

# Publication 17

## Your Federal Income

For use in preparing  
**2023** Returns)

Volume 13 of 14



This page is intentionally left blank

## **Domestic help:**

Withholding 38

**Domestic help, can't be claimed as dependent** 27

**Donations** (See Charitable contributions)

**Down payment assistance** 75

**Dual-status taxpayers** 8

Joint returns not available 23

Standard deduction 93

**Due dates** 10, 11

2020 dates (Table 1-5) 11

Extension (See Extension of time to file)

Nonresident aliens' returns 11

## **Dues:**

Club 104

## **Dwelling units:**

Cooperative (See Cooperative housing)

## **E**

**E-file** 3, 6, 8

Extensions of time to file 11

On time filing 11

## **Early withdrawal from deferred interest account:**

Higher education expenses, exception from penalty 78

IRAs:

Early distributions, defined 88

Penalties 86, 88

## **Earned income:**

Defined:

For purposes of standard deduction 94

Dependent filing requirements (Table 1-2) 7

**Earned income credit** 109

Filing claim 8

Married filing separately 23

**Education:**

Savings bond program 59

**Education credits:**

Married filing separately 23

**Education expenses:**

Employer-provided

(See Educational assistance) Tuition (See  
Qualified tuition programs)

**Educational assistance:**

Employer-provided 49

Scholarships (See Scholarships and  
fellowships)

Tuition (See Qualified tuition programs)

**EIC** (See Earned income credit)

**Elderly or disabled, credit for:**

Married filing separately 23

**Elderly persons:**

Credit for (See Elderly or disabled, credit for)

Exemption from withholding 39

Home for the aged 35

Long-term care (See Long-term care insurance contracts)

Nutrition Program for the Elderly 74

Standard deduction for age 65 or older 93

Tax Counseling for the Elderly 10

**Election precinct officials:**

Fees, reporting of 76

**Elective deferrals:** Limits 50

**Electronic filing** (See E-file)

## **Electronic payment options 3**

## **Electronic reporting:**

Returns (See E-file)

## **Embezzlement:**

Reporting embezzled funds 76

## **Emergency medical service personnel:**

Life insurance proceeds when death in line of duty 70

## **Emotional distress damages 75**

## **Employee benefits 48, 49**

(See *also* Fringe benefits)

## **Employee business expenses:**

Reimbursements 39, 47

Returning excess 39

## **Employee expenses:**

Home computer 103

Miscellaneous 102

**Employees** 39, 48, 49

(*See also* Fringe benefits)

Awards for service 47

Business expenses (*See* Employee business expenses)

Form W-4 to be filled out when starting new job 39

Fringe benefits 39

Jury duty pay 76

Overseas employment

(*See* Foreign employment)

**Employers:**

E-file options 10

Educational assistance from

(*See* Educational assistance)

Form W-4, having new employees fill out 39



Overseas employment

(See Foreign employment) Withholding rules 39

**Employment:**

Agency fees 75

Taxes 48

(See *also* Social security and Medicare taxes)  
FICA withholding 12

(See *also* Withholding)

**Employment taxes** 37, 38, 44

**Endowment proceeds** 70

**Energy assistance** 74

**Energy conservation:**

Measures and modifications 75

Subsidies 75

Utility rebates 78

**Equitable relief** (See Innocent spouse relief)

## **Errors:**

Corrected wage and tax statement 44

Discovery after filing, need to  
amend return 18

Refunds 18

## **Escrow:**

Taxes placed in, when deductible 99

## **Estate beneficiaries:**

IRAs (See Individual retirement arrangements  
(IRAs))

Losses of estate 75

Receiving income from estate 75

**Estate tax:** Deduction 101

**Estates** 75

(*See also* Estate beneficiaries)

Income 75

Tax 101, 105

(*See also* Estate tax)

**Estimated:**

Credit for 44

Payment vouchers 43

**Estimated tax 37**

Amount to pay to avoid penalty 42

Avoiding 41

Change in estimated tax 43

Credit for 37, 44

Definition 37

Divorced taxpayers 45

Figuring amount of tax 42

First period, no income subject to estimated tax in 42

Fiscal year taxpayers 42

Married taxpayers 42

Name change 44

Not required 41

Overpayment applied to 15

Payment vouchers 43

Payments 16, 43

Figuring amount of each payment 42

Schedule 42

When to start 42

Who must make 41

Penalty for underpayment 37, 43, 45

Saturday, Sunday, holiday rule 42

Separate returns 44

Social security or railroad retirement benefits 64

State and local income taxes, deduction of 97

Unemployment compensation 73

## **Excise taxes 86**

(*See also* Penalties)

Deductibility (Table 11-1) 100

IRAs for failure to take minimum distributions 86

Roth IRAs 91

## **Exclusions from gross income:**

Accelerated death benefits 70

Canceled debt 69

Commuting benefits for employees 50

De minimis benefits 49

Disability pensions of federal employees and military 53

Education Savings Bond Program 76

Educational assistance from employer 49

Elective deferrals, limit on exclusion 50

Employee awards 47

Energy conservation subsidies 75, 78

Foreign earned income 3

Frozen deposit interest 76

Group-term life insurance 50

Long-term care insurance contracts 53, 54

Parking fees, employer-provided 50

Public safety officers who died or were killed  
in line of duty, death benefits 70

Sale of home 77

Scholarships 77

Strike benefits 77

**Executors and administrators 7**

**Exempt-interest dividends 56**

**Exemptions:**

From withholding 39

**Expenses paid by another 75**

## **Extension of time to file 11**

Automatic 11

Citizens outside U.S. 11

E-file options 11

Inclusion on return 11

## **F**

### **Failure to comply with tax laws**

(See Penalties)

### **Fair rental value 36**

### **Family 8, 110**

(See *also* Child tax credit)

(See *also* Children)

### **Farmers:**

Estimated tax 41

Withholding 38

### **Farming:**

Activity not for profit 74

Canceled debt, treatment of 69

**Federal employees:**

Accrued leave payment 48

Cost-of-living allowances 48

Disability pensions 53

Based on years of service 53

Exclusion, conditions for 53

Terrorist attack 53

FECA payments 54

**Federal Employees' Compensation Act (FECA) payments 54**

**Federal government:**

Employees (See Federal employees)

**Federal income tax:**

Not deductible 101



Deductibility (Table 11-1) 100

**Federal judges:**

Employer retirement plan coverage 80

**Fees** 75

(*See also* specific types of deductions and income)

Professional license 104

**Fellowships** (*See* Scholarships and fellowships)

**FICA withholding** 12, 37, 48

(*See also* Social security and Medicare taxes)

(*See also* Withholding)

**Fiduciaries** 7, 79, 80

(*See also* Executors and administrators)

(*See also* Trustees)

Fees for services 75

Prohibited transactions 87

## **Figuring taxes and credits 63, 107**

(*See also* Worksheets)

## **Filing requirements 6-21, 23**

(*See also* Married filing separately)

Calendar year filers 11

Citizens outside U.S. 8

Dependents 7, 8

Electronic (*See* E-file)

Extensions 11

Gross income levels (Table 1-1) 6

Individual taxpayers 7

Joint filing 22, 23

(*See also* Joint returns) Late filing penalties

(*See* Penalties)

Most taxpayers (Table 1-1) 6

Unmarried persons (*See* Single taxpayers)

When to file 11

Where to file 17

Who must file 7, 8

**Filing status** 7, 21-25

Annulled marriages 22

Change to, after time of filing 19

Divorced taxpayers 22

Head of household 22, 24

Qualifying person to file as 24

Joint returns 22

Married filing separately 23

Surviving spouse 22

Unmarried persons 7, 22

(*See also* Single taxpayers)

**Final return for decedent:**

Standard deduction 93

**Financial institutions 79**

(*See also* Banks)

**Financially disabled persons 19**

**Fines 11, 20, 21**

(*See also* Penalties)

**Fines (*Cont.*)**

Deductibility 104

**Firefighters:**

Life insurance proceeds when death in  
line of duty 70

Volunteer firefighters:

IRAs 81

**Fiscal year 13, 42**

**Fishermen:** Estimated tax 41

Indian fishing rights 76

**Food benefits:**

Nutrition program for the elderly 74

**Food stamps** 35

**Foreign employment** 8, 52

Employment abroad 52

Social security and Medicare taxes 52

U.S. citizen 52

Waiver of alien status 52

**Foreign governments, employees of** 52

**Foreign income:**

Earned income exclusion 3

Reporting of 3

**Foreign income taxes:**

Deduction of 98

Form 1116 to claim credit 101

Schedule A or Form 1040 or 1040-SR  
reporting 101

Definition of 97

**Foreign nationals** (See Resident aliens)

**Foreign students** 28

**Forgiveness of debt**

(See Cancellation of debt)

**Form** 11, 51, 63

1040 26, 109

Alien taxpayer identification numbers 37

Armed Forces' retirement pay 52

Child care providers 47

Clergy pension 51

Corporate director fees 75

Disability retirement pay 53

FECA benefits 54

Foster-care providers 76

Kickbacks 76

Notary fees 76

Oil, gas, or mineral interest royalties 72

Rental income and expenses 72

Wages and salary reporting 47

Workers' compensation 54

1040 or 1040-SR: Address 17

Attachments to 14

IRAs 87, 89

Presidential Election

Campaign Fund 14

Railroad retirement benefits, reporting on 64

Social security benefits, reporting on 64

Use of 22, 23 1040 or 1040-SR, Schedule A:

Charitable contributions 17

1040 or 1040-SR, Schedule SE 8

1040-NR: Nonresident alien return 11

1040-X: Amended individual return 19

Annulled marriages 22

Change of filing status 24

Completing 19

Filing 19

Itemized deduction, change to standard deduction 95

Standard deduction, change to itemized deductions 95

1040, Schedule A:

Unearned commission, deduction for repayment of 47

1040, Schedule C: Barter income 67

Child care providers 47

Corporate director fees 75

Forgiveness of debts 68

Foster-care providers 76



Kickbacks 76

Notary fees 76

Oil, gas, or mineral interest royalties 72

Rental income and expenses 72

1040, Schedule E: Royalties 72

1040, Schedule SE 51

1065: Partnership income 70

1098:

Mortgage interest statement 71

1099:

Taxable income report 12

1099-B:

Barter income 68

1099-C:

Cancellation of debt 68

1099-DIV:

Dividend income statement 51

1099-G:

State tax refunds 71

1099-INT 55, 62

1099-MISC:

Nonemployee compensation 75

1099-OID 61

1099-R 59

IRA distributions 87, 89

Life insurance policy surrendered for cash 70

Retirement plan distributions 14

1120S:

S corporation income 71

2555 111

2848:

Power of attorney and declaration of representative 15, 23

3115 58

3800:

General business credit 20

4506 17

4506-T:

Tax return transcript request 17

4868 11, 37

Automatic extension of time to file 11, 37

Filing electronic form 11

Filing paper form 11 5329:

Required minimum distributions, failure to take 89

56:

Notice Concerning Fiduciary Relationship 15

6251 108

8275:

Disclosure statement 20

8275-R:

Regulation disclosure statement 21

8379:

Injured spouse claim 15

8606:

IRA contributions,

Nondeductible 78, 83, 87

IRA contributions,

Recharacterization of 86

8615 55

8614 55

8615 59

8818 60

8822:

Change of address 18

8839:

Qualified adoption expenses 49

8853:

Accelerated death benefits 70

Archer MSAs and long-term care insurance contracts 48

8857:

Innocent spouse relief 23

8879:

Authorization for E-file provider to use self-selected PIN 10

9465:

Installment agreement request 16

Form 8919:

Uncollected social security and Medicare tax on wages 47

RRB-1042S:

Railroad retirement benefits for nonresident aliens 63

RRB-1099:

Railroad retirement benefits 62, 63

SS-5:

Social security number request 13, 37

SSA-1042S:

Social security benefits for nonresident aliens 63

SSA-1099: Social security benefits 62

W-2:

Election precinct officials' fees 76

Employer retirement plan participation indicated 80

Employer-reported income  
statement 12, 14, 47, 48, 51

Fringe benefits 48, 49

W-2G:

Gambling winnings withholding statement 76

W-4V:

Voluntary withholding request 73

W-7:

Individual taxpayer identification number  
request 37

W-7A:

Adoption taxpayer identification number  
request 14, 37

**Form 1040:**

Estimated tax payments 44

Gambling winnings 40

Overpayment offset against next year's tax 43

**Form 1040 or 1040-SR:**

Foreign income taxes, deduction of 101

Schedule A:

State and local income taxes,  
deduction of 101

State benefit funds, mandatory contributions  
to 98

Taxes, deduction of 101 Schedule C:

Real estate or personal property taxes on  
property used in business, deduction of 101

Schedule E:

Real estate or personal property taxes on  
rental property, deduction of 101

Schedule F:

Real estate or personal property taxes on  
property used in business, deduction of 101



Self-employment tax, deduction of 101

**Form 1040-ES:**

Estimated tax 42, 44

**Form 1099-K:**

Payment card and third-party network transactions 77

**Form 1099-MISC:**

Withheld state and local taxes 97

**Form 1099-NEC:**

Withheld state and local taxes 97

**Form 1099-R:**

Withheld state and local taxes  
shown on 97

**Form 1099-S:**

Real estate transactions proceeds 99

**Form 1116:**

Foreign tax credit 101

**Form 8332:**

Release of exemption to noncustodial parent 30

**Form W-2:**

Employer-reported income statement 44

Filing with return 44

Separate form from each employer 44

Withheld state and local taxes 97

**Form W-2c:**

Corrected wage and tax statement 44

**Form W-2G:**

Gambling winnings withholding statement 40, 44

Withheld state and local taxes shown on 97

**Form W-4:**

Employee withholding allowance certificate  
38, 39, 41

**Form W-4S:**

Sick pay withholding request 40

**Form W-4V** 40

Unemployment compensation,  
voluntary withholding request 40

**Form(s) 1099** 44

**Foster care:**

Care providers' payments 76

Child tax credit 110

Difficulty-of-care payments 76

Emergency foster care, maintaining space in  
home for 76

**Foster care payments and  
expenses** 30, 35

**Foster child** 28, 30, 34, 35

**Foster Grandparent Program 52**

**Found property 76**

**Fraud:**

Penalties 20, 39

**Fraud (*Cont.*)**

Reporting anonymously to IRS 3

**Fringe benefits:**

Accident and health insurance 48

Accounting period 48

Adoption, employer assistance 49

Archer MSA contributions 48

De minimis benefits 49

Education assistance 49

Form W-2 48

Group-term life insurance premiums 49

Holiday gifts 49

Retirement planning services 50

Taxable income 48

Transportation 50

Withholding 39

**Frozen deposits:**

Interest on 76

IRA rollover period extension 84

**Funeral expenses 36**

**Funerals:**

Clergy, payment for 51

Expenses 103

**G**

**Gains and losses 23**

*(See also Losses)*

Claim for refund for loss 20

Gambling 105

Hobby losses 76

Passive activity 24

**Gambling winnings and losses** 76, 105

Withholding 40, 44

**Garbage pickup:**

Deductibility (Table 11-1) 100

**Garnishment and attachment** 13

**Gas royalties** 72

**Gems:**

IRA prohibited transactions in 87

**General due dates, estimated tax** 42

**GI Bill benefits** 36

**Gift taxes:**

Not deductible 101

**Gifts:**

Holiday gifts 49

Not taxed 76

To reduce the public debt 17

**Gold and silver:**

IRA investments in 87

**Government employees:**

Federal (See Federal employees)

**Grants, disaster relief** 74

**Gratuities** (See Tip income)

**Gross income:**

Age, higher filing threshold after 65 7

Defined 7

Filing requirements

(Table 1-1) 6

Dependent filing requirements

(Table 1-2) 7

**Gross income test** 34

## **Group-term life insurance:**

Accidental death benefits 49

Definition 49

Exclusion from income 50

Limitation on 49

Permanent benefits 49

Taxable cost, calculation of 49

## **Guam:**

Income from 8

## **H**

## **HAMP:**

Home affordable modification:

Pay-for-performance 74

## **Handicapped persons**

(See Disabilities, persons with)

**Head of household** 22, 24



## **Health:**

Flexible spending

arrangement 48 Health insurance 48

(*See also* Accident insurance)

Reimbursement arrangement 49

Savings account 49

**Health coverage tax credit 8**

**Health insurance premiums 36**

**Health Spa 104**

**Help** (*See* Tax help)

**High income taxpayers:**

Estimated tax 41

**Hobbies 103**

Activity not for profit 74

Losses 76

**Holiday gifts 49**

**Holiday, deadline falling on 42**

**Home:**

Aged, home for 35

Cost of keeping up 24

Worksheet 25

Security system 104

**Homeowners' associations:**

Charges 101

Deductibility (Table 11-1) 100

**Hope credit:**

Married filing separately 23

**Host 70**

**Household furnishings:**

Antiques (See Collectibles)

**Household members 22**

(*See also* Head of household)

**Household workers** (See Domestic help)

**Household workers, can't claim as dependent** 27

**Housing** 24

(See *also* Home)

Clergy 51

Cooperative (See Cooperative housing)

## **I**

**Icons, use of** 3, 4

**Identity theft** 2, 21

**Illegal activities:**

Reporting of 76

**Income** 47, 67, 74

(See *also* Alimony)

(See *also* Wages and salaries)

Bartering 67

Canceled debts 68  
Constructive receipt of 13, 61  
Gross 34  
Illegal activities 77  
Interest 54  
Jury duty pay 76  
Life insurance proceeds 70  
Nonemployee compensation 75  
Paid to agent 13  
Paid to third party 13  
Partnership 70  
Prepaid 13  
Recovery 71  
Royalties 72  
S corporation 71  
Tax exempt 35

Underreported 19

**Income taxes:**

Federal (See Federal income tax) Foreign  
(See Foreign income taxes)

State or local (See State or local income  
taxes)

**Income-producing expenses 102**

**Indians:**

Fishing rights 76

Taxes collected by tribal governments,  
deduction of 97

**Individual retirement arrangements  
(IRAs) 78, 84, 89**

(*See also* Rollovers)

(*See also* Roth IRAs) Administrative  
fees 79, 80, 103

Age 59 1/2 for distribution 88 Exception to  
rule 88

Age 72:

Distributions required at 86, 88

Compensation, defined 79

Contribution limits 79

Age 50 or older, 79

Under age 50, 79

Contributions 23, 24

Designating year for which contribution is made 80

Excess 87

Filing before contribution is made 80

Nondeductible 83

Not required annually 80

Roth IRA contribution for same year 90

Time of 80

Withdrawal before filing due date 86

Cost basis 83, 86

Deduction for 80

Participant covered by employer retirement plan

(Table 9-1) 81

Participant not covered by employer retirement plan

(Table 9-2) 81

Phaseout 81

Definition of 79

Distributions:

At age 59 1/2 88

Required minimum distributions (See this heading:

Required distributions)

Divorced taxpayers 85

Early distributions (See Early withdrawal from deferred interest account)

Employer retirement plan participants 80, 81

Establishing account 79

Time of 79

Where to open account 79

Excess contributions 87

Figuring modified AGI (Worksheet 9-1) 83

Forms to use:

Form 1099-R for reporting distributions 87

Form 8606 for nondeductible contributions 78

Inherited IRAs 76, 83, 84

Required distributions 86

Interest on, treatment of 78

Kay Bailey Hutchison Spousal IRAs 79-81

Married couples (See this heading: Kay Bailey Hutchison Spousal IRAs)



Modified adjusted gross income (MAGI):

Computation of 81

Effect on deduction if covered by employer retirement plan (Table 9-1) 81

Effect on deduction if not covered by employer retirement plan

(Table 9-2) 81

Worksheet 9-1 83

Nondeductible contributions 83

Early withdrawal 88

Tax on earnings on 83

Ordinary income, distributions as 86

Penalties 87

Early distributions (See Early withdrawal from deferred interest account)

Excess contributions 87

Form 8606 not filed for nondeductible contributions 78, 83

Overstatement of nondeductible contributions 83

Prohibited transactions 87

Required distributions, failure to take 86, 88

Prohibited transactions 87

Recharacterization of contribution 85

Reporting of: Distributions 87

Recharacterization of contributions 86

Required distributions 84, 86

Excess accumulations 88

Retirement savings contribution credit 23

Self-employed persons 79

Taxability 88 Distributions 86

Time of taxation 79

Transfers permitted 84

To Roth IRAs 84, 85

Trustee administrative fees 103

Trustee-to-trustee transfers 84

IRA to Roth IRA 91

Types of 79

Withdrawals 86, 87

Early (See Early withdrawal from deferred interest account) Required (See this heading: Required distributions)

Withholding 14, 40, 87

**Individual taxpayer identification number (ITIN)** 14, 37

**Individual taxpayers** (See Single taxpayers)

**Information returns** 12, 14, 47, 48, 51

(See *also* Form 1099)

(See *also* Form W-2)

Partnerships to provide 70

**Inheritance** 75

(*See also* Estate beneficiaries)

IRAs (*See* Individual retirement arrangements (IRAs)) Not taxed 76

**Inheritance tax:** Deductibility of 101

Deduction 101

**Injured spouse** 15

Claim for refund 15

**Innocent spouse relief:**

Form 8857 23

Joint returns 23

**Insolvency:**

Canceled debt not deemed to be income 69

**Installment agreements** 16

**Insurance:**

Accident (*See* Accident insurance) Life 40, 49

(*See also* Group-term life insurance) (*See also* Life insurance) Reimbursements: From casualty insurance 74

### **Insurance companies:**

State delinquency proceedings, IRA distributions not made due to 88

### **Insurance premiums:**

Life 36, 104

Medical 36

Paid in advance 56

### **Insurance proceeds:**

Dividends, interest on 56

Installment payments 60

Life 60

### **Interest:**

Fees to collect 103

Frozen deposits 56

Usurious 56

**Interest income 54**

Form 1099-INT 12

Frozen deposits, from 76

Recovery of income, on 71

Savings bonds 76

(*See also* U.S. savings bonds)

Tax refunds, from 18

**Interest payments 71**

(*See also* Mortgages)

Canceled debt including 68

Student loans deduction 23

**Interference with business operations:**

Damages as income 75

**Internal Revenue Service (IRS):**

Fraud or misconduct of employee, reporting anonymously 3

## **International employment**

(See Foreign employment)

## **International organizations, employees of 52**

## **Internet:**

Electronic filing over (See E-file)

## **Investments:**

Fees 103

Seminars 104

**IRAs** (See Individual retirement arrangements (IRAs))

## **Itemized deductions:**

Changing from standard to itemized deduction (or vice versa) 95

Choosing to itemize 94

Form 1040 to be used 71

Married filing separately 23, 95

One spouse has itemized 93

Recovery 71

Standard deduction to be compared with 94

State tax, for 95

**ITIN** (See Individual taxpayer identification number (ITIN))

**ITINs** (See Individual taxpayer identification number (ITIN))

## **J**

### **Job search:**

Deduction of expenses for

Interviews 76

**Joint accounts** 55

**Joint return test** 28, 30



## **Joint returns:**

Accounting period 22

After separate return 24

Deceased spouse 22

Dependents on 34

Divorced taxpayers 22

Estimated tax 42

Extension for citizens outside U.S. 12

Filing status 22

Fraud penalty 21

Guardian of spouse, signing as 23

Injured spouse 15

Innocent spouse 23

Nonresident or dual-status alien spouse 23

Responsibility for 22

Separate return after joint 24

Signing 15, 23

Social security and railroad retirement benefits 67

State and local income taxes, deduction of 98

**Judges, federal:**

Employer retirement plan coverage 80

**Jury duty pay** 76

**K**

**Kickbacks** 76

**Kiddie tax** (See Children, subheading:  
Unearned income of)

**Kidnapped children:** Qualifying child 29

Qualifying relative 33

**L**

**Labor unions** 40

Dues and fees 77

Sick pay withholding under union agreements 40

Strike and lockout benefits 77

Unemployment compensation payments from 73

**Late filing 3**

Penalties 11, 20

**Late payment:**

Penalties on tax payments 20

**Law enforcement officers:**

Life insurance proceeds when death in line of duty 70

**Legal expenses 103, 104**

**Liability insurance:**

Reimbursements from 74

**License fees:**

Deductibility of 101

Nondeductibility of 103

**Life insurance** 49, 70

(*See also* Accelerated death benefits)

(*See also* Group-term life insurance) Form 1099-R for surrender of policy for cash 70

Premiums 104

Proceeds 60

As income 70

Public safety officers who died or were killed in line of duty, tax exclusion 70

Surrender of policy for cash 70

Withholding 40

**Life insurance premiums** 36 **Lifetime learning credit:**

Married filing separately 23 **Limits:**

Miscellaneous deductions 102

**Loans** 19

(*See also* Debts)

**Lobbying expenses** 104

**Local assessments:**

Deductibility of 100

**Local income taxes, itemized deductions** 95

**Local law violated** 34

**Lockout benefits** 77

**Lodging** 36

**Long-term care insurance contracts** 53

Chronically ill individual 54, 70

Exclusion, limit of 54

Qualified services defined 54

**Losses** 20, 24

(*See also* Gains and losses)

Capital 23

Casualty 102, 105

Gambling

(See Gambling winnings and losses)

Theft 102, 105

**Lost property** 104

**Lotteries and raffles** 76

(See *also* Gambling winnings and losses)

## **M**

**MAGI** (See Modified adjusted gross income (MAGI))

**Mailing returns** (See Tax returns)

**Married dependents, filing joint return** 28, 30

**Married filing separately** 23

Community property states 24

Credits, treatment of 23

Deductions:

Changing method from or to itemized deductions 95

Treatment of 23

Earned income credit 23

How to file 23

Itemized deductions 23, 95

One spouse has itemized so other must as well 93

Joint state and local income taxes filed, but separate federal returns 97

Rollovers 23

Social security and railroad retirement benefits 64

State and local income taxes 97

Tenants by the entirety, allocation of real estate taxes 99

**Married taxpayers 22-24**

(*See also* Joint returns)

(*See also* Married filing separately)

Age 65 or older spouse:

Standard deduction 94

Blind spouse: Standard deduction 94

Deceased spouse 6, 7, 22

(*See also* Surviving spouse)

Dual-status alien spouse 23

Estimated tax 42

Filing status 6, 7, 22

IRAs 79, 80

Spouse covered by employer plan 80, 81

Living apart 22

Nonresident alien spouse 14, 23

Roth IRAs 89

Signatures when spouse unable to sign 15



Social security or railroad retirement benefits, taxability 63

**Mass transit passes, employer-provided** 50

**Maximum age. The age restriction for contributions to a traditional IRA has been eliminated.:**

Traditional IRA contributions 78

**Medical and dental expenses:**

Reimbursements, treatment of 54

**Medical insurance**

(See Accident insurance)

**Medical insurance premiums** 36

**Medical savings accounts (MSAs)** 48, 76

(See *also* Archer MSAs)

Medicare Advantage MSA 76

**Medicare** 48, 52

(*See also* Social security and Medicare taxes)

Benefits 74

Medicare Advantage MSA

(*See* Medical savings accounts (MSAs))

**Medicare taxes, not support** 36

**Member of household or relationship test** 34

**Mentally incompetent persons** 53

(*See also* Disabilities, persons with) Signing of return by court-appointed representative 15

**Mexico:**

Resident of 28, 34

**Military** (*See* Armed forces)

**Mineral royalties** 72

**Ministers** (*See* Clergy)

**Miscellaneous deductions** 101

## **Missing children:**

Photographs of, included in IRS publications 3

## **Mistakes** (See Errors)

## **Modified adjusted gross income (MAGI):**

IRAs, computation for:

Effect on deduction if covered by employer retirement plan (Table 9-1) 81, 83

Effect on deduction if not covered by employer retirement plan (Table 9-2) 81

Worksheet 9-1 83

Roth IRAs, computation for 89

Phaseout (Table 9-3) 89

Worksheet 9-2 89

## **Money market certificates** 56

## **Mortgage:**

Relief 68

## **Mortgages:**

Assistance payments 74

Discounted mortgage loan 68

Interest:

Refund of 71

**MSAs** (See Medical savings accounts (MSAs))

**Multiple support agreement** 36

**Municipal bonds** 60

**Mutual funds:**

Nonpublicly offered 103

## **N**

**Name change** 13, 44

**National Housing Act:**

Mortgage assistance 74

**National of the United States** 28

**Native Americans** (See Indians)

**Negligence penalties** 20

## **Net operating losses:**

Refund of carryback 20

## **New Jersey Nonoccupational**

**Disability Benefit Fund 98**

**New Jersey Unemployment  
Compensation Fund 98**

## **New York Nonoccupational**

**Disability Benefit Fund 98**

**Nobel Prize 77**

**Nominees 55, 61**

**Nonemployee compensation 75**

**Nonresident aliens 8**

Due dates 11

Estimated tax 41

## **Nonresident aliens (*Cont.*)**

Individual taxpayer identification number  
(ITIN) 14

Spouse 14

Joint returns not available 23

Separated 24

Standard deduction 93

Taxpayer identification number 37

Waiver of alien status 52

## **Northern Mariana Islands:**

Income from 8

**Not-for-profit activities** 74

**Notary fees** 76

## **Notes:**

Discounted 48, 60

Received for services 48

## **Nursing homes:**

Insurance for care in (See Longterm care insurance contracts)

## **Nutrition Program for the Elderly 74**

# **O**

## **OASDI 74**

## **Occupational taxes:**

Deduction of:

Taxes that are deductible

(Table 11-1) 100

## **Office rent, deductibility of 102**

## **Offset against debts 10, 15**

## **Oil, gas, and minerals:**

Future production sold 73

Royalties from 72

Schedule C or C-EZ 72

Sale of property interest 73

## **Options 51**

**Ordinary gain and loss** (See Gains and losses)

**Original issue discount (OID)** 60

**Other taxes** 108

**Outplacement services** 48

**Overpayment of tax** 15

(See *also* Tax refunds)

**Overseas work** (See Foreign employment)

**Overtime pay** 39

## **P**

**Paper vs. electronic return** (See Efile)

**Paperwork Reduction Act of 1980** 3

**Parental responsibility**

(See Children)

**Parents who never married** 30

**Parents, divorced or separated** 29



## **Parking fees:**

Employer-provided fringe benefit:

Exclusion from income 50

## **Partners and partnerships 103**

Income 70

## **Pass-through entities 103**

## **Passive activity:**

Losses 24

## **Patents:**

Infringement damages 75

Royalties 72

## **Payment of estimated tax 43**

By check or money order 43

Credit an overpayment 43

## **Payment of tax 3, 10, 16, 19, 43**

By credit or debit card 11

Delivery services 11

Estimated tax 16

Installment agreements

(See Installment agreements)

Late payment penalties 20

**Payments** 108, 109

Disaster relief 74

**Payroll deductions** 101

**Payroll taxes** 48

(See *also* Social security and Medicare taxes)

**Peace Corps allowances** 52

**Penalties** 43, 45

Accuracy-related 20

Backup withholding 41

Civil penalties 20

Criminal 21

Deductibility 104

Defenses 20

Estimated tax (See this heading:  
Underpayment of estimated tax)

Failure to include social security  
number 14, 21

Failure to pay tax 20

Form 8606 not filed for nondeductible IRA  
contributions 78, 83

Fraud 20, 21

Frivolous tax submission 21

Interest on 16

IRAs 87

Early distributions 88

Excess contributions 87

Form 8606 not filed for nondeductible  
contributions 78, 83

Overstatement of nondeductible contributions 83

Required distributions, failure to take 86

Late filing 11, 20

Exception 20

Late payment 20

Negligence 20

Reportable transaction understatements 20

Roth IRAs:

Conversion contributions withdrawn in 5-year period 92

Excess contributions 91

Substantial understatement of income tax 20

Tax evasion 21

Underpayment of estimated tax 37, 43, 45

Willful failure to file 21

Withholding 39, 41

## **Pennsylvania Unemployment Compensation Fund 98**

### **Pensions 38, 62**

(*See also* Railroad retirement benefits)

Clergy 51

Contributions:

Retirement savings contribution credit 23

Taxation of 50

Decedent's unrecovered investment in 14

Disability pensions 53

Elective deferral limitation 50

Employer plans:

Benefits from previous employer's plan 80

Rollover to IRA 85, 91

Situations in which no coverage 80

Inherited pensions 76

Military (See Armed Forces)

Unrecovered investment in 106

Withholding 14, 40

**Per capita taxes:**

Deductibility of 101

**Personal exemption 37**

**Personal injury suits:** Damages from 75

**Personal property:**

Rental income from 72

**Personal property taxes:**

Deduction of 101

Schedule A, C, E, or F (Form 1040) 101

Taxes (See Personal property taxes)

**Personal representatives** (See Fiduciaries)

**Persons with disabilities**

(See Disabilities, persons with)

**Place for filing 17**

**Political campaign expenses 104**

**Political contributions**

(See Campaign contributions)

**Power of attorney 15, 23**

**Premature distributions**

(See Early withdrawal from deferred interest account)

**Prepaid: Insurance 56**

**Preparers of tax returns 15**

**Presidential Election Campaign Fund 14**

**Price reduced after purchase 69**

**Principal residence (See Home)**

**Privacy Act and paperwork reduction information 3**

**Private delivery services 11**

**Prizes and awards 47, 77**

(*See also* Bonuses) Exclusion from income 47

Pulitzer, Nobel, and similar prizes 77

Scholarship prizes 77

**Professional license fees** 104

**Professional Reputation** 104

**Profit-sharing plans:**

Withholding 14, 40

**Property:**

Found 76

Stolen 77

**Public assistance benefits** 73

**Public debt:**

Gifts to reduce 17

**Public transportation passes, employer-provided** 50

**Publications** (*See* Tax help)



## **Puerto Rico:**

Residents of 8

**Pulitzer Prize** 77

## **Punitive damages:**

As income 75

## **Q**

**Qualified opportunity fund** 77

**Qualified plans** 84

(*See also* Rollovers)

**Qualified tuition programs** 77

**Qualifying child** 28

**Qualifying relative** 33

## **R**

**Raffles** 76

**Railroad retirement benefits** 62-67, 77

Deductions related to 66

Employer retirement plans

different from 80

Equivalent tier 1 (social security equivalent benefit (SSEB)) 62, 77

Estimated tax 64

Form RRB-1042S for nonresident aliens 63

Form RRB-1099 62

Joint returns 67

Lump-sum election 64

Married filing separately 23, 64

Repayment of benefits 64

Reporting of 64

Taxability of 63, 64

Withholding 40

Not tax deductible 101

Withholding for 64

## **Railroad Unemployment Insurance Act 54**

### **Real estate:**

Canceled business debt, treatment of 69

Division of real estate taxes 98

Form 1099-S to report sale proceeds 99

Itemized charges for services not deductible 100

Real estate-related items not deductible 100

Transfer taxes 101

### **Real estate taxes:**

Assessments (See Local assessments)

Cooperative housing 98

deduction of 98

Deduction of:

List of deductible taxes (Table 11-1) 100

Schedule A, C, E, or F (Form 1040) 101

Refund, treatment of 99

**Rebates** (See Refunds)

**Recharacterization:**

IRA contributions 85

**Recordkeeping:**

Gambling 105

Savings bonds used for education 60

**Recordkeeping requirements 17**

Basic records 17

Copies of returns 17

Electronic records 17

Gambling 76

Period of retention 18

Proof of payments 18

Why keep records 17

**Recovery of amounts previously deducted 71**

Itemized deductions 71

Mortgage interest refund 71

Over multiple years 71

Tax refunds 71

**Refunds** 108

State tax 71

Taxes (See Tax refunds)

**Rehabilitative program payments** 52

**Reimbursement** 71

(See *also* Recovery of amounts previously deducted)

Employee business expenses 47

**Relationship test** 28, 34

**Relative, qualifying** 33

**Relief fund contributions** 105

**Religious organizations** 8, 51

(*See also* Clergy)

**Rental income and expenses:**

Increase due to higher real estate taxes 101

Deductibility (Table 11-1) 100

Losses from rental real estate activities 24

Personal property rental 72

**Repayments 72**

Amount previously included in income 106

Railroad retirement benefits 64

Social security benefits 64, 72

Unemployment compensation 73

**Reporting:**

Rollovers 85

**Required minimum distributions 84, 86**

(*See also* Individual retirement arrangements (IRAs))

## **Rescue squad members:**

Life insurance proceeds when death in line of duty 70

## **Reservists:**

IRAs 80

Repayments 79

## **Residency:**

Home outside U.S. (See Citizens outside U.S.)

## **Residency test 29**

## **Resident aliens:**

Estimated tax 41

IRA distributions, withholding from 87

Social security number (SSN) 13

Spouse treated as 24

## **Retired Senior Volunteer Program 52**

## **Retirees:**

Armed Forces: Taxable income 52

**Retirement planning services** 50

**Retirement plans** 23, 38, 62

(*See also* Railroad retirement benefits)

(*See also* Roth IRAs)

Clergy 51

Contributions 50

Credit for (*See* Retirement savings contribution credit) Taxation of 50

Decedent's unrecovered investment in 14

Disability pensions 53

Elective deferral limitation 50

Employer plans:

Benefits from previous  
employer's plan 80

Rollover to IRA 85, 91



Situations in which no coverage 80

Inherited pensions 76

IRAs (See Individual retirement arrangements (IRAs))

Military (See Armed Forces)

Withholding 14, 40

### **Retirement savings contribution credit:**

Adjusted gross income limit 23

**Returns, tax** (See Tax returns)

**Rewards** 77

**Rhode Island Temporary Disability Benefit Fund** 98

**Rollovers** 84

Definition of 84

Excess due to incorrect rollover information 88

From 403 plan to IRA 84

From employer's plan to IRA 84, 85

From IRA to IRA 84

From IRA to Roth IRA 91

From Roth IRA to Roth IRA 92

From section 457 plan to IRA 84

From SIMPLE IRA to Roth  
IRA 92

Inherited IRAs 84

Married filing separately 23

Partial rollovers 84

Reporting:

From employer's plan to IRA 85

IRA to IRA 84

Taxability 84, 89

Time limits (60-day rule) 84

Treatment of 84

Waiting period between 84

## **Roth IRAs 89-92**

(*See also* Rollovers) Age:

Distributions after age

59 1/2 92

No limit for contributions 89

No required distribution age 92

Compensation, defined 89

Contribution limits 90

Age 50 or older, 90

Under age 50, 90

Contributions 89

No deduction for 89

Roth IRA only 90

Time to make 91

To traditional IRA for same year 90

Conversion 91

Definition of 89

Distributions:

Qualified distributions 92

Effect of modified AGI on  
contributions (Table 9-3) 89

Establishing account 89

Excess contributions 91

IRA transfer to 84, 85

Modified adjusted gross income (MAGI) 89

Computation (Worksheet 9-2) 89

Phaseout (Table 9-3) 89

Penalties:

Conversion contributions withdrawn in 5-year  
period 92

Excess contributions 91

Recharacterizations 85

Spousal contributions 89

Taxability 92

Withdrawals 92

Excess contributions 91

Not taxable 92

**Rounding off dollars 14**

**Royalties 72**

## **S**

**S corporations 103**

Shareholders 71

**Safe deposit box 103**

**Salaries** (See Wages and salaries)

**Sale of home 77**

Division of real estate taxes 98

**Sale of property:**

Personal items 77

**Sales and exchanges:**

Bonds 60

**Saturday, deadline falling on 42**

**Savings:**

Bonds 57, 62

Bonds used for education 59

Certificate 56, 61

**Schedule 17, 47, 51, 54**

(*See also* Form 1040)

(*See also* Form 1040 or 1040-SR)

Form 1040, A-F, R, SE (*See* Form 1040)

K-1: Partnership income 70

S corporation income 71

K-1, Form 1041 55

**Schedule A (Form 1040):**

Itemized deductions 95

**Schedules A–F, R, SE (Form 1040)**

(See Form 1040)

**Scholarships** 30, 34, 36

**Scholarships and fellowships:**

Earned income including 94

Exclusion from gross income 77

Teaching or research fellowships 77

**Section 457 deferred compensation plans:**

Rollovers:

To IRAs 85, 91

**Securities:**

Claim for refund 20

Options 51

Stock appreciation rights 48

## **Self-employed persons 101**

(See *also* Self-employment tax)

Corporate directors as 75

Definition 8

Foreign government or international organizations, U.S. citizens employed by 8

Gross income 7

IRAs 79

Ministers 8

Nonemployee compensation 75

## **Self-employment tax:**

Deduction of 101

List of deductible taxes

(Table 11-1) 100

## **Seminars:**

Investment-related 104



**Senior Companion Program 52**

**Separate returns** (See Married filing separately)

**Separated parents 29, 33**

**Separated taxpayers 22**

Filing status 23, 24

IRAs 80

Nonresident alien spouse 24

**SEPs** (See Simplified employee pensions (SEPs))

**Series EE and E savings bonds 57**

**Series HH and H savings bonds 57**

**Series I savings bonds 57**

**Service charges 103**

**Service Corps of Retired**

**Executives (SCORE) 52**

**Severance pay 48**

Accrued leave payment 48

Outplacement services 48

**Short tax year:**

Change in annual accounting period 93

**Sick pay:**

Collective bargaining agreements 40

FECA payments 54

Income 48

Railroad Unemployment Insurance Act 54

Withholding 39, 40

**Signatures** 14 Agent, use of 15

Joint returns 23

Mentally incompetent 15

Parent for child 15

Physically disabled 15

**Signing your return** 9