0851
265	0.0854
266	0.0857
267	0.0860
268	0.0863
269	0.0865
270	0.0868
271	0.0871
272	0.0874
273	0.0877
274	0.0880
275	0.0883
276	0.0886
277	0.0889
278	0.0892
279	0.0895
280	0.0898
281	0.0901
282	0.0903
283	0.0906
284	0.0909
285	0.0912
286	0.0915
287	0.0918

Income as % of FPL	Applicable Decimal
288	0.0921
289	0.0924
290	0.0927
291	0.0930
292	0.0933
293	0.0936
294	0.0938
295	0.0941
296	0.0944
297	0.0947
298	0.0950
299	0.0953
300	0.0956
301	0.0956
302	0.0956
303	0.0956
304	0.0956
305	0.0956
306	0.0956
307	0.0956
308	0.0956
309	0.0956
310	0.0956
311	0.0956
312	0.0956
313	0.0956
314	0.0956
315	0.0956
316	0.0956
317	0.0956
318	0.0956
319	0.0956
320	0.0956
321	0.0956
322	0.0956
323	0.0956
324	0.0956
325	0.0956
326	0.0956
327	0.0956
328	0.0956
329	0.0956
330	0.0956
331	0.0956
332	0.0956
333	0.0956
334	0.0956
335	0.0956
336	0.0956
337	0.0956
338	0.0956
339	0.0956

## Applicable Figure Table Tax Year 2018 - Applicable Percentage/Decimal (continued)

Income as % of FPL	Applicable Decimal
340	0.0956
341	0.0956
342	0.0956
343	0.0956
344	0.0956
345	0.0956
346	0.0956
347	0.0956
348	0.0956
349	0.0956
350	0.0956
351	0.0956
352	0.0956
353	0.0956
354	0.0956
355	0.0956

Income as % of FPL	Applicable Decimal
356	0.0956
357	0.0956
358	0.0956
359	0.0956
360	0.0956
361	0.0956
362	0.0956
363	0.0956
364	0.0956
365	0.0956
366	0.0956
367	0.0956
368	0.0956
369	0.0956
370	0.0956
371	0.0956

Income as % of FPL	Applicable Decimal
372	0.0956
373	0.0956
374	0.0956
375	0.0956
376	0.0956
377	0.0956
378	0.0956
379	0.0956
380	0.0956
381	0.0956
382	0.0956
383	0.0956
384	0.0956
385	0.0956
386	0.0956
387	0.0956

Income as % of FPL	Applicable Decimal
388	0.0956
389	0.0956
390	0.0956
391	0.0956
392	0.0956
393	0.0956
394	0.0956
395	0.0956
396	0.0956
397	0.0956
398	0.0956
399	0.0956
400	0.0956

## **Tab I: Earned Income Credit**



# Earned Income Table

Earned Income for EIC	
Includes	Doesn't include
<ul style="list-style-type: none"> <li>• Taxable wages, salaries, and tips</li> <li>• Union strike benefits</li> <li>• Taxable long-term disability benefits received prior to minimum retirement age</li> <li>• Net earnings from self-employment</li> <li>• Gross income of a statutory employee</li> <li>• Household employee income</li> <li>• Nontaxable combat pay election</li> <li>• Non-Employee compensation</li> <li>• The rental value of a home or a housing allowance provided to a minister as part of the minister's pay (Out of Scope)</li> </ul>	<ul style="list-style-type: none"> <li>• Interest and dividends</li> <li>• Social security and railroad retirement benefits</li> <li>• Welfare benefits</li> <li>• Workfare payments</li> <li>• Pensions and annuities (except if disability pension and taxpayer is under minimum retirement age)</li> <li>• Veteran's benefits (including VA rehabilitation payments)</li> <li>• Workers' compensation benefits</li> <li>• Alimony</li> <li>• Child support</li> <li>• Nontaxable foster-care payments</li> <li>• Unemployment compensation</li> <li>• Taxable scholarship or fellowship grants that aren't reported on Form W-2</li> <li>• Earnings for work performed while an inmate at a penal institution or on work release*</li> <li>• Salary deferrals (for example, under a 401(k) or 403(b) plan or the Federal Thrift Savings Plan)</li> <li>• The value of meals or lodging provided by an employer for the convenience of the employer</li> <li>• Disability Insurance payments</li> <li>• Excludable dependent care benefits (line 25 of Form 2441)</li> <li>• Salary reductions such as under a cafeteria plan</li> <li>• Excludable employer-provided educational assistance benefits (may be shown in box 14 of Form W-2)</li> <li>• Anything else of value received from someone for services performed, if it isn't currently taxable, which include Medicaid waiver payments that have been excluded from income.</li> </ul>

**\*Note:** 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

# 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). See Note below regarding other identification numbers.	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.. If child is married, see Note below.	Must be at least age 25 but under age 65 as of December 31.*
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.
Must be a U.S. citizen or resident alien all year.	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 or Form 2555-EZ (relating to foreign earned income).		Can't be a qualifying child of another person.
Investment income must be \$3,500 or less.		
Can't be a qualifying child of another person.		
<p style="text-align: center;"><b>Part D</b> <b>Earned Income and AGI Limitations</b> <b>You must have earned income to qualify for this credit.</b> Your earned income and AGI must be less than:</p> <ul style="list-style-type: none"> <li>■ \$49,194 (\$54,884 for married filing jointly) if you have three or more qualifying children, <ul style="list-style-type: none"> <li>■ \$45,802 (\$51,492 for married filing jointly) if you have two qualifying children,</li> <li>■ \$40,320 (\$46,010 for married filing jointly) if you have one qualifying child, or</li> <li>■ \$15,270 (\$20,950 for married filing jointly) if you don't have a qualifying child.</li> </ul> </li> </ul>		

\*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.

**Note:** To meet the joint return test, the child cannot file a joint return for the year unless it's to only claim a refund of income tax withheld or estimated tax paid.



**CAUTION** Taxpayers cannot file an amended return to claim the credit for a year they did not originally have a valid social security number.

Other taxpayer identification number. Taxpayer can't get the EIC if, instead of an SSN, taxpayer (or spouse, if filing a joint return) or dependent have an individual taxpayer identification number (ITIN). ITINs are issued by the IRS to noncitizens who can't get an SSN.



# 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"> <li>• \$49,194 (\$54,884 married filing jointly) with three or more qualifying children;</li> <li>• \$45,802 (\$51,492 married filing jointly) with two qualifying children;</li> <li>• \$40,320 (\$46,010 married filing jointly) with one qualifying child; or</li> <li>• \$15,270 (\$20,950 married filing jointly) with no qualifying children?</li> </ul>	If <b>YES</b> , go to Step 2. If <b>NO</b> , 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?*	If <b>YES</b> , go to Step 3. If <b>NO</b> , STOP. You can't claim the EIC.
	<b>Note:</b> 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.	
step 3	Is your filing status married filing separately?	If <b>YES</b> , STOP. You can't claim the EIC. If <b>NO</b> , go to Step 4.
step 4	Are you (or your spouse, if married) a nonresident alien? <b>Note:</b> 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 <b>YES</b> and you are either unmarried or married but not filing a joint return, STOP. You can't claim the EIC. If <b>NO</b> , go to Step 5.
step 5	Are you (or your spouse, if filing jointly) filing Form 2555 or Form 2555-EZ (Foreign Earned Income) to exclude income earned in a foreign country?	If <b>YES</b> , STOP. You can't claim the EIC. If <b>NO</b> , go to Step 6.
step 6	Is your investment income (interest, tax exempt interest, dividends, capital gains distributions & capital gains) more than \$3,500?	If <b>YES</b> , STOP. You can't claim the EIC. If <b>NO</b> , go to Step 7.
step 7	Are you (or your spouse, if filing jointly) the qualifying child of another taxpayer?	If <b>YES</b> , STOP. You can't claim the EIC. If <b>NO</b> , go to the interview tips for EIC—With a Qualifying Child or EIC—Without a Qualifying Child.

**\*Note:** If your Social Security card says **VALID FOR WORK ONLY WITH DHS AUTHORIZATION**, you can use your Social Security number to claim EITC 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? <b>Note:</b> 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 <b>YES</b> , go to Step 2. If <b>NO</b> , 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 <b>YES</b> , go to Step 3. If <b>NO</b> , 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"><li>• Under age 19 and younger than the taxpayer (or spouse, if filing jointly)</li><li>• Under age 24 and a full-time student and younger than the taxpayer (or spouse, if filing jointly), or</li><li>• Any age and permanently and totally disabled?</li></ul>	If <b>YES</b> , go to Step 4. If <b>NO</b> , 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? <sup>1</sup> <b>Note:</b> 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 <b>NO</b> , go to Step 5. If <b>YES</b> , 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 2018) of the tax year? <sup>2</sup> <b>Note:</b> Active duty military personnel stationed outside the United States are considered to live in the United States for this purpose.	If <b>YES</b> , go to Step 6. If <b>NO</b> , 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? <b>Note:</b> There may be a case when a qualifying child can't be claimed by anyone. <b>Example:</b> 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 <b>YES</b> , 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 <b>NO</b> , compute the EIC using the appropriate EIC worksheet.

## Footnotes

<sup>1</sup> 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 as a dependent or you can't claim the child as a dependent because you gave that right to the child's other parent.

<sup>2</sup> 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 <b>1</b>	Can you (or your spouse, if filing jointly) be claimed as a dependent by another person?	If <b>NO</b> , go to Step 2. If <b>YES</b> , STOP. You can't claim the EIC.
step <b>2</b>	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 <b>NO</b> , STOP. You can't claim the EIC. If <b>YES</b> , go to Step 3.
step <b>3</b>	Did you (and your spouse, if filing jointly) live in the United States for more than half (at least 183 <sup>1</sup> days) of the tax year?	If <b>NO</b> , STOP. You can't claim the EIC. If <b>YES</b> , compute EIC using the appropriate EIC worksheet.

<sup>1</sup> More than 183 days in a leap year.

**Note:** Taxpayers meeting the above age criteria should file a paper return to avoid a potential rejected electronic filed return and 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 2018. 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 2018.
- 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 2018.
- 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 2018, 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 you can't claim the EIC because your qualifying child is treated under the tiebreaker rules as the qualifying child of another person for 2018, you 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, you and the other person may be able to choose which of you claims the child as a qualifying child. See Publication 596, Earned Income Credit (EIC), for examples.

# Disallowance of Certain Refundable Credits



**TaxSlayer Navigation:** Federal section>Deductions>Credit menu>Earned Income Credit

Form 8862, Information to Claim Certain Refundable Credits After Disallowance, must be completed for any taxpayer whose EIC, child tax credit (CTC)/additional child tax credit (ACTC), or American opportunity tax credit, 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.

## **Tab J: Education Benefits**



# 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 2018. See Amount of scholarship or fellowship grant in Publication 970.</p> <ul style="list-style-type: none"> <li>• If you are a degree candidate at an eligible educational institution, go to line 2.</li> <li>• 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.</li> </ul>	<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 <sup>1</sup> (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>

<sup>1</sup> 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 2018

This chart highlights some differences among the benefits discussed in this publication. 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.

	Scholarships, Fellowships, Grants, and Tuition Reductions	American Opportunity Credit	Lifetime Learning Credit	Student Loan Interest Deduction	Tuition and Fees Deduction, if extended	Coverdell ESA†	Qualified Tuition Program (QTP)†	Education Exception to Additional Tax on Early IRA Distributions†	Education Savings Bond Program†	Employer-Provided Educational Assistance†	Business Deduction for Work-Related Education
<b>What is your benefit?</b>	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	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
<b>What is the annual limit?</b>	None	\$2,500 credit per student	\$2,000 credit per tax return	\$2,500 deduction	\$4,000	\$2,000 contribution per beneficiary	None	Amount of qualified education expenses	Amount of qualified education expenses	\$5,250 exclusion	Amount of qualifying work-related education expenses
<b>What expenses qualify besides tuition and required enrollment fees?</b>	Course-related expenses such as fees, books, supplies, and equipment	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	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 2018

	Scholarships, Fellowships, Grants, and Tuition Reductions	American Opportunity Credit	Lifetime Learning Credit	Student Loan Interest Deduction	Tuition and Fees Deduction, if extended	Coverdell ESA†	Qualified Tuition Program (QTP)†	Education Exception to Additional Tax on Early IRA Distributions†	Education Savings Bond Program†	Employer-Provided Educational Assistance†	Business Deduction for Work-Related Education
<b>What education qualifies?</b>	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	Undergraduate & graduate	Undergraduate & graduate	Undergraduate & graduate	Required by law to keep present job, salary, status  Maintain or improve job skills
<b>What are some of the other conditions that apply?</b>	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
<b>In what income range do benefits phase out?</b>	No phaseout	\$80,000 - \$90,000  \$160,000 - \$180,000 for joint returns	\$57,000 - \$67,000  \$114,000 - \$134,000 for joint returns	\$65,000 - \$80,000  \$135,000 - \$165,000 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	\$79,550 - \$94,550  \$119,300 - \$149,300 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, Keyword “EDUCA” or “886”

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
<b>Maximum credit</b>	Up to \$2,500 credit per eligible student	Up to \$2,000 credit per return
<b>Limit on modified adjusted gross income (MAGI)</b>	\$180,000 if married filing jointly; \$90,000 if single, head of household, or qualifying widow(er)	\$134,000 if married filing jointly; \$67,000 if single, head of household, or qualifying widow(er)
<b>Refundable or nonrefundable</b>	40% of credit may be refundable <sup>1</sup> ; the rest is nonrefundable	Nonrefundable—credit limited to the amount of tax you must pay on your taxable income
<b>Number of years of postsecondary education</b>	Available ONLY if the student had not completed the first 4 years of postsecondary education before 2018	Available for all years of postsecondary education and for courses to acquire or improve job skills
<b>Number of tax years credit available</b>	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
<b>Type of program required</b>	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
<b>Number of courses</b>	Student must be enrolled at least half-time for at least one academic period beginning during 2018 (or the first 3 months of 2019 if the qualified expenses were paid in 2018)	Available for one or more courses
<b>Felony drug conviction</b>	As of the end of 2018, 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
<b>Qualified expenses</b>	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)
<b>Payments for academic periods</b>	Payments made in 2018 for academic periods beginning in 2018 or beginning in the first 3 months of 2019	Payments made in 2018 for academic periods beginning in 2018 or beginning in the first 3 months of 2019
<b>TIN needed by filing due date</b>	Filers and students must have a TIN by the due date of their 2018 return (including extensions)	
<b>Educational institution's EIN</b>	You must provide the educational institution's employer identification number (EIN) on your Form 8863, Education Credits.	

### Footnote

<sup>1</sup> 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.

# 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.
- 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 2018 or the first 3 months of 2019
- 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 (AOC) 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.

## 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 \$2,100, the student will 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.

<input type="checkbox"/> CORRECTED		OMB No. 1545-1574		<b>2018</b>	<b>Tuition Statement</b>		
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				Form <b>1098-T</b>	
		2					
FILER'S employer identification no.	STUDENT'S TIN	3 If this box is checked, your educational institution changed its reporting method for 2018		<b>Copy B For Student</b>  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.)		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 2019				
City or town, state or province, country, and ZIP or foreign postal code		8 Check if at least half-time student	9 Checked if a graduate student				
Service Provider/Acct. No. (see instr.)		10 Ins. contract reimb./refund					
Form <b>1098-T</b>		(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.

<b>Adjusted Qualified Education Expenses Worksheet (Form 8863 instructions)</b>	
1. Total qualified education expenses paid for on behalf of the student in 2018 for the academic period .....	5,500
2. Less adjustments:	
a. Tax-free educational assistance received in 2018 allocable to the academic period. ....	3,000
b. Tax-free educational assistance received in 2019 (and before you file your 2018 tax return) allocable to the academic period .....	0
c. Refunds of qualified education expenses paid in 2018 if the refund is received in 2018 or in 2019 before you file your 2018 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- .....	2,500

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 \$5,000 in box 1 and a \$3,000 Pell Grant in box 5. During your interview with Bill and Sue, you determine that \$5,000 was paid in September 2018 for the fall semester; \$3,000 was paid by Pell Grant and \$2,000 was paid by loan proceeds. They paid \$500 for books in 2018. To calculate the eligible expenses for their credit, take the \$5,000 (\$3,000 grant + \$2,000 loan) paid in 2018, 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 \$2,500. In this same example, if the taxpayers opted to include all the income as wages, they wouldn't have any adjustments to subtract to determine their expenses.

**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.

# Entering Education Benefits



TaxSlayer Navigation: Federal Section>Deductions>Credits Menu>Education Credits, Keyword 886

## Form 8863 - Educational Credit

Select an Eligible Student

TEST - 400-00- [REDACTED]

Select the type of credit \*

- American Opportunity
- Lifetime Learning
- Tuition and Fees Deduction

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

- American Opportunity
- Lifetime Learning
- Tuition and Fees Deduction

Qualified Expenses \*

Please ensure that you reduce the amount entered for "qualified expenses" by any scholarships / grants received, pursuant to IRS Publication 970.

\$ 1200

Add Another Institution

### Institution 1

Name \*

Clark University

Check here if foreign address

Address (Number and Street) \*

319 Doane Dr

ZIP Code \*

38101 -

City, Town, or Post Office \*

Memphis

**Note:** TaxSlayer will allow you to compare the education benefits and determine the largest refund using each benefit.

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.

See determining qualified expenses page earlier in this tab.

For lifetime learning credit-course books, materials, supplies not included, unless paid directly to institution as condition of enrollment.

# Entering Education Benefits (continued)



TaxSlayer Navigation: Federal Section>Deductions>Credits, Menu>Education Credits Keyword "886"

Did the student receive Form 1098-T from this institution for 2017? \*

Yes  
 No

Did the student receive Form 1098-T from this institution for 2016 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 2017? \*

Yes  
 No

Was the student convicted, before the end of 2017, 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 & related expenses include books, supplies & 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.

**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.

Are you eligible for the refundable portion of the American Opportunity Credit? Answer NO if 1, 2, & 3 apply to you:

1: You were:

a) Under age 18 at the end of the year, or  
b) Age 18 at the end of the year and your earned income was less than one-half of your support,  
or  
c) 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

# Student Under Age 24 Claiming American Opportunity Credit

<b>1. Were you under 24 at the end of 2018?</b>	If <b>NO</b> , stop here; you <b>do</b> qualify to claim part of the allowable American opportunity credit as a refundable credit.  If <b>YES</b> , go to question 2.
<b>2. Were you over 18 at the end of 2018?</b>	If <b>YES</b> , go to question 3.  If <b>NO</b> , go to question 4.
<b>3. Were you a full-time student (defined later) for 2018?</b>	If <b>NO</b> , stop here; you <b>do</b> qualify to claim part of your allowable American opportunity credit as a refundable credit.  If <b>YES</b> , go to question 5.
<b>4. Were you 18 at the end of 2018?</b>	If <b>YES</b> , go to question 5.  If <b>NO</b> , go to question 6.
<b>5. Was your earned income (defined below) less than one-half of your support for 2018?</b>	If <b>NO</b> , stop here; you <b>do</b> qualify to claim part of your allowable American opportunity credit as a refundable credit.  If <b>YES</b> , go to question 6.
<b>6. Was either of your parents alive at the end of 2018?</b>	If <b>NO</b> , stop here; you <b>do</b> qualify to claim part of your allowable American opportunity credit as a refundable credit.  If <b>YES</b> , go to question 7.
<b>7. Are you filing a joint return for 2018?</b>	If <b>NO</b> , you <b>do not</b> qualify to claim part of your allowable American opportunity credit as a refundable credit.  If <b>YES</b> , you <b>do</b> 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 2018 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.





## **Tab K: Finishing the Return**



# 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
- 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.

Select the Send State Only box if the state return is to be e-filed, but federal will not be 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
<b>E-file: Paper Check</b>
E-file: Direct Deposit
Paper Return with Direct Deposit
Paper Return

Efin Number

#### 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

# 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; display: inline-block;">                     Not Selected ▼                      Not Selected  <b>Paper Return</b>                      E-file: Mail Payment                      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.

### 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**

**Type of Account**

**Routing Transit Number**

**Confirm Routing Transit Number**

**Bank Account Number**

**Confirm Bank Account Number**

Input the name of the bank as stated on the check.

Input both the routing and account number twice on this screen

**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.	
<b>Bond amounts must be in \$ 50 increments</b>	
<hr/>	
Purchase A Bond	<input checked="" type="checkbox"/> I do not want to purchase this bond
Amount to be used for bond purchase for yourself	<input type="text" value="\$0.00"/>
<hr/>	
<hr style="border-top: 1px dashed black;"/>	
Purchase another bond for yourself or someone else	<input checked="" type="checkbox"/> I do not want to purchase this bond
Bond Amount	<input type="text" value="\$0.00"/>
Enter the owner's name (First then Last) for the bond registration	<input type="text"/>
If you would like to add a co-owner or beneficiary, enter the name here (First then Last)	<input type="text"/>
<input type="checkbox"/> Is Beneficiary?	

## Third Party Designee Info

<i>This information is optional but must be filled out completely if you choose to include it.</i>	
First Name	<input type="text"/>
Designee Last Name	<input type="text"/>
Designee Phone	( <input type="text"/> ) <input type="text"/> - <input type="text"/>
Designee Pin	<input type="text"/>

Third party designee info can be completed if the taxpayer wishes, but the designee is never the volunteer preparer.

# Completing the e-File Section (continued)

## Questions

Answer national and local questions

1. Other than English what language is spoken in your home?	Please Select ▾
2. Are you or your spouse a Veteran from the US Armed Force?	Please Select ▾
3. Do you or any member of your household have a disability?	Please Select ▾
4. 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**  
[Text Field]

**Issue Date**  
mm/dd/yyyy [Text Field]

**Expiration Date**  
mm/dd/yyyy [Text Field]

No Expiration date

**Issue State**  
Please Select ▾

**NY Document ID**  
[Text Field]

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.

# PIN Guidelines

The Practitioner PIN method is the only electronic signature method for taxpayers using TaxSlayer software. The Electronic Return Originator (ERO) may enter the taxpayers' PINs in the electronic return record before the taxpayers sign Form 8879, IRS e-file Signature Authorization, but the taxpayers must sign and date the appropriate form before the ERO originates the electronic submission of the return. The taxpayer must sign and date the Form 8879 after reviewing the return and ensuring the tax return information on the form matches the information on the return.

## Practitioner 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 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.

Mail Form 8453 to:

Internal Revenue Service

Attn: Shipping and Receiving, 0254

Receipt and Control Branch

Austin, TX 73344-0254



Alternatively, a PDF of the attachments can be attached to the electronic return. In that case, no Form 8453 is required. To do this, scan the document to create the PDF. However, only select forms can be uploaded into TaxSlayer.



# 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, information returns (such as Forms W-2, 1099, etc.) 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 VI are answered and unsure boxes were discussed with the taxpayer and correctly marked yes or no
- All applicable information in the shaded areas were completed by the certified volunteer preparer
- Names, Addresses, SSNs, Individual Taxpayer Identification Numbers (ITINs), and Employer Identification Numbers (EINs) are verified and correct
- Filing status is correct
- 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 Affordable Care Act (ACA) were considered for each person named on the tax return and are correct
- Any Individual Shared Responsibility Payments, Health Care Exemptions and/or Premium Tax Credit reconciliations are correct
- Federal Income Tax Withholding and Estimated Tax Payments are correct
- Direct Deposit/Debit and checking/saving account numbers are correct
- Site Identification Number (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

## 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. For more information, refer to Publication 5166, IRS Volunteer Quality Site Requirements.

# TaxSlayer Basic Quality Review - Print Set

**Quality Review using TaxSlayer:** Start with your TaxSlayer Online User Guide Review Process.

**Return Open:** After return is prepared and still opened by the preparer, select the drop down list on the Submission page. The Quality Reviewer may select the “Quality Review” print set. Although TaxSlayer call 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 preparer closes 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 '2017 Tax Program' interface. The main content area is titled '2017 Client Tax Return List'. It features several filter options: 'Filter by Status' (set to 'Any Status'), 'Filter by Return Tag' (set to '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 for the 'Client List' is present. Below the filters, it shows 'Showing 1 to 1 of 1 entries (filtered from 248 total entries)'. A table lists client information 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 sidebar on the left contains various navigation links like 'Main Menu', 'Client Status', 'IRS website', etc.

**Note:** A designated reviewer may use the “Return Closed” process.

Selecting Quality Review 2018 print set while 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.

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

# 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 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.

## 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.

# Return Signature (continued)

## 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.

## Power of Attorney

Attach a copy of the taxpayer's original paper Power of Attorney (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 to a PDF and attach the PDF to the return prior to creating 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.

# Printing the Tax Return



**TaxSlayer Navigation:** 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, click on Save. The program will display the Submission page. From this page click on the drop down arrow, select the appropriate print set, and click on Print Return. Once the PDF is generated you can choose the pages you wish to print and the number of copies you wish.

Inform the taxpayer they're responsible for the information on the return and ask them to sign the global consent.

## 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

### Electronic Return Originator (ERO)

- Form 8453 and attachments for mailing.

### 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.

### Paper State Return

- Signed state return with all forms and schedules.
- 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

1. 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 hypens 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.

2. 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 cancelled check, the taxpayer should also contact their financial institution.

3. Entering the incorrect RTN and/or DAN will result in a 4-6 week delay of the refund, or it may go into some else's account. If the direct deposit is voided, a paper check will

automatically be mailed to the address on the electronic tax form.

4. 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.

5. 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.

6. 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.



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.



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.

TONY MAPLE  
JENNIFER MAPLE  
123 Pear Lane  
Anyplace, GA 00000

PAY TO THE ORDER OF

ANYPLACE BANK  
Anyplace, GA 00000

For

15-0005790

1234

DOLLARS

Routing number (line 74b)

Account number (line 74d)

Do not include the check number.

⑆250250025⑆ 20202086 ⑆ 1234

**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 will convert to a paper refund check and be mailed to the taxpayer.

# 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.

### 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:

<b>Step 1</b>	<b>Step 2</b>	<b>Step 3</b>	<b>Step 4</b>	<b>Step 5</b>
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.
- No cash payments.

### 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, keyword "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, keyword “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 can’t accommodate Individual Taxpayer Identification Numbers (ITINs)

## 6. PayNearMe

Through a partnership with OfficialPayments.com and the PayNearMe Company, taxpayers can now 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, keyword “make a payment.”

## 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?

- Can you pay in full 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.
- Applying online for a payment agreement. If the taxpayer’s balance due isn’t more than \$50,000, 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, 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.

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 Keyword: "1040-ES"

## Estimated Payments for Next Year

First Quarter(April 15, 2018)

Second Quarter(June 15, 2018)

Third Quarter(September 15, 2018)

Fourth Quarter(January 15, 2019)

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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.

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.



## **Tab L: Resident/NR Alien**



# Resident or Nonresident Alien Decision Chart

Determine residency status for federal income tax purposes.

step <b>1</b>	Were you a lawful permanent resident of the United States (had a “green card”) at any time during the current tax year?	<b>YES</b> – RESIDENT Alien for U.S. tax purposes <sup>1,2</sup> <b>NO</b> – Go to Step 2
step <b>2</b>	Were you physically present in the United States on at least 31 days during the current tax year? <sup>3</sup>	<b>YES</b> – Go to Step 3 <b>NO</b> – NONRESIDENT Alien for U.S. tax purposes <sup>5</sup>
step <b>3</b>	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"> <li>• counting all days of presence in the current tax year,</li> <li>• 1/3 of the days of presence in the first preceding year, and</li> <li>• 1/6 of the days of presence in the second preceding year?<sup>3</sup></li> </ul>	<b>YES</b> – Go to Step 4 <b>NO</b> – NONRESIDENT Alien for U.S. tax purposes <sup>4,5</sup>
step <b>4</b>	Were you physically present in the United States on at least 183 days during the current tax year? <sup>3</sup>	<b>YES</b> – RESIDENT Alien for U.S. tax purposes <sup>1,2</sup> <b>NO</b> – Go to Step 5
step <b>5</b>	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)	<b>YES*</b> – NONRESIDENT Alien for U.S. tax purposes <sup>5</sup> <b>NO</b> – RESIDENT Alien for U.S. tax purposes <sup>1,2</sup>

## Footnotes

- <sup>1</sup> 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)
- <sup>2</sup> 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)
- <sup>3</sup> See Days of Presence in the United States in Pub 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.)
- <sup>4</sup> 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)
- <sup>5</sup> 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 Pub 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; 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.

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

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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 TIN 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 2019 but whose ITIN will expire at the end of 2018. 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.



## **Tab M: Other Returns**



# Amended Returns

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.

If you must change the filing status, TaxSlayer warns that all state returns will be deleted, so it is imperative to have/print a paper copy of all state returns filed.

Amended returns cannot be electronically filed and must be mailed to the IRS. Direct deposit/debit is not available for amended returns.

If the original return is not already in TaxSlayer, you will need a copy of the original return. See “Amending Returns - Original Return Not Created in TaxSlayer” later in this tab.

## If the original return was created, e-filed, and accepted using TaxSlayer, follow these steps:

1. Pull original tax return amounts to Form 1040X, Amended Return, original column
  - a. Open the original return in TaxSlayer.
  - b. If the return was previously adjusted by the IRS, modify the original return to match the changes the IRS made before opening Form 1040X.
  - c. To open Form 1040X, open the navigation MENU on the left and select **20XX Amended Return**.
  - d. Where it says Original Federal Return Information, select **Begin**.
  - e. Verify that each “Original Amount” agrees with the taxpayer’s file copy of the return. If the original amounts are not on the TaxSlayer form, manually enter the numbers from the original return.
  - f. When you have confirmed or entered all amounts from the original return, select **Continue**.
2. Enter corrections and provide explanation of changes in Form 1040X
  - a. Where it says Make Corrections for Amended Return, select **Begin**. Read the instructions and select **Continue**.
  - b. If there are any Income changes in the amended return, select **Edit** on the appropriate line to enter the appropriate amount(s) that are dictating the reason for the amended return and select **Continue**.
  - c. If there are changes in other sections (Basic Information, Deductions/Credits, Other Taxes, Health Insurance, etc.), go to that section, make the appropriate entries, and select **Continue**.
  - d. When you have finished making amending entries on the federal return, select **20XX Amended Return** at the left navigation MENU.
  - e. Where it says Explain Changes, select **Begin**. Enter the reason(s) for the federal amended return and select **Continue**.
3. Amend the State Return
  - a. If the state return needs to be amended, select **Amend State Return(s)**, and select **Begin**. If there are no state changes, skip to the steps for “Print Return”
  - b. Answer state-specific questions and enter amounts from original state return by selecting **+Amend State**. Complete each menu item.
  - c. Make changes that do not flow from the federal return by selecting **Edit State**. Complete each menu item that changed.
  - d. When you have completed the necessary entry or entries, select **Continue** until you’re out of the state return and select **20XX Amended Return** at the left navigation MENU.

# Amended Returns (continued)

4. Print Return and assemble the Form 1040X package to be mailed
  - a. 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. Use pre-addressed envelopes. 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 (continued)

- Verify or enter your originally filed exemption amounts for yourself, spouse, and dependent(s). If not adding or removing an exemption, uncheck this box.
- Check here if the Address has changed from your last filed return and you would like the IRS to change it in their records.
- Check here if you did not previously want \$3 to go to the Presidential Election Campaign Fund but now want it to.
- Check here if your spouse did not previously want \$3 to go to the Presidential Election Campaign Fund but now want it to.

Follow the prompts to Cancel or Continue

- Verify or enter your originally filed exemption amounts for yourself, spouse, and dependent(s). If not adding or removing an exemption, uncheck this box.
- Exemptions: If you filed Form 1040 or 1040A, these figures can be found at the far right of line 6. If you filed Form 1040EZ, enter 1 if single or 2 if Married Filing Joint.
- Yourself and spouse
- Your dependent children who lived with you
- Your dependent children who did not live with you due to divorce or separation
- Other dependents
- Deductions for Exemptions
- Check here if the Address has changed from your last filed return and you would like the IRS to change it in their records.
  - Check here if you did not previously want \$3 to go to the Presidential Election Campaign Fund but now want it to.
  - Check here if your spouse did not previously want \$3 to go to the Presidential Election Campaign Fund but now want it to.

Follow the prompts to Cancel or Continue

# Amending Returns Original Return Not Created in TaxSlayer

1. In the e-file section, select **Paper** for federal and state.
2. Go to the Amended Return Section and select **Original Federal Return Information**.
3. Select **Begin** and enter the return data from the original return.
4. When you have confirmed or entered all amounts from the original return, continue with steps 2 through 4 on the Amended Returns page.
  - For a basic return, create the correct return as normal. If applicable create a correct state return. All information reporting documents must be included with the tax return.
  - For an advanced return, without multiple information reporting documents create the return as normal. If applicable create a state return. All information reporting documents must be included with the tax return.
  - For an advanced 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 information reporting documents must be included with the tax return.
  - For returns with adjustments, credits, and additional schedules:
    - a. Schedule C's with no required amendment can be created by using the net profit as total income
    - b. Schedule D's 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



# Prior Year Returns

## Who can prepare prior year returns?

Sites are encouraged to prepare prior year returns if they have the required technical resources described below. Prior year returns may only be prepared and reviewed when the tax topics are within scope for VITA/TCE and within the volunteers' current level of training and certification. They don't need to be certified in the actual prior year. Determining the certification level of the return is described below in Getting Started.

## 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, 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 volunteer quality 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 and 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.

- 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.

# Prior Year Returns (continued)

## **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 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.

# Filing an Extension Using TaxSlayer



**TaxSlayer Navigation:** Federal Section>Miscellaneous Forms>Application for Extension Form 4868; 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. Pay the 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. You will then 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.
  - 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	<input type="button" value="BEGIN"/>
Claim a Refund Due to a Deceased Taxpayer Form 1310	<input type="button" value="BEGIN"/>
Application for Extension Form 4868	<input type="button" value="BEGIN"/>
Married Filing Separately Allocations Form 8958	<input type="button" value="BEGIN"/>
IRS Identification Pin	<input type="button" value="BEGIN"/>
Installment Agreement Form 9465	<input type="button" value="BEGIN"/>
Application for ITIN Form W-7	<input type="button" value="BEGIN"/>
Power of Attorney and Declaration of Representative Form 2848	<input type="button" value="BEGIN"/>
Explanations	<input type="button" value="BEGIN"/>

Required Extension Information
Tax Liability use current liability amount
<input type="text" value="\$"/>
Amounts previously paid for current tax year
<input type="text" value="\$"/>
Amount Paid with Extension
<input type="text" value="\$"/>
<input type="checkbox"/> I was out of the country.
<input type="button" value="Go to Extension Payment"/>
<input type="button" value="CANCEL"/> <input type="button" value="CONTINUE"/>

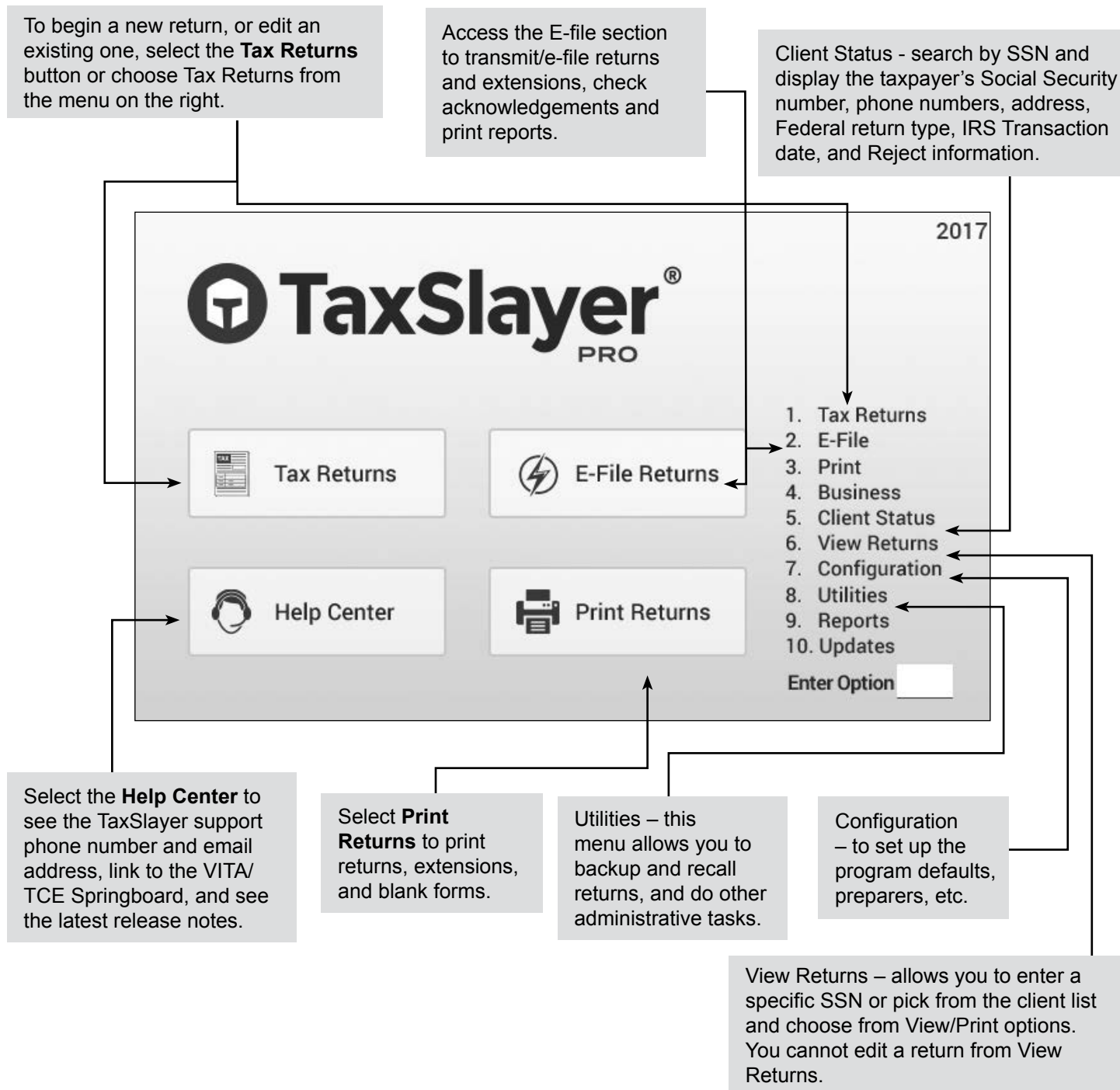


## **Tab N: Using TaxSlayer® Desktop**



# Navigating TaxSlayer® Pro (Desktop)

**Note:** This tab provides key highlights for using TaxSlayer Pro. For specific tax law content refer to the appropriate tab in the Publication 4012, VITA/TCE Volunteer Resource Guide. See VITA/TCE: TaxSlayer® Pro Desktop User Guide on the VITA/TCE Springboard for software details on starting and preparing a return, working with the Affordable Care Act, entering income, deductions, etc., completing a state return, and finishing a return.



**Note:** Menu Options 2, 7 and 8 may not be accessible or useful to you depending on your volunteer role and software permissions.

# Navigating TaxSlayer® Pro (Desktop) (continued)

The toolbar appears at the top of the screen throughout the program, although some icons may not appear on all screens:

The HELP button takes you to the TaxSlayer desktop knowledge base. You can search by category or keyword. Requires an internet connection

This icon brings up a Client Status screen. You can search by SSN and display the taxpayer's Social Security number, phone numbers, address, federal return type, IRS Transaction date, and Reject information

Check the Message Center

Brings up a link to IRS publications, forms and instructions. Requires an internet connection

Many input screens provide an Icon at the top of the screen that allows you to view the form from the current menu. Select the magnifying glass icon and a form will open in a new window.

The Notes icon is only visible inside the return – select to add a note to the tax return.

View from the exit screen when you mark the return as not complete.

File Electronic Filing View Tools Configuration Updates Help Where's My Refund

Brings up the extension menu, where you can create or select an extension

View rejected returns. The number here reflects the rejected returns for the whole site.

Preparer Client Lookup

SMITH

Call/Thank You List

Prior Year Client List

Exit



# General Input Highlights

- To begin a new return, enter a SSN
- To see a list of existing returns, hit the F8 key
- The ESC key will take you back to the main menu
- From the client list, you can start a new return by entering the SSN in the box provided
- If the return does not exist, the software will ask, do you want to create a new return
- If the prior year exists, the software will ask if you want to carry forward the information from last year
- If there is no Cancel button, hit the ESC key to get out of a single-entry screen
- You can go to a return section by selecting the menu on the upper left or use the hot links from the specific lines of the Form 1040, U.S. Individual Income Tax Return
- You can select **Form Finder** on the lower left side to open a new form, or open an existing form by selecting it in the completed forms list
- View Form Option – many input screens provide an icon at the top of the screen that allows you to view the form from the current menu. You can also find forms by selecting the magnifying glass icon.
- When entering dependent information pay attention to the drop-down screens to capture unique situations that may apply

# Personal Information

If the spouse or dependent's last name is the same as the taxpayer's, TaxSlayer Pro automatically fills that box with the taxpayer's last name after you hit the tab key

You enter the primary SSN again on this screen – you'll receive a warning if it doesn't match the SSN you entered when starting the return

**Personal Information Entry**

**Taxpayer's Information**

Name: [ ] [ ] [ ] SSN: [ - ] [ - ]

Date of Birth: [ / ] [ / ] Occupation: [ ]

U.S. Address Check for Foreign Address

Street Address: [ ] Apt: [ ]

Zip Code: [ - ]

City/Post Office: [ ] State: [ ]

Phone 1: [ ( ) ] [ - ] Phone 2: [ ( ) ] [ - ] Phone 3: [ ( ) ] [ - ]

E-Mail: [ ]

Ok Cancel



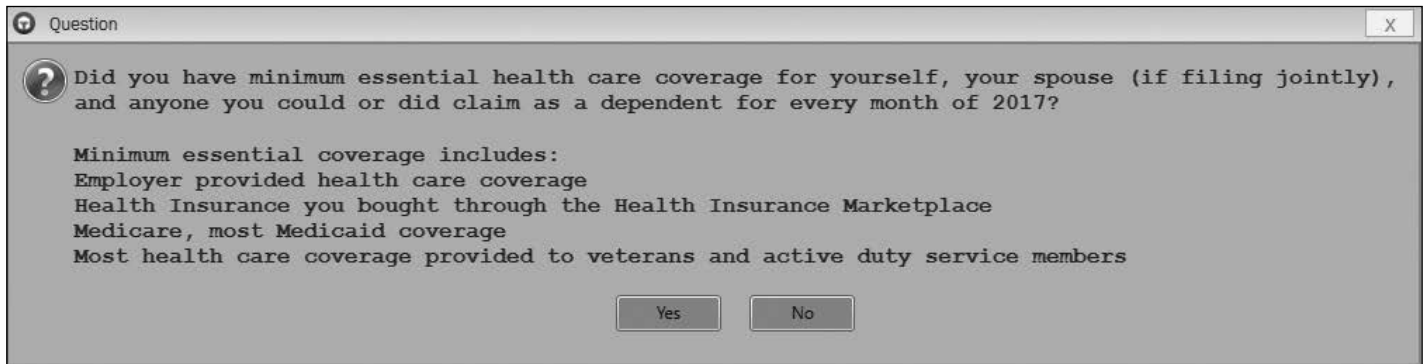
Without an SSN or ITIN, the return cannot be e-filed. You may be able to file a paper return.

Desktop will allow you to leave the phone number and email address blank – but you should get as many phone numbers for the taxpayer as possible.

# ACA

When you are finished entering the Personal Info for the taxpayer, spouse and dependents, desktop will ask about Minimum Essential Coverage (MEC), and then Marketplace coverage.

If you select **Yes** here, the software will not compute the Shared Responsibility Payment (SRP). If you select **No**, the SRP will be computed based on no coverage for all family members. If the tax family had coverage for some part of the year, or qualifies for a coverage exemption, you must **add Form 8965**, Health Coverage Exemptions later in the return. A diagnostic warning will display to remind you.



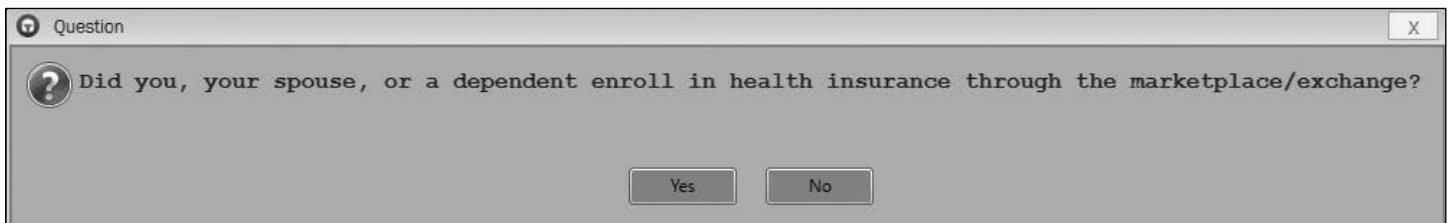
Question

Did you have minimum essential health care coverage for yourself, your spouse (if filing jointly), and anyone you could or did claim as a dependent for every month of 2017?

Minimum essential coverage includes:  
Employer provided health care coverage  
Health Insurance you bought through the Health Insurance Marketplace  
Medicare, most Medicaid coverage  
Most health care coverage provided to veterans and active duty service members

Yes No

If you select **Yes** for Marketplace coverage, you will have to **open the Form 8962**, Premium Tax Credit later to add the information from the Form 1095-A, Health Insurance Marketplace Statement. A diagnostic warning will display to remind you.



Question

Did you, your spouse, or a dependent enroll in health insurance through the marketplace/exchange?

Yes No

The Personal Information summary menu will appear next – if you need to change your answers to the MEC or marketplace questions, you can select that item.

# ACA Form 8965 – Key Highlights

- If a member of the tax family has an Exemption Certificate Number (ECN) from the marketplace, select Option 1, Part 1-Marketplace Granted Coverage Exemptions.
- If the Household Income (HHI) on the return is lower than the filing threshold, the software will indicate it on Options, Household or Gross Income Below Filing Threshold. No input necessary.
- The Marketplace Affordability worksheet doesn't give you the affordability threshold—you must manually calculate the affordability threshold and compare it to the Annualized Required Contribution. See Tab H, Other Taxes, Payments and ACA for instructions.
- If a member of the tax family is eligible for an IRS exemption, select Option 4, Part III Coverage Exemptions. Enter as many exemptions as needed.
- Select the IRS-granted exemption from the Part III Coverage Exemptions drop-down menu and the months for which that exemption applies. The months won't display on this screen, even after you make your selection, but they will carry to Form 8965.
- If some family members had MEC, but not all family members all year, click on Option 5, Shared Responsibility Payment.
- If the taxpayer was eligible to claim a dependent who is not being claimed by another, but chose not to claim that person, click Option 1, Elected Not to Claim a Dependent You Could Have Claimed to add another person to the tax household size.
- To edit the individual select Option 4, Months with No Coverage and No Exemption and edit so that only the boxes with no coverage AND no exemption are checked.
- If a dependent claimed on the return (or who could have been claimed) is required to file a tax return (see tab H for the tax filing thresholds for dependents), the dependent's MAGI is included in HHI. From the Form 8965 menu, select Option 5, Shared Responsibility Payment. Next, select Option 2, Household Income, to add the dependent's MAGI.
- Most of the household income screen will automatically fill with information from the return but lines 8, 9, 10 and 14 require information from the dependent's separate tax return. If more than one dependent had a filing requirement, enter the total from all the dependents' returns, as applicable. The information from this worksheet is used to compute HHI for both the SRP and the PTC.
- If the F1095-A includes a person who is not part of the tax family, or if someone in the tax family is listed on another taxpayer's Form 1095-A, the policy amounts must be allocated – this is Out of Scope
- Preparer needs to indicate YES or NO to using annual PTC amounts, and then click on the next line to enter the amounts. Once entered, the form will display either the Net Premium Tax Credit (to be refunded) or the Excess PTC Repayment.

# Income – Key Highlights

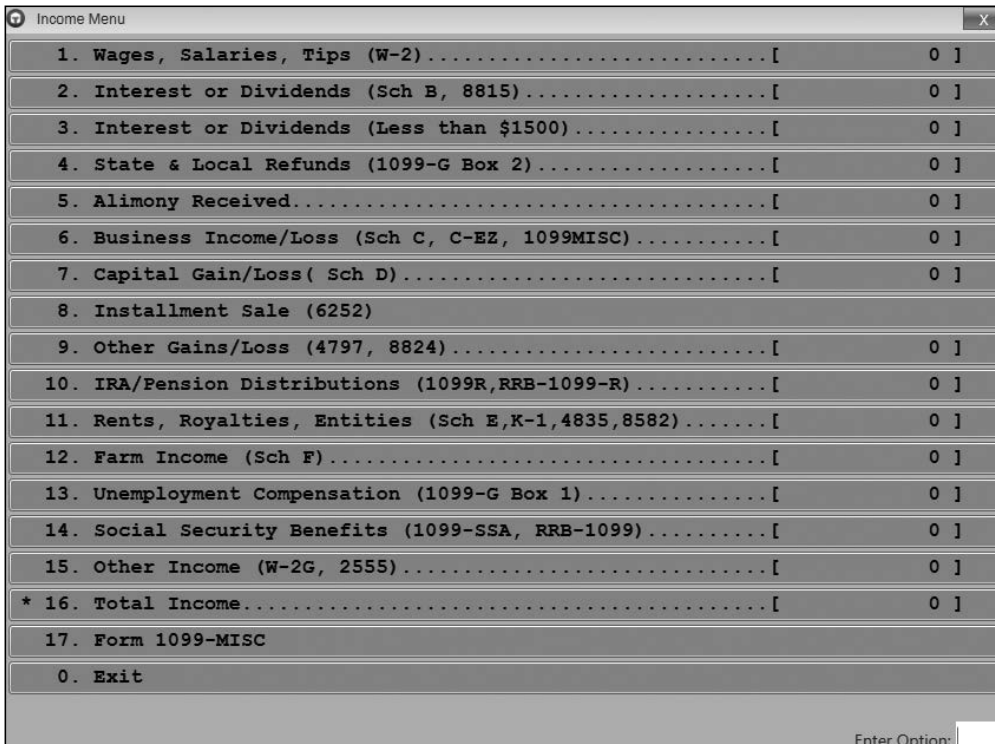
After entering personal and ACA information, you will enter all items of income. The list of income items is found in the income menu screen. If you exit or are at the Main Menu, you can select the corresponding menu option to get back to the item that you want.

Select the specific item and follow the software prompts.

## MAIN MENU



## INCOME MENU



# Income – Key Highlights (continued)

- To enter Taxable Scholarship, Prisoner Earned Income, or Foreign Compensation, select **Other Compensation** on the W-2 Menu.
- Interest/ Dividend Income will be entered from either Income Menu Option 2 or 3 depending on the amount of the income.
- Private activity bond interest (PAB) is entered in Other Taxes>> Alternative Minimum Tax>>Interest from specified private activity bonds exempt from the regular tax.
- The Schedule C/C-EZ can be accessed through Option 6 of the main Income menu. Remember to enter the Principal Business Activity Code on the Schedule C.
- When entering gross receipts, 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.
- To enter Schedule D, Capital Gains and Losses select Option 7 from the main Income menu and then enter the transactions. Select the Other menu button in the Edit Capital Gain/Loss Transactions screen to enter capital loss carryovers and to access the Sale of Home worksheet. See Tab D, Income for more information on Capital Gains/ Losses.
- If an adjustment to basis or net capital gain is required, enter the adjustment amount and select the adjustment code(s) from the list. For most transactions, no adjustment to gain or loss is needed. 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.
- To use the Simplified Method, check the box labeled “SGR” in Box 2A of Form 1099-R, Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
- To enter other income that is not already listed in the Other Income Menu box, select Option 1 and then enter the income.

# Income – Key Highlights (continued)

## Public Safety Exclusions

To enter the amount of the health insurance exclusion for a Public Safety Officer (PSO), from the Main Menu of the Tax Return (Form 1040)

1. Select **Income Menu**
2. Select **IRA/Pension Distributions (Form 1099-R/RRB, SSA)**
3. Select **New** and fill out the Payer's Information
4. Enter the Gross Distribution in Box 1 as it is shown on the 1099-R
5. Subtract the amount of any Qualified Retired Public Safety Officer Distribution from the Gross Distribution and enter the different Taxable Amount. Exit this menu. The smaller of the amount of the premiums for health and/or long-term care (LTC) insurance or \$3,000 can be excluded (subtracted) from distribution.
6. Select the **Other/Roth** Button
7. Select **Public Safety Officers Insurance Distribution**
8. Select **Yes**
9. Select the line on **Form 1040** where Form 1099-R is reported. When you view Form 1040, the abbreviation **PSO** will be displayed in the left margin.

If you selected Form 1040 wages line, you will be prompted to input the amount of distribution being excluded. The exclusion and the abbreviation PSO will print on the dotted line next to the wages amount.

**Note:** This is a guide on entering Public Safety Officer Distributions into TaxSlayer. This is not intended as tax advice.



Any amount exceeding \$3,000 is entered on Schedule A, Itemized Deductions as insurance cost. The insurance can be for the taxpayer, spouse and family. When Form 1099-R, Box 7 is Code 4 (distribution due to death), the PSO deduction may no longer be used.

## Entering Medicaid Waiver Payments:

Scenario A: If income is reported on Form W-2 (and payer will not change), enter the Form W-2 as provided. Then, go to Other income not reported elsewhere and enter IRS Notice 2014-7 in the description field and the amount as a negative number. Next, go to Other Income, Other Compensation and enter the income as Medicaid Waiver wages. This will remove the income from EIC and other credit calculations as necessary.

Scenario B: If income is reported on Form 1099-MISC, Miscellaneous Income, go to Other income not reported elsewhere, enter IRS Notice 2014-7 in the description field and \$0 in the amount field.

Scenario C: If income is reported on Form 1099-MISC and you are in the business of providing home care services, enter the full amount of 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. You cannot exclude gross receipts that are not Notice 2014-7 Medicaid waiver payments. Credits – Key Highlights

- To enter tax credits select the Credits Option to bring up the Credits Menu.
- To enter a specific credit select the appropriate menu option and then follow the software prompts.
-

# Credits – Key Highlights

- To enter tax credits select the Credits Option to bring up the Credits Menu.
- To enter a specific credit select the appropriate menu option and then follow the software prompts.

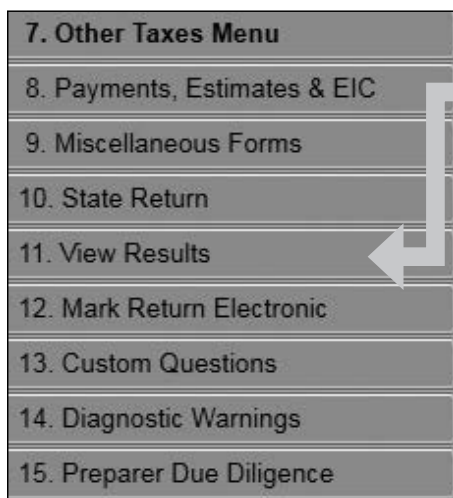


# Printing from Desktop

There are different print settings available:



- Print from TaxSlayer Pro home page menu by selecting **Print Returns**
- Choose an option from the print sub-menu,
- Select client, then select print option



Print from inside the return:

- Select View Results from the Main Menu
- Select Form/Schedule to view menu option



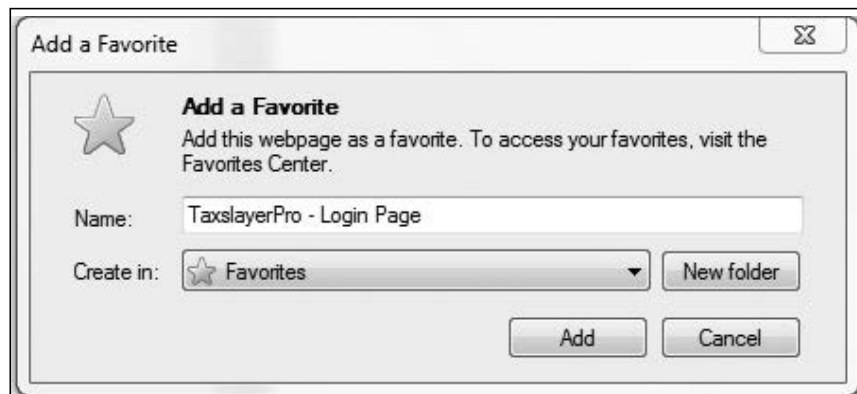
## **Tab O: Using TaxSlayer® Pro Online**



# Setting TaxSlayer® Pro Online as a Favorite

To set up TaxSlayer® Pro Online as a Favorite, use the following steps:

1. Open Google Chrome, Internet Explorer, or Mozilla Firefox.
2. Type <https://vita.taxslayerpro.com> in the address line. Current and prior year software can be accessed upon logging in.
3. In Internet Explorer, select the Favorites icon.
  - Select the Favorites icon
  - Select Add
  - In Name, type the name you want the favorites to display



- Select OK
4. In Google 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.

**TIP** 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

# 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 2018 Tax Return** Select  
Create a brand new tax return for a client.

---

**Client Search** Select  
Edit returns you previously started.

---

**Review Returns** Select  
Returns that are currently waiting to be reviewed

---

**Configuration** Select  
Setup the configuration options for your office.

---

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

---

**Transmissions** Select  
Transmit returns to IRS.

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 a new 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 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)



# 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 clicking on the state at the United States map and select **Continue**. Preparer then selects the taxpayer's state residency type. The residency types for most states are resident, part year resident and non-resident. 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 as shown or the 1040 View, which allows you to link from most of the line items on the Form 1040.

Select **View/Print the Return** to create a PDF of the return that can be printed or reviewed.

### Calculation Summary

	<b>\$9,853</b>	<b>\$1,353</b>	<b>\$112</b>
	AGI Amount	Federal Refund	GA Amount Due

**GO TO LAST CHECKPOINT** **VIEW/PRINT RETURN**

**BACK** **CONTINUE**

Prior Year Comparison **1040 View**

<b>Total Income</b> <small>show details</small>	\$9,853.00
<b>Adjusted Gross Income</b> <small>show details</small>	\$9,853.00
<b>Tax and Credits</b> <small>show details</small>	\$0.00
<b>Total Tax</b> <small>show details</small>	\$0.00
<b>Payments</b> <small>show details</small>	\$1,353.00
<b>Refund</b> <small>show details</small>	\$1,353.00

# Navigating TaxSlayer

Form or Topic	Keyword	Navigation to Data Entry Screen
<b>982</b> Reduction of Tax Attributes...	98	Income>Other Income>Cancellation of Debt Form 1099-C, Form 982
<b>1040-ES</b> Estimated Tax Payments	1040	Payments & Estimates>Vouchers for Next Year's Estimated Payments
<b>1040X</b> Amended Return	N/A	Select 2018 Amended Return Section from side menu or create prior year return
<b>1095-A</b> Health Insurance	N/A	Select Health Insurance Section from side menu>Follow screens to Advanced Premium Tax Credit
<b>1098</b> Mortgage Interest Statement	1098	Deductions>Itemized Deductions>Mortgage Interest and Expenses>Mortgage Interest Reported on Form 1098
<b>1098-E</b> Student Loan Interest	1098	Deductions>Adjustments>Student Loan Interest Deduction
<b>1098-T</b> Tuition Statement	1098	Deductions>Credits Menu>Education Credits
<b>1099-A</b> Acquisition or Abandonment	Capital	Income>Capital Gain and Losses>Sale of Main Home Worksheet or use Capital Gains and Loss Items
<b>1099-B</b> Proceeds from Broker and Barter Exchange	10	Income>Capital Gain and Losses>Capital Gain and Loss Items
<b>1099-C</b> Cancellation of Debt	C or CANC	Income>Other Income>Cancellation of Debt Form 1099-C, Form 982
<b>1099-DIV</b> Dividends	D	Income >Interest and Dividends>Interest or Dividend Income
<b>1099-G</b> State Tax Refund	G	Income>State and Local refunds
<b>1099-G</b> Unemployment Compensation	10 , UN	Income>Unemployment Compensation
<b>1099-INT</b> Interest Income	INT	Income>Interest and Dividends>Interest or Dividend Income
<b>1099-INT</b> Box 9, Private Activity Bond Interest (PAB)	6251	Other Taxes>Alternative Minimum Taxes>Interest from specified private activity bonds exempt from the regular tax
<b>1099-K</b> Payment Card and Third Party...	N/A	Income>Payment Card and Third-Party Network Transactions Form 1099K>C>Income (include in gross receipts or sales)
<b>1099-MISC</b> Miscellaneous Income	MIS	Income>Form 1099-MISC
<b>1099-OID</b> Original Issue Discount	INT	Treat the same as 1099-INT
<b>1099-Q</b> Payments from Education Programs	N/A	If not taxable, do not enter, if taxable, then Out of Scope
<b>1099-QA</b> Distributions from ABLE Accounts	N/A	If not taxable, do not enter, if taxable, then Out of Scope
<b>1099-R</b> IRA Distribution	-R	Income>IRA/Pension Distributions> Add or Edit a 1099-R
<b>1099-R</b> Pension Distributions	-R	Income>IRA/Pension Distributions> Add or Edit a 1099-R
<b>1099-R</b> Retirement	-R	Income>IRA/Pension Distributions> Add or Edit a 1099-R
<b>1099-S</b> Proceeds from Real Estate Transaction	CAP	Income>Capital Gain and Losses>Capital Gains and Loss Item
<b>1099-SA</b> HSA	HSA	Deductions>Adjustments>Health Savings Account Form 8889

## Navigating TaxSlayer (continued)

Form or Topic	Keyword	Navigation to Data Entry Screen
<b>2120</b> Multiple Support Declaration	N/A	On the Dependent Entry Screen, check the box "This dependent qualifies for a multiple support agreement" and follow the prompts on the next screen.
<b>4852</b> Substitute for Form W-2	W2	Income>Wages>Add a W-2>This is a substitute W-2
<b>4852</b> Substitute for Form 1099-R	R	Follow the 1099-R navigation and check the box indicating this is a substitute 1099-R
<b>CSA 1099-R</b> Civil Service Annuity Paid	R	Income>IRA/Pension Distributions>Add or Edit a 1099-R
<b>CSF 1099-R</b> Statement of Survivor Annuity Paid	R	Income>IRA/Pension Distributions>Add or Edit a 1099-R
<b>K-1</b> Beneficiary's (or Partner's) Share of Income	K	Income>Other Income>K-1 Earnings
<b>RRB 1099</b> Railroad Retirement Benefits (Tier 1 blue form)	RR	Income>IRA/Pension Distributions>Social Security Benefits/RRB-1099
<b>RRB 1099-R</b> Railroad Retirement Benefits (Tier 2 green form)	RR	Income>IRA/Pension Distributions>RRB-1099-R
<b>SSA-1099</b> Social Security Benefits	SSA	Income>IRA/Pension Distributions>Social Security Benefits/RRB-1099
<b>W-2</b> Wages & Salaries	W	Income>Wages and Salaries
<b>W-2G</b> Gambling Winnings	W2G	Income>Other Income>Gambling Winnings
<b>Alimony Paid</b>	ALIM	Deductions>Adjustments> Alimony Paid
<b>Alimony Received</b>	ALIM	Income>Alimony Received
<b>Amended Return</b>	N/A	Select 2018 Amended Return Section from side menu or create prior year return
<b>American Opportunity Credit</b>	1098	Deductions>Credits>Education Credits
<b>Annuity Calculator, Simplified Method or Public Safety Officer Exclusion</b>	R	Income>IRA/Pension Distributions>Add or edit a 1099-R>Click here for options
<b>Attach a PDF to the Return</b>	CAP	Income>Capital Gain and Losses>PDF Attachments
<b>Brokers Statements</b>	N/A	See appropriate 1099
<b>Business Expenses</b>	C or SCHEDULE C	Income>Profit or Loss From A Business>Add (or edit) a Schedule C Income from Business>General Expenses, Car And Truck Expenses, or Other Expenses
<b>Cancellation of Debt</b>	CAN	Income>Other Income>Cancellation of Debt
<b>Capital Gains</b>	CAP	Income>Capital Gains and Losses
<b>Capital Gains Distributions</b>	INT or DIV	Income>Interest and Dividend Income>Interest or Dividend Income>Dividend Income>Capital Gain to Schedule D
<b>Capital Loss Carryforward</b>	CAP	Income>Capital Gains and Losses>Other Capital Gains Data (including Capital Loss Carryover)

# Navigating TaxSlayer (continued)

Form or Topic	Keyword	Navigation to Data Entry Screen
<b>Charitable Distribution from IRA</b>	R	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.
<b>Charitable Donations</b>	CHA	Deductions>Itemized Deductions>Gifts to Charity
<b>Deceased Taxpayer</b>	PER plus 1310	Personal Information>Check here if Taxpayer is deceased. PLUS, complete Form 1310 if person filing the return is other than spouse (Miscellaneous Forms>Claim a Refund Due to a Deceased Taxpayer).
<b>Direct Deposit/Direct Debit</b>	N/A	E-File Section from side menu>Federal Return Type, State Return Type. Then enter Taxpayer Bank Account Information.
<b>Dividend Income</b>	D	Income >Interest and Dividends>Interest or Dividend Income
<b>Donations to Charity</b>	CHA	Deductions>Itemized Deductions>Gifts to Charity
<b>Early Withdrawal Penalty (not on 1099-INT)</b>	EARL	Deductions>Adjustments> Penalty on Early Withdrawal of Savings or CD
<b>Education Expenses</b>	EDUCA or 886	Deductions >Credits Menu>Education Credits
<b>Educator Expenses</b>	EDUCA	Deductions>Adjustments> Educator Expenses
<b>Elderly or Disabled Credit</b>	ELD	Deductions>Credits>Credit for the Elderly or Disabled Schedule R
<b>Estimated Tax Payments paid for current tax year</b>	FED or PAY	Payments & Estimates>Federal Estimated Payments for 20XX
<b>Estimated Payment Vouchers (Federal) for next year</b>	VOU STAT	Payments & Estimates>Vouchers for Next Year's Estimated Payments
<b>Exempt Interest</b>	INT	Income>Interest and Dividends>Interest or Dividend Income>Tax Exempt Interest Income, Form 1099-INT, Box 8 or Form 1099-DIV, Box 10
<b>Extension, Filing for</b>	EXTE	Miscellaneous Forms>Application for Extension
<b>First Time Home Buyer Credit (Repayment)</b>	FIR	Other Taxes>First-time Homebuyer Repayment
<b>Foreign Tax Credit</b>	1116	Deductions>Credits Menu>Foreign Tax Credit
<b>Gambling Winnings</b>	W2G	Income >Other Income>Gambling Winnings
<b>Health Savings Accounts</b>	HSA	Deductions>Adjustments> Health Savings Account
<b>Household Employee Income (no W-2)</b>	OT or OTHER	Income>Other Income>Other Compensation> Household Employee Income
<b>Identity Theft PIN</b>	PIN	Miscellaneous Forms>IRS Identification Pin
<b>Injured Spouse</b>	INJ	Miscellaneous Forms>Injured Spouse Form
<b>Interest Income or Interest Income not on a Form</b>	INT	Income>Interest and Dividends>Interest or Dividend Income>Interest Income, Form 1099-INT
<b>Interest Income not on a Form</b>	INT	Income>Interest and Dividends> Interest or Dividend Income>Interest Income, Form 1099-INT

## Navigating TaxSlayer (continued)

Form or Topic	Keyword	Navigation to Data Entry Screen
<b>ITIN, Application for</b>	N/A	Miscellaneous Forms>Application for ITIN
<b>IRA Contributions (Traditional IRA)</b>	IRA	Deductions>Adjustments>IRA Deduction
<b>IRA Contributions (ROTH IRA)</b>	RETIRE	Deductions>Credits Menu>Retirement Savings Credit>Enter Any Current Year Traditional or Roth IRA Contributions (Do not re-enter Traditional IRA contributions already reported in the IRA Deduction menu)
<b>IRA Distributions</b>	R	Income>IRA/Pension Distributions>Add or Edit a 1099-R
<b>IRA Qualified Charitable Distribution (Not a Charitable Gift Annuity)</b>	R	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. Click continue and navigate back to Income>IRA/Pension Distribution>Go to Nontaxable Distributions> and check the box “Check here to mark this as a Qualified Charitable Distribution (QCD) on your return.”
<b>IRA Rollover</b>	R	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 amount.”
<b>Jury Duty Pay</b>	N/A	Income>Other Income>Other Income Not Reported Elsewhere
<b>Jury Duty Paid to the Employer</b>	J	Deductions>Adjustments>Other Adjustments>Jury Duty Pay
<b>Lump Sum Social Security Benefit</b>	SSA	Income>IRA/Pension Distributions>Social Security Benefits/ RRB-1099>Begin Worksheet
<b>Medical and Dental Expenses</b>	MED	Deductions>Itemized Deductions>Medical and Dental Expenses
<b>Medicaid Waiver Payments on W-2</b>	W	Income>Wages and Salaries>enter the amount in the box titled “Medicaid Waiver Payment in Box 1” below box 13 (this amount will be subtracted on Schedule 1).
<b>Mileage for Charitable Travel</b>	CHA	Deductions>Itemized Deductions>Gifts to Charity>Noncash Gifts to Charity
<b>Mileage for Medical Travel</b>	MED	Deductions>Itemized Deductions>Medical and Dental Expenses
<b>Mortgage Interest and Points Paid</b>	MORT	Deductions>Itemized Deductions>Mortgage Interest and Expenses>Mortgage Interest Reported on Form 1098
<b>Mortgage Interest Paid—not on Form 1098</b>	MORT	Deductions>Itemized Deductions>Mortgage Interest and Expenses>Mortgage Interest Not Reported on Form 1098
<b>Noncash Donations that total \$500 or less</b>	CHA	Deductions>Itemized Deductions>Gifts to Charity>Non-Cash Gifts to Charity
<b>OID Interest</b>	INT	Income>Interest and Dividends>Interest or Dividend Income

# Navigating TaxSlayer (continued)

Form or Topic	Keyword	Navigation to Data Entry Screen
<b>Other Income (prizes, jury duty, etc.)</b>	N/A	Income>Other Income>Other Income Not Reported Elsewhere
<b>PDF, Attaching</b>	N/A	Income>Capital Gain and Losses>PDF Attachments
<b>Pension Distributions</b>	R	Income>IRA/Pension Distributions> Add or Edit a 1099-R
<b>Personal Property Taxes</b>	Proper	Deductions>Itemized Deductions> Taxes You Paid
<b>PIN, Identity Theft</b>	PIN	Miscellaneous Forms>IRS Identification Pin
<b>Private Activity Bond interest</b>	6251	Other Taxes and Payments>Alternate Minimum Tax>Interest from specified private activity bonds exempt from the regular tax
<b>Prizes and Awards</b>	N/A	Income>Other Income>Other Income Not Reported Elsewhere
<b>Public Safety Officer Exclusion</b>	R	Income>IRA/Pension Distributions>Add or edit 1099-R>Click here for options
<b>Real Estate Taxes</b>	MORT	Deductions>Itemized Deductions> Mortgage Interest and Expenses>Mortgage Interest Reported on Form 1098
<b>Refunds of State and Local</b>		
<b>Income Tax (if reportable)</b>	G [box 2]	Income>State and Local Refunds
<b>Retirement Savings Credit</b>	RETI	Deductions>Credits>Retirement Savings Credit
<b>Roth IRA Contributions</b>	IRA	Deductions>Credits>Retirement Savings Credit>Any Current Year Roth IRA Contributions
<b>Royalties (Simple royalties with no associated expenses)</b>	SC	Income>Rents and Royalties
<b>Sale of Stock</b>	CAP	Income>Capital Gain and Losses
<b>Sale of Main Home</b>	CAP	Income>Capital Gain and Losses>Sale of Main Home Worksheet or use Capital Gains and Loss Items
<b>Sales Tax Deduction</b>	SALE or TAX	Deductions>Itemized Deductions>Taxes You Paid
<b>Schedule C</b>	SC	Income>Profit or Loss from a Business
<b>Scholarships and Grants;</b>	OT or OTHER	Income>Other Income>Other compensation> Scholarships and Grants
<b>Self-employment Income</b>	C	Income>Profit or Loss from a Business
<b>Seller-financed Mortgage Interest Paid</b>	MORT	Deductions>Itemized Deductions>Mortgage Interest and Expenses>Mortgage Interest Not Reported on Form 1098
<b>Seller-financed Mortgage Interest Received</b>	INT	Income>Interest and Dividends>Interest or Dividend Income>Seller Financed Interest Income
<b>Simplified Method</b>	R	Income>IRA/Pension Distributions>Add or edit a 1099-R>Click here for options (under box 2a Taxable Amount)
<b>Social Security Benefits</b>	SSA	Income>IRA/Pension Distributions> Social Security Benefits/ RRB-1099
<b>Taxable Refund Worksheet or State and Local Tax Refund Worksheet</b>	G [box 2]	Income>State and Local Refunds

# Navigating TaxSlayer (continued)

Form or Topic	Keyword	Navigation to Data Entry Screen
State and Local Taxes Paid	STAT	Deductions>Itemized Deductions>Taxes You Paid> Additional State and Local Income Tax
Student Loan Interest	STU or LOA	Deductions>Adjustments> Student Loan Interest Deduction
Substitute W-2	W	Income>Wages and Salaries>Add or edit a W-2 Wage Statement >Check the box This is a substitute W-2
Tax Exempt Interest	INT	Income>Interest and Dividends>Interest or Dividend Income>Tax Exempt Interest Income
Taxes Paid, Federal or State Estimated	FED or PAY	Payments & Estimates>Federal Estimated Payments for 2018 or State Estimated
Taxes Paid, State and Local Estimated	FED or STATE	Payments & Estimates>State Estimated Payments or Federal Estimated Payments for 20XX
Tip Income (not reported to employer)	W	Income>Wages and Salaries>Unreported Tips (on W2 below line 10)
Tip Income (not reported to employer because tips were less than \$20 per month)	4137	Income>Other Taxes>Tax on Unreported Tip Income
Traditional IRA Contributions	IRA	Deductions>Adjustments>IRA Deduction
Tribal Per Capita Payments not on 1099	N/A	Income>Other Income>Other Income Not Reported Elsewhere
Unemployment Compensation	UN	Income>Unemployment Compensation
Unemployment Compensation Repayment—Same Year as Benefit Received	G	Income>Unemployment Compensation
Unemployment Compensation Repayment—Year after Benefits Received—greater than \$3,000	MIS	Deductions>Itemized Deductions>Miscellaneous Deductions>Repayment under claim of right (if greater than \$3000)
Unemployment Compensation Repayment—Year after Benefits Received—less than \$3,000	MIS	Deductions>Itemized Deductions>Miscellaneous Deductions>Add Additional
Unrecovered Investment in Pension	MIS	Deductions>Itemized Deductions>Miscellaneous Deductions>Unrecovered investment in pension
Volunteer Expenses	CHA	Deductions>Itemized Deductions>Gifts to Charity
Vouchers for Estimated Payments Federal State	VOU	Payments & Estimates>Vouchers for Next Year's Estimated Payments
Wages & Salaries	W	Income>Wages and Salaries
W-7 Application for ITIN	N/A	Miscellaneous Forms>Application for ITIN
Withholding not on another form	WITH	Payments & Estimates>Other Fed (or State) Withholding



# 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)

The screenshot shows the TaxSlayer Pro web interface. At the top left is the TaxSlayer Pro logo. At the top right, it says "Welcome, CraigAdmin Logout". A dark sidebar on the left contains navigation links: Home, Account Info, Company Info, and Account History. The main content area is divided into several sections: "Company Settings" with a redacted name and address "123 VITATCE Lane"; "Message Center" with an empty box; "Reset program password"; "Contact Account Manager" with the text "No account manager assigned" and a "Refer a Friend" link; and "Other Options" which lists "Install 2017 version", "Install 2016 version", "Install 2015 version", and "Install 2014 version", with a "Go to 2017 Pro Online" link below. A large grey arrow points from the right edge of the page towards the "Other Options" section. At the bottom, there is a "CONTACT US" section and "Payment Methods" logos for VISA, MasterCard, American Express, and DISCOVER.

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

**Note:** Select Account History to access your EFIN/Office validation code that is required to be entered into the software during setup.

The screenshot shows the TaxSlayer Pro web interface with the "Account History" section selected in the sidebar. The main content area displays "Company Information" and "Account History". Below this is 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:** 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 unavailable for an extended period of time.

**Notes**

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## **Tab P: Partner Resources**



# 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 Identity Protection Specialized Unit (IPSU) 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"> <li>1. Complete a tax return for the taxpayer.</li> <li>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.)</li> <li>3. Refer to Lost, Misplaced or Non-Receipt of IP PIN on the following page.</li> <li>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.</li> </ol>
Taxpayer received an IP PIN but misplaced or lost it	<ol style="list-style-type: none"> <li>1. Complete a tax return for the taxpayer.</li> <li>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.)</li> <li>3. Refer to Lost, Misplaced or Non-Receipt of IP PIN on the following page.</li> <li>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.</li> </ol>
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"> <li>1. Refer to Lost, Misplaced or Non-Receipt of IP PIN on the following page.</li> <li>2. Provide the taxpayer with two complete copies of the tax return.</li> <li>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.</li> <li>4. If IPSU doesn't provide the IP PIN, advise the taxpayer to follow IPSU instructions in mailing the tax return. There may be processing delays as IRS verifies the taxpayer's identity.</li> </ol>
IRS rejected the taxpayer's tax return because the taxpayer's primary/secondary/dependent SSN was previously used.	<ol style="list-style-type: none"> <li>1. Advise the taxpayer to contact the IPSU for assistance. If required, the IPSU 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.</li> <li>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.</li> </ol>

# 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 IPSU 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 Forms 1040, 1040A, 1040EZ, or 1040 PR/SS.

IRS will review the return to confirm the taxpayer's identity which may delay a refund.



**TaxSlayer Navigation:** Miscellaneous Forms > IRS Identification PIN, "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**

Taxpayers may contact the Taxpayer Advocate Service (TAS) if their attempts to deal with an IRS problem are unsuccessful.

Taxpayers can visit the Taxpayer Advocate website or see Publication 1546, The Taxpayer Advocate Service is Here to Help, 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, for Special Rules (which outlines the disadvantages).

## **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.



# Useful Publications and Forms

## Tax Publications for Individual Taxpayers

<b>General Guides</b>		570	Tax Guide for Individuals With Income From U.S. Possessions
1	Your Rights as a Taxpayer	571	Tax-Sheltered Annuity Plans (403(b) Plans) For Employees of Public Schools and Certain Tax-Exempt Organizations
17	Your Federal Income Tax For Individuals	575	Pension and Annuity Income
334	Tax Guide for Small Business (For Individuals Who Use Schedule C or C-EZ)	590	Individual Retirement Arrangements (IRAs)
509	Tax Calendars for 2018	594	The IRS Collection Process
910	IRS Guide for Free Tax Services	596	Earned Income Credit (EIC)
<b>Specialized Publications</b>		721	Tax Guide to U.S. Civil Service Retirement Benefits
3	Armed Forces' Tax Guide	901	U.S. Tax Treaties
54	Tax Guide for U.S. Citizens and Resident Aliens Abroad	907	Tax Highlights for Persons with Disabilities
463	Travel, Entertainment, Gift and Car Expenses	915	Social Security and Equivalent Railroad Retirement Benefits
501	Exemptions, Standard Deduction, and Filing Information	925	Passive Activity and At-Risk Rules
502	Medical and Dental Expenses (Including the Health Coverage Tax Credit)	926	Household Employer's Tax Guide
503	Child and Dependent Care Expenses	929	Tax Rules for Children and Dependents
504	Divorced or Separated Individuals	936	Home Mortgage Interest Deduction
505	Tax Withholding and Estimated Tax	946	How to Depreciate Property
514	Foreign Tax Credit for Individuals	947	Practice Before the IRS and Power of Attorney
516	U.S. Government Civilian Employees Stationed Abroad	969	Health Savings Accounts and Other Tax-Favored Health Plans
517	Social Security and Other Information for Members of the Clergy and Religious Workers	970	Tax Benefits for Education
519	U.S. Tax Guide for Aliens	971	Innocent Spouse Relief
521	Moving Expenses	972	Child Tax Credit
523	Selling Your Home	974	Premium Tax Credit (PTC)
524	Credit for the Elderly or the Disabled	1542	Per Diem Rates (For Travel Within the Continental United States)
525	Taxable and Nontaxable Income	1544	Reporting Cash Payments of Over \$10,000 (Received in a Trade or Business)
526	Charitable Contributions	1546	Taxpayer Advocate Service - We Are Here to Help You
527	Residential Rental Property (Including Rental of Vacation	1546-EZ	Your Voice at the IRS
529	Miscellaneous Deductions	<b>Spanish Language Publications</b>	
530	Tax Information for Homeowners	1SP	Derechos del Contribuyente
531	Reporting Tax Income	17SP	El Impuesto Federal sobre los Ingresos Para Personas Físicas
535	Business Expenses	594SP	El Proceso de Cobro del IRS
544	Sales and Other Dispositions of Assets	596SP	Credito por Ingreso del Trabajo (EIC)
550	Investment Income and Expenses (Including Capital Gains and Losses)	850	(EN/SP) English-Spanish Glossary of Tax Words and Phrases
551	Basis of Assets	1544SP	Informe de Pagos en Efectivo en Exceso de \$10,000 (Recibidos en una Ocupacion o Negocio)
554	Tax Guide for Seniors		
555	Community Property		
556	Examination of Returns, Appeal Rights, and Claims for Refund		
559	Survivors, Executors, and Administrators		
561	Determining the Value of Donated Property		

## Commonly Used Tax Forms

<b>Form Number and Title</b>		4137	Social Security and Medicare Tax On Unreported Tip Income
1040	U.S. Individual Income Tax Return	4562	Depreciation and Amortization
Sch A	Itemized Deductions	4868	Application for Automatic Extension of Time to File
Sch B	Interest and Ordinary Dividends	5329	Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts
Sch C	Profit or Loss from Business	5405	First Time Homebuyer Credit and Repayment
Sch C-EZ	Net Profit From Business	5695	Residential Energy Credits
Sch D	Capital Gains and Losses	8332	Release of Claim to Exemption by Custodial Parent
Sch E	Supplemental Income and Loss	8379	Injured Spouse Allocation
Sch EIC	Earned Income Credit	8453	Transmittal for an IRS e-file Return
Sch R	Credit for the Elderly or the Disabled	8812	Child Tax Credit
Sch SE	Self-Employment Tax	8822	Change of Address
1040-ES	Estimated Tax for Individuals	8863	Education Credits (American Opportunity, and Lifetime Learning Credits)
1040NR	U.S. Nonresident Alien Income Tax Return	8879	IRS e-file Signature Authorization
1040-V	Payment Voucher	8880	Credit for Qualified Retirement Savings Contribution
1040X	Amended U.S. Individual Tax Return	8949	Sales and Other Dispositions of Capital Assets
1116	Foreign Tax Credit	8962	Premium Tax Credit
2120	Multiple Support Declaration	8965	Health Coverage Exemptions
2441	Child and Dependent Care Expenses	9465	Installment Agreement Request
2555	Foreign Earned Income		
2555-EZ	Foreign Earned Income Exclusion		
2848	Power of Attorney and Declaration of Representative		
3903	Moving Expenses		

# Where to File



## Where Do You File?

Mail your return to the address shown below that applies to you.



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.



Also, have taxpayer write on payee line "Department of the Treasury."

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, Mississippi, Texas	Department of the Treasury Internal Revenue Service Austin, TX 73301-0002	Internal Revenue Service P.O. Box 1214 Charlotte, NC 28201-1214
Louisiana	Department of the Treasury Internal Revenue Service Ogden, UT 84201-0002	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, 2555-EZ, 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

**What To Expect**

- Direct Deposit
- Reduced Refunds
- Fix/Correct a Return

## Where's My Refund?

**Using a Mobile Device?**  
Download the [IRS2Go app](#) to check your refund status.

**What You Will Need**

- ✓ Social security number or ITIN
- ✓ Your filing status
- ✓ Your exact refund amount

**Check My Refund Status**

**Refunds Topics**

- [Refunds Information](#)
- [Refunds FAQs](#)
- [Direct Deposit](#)
- [Amended Returns](#)

**Should You Call the IRS?**

The IRS issues most refunds in less than 21 days, although some require additional time. You should only call if it has been:

- 21 days or more since you e-filed
- 6 weeks or more since you mailed your return, or when
- "Where's My Refund" tells you to contact the IRS

**Timeline:**

- 🕒 24 hours after e-filing
- 📅 4 weeks after you mailed your return
- 🕒 Updates are made daily, usually overnight

## Interactive Tax Assistant (ITA)

Available on the IRS website

The ITA tool is a tax law resource that takes you through a series of questions and provides you with responses to a limited number of tax law questions.

- 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

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".



## **Tab Q: TaxSlayer Admin**



# 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 Tab O, Using TaxSlayer® Pro Online.

\*\*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.

## 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, refer to Tab O, **Using TaxSlayer® Pro Online**.



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 account.

## 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
<b>506</b> 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.
<b>504</b> 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).
<b>503</b> 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.
<b>501</b> 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.
<b>541</b> Taxpayer must be older than qualifying child on Schedule EIC.	Verify birthdays of taxpayer and child.
<b>500</b> 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.
<b>535</b> 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.
<b>502</b> 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.
<b>600</b> Taxpayer must file Form 8862 to claim EITC after disallowance.	Complete Form 8862, Information To Claim Certain Credits After Disallowance.
<b>507</b> 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.

# Glossary

**Affordable Care Act (ACA)** – Requires individuals to have qualifying health care coverage (called minimum essential coverage, or MEC) for each month of the year, qualify for a coverage exemption, or make a shared responsibility payment (SRP) when filing their federal income tax returns.

**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.

**Basis** – The original cost of a capital asset.

**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.

**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.

**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** – Non-taxable 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.

**MyFreeTaxes (MFT)** – An FSA program sponsored by H&R Block and non-profits 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. Non-refundable credits such as child and dependent care expenses, education credits, and child tax credit can only reduce the tax liability to zero.

**Non-resident 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.

**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 that offers free help to taxpayers in dealing with the often-confusing process of resolving tax problems they haven't been able to resolve on their own.

**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.

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## Taxpayer Civil Rights

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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](mailto:edi.civil.rights.division@irs.gov)

Do not send tax returns, payments or other non-civil rights information to this address.

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## Low Income Tax Clinics

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Low Income Taxpayer Clinics (LITCs) represent low income individuals in disputes with the Internal Revenue Service, including audits, appeals, collection matters, and federal tax litigation. LITCs can also help taxpayers respond to IRS notices and correct account problems. Some LITCs provide education for low income taxpayers and taxpayers who speak English as a second language (ESL) about their taxpayer rights and responsibilities.

LITC services are free or low cost for eligible taxpayers. LITCs are independent from the IRS but receive some of their funding from the IRS through the LITC grant program. Each clinic determines whether prospective clients meet income guidelines and other criteria before agreeing to represent them.

Find a clinic near you on the [LITC Map](#) or [IRS Publication 4134, Low Income Taxpayer Clinic List](#).

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## Taxpayer Advocate Service

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The Taxpayer Advocate Service (TAS) is 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 haven't 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. The local advocate's number is in the local directory and on the IRS website, keyword Taxpayer Advocate.

The Taxpayer Advocate Service's website is a resource for all taxpayers. The website covers a variety of tax-related concepts and problems, breaking each down to describe what the taxpayer should know, what they should do, and where they can get more help if needed. Taxpayers can also learn about their taxpayer rights. The site is mobile-responsive, so it's easy to use on any device.

If a taxpayer comes into a VITA/TCE site with a tax problem for which they have been unsuccessful in resolving with the IRS, TAS may be able to help.

For more information, the taxpayer can call toll-free 1-877-777-4778 (1-800-829-4059 for TTY/TDD).

## Information for Volunteers

<b>TaxSlayer</b>	
TaxSlayer Volunteer Support	1-800-421-6346 (Do not give to the public)
TaxSlayer via E-Mail	<a href="mailto:support@vita.taxslayerpro.com">support@vita.taxslayerpro.com</a>

<b>Prior Year Return Access</b>	
Current and 3 previous years accessible from one URL	<a href="https://vita.taxslayerpro.com">https://vita.taxslayerpro.com</a>

<b>Internal Revenue Service</b>	
VITA/TCE Hotline (for 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

<b>Information to Assist Taxpayers</b>	
Refund Offset Inquiry (Financial Management System)	1-800-304-3107
IRS Tax-Help for Deaf (TDD)	1-800-829-4059