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

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

Volunteer Standards of Conduct

VITA/TCE Programs

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

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

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

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

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

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

TaxSlayer® is a copyrighted software program owned by Rhodes Computer Services. All screen shots that appear throughout the official Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) training materials are used with the permission of Rhodes Computer Services.

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.
# Table of Contents

**Volunteer Standards of Conduct** .......................................................... Inside Front Cover
**Table of Contents** .......................................................... 1
**How to Use this Guide** .......................................................... 4
**Scope of Service** .......................................................... 5
**VITA/TCE Quality Site Requirements** .......................................................... 16

## Legislative Extenders
- Discharge of Qualified Principal Residence Indebtedness ........................................ EXT-1
- Publication 4731-A Screening Sheet for Foreclosures/Abandonments ........................................ EXT-2
- Entering Forgiveness of Qualified Principal Residence Indebtedness ........................................ EXT-4
- Tuition and Fees Deduction at a Glance ........................................ EXT-6
- Residential Energy Credits .......................................................... EXT-7

## Tab A: Who Must File
- Chart A – For Most People Who Must File ........................................ A-1
- Chart B – For Children and Other Dependents ........................................ A-2
- Chart C – Other Situations When You Must File ........................................ A-3
- Chart D – Who Should File .......................................................... A-3

## Tab B: Starting a Return and Filing Status
- Form 1040 Job Aid .......................................................... B-1
- Form 1040 Schedules .......................................................... B-3
- Form 13614-C Job Aid for Volunteers .......................................................... B-4
- Starting a New Return .......................................................... B-6
- Determination of Filing Status – Decision Tree .................................................. B-8
- Filing Status – Interview Tips .......................................................... B-9
- Who is a Qualifying Person Qualifying You to File as Head of Household ........................................ B-10
- Cost of Keeping Up a Home .......................................................... B-11
- Entering Basic Information .......................................................... B-12
- Determining the Last Name of Taxpayer .......................................................... B-13
- Entering Basic Information (continued) .......................................................... B-15
- Entering Dependent/Qualifying Person .......................................................... B-18

## Tab C: Dependents
- Overview of the Rules for Claiming a Dependent .................................................. C-1
- Qualifying Child of More Than One Person .................................................. C-2
- Table 1: All Dependents .......................................................... C-3
- Table 2: Qualifying Relative Dependents .................................................. C-4
- Table 3: Children of Divorced or Separated Parents or Parents Who Live Apart ........................................ C-6
- Worksheet for Determining Support .......................................................... C-7

## Tab D: Income
- Income Quick Reference Guide .......................................................... D-1
- Armed Forces Gross Income .......................................................... D-2
- How/Where to Enter Income .......................................................... D-3
- Form W-2 Instructions .......................................................... D-4
- Interest Income .......................................................... D-7
- Seller Financed Mortgage Interest .................................................. D-10
- Dividend Income (Form 1099-DIV) .................................................. D-11
- State and Local Refund Worksheet .................................................. D-13
- Schedule C Self-Employment Income .................................................. D-14
- Form 1099-MISC .......................................................... D-15
- Connecting the Form 1099-Misc to Schedule C .................................................. D-16
- Schedule C Menu .......................................................... D-17
- Schedule C Questions About Your Business .................................................. D-18
- Schedule C General Expenses .................................................. D-19
- Schedule C and Car and Truck Expenses .................................................. D-20
- Schedule D Capital Gains and Losses .................................................. D-22
- Entering Capital Gains and Losses .................................................. D-23
- Adjustments to Basis in TaxSlayer .................................................. D-26
- Capital Gains or Losses Sale of Main Home .................................................. D-28
- IRA/Pension Distributions (Form 1099-R, Form SSA-1099) .................................................. D-32
- Form 1099-R .......................................................... D-33
- Taxable Amount Not Determined (Special Circumstances) .................................................. D-35
- Form 1099-R Simplified Method .................................................. D-36
- Form 1099-R Rollovers and Disability Under Minimum Retirement Age .................................................. D-37
- Form 1099-R Roth IRA .................................................. D-38
- Form 1099-R Box 7 Distribution Codes .................................................. D-39
- Form 1099-R Nontaxable Income .................................................. D-41
- Form RRB-1099-R Distributions .................................................. D-42
- Form SSA-1099/RRB-1099 Tier 1 Distributions .................................................. D-43
- Form SSA-1099 Lump-Sum Distributions .................................................. D-44
- Entering K-1 Information in TaxSlayer .................................................. D-45
- Schedule K-1 Scope .................................................. D-47
- Entering Rental and Royalty Income in TaxSlayer .................................................. D-49
- Other Income .......................................................... D-51
- Entering Foreign Earned Income Exclusion Information in TaxSlayer .................................................. D-52
- Entering Other Compensation in TaxSlayer .................................................. D-57
- Entering Medicaid Waiver Payments .................................................. D-58
- Publication 4731 – Screening Sheet for Nonbusiness Credit Card Debt Cancellation .................................................. D-59
- Insolvency Determination Worksheet .................................................. D-60
- Entering Cancellation of Credit Card Debt in TaxSlayer .................................................. D-61

## Tab E: Adjustments
- Adjustments to Income .......................................................... E-1
- Educator Expenses .......................................................... E-3
- Self-Employed Health Insurance Deduction .................................................. E-4
- Health Savings Accounts (HSA) .......................................................... E-5
- Alimony Requirements (Instruments Executed After 1984 and before 2019) .................................................. E-8
- IRA Deduction .......................................................... E-9
- Student Loan Interest Deduction at a Glance .................................................. E-10

## Tab F: Deductions
- Standard Deduction .......................................................... F-1
- Persons Not Eligible for the Standard Deduction .................................................. F-1
- Standard Deduction Chart for People Born Before January 2, 1955 or Who Are Blind .................................................. F-2
- Standard Deduction Worksheet for Dependents .................................................. F-2
- Interview Tips – Itemized Deductions .................................................. F-3
- Schedule A – Itemized Deductions .................................................. F-5
- Schedule A – Taxes You Paid .................................................. F-7
Schedule A – Sales Tax Deduction ....................... F-8
Schedule A – Miscellaneous Deductions ............ F-11
Qualified Business Income Deduction ............. F-12

Tab G: Nonrefundable Credits
Nonrefundable Credits .................................... G-1
Child Tax Credit ........................................... G-2
Additional Child Tax Credit – General Eligibility .... G-2
Table 1: Child Tax Credit .................................. G-3
Credit for Other Dependents ............................ G-4
Table 2: Credit for Other Dependents ................ G-5
Form 1116 – Foreign Tax Credit ....................... G-7
Child and Dependent Care Credit Expenses ....... G-10
Credit for Child & Dependent Care Expenses –
Screening Sheet ........................................ G-11
Form 2441 – Credit for Child and Dependent Care
Expenses .................................................. G-12
Retirement Savings Contributions Credit – Screening
Sheet .................................................... G-14
Credit for the Elderly or the Disabled
Screening Sheet ........................................ G-17
Entering the Credit for the Elderly or the Disabled .. G-18

Tab H: Other Taxes, Payments and ACA
Other Taxes and Payments ............................. H-1
Affordable Care Act (ACA) ............................. H-6
Premium Tax Credit: Form 1095-A Overview ...... H-7
Premium Tax Credit ....................................... H-8
Premium Tax Credit, Form 8962 ....................... H-10
Premium Tax Credit – Special Situations ........... H-11
How to Use the Healthcare.gov Tax Tool ............. H-14
Federal Poverty Lines .................................... H-17
Applicable Figure Table Tax Year 2019 ............... H-18

Tab I: Earned Income Credit
Earned Income Table ..................................... I-1
Common EIC Filing Errors .............................. I-1
Summary of EIC Eligibility Requirements ............ I-2
EIC General Eligibility Rules .......................... I-3
EIC With a Qualifying Child ............................ I-4
EIC Without a Qualifying Child ......................... I-5
Qualifying Child of More than One Person .......... I-5
Disallowance of Certain Credits ....................... I-6

Tab J: Education Benefits
Tax Treatment of Scholarship and Fellowship
Payments ..................................................... J-1
Education Expenses ..................................... J-1
Worksheet 1-1 Taxable Scholarship and
Fellowship Income ....................................... J-1
Highlights of Education Tax Benefits
for Tax Year 2019 ........................................ J-2
Education Credits ........................................ J-4
Determining Qualified Education Expenses ........ J-6
Entering Education Benefits ............................ J-7
Student Under Age 24 Claiming American
Opportunity Credit ..................................... J-9

Tab K: Finishing the Return
Completing the e-file Section .......................... K-1
IRS e-file Signature Authorization ..................... K-6

Tab L: Resident/NR Alien
Resident or Nonresident Alien Decision Tree ...... L-1
Resident or Nonresident Alien Decision Chart .... L-2
Electronic Filing of Returns with Valid ITIN .......... L-3
Creating a Temporary ITIN when the Spouse and/or
Dependent(s) are Applying for an ITIN .......... L-4

Tab M: Other Returns
Amended Returns ........................................ M-1
Amended Returns – Original Return Not Created by the
Site Preparing the Amended Return .................. M-4
Prior Year Returns ........................................ M-5
Filing for an Extension Using TaxSlayer .......... M-7

Tab N: Using TaxSlayer® Pro Desktop
Navigating TaxSlayer® Pro Desktop ................... N-1
General Input Highlights ............................... N-3
Personal Information ..................................... N-4
ACA ....................................................... N-5
Income – Key Highlights ............................... N-6
Credits – Key Highlights ............................... N-9
Printing from Desktop .................................. N-10

Tab O: Using TaxSlayer® Pro Online
Setting TaxSlayer® Pro Online as a Favorite ....... O-1
Pro Online Homepage .................................... O-2
Navigating TaxSlayer® Pro Online ..................... O-3
Navigating TaxSlayer .................................... O-6

Tab P: Partner Resources
Information for Assisting People
with Disabilities ......................................... P-1
Identity Theft Job Aid for Volunteers ................. P-2
Frequent Taxpayer Inquiries ....................... P-4
Where to File ......................................... P-5
Where’s My Refund ................................... P-6
Interactive Tax Assistant (ITA) ....................... P-6

Tab Q: TaxSlayer Admin
Contingency Plans for Continuing
VITA/TCE Return Preparation Operations .......... Q-1
TaxSlayer Pro Alternative Solution .................. Q-1
Contingency Plan ....................................... Q-2
Contingency Plan Option ............................. Q-3
Rejected Returns ..................................... Q-5
(Top) Reject Codes ................................... Q-5

Tab R: Glossary and Index
Glossary ................................................ R-1
How to Use This Guide

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

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

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

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

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Scope of Service

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

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

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

<table>
<thead>
<tr>
<th>Form (Schedule) #</th>
<th>Line / Box #</th>
<th>In Scope?</th>
<th>Scope Limitations</th>
<th>Certification Levels</th>
</tr>
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<tbody>
<tr>
<td>F 1040</td>
<td>1</td>
<td>Yes</td>
<td>Wages, salaries, tips, etc.</td>
<td>Advanced certification required for unreported tip income.</td>
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<tr>
<td>F 1040</td>
<td>2a, b</td>
<td>Yes</td>
<td>Tax-exempt and taxable interest See F 1099-INT for limitations</td>
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<tr>
<td>F 1040</td>
<td>3a, b</td>
<td>Yes</td>
<td>Qualified and Ordinary dividends See F 1099-DIV for limitations</td>
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<tr>
<td>F 1040</td>
<td>4a, b, c, d</td>
<td>Yes</td>
<td>IRAs, pensions and annuities See F 1099-R for limitations • Foreign retirement arrangements that may need special reporting on FINCEN 114 or F 8938</td>
<td>Advanced certification if taxable amount is determined. Advanced certification required if taxable amount is NOT determined.</td>
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<td>F 1040</td>
<td>5a, b</td>
<td>Yes</td>
<td>Social Security benefits Not in scope for: • Foreign social security from Canada or Germany that is treated as U.S. Social Security</td>
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<td>Yes</td>
<td>Capital gain or loss. See F 8949 limitations</td>
<td>Advanced certification required.</td>
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<td>Yes</td>
<td>Standard deduction or Itemized deductions See F 1040 Schedule A limitations</td>
<td>Advanced certification required for itemized deductions.</td>
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<td>Yes</td>
<td>Qualified Business Income deduction In scope for: • The 20% deduction for sole proprietors and taxpayers with qualifying REIT dividends Not in scope for: • Taxable income over $160,700 ($321,400 if MFJ) • Publicly traded partnership income</td>
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<td>12a</td>
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<td>Tax See Schedule 2 for limitations</td>
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<td>13a</td>
<td>Yes</td>
<td>Child tax credit/credit for other dependents</td>
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<td>F 1040</td>
<td>15</td>
<td>Yes</td>
<td>Other taxes See limitations on Schedule 2</td>
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<td>F 1040</td>
<td>17</td>
<td>Yes</td>
<td>Federal income tax withheld from Forms W-2 and 1099</td>
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<tr>
<td>F 1040</td>
<td>18a, b, c, d</td>
<td>Yes</td>
<td>Other payments and refundable credits (EIC, Additional child tax credit, American opportunity credit) See Schedule 3 for limitations</td>
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<td>21a, b, c, d</td>
<td>Yes</td>
<td>Direct deposit of refund See also F 8888</td>
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<td>F 1040</td>
<td>22</td>
<td>Yes</td>
<td>Refund applied to 2020 estimated tax</td>
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<tr>
<td>F 1040</td>
<td>23</td>
<td>Yes</td>
<td>Amount you owe</td>
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<td>F 1040</td>
<td>24</td>
<td>No</td>
<td>Estimated tax penalty</td>
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<tr>
<td>F 1040-ES</td>
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<td>Yes</td>
<td>Estimated Tax for Individuals</td>
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<td>F(orm) S(chedule) #</td>
<td>Line / Box #</td>
<td>In Scope? Y / N</td>
<td>Scope Limitations</td>
<td>Certification Levels</td>
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| F 1040-NR F 1040-NR-EZ | Yes | Yes | U.S. Nonresident Alien Income Tax Return  
In scope (with Foreign Student certification only) for:  
- Students on F, J, M, or Q Visa  
- Teacher or trainee on J Visa  
Not in scope for:  
- Individuals having a dual status for the tax year  
- Nonresident aliens who do not meet the green card or substantial presence test and are not married to a U.S. citizen or resident alien | Foreign Student certification required |
| F 1040-PR | Yes | Yes | Self-Employment Tax Return – Puerto Rico (in Spanish) | Puerto Rico certification required |
| F 1040-SR | Yes | Yes | U.S. Income Tax Return for Seniors  
See limitations for F 1040 | |
| F 1040-SS | Yes | Yes | U.S. Self-Employment Tax Return (Including the Additional Child Tax Credit for Bona Fide Residents of Puerto Rico) | Puerto Rico certification required |
| F 1040-X | Yes | Yes | Amended U.S. Individual Income Tax Return  
Not in scope for:  
- Original return was out of scope and is not brought into scope by the amendment  
- Taxpayers who may qualify for an exception to the three-year time limit for filing an amended return except for applying for standard refund of tax on military disability payments | Advanced certification required |
| F W-2 | Yes | Yes | Wage and Tax Statement  
See F 8615 limitations for children with unearned income  
Not in scope for:  
- Box 12 codes:  
  - Q (Military certification required. Active duty military taxpayer returns only)  
  - R, T  
  - FF if premium tax credits are involved  
  - W (HSA certification required)  
- Ministers  
- Other members of the clergy who present issues such as: parsonage/housing allowance, whether earnings are covered under FICA or Self-Employed Contributions Act (SECA) or rules for determining exemption from coverage | All certification levels  
International certification required for foreign employer compensation |
| F W-2G | Yes | Yes | Certain Gambling Winnings  
Not in scope for:  
- Professional gamblers who use Schedule C | |
| F W-7 | Yes | Yes | Application for IRS Individual Taxpayer Identification Number | |
| S 1 1 | Yes | Yes | Taxable refunds, credits or offsets of state or local income taxes  
Not in scope for:  
- Refund for other than previous tax year | |
| S 1 2a, b | Yes | Yes | Alimony received  
Not in scope for:  
- Pre-1985 divorces | |
| S 1 3 | Yes | Yes | Business income or loss  
See Schedule C limitations | Advanced certification required |
| S 1 4 | No | No | Other gains or (losses) | |
| S 1 5 | Yes | Yes | Rental real estate, royalties, partnerships, S corporations, trusts, etc.  
See Schedule E limitations | Military certification required |
| S 1 6 | No | No | Farm income or (loss) | |
| S 1 7 | Yes | Yes | Unemployment compensation | |
| S 1 8 | Yes | Yes | Other income  
In scope for:  
- Cancellation of nonbusiness credit card debt  
- Discharge of qualified principal residence indebtedness (if extended)  
Not in scope for:  
- Cancellation of other debt income  
- Rental, hobby or other income when “not for profit”  
- Net operating loss deduction | Advanced certification required for discharge of principal residence indebtedness  
International certification required for foreign earned income exclusion |
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<td>Educator expenses</td>
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<td>11</td>
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<td>Certain business expenses of reservists, performing artists and fee-basis government officials. See F 2106 limitations</td>
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<td>Yes</td>
<td>Health saving account deduction See F 8889 limitations</td>
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<td>Yes</td>
<td>Moving expenses for members of the Armed Forces See F 3903 limitations</td>
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<td>Yes</td>
<td>Deductible part of self-employment tax</td>
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<td>15</td>
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<td>Self-employed SEP, SIMPLE and qualified plans</td>
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<td>S 1</td>
<td>16</td>
<td>Yes</td>
<td>Self-employed health insurance deduction See Schedule C for limitations <strong>Not in scope for:</strong> • Insurance purchased through Marketplace when taxpayer is eligible for Premium Tax Credit</td>
<td>Advanced certification required</td>
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<td>S 1</td>
<td>17</td>
<td>Yes</td>
<td>Penalty on early withdrawal of savings</td>
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<td>S 1</td>
<td>18a, b, and c</td>
<td>Yes</td>
<td>Alimony paid <strong>Not in scope for:</strong> • Pre-1985 divorces</td>
<td>Advanced certification required</td>
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<td>S 1</td>
<td>19</td>
<td>Yes</td>
<td>IRA deduction <strong>In scope for:</strong> • Deductible IRA contributions <strong>Not in scope for:</strong> • Nondeductible IRA contributions (except for Roth IRAs)</td>
<td>Advanced certification required</td>
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<tr>
<td>S 1</td>
<td>20</td>
<td>Yes</td>
<td>Student loan interest deduction</td>
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<tr>
<td>S 1</td>
<td>21</td>
<td>Yes</td>
<td>Tuition and fees deduction (if extended)</td>
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<td>S 2</td>
<td>1</td>
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<td>Alternative minimum tax</td>
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<td>S 2</td>
<td>2</td>
<td>Yes</td>
<td>Excess advance premium tax credit repayment See F 8962 limitations</td>
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<td>4</td>
<td>Yes</td>
<td>Self-employment tax</td>
<td>Advanced certification required</td>
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<tr>
<td>S 2</td>
<td>5</td>
<td>Yes</td>
<td>Unreported Social Security and Medicare tax <strong>In scope for:</strong> • F 4137 <strong>Not in scope for:</strong> • F 8919</td>
<td>Advanced certification required</td>
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<td>S 2</td>
<td>6</td>
<td>Yes</td>
<td>Additional tax on IRAs, other qualified retirement plans, and other tax-favored accounts See F 5329 for limitations <strong>Not in scope for:</strong> • Taxpayers subject to additional tax due to excess IRA contributions</td>
<td>Basic certification if additional tax applies Advanced certification required if exceptions to the additional tax apply</td>
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<td>S 2</td>
<td>7a</td>
<td>No</td>
<td>Household employment taxes</td>
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<tr>
<td>S 2</td>
<td>7b</td>
<td>Yes</td>
<td>Repayment of first-time homebuyer credit from Form 5405 See F 5405 for limitations</td>
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<tr>
<td>S 2</td>
<td>8</td>
<td>Yes</td>
<td>Taxes from F 8959, F 8960 (and other forms, including F 8889 HSA) See F 8889 limitations <strong>Not in scope for:</strong> • F 8959 or F 8960</td>
<td>HSA certification required</td>
</tr>
<tr>
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<td>9</td>
<td>No</td>
<td>Section 965 net tax liability installment from F 965-A</td>
<td>Advanced certification required for FTC without F 1116 International certification required for F 1116</td>
</tr>
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<td>S 3</td>
<td>1</td>
<td>Yes</td>
<td>Foreign tax credit See F 1116 for limitations</td>
<td></td>
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<td>S 3</td>
<td>2</td>
<td>Yes</td>
<td>Credit for child and dependent care expenses</td>
<td></td>
</tr>
<tr>
<td>S 3</td>
<td>3</td>
<td>Yes</td>
<td>Education credits <strong>Not in scope for:</strong> • Taxpayers who must repay (recapture) part or all of an education credit claimed in a prior year</td>
<td></td>
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<tr>
<td>S 3</td>
<td>4</td>
<td>Yes</td>
<td>Retirement savings contribution credit</td>
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<td>Form</td>
<td>Line / Box #</td>
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<td>S 3</td>
<td>5</td>
<td>Yes</td>
<td>Residential energy credit (if extended) See F 5695 for limitations</td>
<td>Advanced certification required</td>
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</tbody>
</table>
| S 3  | 6a, b, and c | Yes       | Other credits from F 3800, 8801, and (write-in)  
  - Box c is in scope for Schedule R  
  **Not in scope for:**  
  - Boxes a and b | |
| S 3  | 8            | Yes       | 2019 estimated tax payments and amount applied from 2018 return | |
| S 3  | 9            | Yes       | Net premium tax credit See F 8962 for limitations | Advanced certification required |
| S 3  | 10           | Yes       | Amount paid with request for extension to file | |
| S 3  | 11           | Yes       | Excess Social Security and tier 1 RRTA tax withheld | |
| S 3  | 12           | No        | Credit for federal tax on fuels | |
| S 3  | 13           | No        | Credits from Forms 2439, 8885 (and other tax payments) | |
| S A  |              | Yes       | **Itemized Deductions**  
  **Not in scope for:**  
  - Investment interest  
  - Taxpayers affected by a charitable contribution carryover  
  - Taxpayers affected by limits on charitable deductions  
  - F 8283 (noncash contribution exceeding $500)  
  - Form 1098-C, Contributions of Motor Vehicles, Boats and Airplanes  
  - Donation of property previously depreciated  
  - Donation of capital gain property (appreciable properties such as securities or art work)  
  - Casualty or theft losses | Advanced certification required |
| S B  |              | Yes       | Interest and Ordinary Dividends See FinCEN F 114, F 3520 and F 8938 for limitations  
  See F 1099-INT, F 1099-DIV, and F 1099-OID for limitations | |
| S C  |              | Yes       | **Profit or Loss from Business (Sole Proprietorship)**  
  See F 1099-K for limitations  
  See F 1099-MISC for limitations  
  **Not in scope for:**  
  - Hobby income or not for profit activity  
  - Professional gamblers  
  - Bartering  
  - Any transactions involving virtual currency (bitcoins)  
  - Method of accounting other than cash  
  - Taxpayers who do not materially participate in the business  
  - Payments made that require F 1099 to be filed  
  - Returns and allowances  
  - Cost of goods sold (inventory)  
  - Total expenses over $25,000  
  - Vehicle expenses reported as actual expenses  
  - Contract labor  
  - Depletion  
  - Depreciation or when F 4562 is required  
  - Expenses for employees  
  - Car rental or lease more than 30 days (use standard mileage rate method only)  
  - Casualty losses, amortization  
  - Business use of home  
  - Net losses | Advanced certification required |
<table>
<thead>
<tr>
<th>F(orm)</th>
<th>Line / Box #</th>
<th>In Scope?</th>
<th>Scope Limitations</th>
<th>Certification Levels</th>
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<tr>
<td>S D</td>
<td>Yes</td>
<td>Capital Gains and Losses</td>
<td>Advanced certification required</td>
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<td></td>
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<td>See F 8949 for limitations</td>
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<td></td>
<td></td>
<td>See F 1099-B for limitations</td>
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<td></td>
<td><strong>Not in scope for:</strong></td>
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<td></td>
<td></td>
<td>Lines 4 and 11</td>
<td></td>
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<td></td>
<td></td>
<td>• Taxpayers who sold any assets other than stock, mutual funds, or a personal</td>
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<td></td>
<td></td>
<td>residence</td>
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<td>• Taxpayers who trade in options, futures, or other commodities, or virtual</td>
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<td></td>
<td></td>
<td>currency (bitcoins), whether or not they disposed of any during the year</td>
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<td></td>
<td></td>
<td>• Determination of basis issues:</td>
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<td></td>
<td></td>
<td>- Basis of any asset acquired other than by purchase or inheritance, such as</td>
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<td></td>
<td></td>
<td>a gift or employee stock option, unless the taxpayer provides the basis and</td>
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<td></td>
<td></td>
<td>holding period</td>
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<td></td>
<td></td>
<td>- Basis of inherited property determined by a method other than the FMV of the</td>
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<td></td>
<td></td>
<td>property on the date of the decedent's death, unless the taxpayer provides</td>
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<td></td>
<td></td>
<td>the basis and holding period</td>
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<td></td>
<td></td>
<td>• Like-kind exchanges and worthless securities</td>
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<td></td>
<td></td>
<td>• Reduced exclusion computations/determinations for the sale of a home</td>
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<td></td>
<td></td>
<td>• Married homeowners who do not meet all requirements to claim the maximum</td>
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<td></td>
<td></td>
<td>exclusion on the sale of a home</td>
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<td></td>
<td></td>
<td>• Decreases to basis, including deductible casualty losses and gains a taxpayer</td>
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<td></td>
<td></td>
<td>postponed from the sale of a previous home before May 7, 1997</td>
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<td></td>
<td></td>
<td>• Depreciation during the time the home was used for business purposes or as a</td>
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<td></td>
<td></td>
<td>rental property</td>
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<td></td>
<td></td>
<td>• Taxpayers with “nonqualified use” issues</td>
<td></td>
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<td></td>
<td></td>
<td>• Sale of a home used for business purposes or as rental property</td>
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<tr>
<td>S E</td>
<td>Yes</td>
<td>Supplemental Income and Loss (Rental)</td>
<td>Advanced certification required</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>See F 1099-MISC and S K-1 for limitations</td>
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<td></td>
<td><strong>In scope for:</strong></td>
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<td></td>
<td></td>
<td>• Royalties reported on Form 1099-MISC, if there are no associated expenses</td>
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<td></td>
<td></td>
<td>(Advanced)</td>
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<td></td>
<td></td>
<td>• Certain income from Schedules K-1 (Forms 1065, 1120S, and 1041) (Advanced)</td>
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<td></td>
<td></td>
<td>• Home rental (including Part I, lines 5-19) if military certified and taxpayer</td>
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<td></td>
<td></td>
<td>is active duty military</td>
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<td></td>
<td></td>
<td>• Rental of personal residence for less than 15 days for the year is not</td>
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<td></td>
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<td>considered a rental activity and is not taxable income (Advanced) unless</td>
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<td></td>
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<td>taxpayer is in the rental business or cleaning, linen, food or similar services</td>
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<td></td>
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<td>were provided during the rental period (out of scope)</td>
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<td><strong>Not in scope for:</strong></td>
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<td></td>
<td></td>
<td>• Rental income and expenses for nonmilitary taxpayers</td>
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<td></td>
<td></td>
<td>• Taxpayers who rent their property at less than fair rental value</td>
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<td></td>
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<td>• Rental-related interest expenses other than mortgage interest</td>
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<td></td>
<td></td>
<td>• The actual expense method (auto and travel expense deductions)</td>
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<td>• Casualty loss</td>
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<td></td>
<td>• Completing Form 8582 if volunteers are required to enter additional data in</td>
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<td>Form 8582 in the software</td>
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<td>• Completing Form 4562</td>
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<td></td>
<td>• Taxpayers who are unable to provide an amount for depreciation</td>
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<td>• Taxpayers who filed or need to file Form(s) 1099</td>
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<td>S EIC</td>
<td>Yes</td>
<td>Earned Income Credit</td>
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<td>S F</td>
<td>No</td>
<td>Profit or Loss From Farming</td>
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<tr>
<td>S H</td>
<td>No</td>
<td>Household Employment Taxes</td>
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<td>S J</td>
<td>No</td>
<td>Income Averaging for Farmers and Fishermen</td>
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<tr>
<td>S K-1</td>
<td>Yes</td>
<td>Beneficiary, Partner or Shareholder’s Share of Income, Deductions, Credits, etc.</td>
<td>Advanced certification required</td>
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<td><strong>In scope for:</strong></td>
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<td></td>
<td></td>
<td>• Schedules K-1 (Forms 1065, 1120S, and 1041).</td>
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<tr>
<td></td>
<td></td>
<td>- Taxable and tax-exempt interest income</td>
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<td></td>
<td></td>
<td>- Dividend and Qualified dividends income</td>
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<td></td>
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<td>- Net short- and long-term capital gains and losses</td>
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<td>- Royalty income (Schedule E) with no associated expenses</td>
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<td><strong>Not in scope for:</strong></td>
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<td></td>
<td>• Other income, deductions, and credits not listed above</td>
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<td>S Q</td>
<td>No</td>
<td>Quarterly Notice to Resident Interest Holder of REMIC Taxable Income or Net Loss</td>
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<tr>
<td>(F 1066)</td>
<td></td>
<td>Allocation</td>
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<td>S R</td>
<td>Yes</td>
<td>Credit for the Elderly or the Disabled</td>
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<td>Form</td>
<td>Schedule</td>
<td>Line / Box #</td>
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<td>S SE</td>
<td>Yes</td>
<td>Self-Employment Tax</td>
<td><strong>Not in scope for:</strong>&lt;br&gt;• Ministers or church workers if special rules apply</td>
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<td>S 8812</td>
<td>Yes</td>
<td>Additional Child Tax Credit</td>
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<td>F T (Timber)</td>
<td>No</td>
<td>Forest Activities Schedule</td>
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<td>F 56</td>
<td>No</td>
<td>Notice Concerning Fiduciary Relationship</td>
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<td>F 709</td>
<td>No</td>
<td>United States Gift (and Generation-Skipping Transfer) Tax Return</td>
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<td>F 843</td>
<td>No</td>
<td>Claim for refund and request for abatement</td>
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<td>F 982</td>
<td>Yes</td>
<td>Reduction of Tax Attributes Due to Discharge of Indebtedness (and Section 1082 Base Adjustment) – (if extended)</td>
<td><strong>In scope for:</strong>&lt;br&gt;• Line 1e&lt;br&gt;• Line 2&lt;br&gt;• Line 10b</td>
<td><strong>Not in scope for:</strong>&lt;br&gt;• Issues other than discharge of qualified principal residence indebtedness&lt;br&gt;• Principal residence used in business or as rental property&lt;br&gt;• Taxpayer filed bankruptcy or was insolvent immediately before the debt was canceled</td>
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<td>F 1040-C</td>
<td>No</td>
<td>U.S. Departing Alien Income Tax Return</td>
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<td>F 1045</td>
<td>No</td>
<td>Application for Tentative Refund</td>
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<td>F 1066 (Sch Q)</td>
<td>No</td>
<td>Quarterly Notice to Resident Interest Holder of REMIC Taxable Income or Net Loss Allocation</td>
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<tr>
<td>F 1095-A</td>
<td>Yes</td>
<td>Health Insurance Marketplace Statement</td>
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<td>Advanced certification required</td>
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<td>F 1095-B</td>
<td>Yes</td>
<td>Health Coverage</td>
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<td>F 1095-C</td>
<td>Yes</td>
<td>Employer Provided Health Insurance Offer and Coverage</td>
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<td>F 1098</td>
<td>Yes</td>
<td>Mortgage Interest Statement</td>
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<td>Advanced certification required</td>
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<tr>
<td>F 1098-C</td>
<td>No</td>
<td>Contributions of Motor Vehicles, Boats, Airplanes</td>
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<td>F 1098-E</td>
<td>Yes</td>
<td>Student Loan Interest Statement</td>
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<td>F 1098-MA</td>
<td>No</td>
<td>Mortgage Assistance Payments</td>
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<td>F 1098-Q</td>
<td>Yes</td>
<td>Qualifying Longevity Annuity Contract Information (information only)</td>
<td>No tax reporting required.</td>
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<td>F 1098-T</td>
<td>Yes</td>
<td>Tuition Statement</td>
<td><strong>Not in scope for:</strong>&lt;br&gt;• Boxes 4 and 6 (Adjustments)</td>
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<tr>
<td>F 1099-A</td>
<td>Yes</td>
<td>Acquisition or Abandonment of Secured Property</td>
<td>See F 982 for limitations</td>
<td><strong>In scope for:</strong>&lt;br&gt;• Qualified principal residence (if extended)</td>
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<tr>
<td>F 1099-B</td>
<td>Yes</td>
<td>Proceeds from Broker and Barter Exchange Transactions</td>
<td><strong>Not in scope for:</strong>&lt;br&gt;• FATCA filing requirement box checked&lt;br&gt;• Boxes 1f and 7-11, 13</td>
<td></td>
</tr>
<tr>
<td>F 1099-C</td>
<td>Yes</td>
<td>Cancellation of Debt</td>
<td>See F 982 for limitations</td>
<td><strong>In scope for:</strong>&lt;br&gt;• Nonbusiness credit card debt cancellation including interest in box 3 when taxpayer is solvent before the cancellation&lt;br&gt;• Discharge of qualified principal residence indebtedness (if extended)</td>
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<tr>
<td>F 1099-CAP</td>
<td>Yes</td>
<td>Changes in Corporate Control and Capital Structure (information only)</td>
<td>No tax reporting required.</td>
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<td>Form (Schedule)</td>
<td>In Scope?</td>
<td>Scope Limitations</td>
<td>Certification Levels</td>
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</table>
| F 1099-DIV      | Yes       | Dividends and Distributions | Not in scope for:  
  • Boxes labeled Unrecap Sec. 1250 gain, Section 1202 gain, Cash liquidation distributions, and Noncash liquidation distributions  
  • 2d Collectibles (28%) gain  
  • FATCA filing requirement box checked | |
| F 1099-G        | Yes       | Certain Government Payments | In scope for:  
  • Unemployment compensation  
  • Refunds, credits, or offsets of state or local income tax  
 Not in scope for:  
  • Box 3 is other than the current tax year  
  • Boxes 7-9 | |
| F 1099-H        | No        | Health Coverage Tax Credit | |
| F 1099-INT      | Yes       | Interest Income | See F 8615 for limitations (children with unearned income) | |
| F 1099-K        | Yes       | Payment Card and Third Party Network Transactions | Not in scope for:  
  • Any adjustment to amount reported on F 1099-K |
| F 1099-LTC      | Yes       | Long-Term Care and Accelerated Death Benefits | Advanced certification required |
| F 1099-MISC     | Yes       | Miscellaneous Income | Not in scope for:  
  • Box 1  
  • Box 5 Fishing boat proceeds  
  • Boxes 8-15  
  • FATCA filing requirement box checked | Advanced certification required |
| F 1099-OID      | Yes       | Original Issue Discount | Not in scope for:  
  • FATCA filing requirement box checked  
  • Box 6 Acquisition premium  
  • Adjustment needed, or no form received | Advanced certification required |
| F 1099-PATR     | Yes       | Taxable Distributions Received From Cooperatives | In scope for:  
  • Box 1 for personal use only | Advanced certification required |
| F 1099-Q        | Yes       | Payment From Qualified Education Programs (under section 529 and 530) | Not in scope for:  
  • Distributions from Educational Savings Accounts if:  
    - Funds were not used for qualified education expenses or  
    - Distribution was more than the amount of the qualified expenses | |
| F 1099-QA       | Yes       | Distribution from ABLE Account | Not in scope for:  
  • Distribution from ABLE Account that was more than the amount of the qualified expenses | |
| F 1099-P    F CSA 1099-R | Yes       | Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc. | Not in scope for:  
  • IRA rollovers that do not meet the tax-free requirements  
  • Taxpayers who used the General Rule to figure the taxable portion of pensions and/or annuities for past years  
  • Box 7 code 2, if the IRA/SEP/SIMPLE box is checked and there were nondeductible contributions  
  • Box 7 codes 5, 6, 8, 9, A, E, J, K, N, P, R, T, U, W | Basic certification if taxable amount is determined  
  Advanced certification required if taxable amount is NOT determined |
<table>
<thead>
<tr>
<th>F(orm) S(chedule) #</th>
<th>Line / Box #</th>
<th>In Scope? Y / N</th>
<th>Scope Limitations</th>
<th>Certification Levels</th>
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<tbody>
<tr>
<td>F 1099-S</td>
<td></td>
<td>Yes</td>
<td>Proceeds from Real Estate Transactions&lt;br&gt;&lt;br&gt;<strong>In scope for:</strong>&lt;br&gt;• Personal residence&lt;br&gt;&lt;br&gt;<strong>Not in scope for:</strong>&lt;br&gt;• Home was used for rental purposes&lt;br&gt;• Sales of business property&lt;br&gt;• Installment sales income&lt;br&gt;• Like-kind exchanges</td>
<td>Advanced certification required</td>
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<td>F 1099-SA</td>
<td></td>
<td>Yes</td>
<td>Distributions From an HSA, Archer MSA or Medicare Advantage MSA&lt;br&gt;See F 8889 for limitations&lt;br&gt;&lt;br&gt;<strong>Not in scope for:</strong>&lt;br&gt;• Archer MSA&lt;br&gt;• Medicare Advantage MSA</td>
<td>HSA certification required</td>
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<td>F SSA-1099</td>
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<td>Yes</td>
<td>Social Security Benefit Statement</td>
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<td>F 1116</td>
<td></td>
<td>Yes</td>
<td>Foreign Tax Credit (Individual, Estate or Trust)&lt;br&gt;&lt;br&gt;<strong>In scope for:</strong>&lt;br&gt;• Taxpayers who have foreign tax paid reported on F 1099 INT, F 1099-DIV, or S K-1 and can elect to report foreign tax without filing Form 1116 (Advanced certification)&lt;br&gt;&lt;br&gt;<strong>Not in scope for:</strong>&lt;br&gt;• Taxpayers who may deduct a foreign income tax that is not allowed as a credit in certain circumstances&lt;br&gt;• Certain expenses deducted to reduce foreign gross income&lt;br&gt;• Taxpayers who must report a carryback or carryover on Form 1116&lt;br&gt;• Taxpayers who must file a separate Form 1116 required for foreign income from a sanctioned country, using the “Section 901(j) income” category</td>
<td>International certification required for F 1116</td>
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<td>F 1127</td>
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<td>No</td>
<td>Extension of Time for Payment of Tax Due to Undue Hardship</td>
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<td>F 1127</td>
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<td>Yes</td>
<td>Statement of Person Claiming Refund Due a Deceased Taxpayer</td>
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<td>Yes</td>
<td>Employee Business Expenses&lt;br&gt;&lt;br&gt;<strong>In scope for:</strong>&lt;br&gt;• Reservist expenses (adjustment to gross income)&lt;br&gt;• U.S. Armed Forces members who were provided a commuter highway vehicle (such as a van) by their employer</td>
<td>Military certification required</td>
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<td>F 2120</td>
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<td>Yes</td>
<td>Multiple Support Declaration</td>
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<td>F 2210</td>
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<td>No</td>
<td>Underpayment of Estimated Tax by Individuals, Estates and Trusts</td>
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<td>No</td>
<td>Notice to Shareholder of Undistributed Long-Term Capital Gains</td>
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<td>F 2441</td>
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<td>Yes</td>
<td>Child and Dependent Care Expenses&lt;br&gt;&lt;br&gt;<strong>Out of scope for:</strong>&lt;br&gt;• Taxpayers who need assistance in determining if employment taxes are owed for household employees</td>
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<td>F 2555</td>
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<td>Yes</td>
<td>Foreign Earned Income</td>
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<td>F 2848</td>
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<td>Yes</td>
<td>Power of Attorney and Declaration of Representative&lt;br&gt;&lt;br&gt;(Very limited uses in form instructions)</td>
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<td>F 3468</td>
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<td>No</td>
<td>Investment Credit</td>
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<td>F 3520</td>
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<td>No</td>
<td>Foreign Trusts/Foreign Gifts</td>
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<td>F 3800</td>
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<td>General Business Credit</td>
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<td>F 3903</td>
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<td>Yes</td>
<td>Moving Expenses&lt;br&gt;&lt;br&gt;<strong>In scope for:</strong>&lt;br&gt;• Active duty military taxpayer only</td>
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<td>Social Security and Medicare Taxes on Unreported Tip Income</td>
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<td>Depreciation and Amortization (including information on listed property)</td>
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<td>F 4797</td>
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<td>Sales of Business Property</td>
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<td>Line / Box #</td>
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<td>Scope Limitations</td>
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<td>Yes</td>
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<td>Application for Automatic Extension of Time to File U.S. Individual Income Tax Return</td>
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<td>No</td>
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<td>F 5329</td>
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<td>Yes</td>
<td>Additional Tax on Qualified Plans (including IRAs) and Other Tax-Favored Accounts</td>
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<td>• Part I</td>
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<td><strong>Not in scope for:</strong></td>
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<td>• IRA minimum distributions not withdrawn when required</td>
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<td>• Excess contributions to an IRA that are not withdrawn by the due date of the return including extensions</td>
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<td>Yes</td>
<td>Repayment of the First-Time Homebuyer Credit</td>
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<td>• Taxpayers who claimed credit and their home is destroyed, condemned or disposed of under threat of condemnation</td>
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<td>• Taxpayers who claimed the first-time homebuyer credit may be required to repay the credit in the year of sale. The repayment is limited to the amount of gain on the sale. This situation is out of scope for VITA/TCE.</td>
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<td>IRA Contribution Information</td>
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<td></td>
<td>• SEP or SIMPLE contributions</td>
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<td>• Nondeductible contributions</td>
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<td>F 5498-ESA</td>
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<td>• Archer MSA</td>
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<td>• Medicare Advantage MSA</td>
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<td>Residential Energy Credit – (if extended)</td>
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<td>• Resident Energy Efficient Property Credit (Part I)</td>
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<td>F 6251</td>
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<td>Yes</td>
<td>Alternative Minimum Tax</td>
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<td>• Interest from private activity bond on Line 12</td>
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<td>F 6252</td>
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<td>Installment Sales Income</td>
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<td>Gains and Losses From Section 1256 Contracts and Straddles</td>
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<td>Noncash Charitable Contributions</td>
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<td>Noncash contributions of $500 or less are reported on Schedule A and are in scope</td>
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<td>F 8332</td>
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<td>Yes</td>
<td>Release/Revocation of Release of Claim to Exemption for Child by Custodial Parent</td>
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<td>F 8379</td>
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<td>Yes</td>
<td>Injured Spouse Allocation</td>
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<td>See F 8958 limitations (community property states)</td>
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<td>F 8396</td>
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<td>No</td>
<td>Mortgage Interest Credit</td>
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<td>U.S. Individual Income Tax Transmittal for an IRS e-file Return</td>
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<td>F 8582</td>
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<td>Passive Activity Loss Limitations</td>
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<td>Nondeductible IRAs</td>
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<td>F 8615</td>
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<td>Yes</td>
<td>Tax for Certain Children Who Have Unearned Income (also known as Kiddie Tax)</td>
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<td>• Students electing to include unearned income such as scholarships/grants as income on the return</td>
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<td>Information Return by A Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund</td>
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<td>F(orm) S(cycle) #</td>
<td>Line / Box #</td>
<td>In Scope? Y / N</td>
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<td>F 8801</td>
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<td>Credit for Prior Year Minimum Tax</td>
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<td>F 8805</td>
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<td>Foreign Partner’s Information Statement of Section 1446 Withholding Tax</td>
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<td>Additional Child Tax Credit</td>
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<td>F 8814</td>
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<td>Parent’s Election to Report Child’s Interest and Dividends</td>
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<td>No</td>
<td>Exclusion of Interest From Series EE and I U.S. Savings Bonds Issued after 1989</td>
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<td>F 8821</td>
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<td>No</td>
<td>Tax Information Authorization</td>
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<td>F 8829</td>
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<td>Expenses for Business Use of Your Home</td>
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<td>Treaty-Based Return Positive Disclosure Under Section 6114 or 7701 (b)</td>
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<td>F 8834</td>
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<td>Plug-In Electric Vehicle Credit</td>
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<td>F 8839</td>
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<td>Qualified Adoption Expenses</td>
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<td>Consent to Extend the Time to Access the Branch Profits Tax Under Regulations Section 1.884-2 (a) and (c)</td>
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<td>Archer MSAs and Long-Term Care Insurance Contracts</td>
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<td>• Section C</td>
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<td>Information to Claim Earned Income Credit After Disallowance</td>
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<td>Education Credits (American Opportunity and Lifetime Learning Credits)</td>
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<td>Return of U.S. Persons With Respect to Certain Foreign Partnerships</td>
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<td>Credit for Qualified Retirement Savings Contributions</td>
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<td>Health Coverage Tax Credit</td>
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<td>Allocation of Refund (Including Savings Bond Purchases)</td>
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<td>Health Savings Accounts (HSAs)</td>
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<td>• Excess contributions to an HSA that are not withdrawn in a timely fashion</td>
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<td>• Qualified HSA funding distributions from an IRA</td>
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<td>• Death of an HSA holder (when spouse is not the designated beneficiary)</td>
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<td>• Additional Tax for Failure to Maintain HDHP Coverage</td>
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<td>• Deemed distributions from an HSA due to prohibited transactions, such as using an HSA as a security for a loan</td>
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<td>• Archer Medical Saving Accounts (MSA)</td>
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<td>• Medicare Advantage MSA</td>
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<td>• Health Reimbursement Arrangement</td>
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<td>Domestic Production Activities Deduction</td>
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<td>Energy Efficient Home Credit</td>
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<td>Alternate Motor Vehicle Credit</td>
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<td>Alternative Fuel Vehicle Refueling Property Credit</td>
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<td>Qualified 2016 Disaster Retirement Plan Distributions and Repayments</td>
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<td>Qualified 2017 Disaster Retirement Plan Distributions and Repayments</td>
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<td>Tuition and Fees Deduction (if extended)</td>
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<td>Uncollected Social Security and Medicare Tax on Wages</td>
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<td>No</td>
<td>Qualified Plug-in Electric Drive Motor Vehicle Credit</td>
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<td>F 8938</td>
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<td>Statement of Specified Foreign Assets</td>
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<td>No</td>
<td>Preparer Explanation for Not Filing Electronically</td>
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### F(orm) S(chedule) # Line / Box # Scope? Y / N Scope Limitations Certification Levels

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<td>• Sale of stocks, mutual fund shares and personal residences</td>
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<td>• Bond sales reported on a brokerage statement with capital gain or loss only (no ordinary income/loss)</td>
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<td>• Capital gains and losses reported on K-1</td>
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<tr>
<td>• Capital loss carryovers</td>
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<td>• Inherited property of types listed above in this section and, if inherited in 2010, taxpayer provides the basis</td>
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<td>• Wash sales if reported on brokerage or mutual fund statement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not in scope for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Adjustment codes N, Q, X, R, S or C</td>
<td></td>
<td>Advanced certification required</td>
</tr>
<tr>
<td>• Reduced exclusion on sale of home</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Residence inherited or received as gift and not used as personal residence. If used as personal residence, taxpayer must provide basis.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Taxpayers who have sold any assets other than stock, mutual funds, or a personal residence</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Taxpayers who trade in options, futures, or other commodities, whether or not they disposed of any during the year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Determination of basis issues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Basis of any asset acquired other than by purchase or inheritance, such as a gift or employee stock option, unless the taxpayer provides the basis and holding period</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Basis of inherited property determined by a method other than the FMV of the property on the date of the decedent's death, unless the taxpayer provides the basis and holding period</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Like-kind exchanges and worthless securities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Form 1099-B, boxes with entries for any of the following: Bartering; Profit or (loss) realized on closed contracts; Unrealized profit (loss) on open contracts – prior year; Unrealized profit or (loss) on open contracts – current year; or Aggregate profit (loss) on contracts; Proceeds from collectibles; or FATCA filing requirement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Reduced exclusion computations/determinations for the sale of a home</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Married homeowners who do not meet all requirements to claim the maximum exclusion on the sale of a home</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Decreases to basis, including: Deductible casualty losses and gains a taxpayer postponed from the sale of a previous home before May 7, 1997</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Depreciation during the time the home was used for business purposes or as rental property</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Taxpayers with “nonqualified use” issues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Sale of a home used for business purposes or as rental property</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>F 8958</th>
<th>Yes</th>
<th>Allocation of Tax Amounts Between Certain Individuals in Community Property States</th>
</tr>
</thead>
<tbody>
<tr>
<td>In scope for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Taxpayers who are not certain they are in a common law marriage (rules are complex and differ from state to state)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Applicable returns as limited by Site or Program Coordinator</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Depending on your tax assistance program, community property tax laws for married taxpayers who file a separate return from their spouse</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>F 8959</th>
<th>No</th>
<th>Additional Medicare Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>F 8960</td>
<td>No</td>
<td>Net Investment Income Tax – Individuals, Estates and Trusts</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>F 8962</th>
<th>Yes</th>
<th>Premium Tax Credit (PTC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not in scope for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Self-employed health coverage deductions for taxpayers who are also allowed a PTC</td>
<td></td>
<td>Advanced certification required</td>
</tr>
<tr>
<td>• Form 8962 Part IV, Allocation of Policy Amounts, and Part V, Alternative Calculation for Year of Marriage</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Individuals eligible for the health coverage tax credit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• 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</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>F 8995-A</th>
<th>Yes</th>
<th>Qualified Business Income Deduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>F 9452</td>
<td>No</td>
<td>Filing Assistance Program</td>
</tr>
<tr>
<td>F 9465</td>
<td>Yes</td>
<td>Installment Agreement Request (See fee schedule)</td>
</tr>
<tr>
<td>F 13844</td>
<td>No</td>
<td>Application For Reduced User Fee For Installment Agreement</td>
</tr>
<tr>
<td>F 14039</td>
<td>Yes</td>
<td>Identity Theft Affidavit</td>
</tr>
<tr>
<td>F SS-8</td>
<td>No</td>
<td>Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding</td>
</tr>
<tr>
<td>FinCEN F 114</td>
<td>No</td>
<td>Report of Foreign Bank and Financial Accounts</td>
</tr>
</tbody>
</table>
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 (QSRs) is to ensure quality and accurate tax return preparation and consistent site operations. The QSRs 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**

<table>
<thead>
<tr>
<th>STEP</th>
<th>Action</th>
</tr>
</thead>
</table>
| **1** | **YES** – Go to Step 2  
**NO** – Advise the taxpayer to get the documentation from the home mortgage lender. |
| **2** | **YES** – Go to Step 6  
**NO** – Go to Step 3 |
| **3** | **YES** – The sales price is the lesser of box 2 (Balance of principal outstanding) or box 4 (Fair Market Value of Property) on Form 1099-A.  
**NO** – The sales price is the amount in box 2 (Balance of principal outstanding) on Form 1099-A. The taxpayer is not personally liable (nonrecourse loan). |

**STEP**  
Ask the taxpayer for the cost or basis of the home.  
Refer to Publication 523, Selling your Home, for further information, if needed.

**STEP**  
Report the sale of the personal residence on Form 8949, Sales and Other Disposition of Capital Assets, and Schedule D, Capital Gains and Losses.  
If the disposition of the property results in a:  
**Gain** – The taxpayer may qualify for the Section 121 exclusion ($250,000 or $500,000 if Married Filing Jointly) of the gain on the sale of a principal residence, if all requirements are met.  
**Loss** – The taxpayer cannot claim a loss on the sale or disposition of a principal residence. Use adjustment Code L on Form 8949 to exclude this loss.  
Refer to Publication 4012 (Legislative Extenders Tab), “Entering Forgiveness of Qualified Principal Residence Indebtedness” for further information.

**STEP**  
These tax issues are outside the scope of the volunteer program.

**Additional Resources:**
- Publication 523, Selling your Home
- Publication 525, Taxable and Nontaxable Income
- Publication 4681, Canceled Debts, Foreclosures, Repossessions, and Abandonments
Publication 4731-A

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

<table>
<thead>
<tr>
<th>Step</th>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong></td>
<td>Did the taxpayer receive Form 1099-C, Cancellation of Debt, from their home mortgage lender and is the information shown on the form correct?</td>
<td>YES – Go to Step 2</td>
<td>NO – Go to Step 6</td>
</tr>
<tr>
<td><strong>Note:</strong></td>
<td>Answer &quot;yes&quot; if the taxpayer has received a Form 1099-A and Form 1099-C.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2</strong></td>
<td>Did the taxpayer ever use the home in a trade or business or as rental property?</td>
<td>YES – Go to Step 6</td>
<td>NO – Go to Step 3</td>
</tr>
<tr>
<td><strong>3</strong></td>
<td>Does box 3 of Form 1099-C show any interest or does box 6 show code A indicating bankruptcy?</td>
<td>YES – Go to Step 6</td>
<td>NO – Go to Step 4</td>
</tr>
<tr>
<td><strong>Note:</strong></td>
<td>If box 6 is not marked with code A but the taxpayer has subsequently filed bankruptcy, answer &quot;yes.&quot;</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| **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 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

- $ [ ]
Foreclosure and Abandonment Key Highlights

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

• No entry is made in Part II, Reduction of Tax Attributes

• Report the gain or loss from Form 1099-A in the Schedule D, Capital Gains section
  
  – The basis is the taxpayer’s adjusted basis in the home
  
  – The sale price (amount realized) is based on whether the taxpayer is personally liable (recourse loan) or not personally liable (nonrecourse loan) for the debt:
    
    • If the taxpayer is personally liable, the sale price is the lesser of the balance of the principal mortgage debt outstanding or the fair market value
    
    • If the taxpayer isn’t personally liable, then the sale price is the full amount of the outstanding debt, as reflected on Form 1099-A
    
    • For both recourse and nonrecourse loans, add any proceeds the taxpayer received from the foreclosure sale to the amount realized.

  – If the taxpayer ends up with a gain on the sale, some or all of the gain can be excluded under the rules for sale of main home, if the taxpayer qualifies
    
    • A loss on the main home can’t be deducted
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.*

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is the maximum benefit?</td>
<td>You can reduce your income subject to tax by up to $4,000.</td>
</tr>
<tr>
<td>Limit on modified adjusted gross income (MAGI)</td>
<td>$160,000 if married filing joint return; $80,000 if single, head of household, or qualifying widow(er). MFS is not eligible.</td>
</tr>
<tr>
<td>Where is the deduction taken?</td>
<td>As an adjustment to income on Schedule 1.</td>
</tr>
<tr>
<td>For whom must the expenses be paid?</td>
<td>A student enrolled in an eligible educational institution who is either: • you • your spouse, or • your dependent for whom you claim an exemption</td>
</tr>
<tr>
<td>What tuition and fees are deductible?</td>
<td>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.</td>
</tr>
<tr>
<td>What records does the taxpayer need?</td>
<td>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.</td>
</tr>
</tbody>
</table>
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. Since 2016, exterior doors, exterior windows, and skylights are only eligible for the nonbusiness energy property credit if they meet or exceed the specific requirements of the version 6.0 Energy Star program. For detailed information about qualifying improvements, visit the U.S. Department of Energy’s EnergyStar website.

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

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

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

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

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

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

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

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

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

<table>
<thead>
<tr>
<th>Single Dependents</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Either 65 or over or blind</strong></td>
<td>You must file a return if <strong>any</strong> of the following apply.</td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Your unearned income was over $2,750 ($4,400 if 65 or older and blind).</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Your earned income was over $13,850 ($15,500 if 65 or older and blind).</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Your gross income was more than the <strong>larger</strong> of —</td>
<td></td>
</tr>
<tr>
<td>a.</td>
<td>$2,750 ($4,400 if 65 or older and blind) or</td>
<td></td>
</tr>
<tr>
<td>b.</td>
<td>Your earned income (up to $11,850) plus $2,000 ($3,650 if 65 or older and blind).</td>
<td></td>
</tr>
<tr>
<td><strong>Under 65 and not blind</strong></td>
<td>You must file a return if <strong>any</strong> of the following apply.</td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Your unearned income was over $1,100.</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Your earned income was over $12,200.</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Your gross income was more than the <strong>larger</strong> of —</td>
<td></td>
</tr>
<tr>
<td>a.</td>
<td>$1,100, or</td>
<td></td>
</tr>
<tr>
<td>b.</td>
<td>Your earned income (up to $11,850) plus $350.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Married Dependents</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Either age 65 or older or blind</strong></td>
<td>You must file a return if <strong>any</strong> of the following apply.</td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Your unearned income was over $2,400 ($3,700 if 65 or older and blind).</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Your earned income was over $13,500 ($14,800 if 65 or older and blind).</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Your gross income was at least $5 and your spouse files a separate return and itemizes deductions.</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Your gross income was more than the <strong>larger</strong> of —</td>
<td></td>
</tr>
<tr>
<td>a.</td>
<td>$2,400 ($3,700 if 65 or older and blind), or</td>
<td></td>
</tr>
<tr>
<td>b.</td>
<td>Your earned income (up to $11,850) plus $1,650 ($2,950 if 65 or older and blind).</td>
<td></td>
</tr>
<tr>
<td><strong>Under age 65 and not blind</strong></td>
<td>You must file a return if <strong>any</strong> of the following apply.</td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Your unearned income was over $1,100.</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Your earned income was over $12,200.</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Your gross income was at least $5 and your spouse files a separate return and itemizes deductions.</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Your gross income was more than the <strong>larger</strong> of —</td>
<td></td>
</tr>
<tr>
<td>a.</td>
<td>$1,100, or</td>
<td></td>
</tr>
<tr>
<td>b.</td>
<td>Your earned income (up to $11,850) plus $350.</td>
<td></td>
</tr>
</tbody>
</table>

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

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

**Note:** Taxable scholarships and fellowship grants are considered as earned income for the purpose of determining if a dependent must file a tax return and for calculating the standard deduction for dependents.

Taxable scholarships and fellowship grants not reported on Form W-2 are considered to be unearned income for the purpose of calculating kidde tax.
**Chart C – Other Situations When You Must File**

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

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

**Chart D – Who Should File**

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

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

#### Filing Status
- Single
- Married filing jointly
- Married filing separately (MFS)
- Head of household (HOH)
- Qualifying widow(er) (QW)

Check only one box.

- If you checked the MFS box, enter the name of spouse. If you checked the HOH or QW box, enter the child’s name if the qualifying person is a child but not your dependent.

**Your first name and middle initial**

**Last name**

**Your social security number**

- **If joint return, spouse’s first name and middle initial**

- **Last name**

- **Spouse’s social security number**

**Home address (number and street). If you have a P.O. box, see instructions.**

**Apt. no.**

**City, town or post office, state, and ZIP code.**

- **Foreign country name**

- **Foreign province/state/county**

- **Foreign postal code**

- **If more than four dependents, see instructions and check here.**

#### Standard Deduction
- **Someone can claim:**
  - You or a dependent
  - Your spouse as a dependent
- **Spouse itemizes on a separate return or you were a dual-status alien**

#### Age/Blindness
- **Were born before January 2, 1955**
- **Are blind**
- **Spouse:**
  - Was born before January 2, 1955
  - Is blind

#### Dependents (see instructions):

<table>
<thead>
<tr>
<th>Dependent</th>
<th>First name</th>
<th>Last name</th>
<th>Social security number</th>
<th>Relationship to you</th>
<th>Child tax credit</th>
<th>Credit for other dependents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Wages, salaries, tips, etc. Attach Form(s) W-2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2a</td>
<td>Tax-exempt interest</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2b</td>
<td>Taxable interest. Attach Sch. B if required</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3a</td>
<td>Qualified dividends</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3b</td>
<td>Ordinary dividends. Attach Sch. B if required</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4a</td>
<td>IRA distributions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4b</td>
<td>Taxable amount</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4c</td>
<td>Pensions and annuities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4d</td>
<td>Taxable amount</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5a</td>
<td>Social security benefits</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5b</td>
<td>Taxable amount</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Capital gain or (loss). Attach Schedule D if required. If not required, check here</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7a</td>
<td>Other income from Schedule 1, line 9</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7b</td>
<td>Add lines 1, 2b, 3b, 4b, 5b, 6, and 7a. This is your total income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8a</td>
<td>Adjustments to income from Schedule 1, line 22</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8b</td>
<td>Subtract line 8a from line 7b. This is your adjusted gross income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Standard deduction or itemized deductions (from Schedule A)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Qualified business income deduction. Attach Form 8995 or Form 8995-A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11a</td>
<td>Add lines 9 and 10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11b</td>
<td>Taxable income. Subtract line 11a from line 10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.
Form 1040 Schedules

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

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

**Use Tab C to verify taxpayer and spouse's dependency status.**

**Refer to Tab P if taxpayer is a victim of identity theft.**

**Refer to Pub 4012, for definition of Legally Blind, Totally and Permanently Disabled and Full Time Student.**

**If not a US citizen, use Tab L Resident or Nonresident Alien Decision Tree to determine if return is within scope.**

---

### Form 13614-C (October 2019)

**You will need:**
- Tax Information such as Forms W-2, 1099, 1098, 1055.
- 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.
- If you have questions, please ask the IRS-certified volunteer preparer.

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

#### Part I - Your Personal Information

1. Your first name
2. Your spouse's first name
3. Mailing address
4. Your Date of Birth
5. Your job title
6. Last year you were:
   - a. Full-time student
   - b. Legally blind
7. Your spouse's Date of Birth
8. Your spouse's job title
9. Last year, your spouse was:
   - a. Full-time student
   - b. Legally blind
10. Can anyone claim you or your spouse as a dependent?
    - a. Yes
    - b. No
    - c. Unsure
11. Have you, your spouse, or dependents been a victim of a tax-related identity theft or been issued an Identity Protection PIN?
    - a. Yes
    - b. No

#### Part II - Marital Status and Household Information

1. As of December 31, 2019, what was your marital status?
   - a. Never Married
   - b. Married
   - c. Divorced
   - d. Legally Separated
   - e. Widowed
2. List the names below of:
   - a. Everyone who lived with you last year (other than your spouse)
   - b. Everyone you supported but did not live with you last year

**Taxpayer must include everyone who lived with the taxpayer and anyone the taxpayer supported who lived elsewhere.**

Always confirm this information during the interview process, especially if the taxpayer did not list anyone.

Verify birth date for each person included on the tax return. Incorrect birth dates may cause rejection.

Verbal confirmation of the number of months each person lived in your home last year.

If not a US citizen, use Tab L Resident or Nonresident Alien Decision Tree to determine if return is within scope.

If taxpayer's marital status changed in 2019 (Married or Divorced), verify how it may affect ACA and if the return is within scope.

The Certified Volunteer Preparer will complete these questions for each listed person during the interview.

See Page 3 to verify if taxpayer listed additional names.

---

**Important Reminder:** Review all information in Part II before using Tabs B and C to determine Dependency Exemptions and Filing Status.

**Important Reminder:** The Intake/Interview process may be considered incomplete if:
- Questions are left unanswered in Parts I thru V
- "Unsure" answers are not addressed with the taxpayer and then annotated to "Yes" or "No".
- Applicable Certified Volunteer Preparer shaded area is not completed.

**Important Reminder:** Do not refer taxpayers to the Voltax e-mail address for IRS help or refund information.

Refer to the back cover of Pub 4012 for appropriate IRS referrals.
Starting a New Return

Note: These options will not appear for all users.

Social Security Number Entry

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

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:

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.

Be sure to verify that all EINs and addresses on Forms W-2 and 1099-R are still the same as the prior year when using carryforward.
Determination of Filing Status – Decision Tree

Start Here
Were you married on the last day of the year?1,5

YES

NO

Did your spouse die during the year?

YES

MARRIED FILING JOINTLY OR MARRIED FILING SEPARATELY2

NO

Did you and your spouse live apart all of the last 6 months of the year?8

YES

Do all of the following apply?

- You file a separate return from your spouse.
- You paid more than 1/2 the cost of keeping up your home for the required period of time.2
- Your home is the main home for your child, stepchild or foster child for more than 1/2 the year.3
- A grandchild does not meet this test.
- You claim the child as a dependent.4

QUALIFYING WIDOW(ER)

NO

SINGLE

YES

HEAD OF HOUSEHOLD6

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

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

**Probe/Action:** Ask the taxpayer:

<table>
<thead>
<tr>
<th>Step</th>
<th>Question</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>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 <strong>YES</strong>, go to Step 2. If <strong>NO</strong>, go to Step 4.</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Do you and your spouse wish to file a joint return?</td>
<td><strong>YES</strong>, your filing status is <strong>married filing jointly</strong>. If <strong>NO</strong>, go to Step 3.²</td>
</tr>
<tr>
<td>3</td>
<td>Do all the following apply?</td>
<td><strong>YES</strong> – STOP. You are considered unmarried and your filing status is <strong>head of household</strong>. If <strong>NO</strong>, stop. Your filing status is <strong>married filing separately</strong>⁵.</td>
</tr>
<tr>
<td>4</td>
<td>Did your spouse die in 2017 or 2018?</td>
<td>If <strong>YES</strong>, go to Step 5. If <strong>NO</strong>, go to Step 6.</td>
</tr>
<tr>
<td>5</td>
<td>Do all the following apply?</td>
<td><strong>YES</strong> – STOP. Your filing status is <strong>qualifying widow(er) with dependent child</strong>. If <strong>NO</strong>, go to Step 6.</td>
</tr>
</tbody>
</table>
| 6    | Do both of the following apply?                                           | **YES** – **Head of Household**  
**NO** – **Single** |

### Footnotes

1. Include in the cost of upkeep expenses such as rent, mortgage interest, real estate taxes, insurance on the home, repairs, utilities and food eaten in the home. Under proposed regulations, a taxpayer may treat a home’s fair market rental value as a cost of maintaining a household instead of the sum of payments for mortgage interest, property taxes and insurance. See “Cost of Keeping Up a Home” worksheet later in this tab.

2. You are considered unmarried for head of household purposes if your spouse was a nonresident alien at any time during the year and you do not choose to treat your nonresident spouse as a resident alien. However, your spouse is not a qualifying person for head of household purposes. You must have another qualifying person (see Who Is a Qualifying Person Qualifying You To File as Head of Household? chart later in this tab) and meet the other tests to be eligible to file as a head of household.

3. Your spouse is considered to live in your home even if he or she is temporarily absent due to illness, education, business, vacation, military service, or incarceration.

4. You can’t use head of household filing status based on any person who is your dependent only because he or she lived with you for the entire year (for example, a companion or a friend).

5. If filing a MFS return in a community property state, allocate income and expense according to state law. This situation may be treated as Out of Scope.

6. If your spouse died during the year, you are considered married for the whole year for filing status purposes. If you didn’t remarry before the end of the year, you can file a joint return for yourself and your deceased spouse. If you remarried before the end of the tax year, you can file a joint return with your new spouse. In that case, your deceased spouse’s filing status is married filing separately for that year.
Who Is a Qualifying Person Qualifying You To File as Head of Household?¹

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

<table>
<thead>
<tr>
<th>IF the person is your . . .</th>
<th>AND . . .</th>
<th>THEN that person is . . .</th>
</tr>
</thead>
<tbody>
<tr>
<td>qualifying child (such as a son, daughter, or grandchild who lived with you more than half the year and meets certain other tests)²</td>
<td>he or she is single</td>
<td>a qualifying person, whether or not you can claim the person as a dependent.</td>
</tr>
<tr>
<td></td>
<td>he or she is married and you can claim him or her as a dependent</td>
<td>a qualifying person.</td>
</tr>
<tr>
<td></td>
<td>he or she is married and you can’t claim him or her as a dependent</td>
<td>not a qualifying person.³</td>
</tr>
<tr>
<td>qualifying relative⁴ who is your father or mother</td>
<td>you can claim him or her as a dependent⁵</td>
<td>a qualifying person.⁶</td>
</tr>
<tr>
<td></td>
<td>you can’t claim him or her as a dependent</td>
<td>not a qualifying person.</td>
</tr>
<tr>
<td>qualifying relative⁴ other than your father or mother.</td>
<td>he or she lived with you more than half the year, and you can claim him or her as a dependent, and 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-law⁵</td>
<td>a qualifying person.</td>
</tr>
<tr>
<td></td>
<td>he or she didn’t live with you more than half the year</td>
<td>not a qualifying person.</td>
</tr>
<tr>
<td></td>
<td>he or she isn’t related to you in one of the ways listed above and 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)</td>
<td>not a qualifying person.</td>
</tr>
<tr>
<td></td>
<td>you can’t claim him or her as a dependent</td>
<td>not a qualifying person.</td>
</tr>
</tbody>
</table>

Footnotes

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

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

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

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

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

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

*Keep for Your Records*

<table>
<thead>
<tr>
<th>Amount You Paid</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Taxes*</td>
<td></td>
</tr>
<tr>
<td>$_________</td>
<td>$_________</td>
</tr>
<tr>
<td>Mortgage interest expenses*</td>
<td>$_________</td>
</tr>
<tr>
<td>Rent</td>
<td>$_________</td>
</tr>
<tr>
<td>Utility charges</td>
<td>$_________</td>
</tr>
<tr>
<td>Property insurance*</td>
<td>$_________</td>
</tr>
<tr>
<td>Food eaten in the home</td>
<td>$_________</td>
</tr>
<tr>
<td>Other household expenses</td>
<td>$_________</td>
</tr>
<tr>
<td>Fair market rental value*</td>
<td>$_________</td>
</tr>
</tbody>
</table>

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

**Totals**

Minus total amount you paid  
(__________)

Amount others paid  
$__________

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

**Note:**

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

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

**Need help determining your filing status?**

FILING STATUS WIZARD

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

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

**Married Separate**

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

BACK  CONTINUE
Determining the Last Name of Taxpayer

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

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

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

**Name Controls for Individual Tax Returns**

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

**Examples:**

<table>
<thead>
<tr>
<th>Individual Name on SSN/ITIN Card(s)</th>
<th>Enter in TaxSlayer</th>
<th>IRS Database Primary/Secondary Name Control</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>First Name Field</td>
<td>Last Name Field</td>
</tr>
<tr>
<td>John Brown</td>
<td>John</td>
<td>Brown</td>
</tr>
<tr>
<td>Walter Di Angelo</td>
<td>Walter</td>
<td>Di Angelo</td>
</tr>
<tr>
<td>Ronald En, Sr.</td>
<td>Ronald</td>
<td>En</td>
</tr>
<tr>
<td>Thomas Lea-Smith</td>
<td>Thomas</td>
<td>Lea-Smith</td>
</tr>
<tr>
<td>Joseph Corn &amp; Mary Smith</td>
<td>Joseph</td>
<td>Corn</td>
</tr>
<tr>
<td></td>
<td>Mary</td>
<td>Smith</td>
</tr>
<tr>
<td>Roger O’Neil</td>
<td>Roger</td>
<td>O’Neil</td>
</tr>
<tr>
<td>Kenneth McCarty</td>
<td>Kenneth</td>
<td>McCarty</td>
</tr>
<tr>
<td>FNU Smith (First Name Unknown)</td>
<td>FNU</td>
<td>Smith</td>
</tr>
<tr>
<td>Smith (No First Name)</td>
<td>Smith</td>
<td>SMIT</td>
</tr>
</tbody>
</table>


Determining the Last Name of Taxpayer (continued)

2. 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

<table>
<thead>
<tr>
<th>Individual Name on SSN/ITIN Card</th>
<th>Enter in TaxSlayer</th>
<th>IRS Database Primary Name Control</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abdullah Allar-Sid</td>
<td>Abdullah</td>
<td>Allar-Sid</td>
</tr>
<tr>
<td>Jose Alvarado Nogales</td>
<td>Jose</td>
<td>Alvarado Nogales</td>
</tr>
<tr>
<td>Juan de la Rosa Y Obregon</td>
<td>Juan</td>
<td>de la Rosa Y Obregon</td>
</tr>
<tr>
<td>Pedro Paz-Ayala</td>
<td>Pedro</td>
<td>Paz-Ayala</td>
</tr>
<tr>
<td>Donald Vander Neut</td>
<td>Donald</td>
<td>Vander Neut</td>
</tr>
<tr>
<td>Otto Von Wodtkie</td>
<td>Otto</td>
<td>Von Wodtkie</td>
</tr>
<tr>
<td>John Big Eagle</td>
<td>John</td>
<td>Big Eagle</td>
</tr>
<tr>
<td>Mary Her Many Horses</td>
<td>Mary</td>
<td>Her Many Horses</td>
</tr>
<tr>
<td>Ted Smith Gonzalez</td>
<td>Ted</td>
<td>Gonzalez</td>
</tr>
<tr>
<td>Maria Acevedo Smith</td>
<td>Maria</td>
<td>Smith</td>
</tr>
<tr>
<td>Robert Garcia Garza Hernandez</td>
<td>Robert</td>
<td>Garza Hernandez</td>
</tr>
</tbody>
</table>

3. 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

<table>
<thead>
<tr>
<th>Individual Name on SSN/ITIN Card</th>
<th>Enter in TaxSlayer</th>
<th>IRS Database Primary Name Control</th>
</tr>
</thead>
<tbody>
<tr>
<td>Binh To La</td>
<td>Binh</td>
<td>La</td>
</tr>
<tr>
<td>Kim Van Nguyen</td>
<td>Kim</td>
<td>Nguyen</td>
</tr>
<tr>
<td>Nhat Thi Pham</td>
<td>Nhat</td>
<td>Pham</td>
</tr>
<tr>
<td>Jin Zhang Qui &amp; Yen Yin Chiu</td>
<td>Jin Zhang</td>
<td>Qui</td>
</tr>
<tr>
<td></td>
<td>Yen Yin</td>
<td>Chiu</td>
</tr>
</tbody>
</table>
The input screens below gather the taxpayer’s personal information.

**TaxSlayer Navigation:** Basic Information>Personal Information

**Taxpayer Information**

- **Primary First Name** *
- **Mi**
- **Last Name** *
- **Suffix (Jr, Sr, etc.)**
- **Social Security Number** *
- **Date of Birth** *
- **Occupation**

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

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

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

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

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

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

Do not mark the taxpayer was a nonresident alien box if taxpayer or spouse is married to a citizen or resident alien and they have elected to treat the nonresident alien as a resident alien.
Verifying the spouse’s last name with their Social Security card. If different from the taxpayer’s, correct the autofilled entry.

Checking the Military or foreign address boxes if they apply.

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

Entering 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.

ID Theft PINs are entered in the Miscellaneous Forms Menu.

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

---

**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)

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.

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

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

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.

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

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

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

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

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

<table>
<thead>
<tr>
<th>Tests To Be a Qualifying Child</th>
<th>Tests To Be a Qualifying Relative</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
<td>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.</td>
</tr>
<tr>
<td>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.</td>
<td>2. The person either (a) must be related to you in one of the ways listed under Relatives who don’t have to live with you (see Table 2, step 2), or (b) must live with you all year as a member of your household² (and your relationship must not violate local law).</td>
</tr>
<tr>
<td>3. The child must have lived with you for more than half of the year.²</td>
<td>3. The person’s gross income for the year must be less than $4,200.³ Gross income means all income the person received in the form of money, goods, property and services, that isn’t exempt from tax. Don’t include social security benefits unless the person is married filing a separate return and lived with their spouse at any time during the tax year or if 1/2 the social security benefits plus their other gross income and tax exempt interest is more than $25,000 ($32,000 if MFJ).</td>
</tr>
<tr>
<td>4. The child must not have provided more than half of his or her own support for the year.⁵</td>
<td>4. You must provide more than half of the person’s total support for the year.⁴, ⁵</td>
</tr>
<tr>
<td>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).</td>
<td></td>
</tr>
<tr>
<td>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.</td>
<td></td>
</tr>
</tbody>
</table>

---

**Footnotes**

¹ There is an exception for certain adopted children.

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

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

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

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

Tiebreaker Rules

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

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

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

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

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

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

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

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

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

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

Footnote

1 When the special rule for children of divorced or separated parents applies (see Table 3, later in this tab) and the noncustodial parent claims the child as a dependent, the noncustodial 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 nondependent 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:

<table>
<thead>
<tr>
<th>Step</th>
<th>Question</th>
<th>Yes Action</th>
<th>No Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Can you or your spouse (if filing jointly) be claimed as a dependent on another taxpayer’s tax return this year?5</td>
<td>If YES: If you can be claimed as a dependent by another taxpayer, you may not claim anyone else as your dependent.</td>
<td>If NO: Go to Step 2</td>
</tr>
<tr>
<td>2</td>
<td>Was the person married as of December 31, 2019?</td>
<td>If YES: Go to Step 3</td>
<td>If NO: Go to Step 4</td>
</tr>
<tr>
<td>3</td>
<td>Is the person filing a joint return for this tax year? (Answer &quot;NO&quot; if the person is filing a joint return only to claim a refund of income tax withheld or estimated tax paid.)</td>
<td>If YES: You can’t claim this person as a dependent.</td>
<td>If NO: Go to Step 4</td>
</tr>
<tr>
<td>4</td>
<td>Was the person a U.S. citizen, U.S. resident alien, U.S. national, or a resident of Canada or Mexico? (Answer &quot;YES&quot; 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.)</td>
<td>If YES: Go to Step 5</td>
<td>If NO: You can’t claim this person as a dependent.</td>
</tr>
<tr>
<td>5</td>
<td>Was the person your son, daughter, stepchild, eligible foster child, brother, sister, half brother, half sister, stepsister, or a descendant of any of them (i.e., your grandchild, niece, or nephew)?4</td>
<td>If YES: Go to Step 6</td>
<td>If NO: This person isn’t your qualifying child. Go to Table 2: Qualifying Relative Dependents</td>
</tr>
<tr>
<td>6</td>
<td>Was the person:</td>
<td>If YES: Go to Step 7</td>
<td>If NO: This person isn’t your qualifying child. Go to Table 2: Qualifying Relative Dependents</td>
</tr>
<tr>
<td></td>
<td>- under age 19 at the end of the year and younger than you (or your spouse, if filing jointly) OR</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- under age 24 at the end of the year, a full-time student (see definition in the glossary) and younger than you (or your spouse, if filing jointly) OR</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- any age if permanently and totally disabled1 at any time during the year?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Did the person live with you as a member of your household, except for temporary absences2, for more than half the year? (Answer “YES” if the child was born or died during the year.)</td>
<td>If YES: Go to Step 8 (Use Table 3 to see if the dependency for children of divorced or separated parents or parents who live apart applies.)</td>
<td>If NO: This person isn’t your qualifying child. Go to Table 2: Qualifying Relative Dependents</td>
</tr>
<tr>
<td>8</td>
<td>Did the person provide more than half of his or her own support3 for the year?</td>
<td>If YES: You can’t claim this person as a dependent</td>
<td>If NO: Go to Step 9</td>
</tr>
<tr>
<td>9</td>
<td>Is the person a qualifying child of any other taxpayer?</td>
<td>If YES: Go to the chart: Qualifying Child of More Than One Person</td>
<td>If NO: You can claim this person as a dependent</td>
</tr>
</tbody>
</table>

Footnotes

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

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

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

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

5 An individual is not a dependent of a person if that person is not required to file an income tax return and either does not file an income tax return or files an income tax return solely to claim a refund of estimated or withheld taxes.
### Table 2: Qualifying Relative Dependents

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

**Probe/Action:** Ask the taxpayer:

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

---

**Footnotes**

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

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

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

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

Continued
Probe/Action: Ask the taxpayer:

<table>
<thead>
<tr>
<th>Step</th>
<th>Question</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Did you provide more than half the person’s total support for the year? 4</td>
<td>If YES, you can claim this person as your qualifying relative dependent. (Use Table 3 to see if the exception for children of divorced or separated parents or parents who live apart applies.) If NO, go to Step 6.</td>
</tr>
<tr>
<td>6</td>
<td>Did another person provide more than half the person’s total support?</td>
<td>If YES, you can’t claim this person as a dependent. If NO, go to Step 7.</td>
</tr>
<tr>
<td>7</td>
<td>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?</td>
<td>If YES, go to Step 8. If NO, you can’t claim this person as a dependent.</td>
</tr>
<tr>
<td>8</td>
<td>Did you provide more than 10% of the person’s total support for the year?</td>
<td>If YES, go to Step 9. If NO, you can’t claim this person as a dependent.</td>
</tr>
<tr>
<td>9</td>
<td>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?</td>
<td>If YES, you can claim this person as a dependent. You must file Form 2120, Multiple Support Declaration, with your return. If NO, you can’t claim this person as a dependent.</td>
</tr>
</tbody>
</table>

Footnote

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

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

If a child receives social security benefits and uses them toward his or her own support, those benefits are considered as provided by the child. Benefits provided by the state to a needy person are generally considered support provided by the state. A proposed rule, on which taxpayers may choose to rely, treats governmental payments made to a recipient that the recipient uses, in part, to support others as support 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:

<table>
<thead>
<tr>
<th>Step</th>
<th>Question</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>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?</td>
<td>If YES, go to Step 2. If NO, Table 3 doesn't apply.</td>
</tr>
<tr>
<td>2</td>
<td>Was the child in the custody of one or both parents for more than half the year?</td>
<td>If YES, go to Step 3. If NO, Table 3 doesn't apply.</td>
</tr>
<tr>
<td>3</td>
<td>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?</td>
<td>If YES, the Table 3 exception applies. Return to the appropriate step in Table 1 or Table 2. If NO, go to Step 4.</td>
</tr>
<tr>
<td>4</td>
<td>Are either of the following statements true? The taxpayer has a Post-1984 and Pre-2009 decree or agreement that is applicable for the current tax year and states all three of the following? 1. The noncustodial parent can claim the child as a dependent without regard to any condition, such as payment of support. 2. The other parent won't claim the child as a dependent for the year. 3. The years for which the noncustodial parent can claim the child as a dependent. OR 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?</td>
<td>If YES, the Table 3 exception applies. Return to the appropriate step in Table 1 or Table 2. If NO, Table 3 doesn't apply.</td>
</tr>
</tbody>
</table>

Footnotes

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

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

3 Post-1984 and Pre-2009 divorce decrees or agreements:
   The noncustodial parent must attach all of the following pages from the decree or agreement.
   - Cover page (include the other parent's SSN on that page)
   - The pages that include all the information identified in (1) through (3) above
   - Signature page with the other parent's signature and date of agreement.

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

Other decrees or agreements that don't meet step 4: Noncustodial 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.

2. Enter the amount on line 1 that was used for the person's support.

3. Enter the amount on line 1 that was used for other purposes.

4. Enter the total amount in the person's savings and other accounts at the end of the year.

5. Add lines 2 through 4. (This amount should equal line 1.)

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

6. Lodging (complete line 6a or 6b):
   a. Enter the total rent paid.
   b. Enter the fair rental value of the home. If the person you supported owned the home, also include this amount in line 21.

7. Enter the total food expenses.

8. Enter the total amount of utilities (heat, light, water, etc. not included in line 6a or 6b).

9. Enter the total amount of repairs (not included in line 6a or 6b).

10. Enter the total of other expenses. Don't include expenses of maintaining the home, such as mortgage interest, real estate taxes, and insurance.

11. Add lines 6a through 10. These are the total household expenses.

12. Enter total number of persons who lived in the household.

#### Expenses for the Person You Supported

13. Divide line 11 by line 12. This is the person's share of the household expenses.

14. Enter the person's total clothing expenses.

15. Enter the person's total education expenses.

16. Enter the person's total medical and dental expenses not paid for or reimbursed by insurance.

17. Enter the person's total travel and recreation expenses.

18. Enter the total of the person's other expenses.

19. Add lines 13 through 18. This is the total cost of the person's support for the year.

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

20. Multiply line 19 by 50% (0.50).

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.

22. Is line 21 more than line 20?
   - **Yes**: 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.
   - **No**: 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.


25. Subtract line 24 from line 19. This is the amount you provided for the person's support.

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 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.

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**Note**: Taxpayers should keep a completed copy of this worksheet for their records. See the following page for important notes.
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. Review the Scope of Service chart to identify Out of Scope items. Refer taxpayers with Out of Scope income to a professional tax preparer. Confirm that all income received by the taxpayer has been discussed and shown on the return, if required.

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

<table>
<thead>
<tr>
<th>Wages, salaries, bonuses, commissions</th>
<th>Military pension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alimony</td>
<td>Nonemployee compensation</td>
</tr>
<tr>
<td>(for divorce before 2019, see How/Where to Enter Income, later)</td>
<td>Notary fees</td>
</tr>
<tr>
<td>Annuities</td>
<td>Partnership, Estate and S-Corporation income</td>
</tr>
<tr>
<td>Awards</td>
<td>(Schedule K-1s, Taxpayer’s share)</td>
</tr>
<tr>
<td>Back pay</td>
<td>Pensions</td>
</tr>
<tr>
<td>Breach of contract payment</td>
<td>Prizes</td>
</tr>
<tr>
<td>Business income/Self-employment income</td>
<td>Punitive damage award</td>
</tr>
<tr>
<td>Cash income</td>
<td>Railroad retirement—Tier I (portion may be taxable)</td>
</tr>
<tr>
<td>Compensation for personal services</td>
<td>Railroad retirement—Tier II</td>
</tr>
<tr>
<td>Canceled debts¹</td>
<td>Recovery of prior year deduction² (medical, property taxes, etc.)</td>
</tr>
<tr>
<td>Director’s fees</td>
<td>Refunds of State and local income tax (if reportable)²</td>
</tr>
<tr>
<td>Disability benefits (employer-funded)</td>
<td>Rents (gross rent)</td>
</tr>
<tr>
<td>Discounts</td>
<td>Rewards</td>
</tr>
<tr>
<td>Dividends</td>
<td>Royalties</td>
</tr>
<tr>
<td>Employee awards</td>
<td>Severance pay</td>
</tr>
<tr>
<td>Employee bonuses</td>
<td>Self-employment (gross income)</td>
</tr>
<tr>
<td>Estate and trust income</td>
<td>Social security benefits - portion may be taxable - (See Tab D, Income, Railroad Retirement, Civil Service, and Social Security Benefits)</td>
</tr>
<tr>
<td>Farm income</td>
<td>Supplemental unemployment benefits</td>
</tr>
<tr>
<td>Fees</td>
<td>Taxable scholarships and grants</td>
</tr>
<tr>
<td>Gains from sale of property or securities</td>
<td>Tips and gratuities</td>
</tr>
<tr>
<td>Gambling winnings</td>
<td>Tribal per capita payments</td>
</tr>
<tr>
<td>Hobby income</td>
<td>Unemployment compensation</td>
</tr>
<tr>
<td>Interest</td>
<td></td>
</tr>
<tr>
<td>Interest on life insurance dividends</td>
<td></td>
</tr>
<tr>
<td>IRA distributions</td>
<td></td>
</tr>
<tr>
<td>Jury duty fees</td>
<td></td>
</tr>
<tr>
<td>Military pay (not exempt from taxation)</td>
<td></td>
</tr>
</tbody>
</table>

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 days⁶ |
| Federal Employees’ Compensation Act payments     | Rental allowance of clergyman |
| Federal income tax refunds                       | Reverse mortgages |
| Gifts                                             | Sickness and injury payments |
| Inheritance³ 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 Olympic and Paralympic Games medals and prizes⁴ | Welfare payments (including TANF) and food stamps |
| | Worker’s compensation and similar payments |

Footnotes

¹If the taxpayer received a Form 1099-C, Cancellation of Debt, in relation to their main home, it can be nontaxable
²If itemized in year paid and taxes were reduced because of deduction
³An 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.
⁴The 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).
⁵If 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)
Members of the Armed Forces receive many different types of pay and allowances. Some are included in gross income while others are excluded from gross income. Table 1 lists included items that are subject to tax and must be reported on your tax return. Table 2 lists excluded items that are not subject to tax, but may have to be shown on your tax return. See Publication 3, Armed Forces’ Tax Guide, for additional information.

<table>
<thead>
<tr>
<th>Table 1—Included Items</th>
<th>Table 2—Excluded Items</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Basic pay</strong></td>
<td><strong>Combat zone and qualified hazardous duty area pay</strong></td>
</tr>
<tr>
<td>- Active duty</td>
<td>- Compensation for active service while in a combat zone <strong>Note:</strong> Limited amount for commissioned officers</td>
</tr>
<tr>
<td>- Attendance at a designated service school</td>
<td>- Leave earned or accrued while performing service in a combat zone</td>
</tr>
<tr>
<td>- Back wages</td>
<td>- Special pay (cont.)</td>
</tr>
<tr>
<td>- Drills (Inactive Duty Training)</td>
<td>- Hostile fire or imminent danger</td>
</tr>
<tr>
<td>- Reserve training</td>
<td>- Medical and dental officers</td>
</tr>
<tr>
<td>- Training Duty</td>
<td>- Nuclear-qualified officers</td>
</tr>
<tr>
<td>- Special pay (cont.)</td>
<td>- Optometry</td>
</tr>
<tr>
<td>- Hostile fire or imminent danger</td>
<td>- Other Health Professional Special Pay (for example, nurse, physician assistant, social work, etc.)</td>
</tr>
<tr>
<td>- Medical and dental officers</td>
<td>- Pharmacy</td>
</tr>
<tr>
<td>- Nuclear-qualified officers</td>
<td>- Special compensation for assistance with activities of daily living (SCAADL)</td>
</tr>
<tr>
<td>- Optometry</td>
<td>- Special duty assignment pay</td>
</tr>
<tr>
<td>- Other Health Professional Special Pay (for example, nurse, physician assistant, social work, etc.)</td>
<td>- Veterinarian</td>
</tr>
<tr>
<td>- Pharmacy</td>
<td>- Voluntary Separation Incentive</td>
</tr>
<tr>
<td>- Special compensation for assistance with activities of daily living (SCAADL)</td>
<td><strong>In-kind military benefits</strong></td>
</tr>
<tr>
<td>- Special duty assignment pay</td>
<td>- Personal use of government-provided vehicle</td>
</tr>
<tr>
<td>- Veterinarian</td>
<td><strong>Other pay</strong></td>
</tr>
<tr>
<td>- Voluntary Separation Incentive</td>
<td>- Accrued leave</td>
</tr>
<tr>
<td>- Personal use of government-provided vehicle</td>
<td>- CONUS COLA</td>
</tr>
</tbody>
</table>

| **In-kind military benefits** | **Travel allowances** |
| - Personal use of government-provided vehicle | - Annual round trip for dependent students |
| - Personal use of government-provided vehicle | - Leave between consecutive overseas tours |
| - Personal use of government-provided vehicle | - Reassignment in a dependent restricted status |
| - Personal use of government-provided vehicle | - Transportation for you or your dependents during ship overhaul or inactivation |
| - Personal use of government-provided vehicle | - Per diem |

| **Living allowances** | **In-kind military benefits** |
| - BAH (Basic Allowance for Housing) | - Dependent-care assistance program |
| - BAS (Basic Allowance for Subsistence) | - Defense Counsel Services |
| - Housing and cost-of-living allowances abroad paid by the U.S. Government or by a foreign government | - Legal assistance |
| - OHA (Overseas Housing Allowance) | - Medical/dental care |

| **Family allowances** | **Travel allowances** |
| - Certain educational expenses for dependents | - Annual round trip for dependent students |
| - Emergencies | - Leave between consecutive overseas tours |
| - Evacuation to a place of safety | - Reassignment in a dependent restricted status |
| - Separation | - Transportation for you or your dependents during ship overhaul or inactivation |
| - Per diem | - Per diem |

| **Other pay** | **Death allowances** |
| - Certain amounts received under Armed Force Health Professions Scholarship and Financial Assistance Program payments | - Burial services |
| - Disability, including payments received for injuries incurred as a direct result of a terrorist or military action | - Death gratuity payments to eligible survivors |
| - Disability severance payments | - Travel of dependents to burial site |
| - Group-term life insurance | **Moving allowances** |
| - Professional education | - Dialocation |
| - ROTC educational and subsistence allowances | - Military base realignment and closure benefit (the exclusion is limited as described above) |
| - State bonus pay for service in a combat zone | - Move-in housing |
| - Survivor and retirement protection plan premiums | - Move household and personal items |
| - Uniform allowances | - Moving trailers or mobile homes |
| - Uniforms furnished to enlisted personnel | - Storage |
| - Uniforms furnished to enlisted personnel | - Temporary lodging and temporary lodging expenses |
# How/Where to Enter Income

**TaxSlayer Navigation:** Federal Section>Income

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

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

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

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

### 2018 Income

<table>
<thead>
<tr>
<th>Form Number/Description</th>
<th>Action</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>W-2 Wages and Salaries</td>
<td>Edit</td>
<td>$75,663</td>
</tr>
<tr>
<td>State and Local Refunds Form 1099-G Box 2</td>
<td>Begin</td>
<td>$739</td>
</tr>
<tr>
<td>Interest and Dividends Form 1099-INT / 1099-DIV</td>
<td>Edit</td>
<td></td>
</tr>
<tr>
<td>IRA/Pension Distributions Form 1099-R / RRB, SSA</td>
<td>Edit</td>
<td></td>
</tr>
<tr>
<td>Unemployment Compensation Form 1099-G Box 1</td>
<td>Begin</td>
<td>$83</td>
</tr>
<tr>
<td>Form 1099-MISC</td>
<td>Edit</td>
<td></td>
</tr>
<tr>
<td>Profit or Loss From A Business Schedule C</td>
<td>Edit</td>
<td></td>
</tr>
<tr>
<td>Payment Card and Third Party Network Transactions Form 1099-K</td>
<td>Edit</td>
<td></td>
</tr>
<tr>
<td>Rents and Royalties Schedule E</td>
<td>Begin</td>
<td></td>
</tr>
<tr>
<td>Capital Gain and Losses Schedule D</td>
<td>Edit</td>
<td></td>
</tr>
<tr>
<td>Profit or Loss From Farming Schedule F</td>
<td>Begin</td>
<td></td>
</tr>
<tr>
<td>Alimony Received</td>
<td>Begin</td>
<td></td>
</tr>
<tr>
<td>Other Income</td>
<td>BEGIN</td>
<td></td>
</tr>
</tbody>
</table>

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

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

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

**Employee**

- Whose W-2 is this? *
  - Taxpayer Sample
  - Spouse Sample
  - Check here if foreign address

Address (Number and Street) *

123 Fake Dr

ZIP Code *

29841

City, Town, or Post Office *

North Augusta

State *

South Carolina

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

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

**Employer**

- 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.

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

<table>
<thead>
<tr>
<th>Wages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Wages, Tips</td>
</tr>
<tr>
<td>$</td>
</tr>
<tr>
<td>3 SS Wages</td>
</tr>
<tr>
<td>$</td>
</tr>
<tr>
<td>5 Medicare Wages</td>
</tr>
<tr>
<td>$</td>
</tr>
<tr>
<td>7 SS Tips</td>
</tr>
<tr>
<td>$</td>
</tr>
<tr>
<td>9 IRS Verification Code (if provided)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>11 Non-Qual Plan</td>
</tr>
<tr>
<td>$</td>
</tr>
</tbody>
</table>

| 2 Federal Tax Withheld                                               |
| $                                                                    |
| 4 Soc. Sec. Tax Withheld                                             |
| $                                                                    |
| 6 Medicare Tax                                                       |
| $                                                                    |
| 8 Allocated Tips                                                     |
| $                                                                    |
| 10 Dependent Care                                                    |
| $                                                                    |
| Unreported Tips                                                      |
| $                                                                    |

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.

Tip: 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.
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.

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. Medicaid waiver payments excluded from income aren’t earned income for the EIC. These are payments received for providing nonmedical support services under a plan of care to someone in the taxpayer’s home. If these payments were incorrectly reported in box 1 of Form(s) W-2, enter the amount again in the Medicaid Waiver Payment box. For more information about these payments, see Publications 17 or 525.

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**

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

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

1099 Description Schedule B

Choose the type of Interest or Dividend Item you want to enter:
- Interest Income, Form 1099-INT, (including interest income < 1,500)
- Original Issue Discount, Form 1099-DID
- Dividend Income, Form 1099-DIV
- Seller Financed Interest Income

CANCEL

CONTINUE

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

Enter each Form 1099-INT separately.

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

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

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

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

Annotating who received interest is important for state tax purposes.

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

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

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

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

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

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

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

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

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.

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

Taxable State Interest Item

<table>
<thead>
<tr>
<th>State *</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Please Select -</td>
<td>$</td>
</tr>
</tbody>
</table>

TIP

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

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

Note: Income from a reverse mortgage is not considered a taxable event because it is a loan.
# Seller Financed Mortgage Interest

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

- **Out of scope**

---

## Schedule B Seller Financed Interest

<table>
<thead>
<tr>
<th>Type of transaction</th>
<th>Seller Financed Interest Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payer's Name</td>
<td></td>
</tr>
<tr>
<td>Payer's Social Security Number</td>
<td></td>
</tr>
<tr>
<td>Payer's Address</td>
<td></td>
</tr>
<tr>
<td>ZIP Code</td>
<td></td>
</tr>
<tr>
<td>City, Town, or Post Office</td>
<td></td>
</tr>
<tr>
<td>State</td>
<td><em>Please Select</em></td>
</tr>
<tr>
<td>Interest Income</td>
<td>$</td>
</tr>
</tbody>
</table>

**Out of scope**

**Decedent Interest:**
Dividend Income (Form 1099-DIV)

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

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

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

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

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

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

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

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

**TIP:** None of your refund is taxable if, in the year you paid the tax, you either:
(a) didn’t itemize deductions, or
(b) elected to deduct state and local general sales taxes instead of state and local income taxes.

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

---

### State Refund Worksheet

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

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

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

If the taxpayer itemized in the prior year, enter sales tax deduction that could have been claimed in 2019 (for tax year 2018). See Publication 600, State and Local General Sales Tax, for details.

---

**Note:** See Instructions for Recipient for box 2 on Form 1099-G for amounts which may appear in the unnumbered box beside box 9. Amounts in this unnumbered box are interest and are in scope. Report it as interest income on the tax return.
# 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 first. In most cases, self-employment income reported on a Form 1099-MISC will be in Box 7, Nonemployee compensation.

## Income

<table>
<thead>
<tr>
<th>Description</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and Salaries Form W-2</td>
<td>EDIT</td>
</tr>
<tr>
<td>State and Local Refunds Form 1099-G Box 2</td>
<td>BEGIN</td>
</tr>
<tr>
<td>Interest and Dividends Form 1099-INT / 1099-DIV</td>
<td>BEGIN</td>
</tr>
<tr>
<td>IRA/Pension Distributions Form 1099-R / RRB, SSA</td>
<td>EDIT</td>
</tr>
<tr>
<td>Unemployment Compensation Form 1099-G Box 1</td>
<td>BEGIN</td>
</tr>
<tr>
<td>Form 1099-Misc</td>
<td>EDIT</td>
</tr>
<tr>
<td>Profit or Loss From A Business Schedule C (Print)</td>
<td>EDIT</td>
</tr>
<tr>
<td>Payment Card and Third Party Network Transactions Form 1099-K</td>
<td>EDIT</td>
</tr>
</tbody>
</table>

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.

Form 1099-MISC

**Recipient**
- Taxpayer Example
- Spouse Example

**Payer Information**
- Use Payer’s SSN as ID
- Payer’s Federal ID *

### 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**
   -

---

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

**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.**

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

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

**Self-employment income generally appears in box 7, Nonemployee compensation. If there is income reported in other boxes and it was earned by the business, it should also be reported as other business income on the Schedule C.**
Connecting the Form 1099-Misc to Schedule C

Where would you like to add the income?

- Create a New Schedule C income from Business

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

<table>
<thead>
<tr>
<th>Owner</th>
<th>Payer</th>
<th>Carried To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxpayer</td>
<td>Payer 1</td>
<td>None</td>
</tr>
<tr>
<td>Taxpayer</td>
<td>Payer 2</td>
<td>Schedule C</td>
</tr>
<tr>
<td>Taxpayer</td>
<td>Payer 3</td>
<td>Line 21</td>
</tr>
</tbody>
</table>

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; or Keyword “SC”

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

Schedule C

Basic Information About Your Business

Questions About the Operation of Your Business

Income

Cost of Goods Sold

Out of Scope

General Expenses

Most business expenses are entered in the General Expenses section.

Car And Truck Expenses

Depreciation

Out of Scope

Other Expenses

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

Qualified Business Income Deduction

Qualified Business Income Deduction - See Tab F

Expenses for Business Use of Your Home

Out of Scope

Restart Schedule C Guide

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

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

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

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

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

**Note:** The following expenses are Out of Scope:
Contract Labor, Depletion, Employee benefit program, Health Insurance, Mortgage interest, Pension and profit sharing, and Wages.

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

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

**Note:** Rentals or leases of equipment for more than 30 days are Out of Scope.

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

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

Other: Miles driven for personal purposes.

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

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

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

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

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

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

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

Note: The standard mileage deduction includes depreciation, gas/oil, repairs, insurance, and nontax portion of registration, but not parking, tolls, or business part of registration tax. Taxpayer should have a written record (log or appointment book).
Home: The place where you reside. Transportation expenses between your home and your main or regular place of work are personal commuting expenses.

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

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

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

**TaxSlayer Navigation:** Income>Capital Gain and Losses>Capital Gain and Loss Items; or Keyword “10”

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

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

**Other Capital Gains Data**

Adjust Section 1250 Amounts

$ __________

Adjust 28% Gain

$ __________

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

$ __________

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

$ __________

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

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

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

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

- Select If Applicable -
  Various - Short Term
  Various - Long Term
  Inherited - Long Term
  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
- Non deductible Loss from a Wash Sale
- Non deductible 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?

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

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

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

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

If you have no more transactions to enter, select **Continue** (this will also save your entry.)
Entering Capital Gains and Losses (continued)

Exception to Entering Each Transaction on a Separate Row

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

1. Divide the transactions into four categories:
   - Short term transactions with basis reported to the IRS - categorized as “Box A.”
   - Short term transactions with basis not reported to the IRS - categorized as “Box B.”
   - Long term transactions with basis reported to the IRS - categorized as “Box D.”
   - Long term transactions with basis not reported to the IRS - categorized as “Box E.”

2. Enter the total of each category on the capital gain entry screen.

3. If any of the transactions requires an adjustment to the reported basis, select the reason from the check box that includes that transaction.

4. If there are transactions with basis not reported to the IRS, the broker’s list of transactions must be submitted as an attachment to the tax return. 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.

TIP Common Items Found on Brokers’ Statements

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

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

Note: Net losses greater than $3000 ($1500 if MFS) will carry forward to future tax years.
## Adjustments to Basis in TaxSlayer

### Enter Capital Gain/Loss Transactions in TaxSlayer

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

### In Scope Transactions

<table>
<thead>
<tr>
<th>IF…</th>
<th>THEN…</th>
<th>Select from the dropdown list</th>
<th>Adjustment Code that will appear on Form 8949</th>
</tr>
</thead>
<tbody>
<tr>
<td>You received a Form 1099-B (or substitute statement) and the basis shown in box 3 is incorrect…</td>
<td>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…</td>
<td>Form 1099-B with Basis in Box 3 is Incorrect &amp; Correct Basis is Lower or Higher</td>
<td>B</td>
</tr>
<tr>
<td>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…</td>
<td>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).</td>
<td>Form 1099-B with Basis in Box 3 is Incorrect &amp; Correct Basis is Lower or Higher</td>
<td>E</td>
</tr>
<tr>
<td>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…</td>
<td>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.</td>
<td>Exclude Some/All of the Gain from the Sale of Your Main Home</td>
<td>H</td>
</tr>
<tr>
<td>You have a nondeductible loss other than a loss indicated by code W…</td>
<td>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.</td>
<td>Nondeductible loss other than a Wash Sale*</td>
<td>L</td>
</tr>
<tr>
<td>You report multiple transactions on a single row as described in Exception to Reporting each Transaction on a Separate Row…</td>
<td>Enter -0- as the adjustment amount unless an adjustment is required because of another code.</td>
<td>Reporting Multiple Transactions on a Single Row</td>
<td>M</td>
</tr>
<tr>
<td>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…</td>
<td>Enter transaction with correct term (long or short). Enter -0- as the adjustment amount unless an adjustment is required because of another code.</td>
<td>Form 1099-B and Type of Gain/Loss indicated in Box 2 is incorrect</td>
<td>T</td>
</tr>
<tr>
<td>You have a nondeductible loss from a wash sale* …</td>
<td>Report the sale or exchange and enter the amount of the nondeductible loss as an adjustment.</td>
<td>Nondeductible loss from a Wash Sale*</td>
<td>W</td>
</tr>
<tr>
<td>You have an adjustment not explained earlier in this column…</td>
<td>Report the appropriate adjustment amount.</td>
<td>Other adjustment</td>
<td>O</td>
</tr>
</tbody>
</table>
## Adjustments to Basis in TaxSlayer (continued)

### Out of Scope Transactions:

<table>
<thead>
<tr>
<th>IF…</th>
<th>Adjustment Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>You received a Form 1099-B or 1099-S (or substitute statement) as a nominee for the actual owner of the property.</td>
<td>N</td>
</tr>
<tr>
<td>You sold or exchanged qualified small business stock and can exclude part of the gain.</td>
<td>Q</td>
</tr>
<tr>
<td>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.</td>
<td>X</td>
</tr>
<tr>
<td>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).</td>
<td>R</td>
</tr>
<tr>
<td>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.</td>
<td>S</td>
</tr>
<tr>
<td>You disposed of collectibles (see the Schedule D instructions).</td>
<td>C</td>
</tr>
</tbody>
</table>

* Wash sales are in scope only if reported on Form 1099-B or on a brokerage or mutual fund statement.
Capital Gains or Losses Sale of Main Home

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

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

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

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

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

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

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

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

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

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

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

Select Continue

Adjustments

Fees you may have paid when you bought your home

Legal fees

$  

Surveys

$

Title Insurance

$

Fees that the seller owed that you agreed to pay

$

Other fees

$

• The HUD-1 Settlement Statement will give details about closing costs.

• If the sale must be reported and results in a gain, it will be listed on the appropriate Form 8949 (basis type C or F). The gain will be included with the other capital gains and losses on Schedule D.

• Enter the fees from the purchase of the home that weren’t included in the purchase price already entered.
**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**
  - $

- 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.

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

<table>
<thead>
<tr>
<th></th>
<th>(a) Description of property (Example: 100 ab. XYZ Co.)</th>
<th>(b) Date acquired (Mo., day, yr.)</th>
<th>(c) Date sold or disposed of (Mo., day, yr.)</th>
<th>(d) Proceeds (sales price) (see instructions)</th>
<th>(e) Cost or other basis See the Note below and see Column (f) in the separate instructions</th>
<th>(f) Code(s) from instructions</th>
<th>(g) Amount of adjustment</th>
<th>(h) Gain or (loss). Subtract column (g) from column (d) and combine the result with column (g)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>MAIN HOME</td>
<td>03/04/20XX</td>
<td>02/02/20XX</td>
<td>200000</td>
<td>150000</td>
<td>H</td>
<td>-2500</td>
<td>47500</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Description of property (Example: 100 st. XYZ Co.)</th>
<th>Date acquired (Mo., day, yr.)</th>
<th>Date sold or disposed of (Mo., day, yr.)</th>
<th>Proceeds (sales price) (see instructions)</th>
<th>Cost or other basis. See the Note below and see Column (e) in the separate instructions</th>
<th>Adjustment, if any, to gain or loss. If you enter an amount in column (d), enter a code in column (f). See the separate instructions.</th>
<th>Gain or loss. Subtract column (e) from column (d) and combine the result with column (g)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MAIN HOME</td>
<td>02/03/XXXX</td>
<td>09/04/XXXX</td>
<td>190000</td>
<td>203800 L</td>
<td>13800</td>
<td></td>
</tr>
</tbody>
</table>

- □ W - Nondeductible Loss from a Wash Sale
- ☑ L - Nondeductible Loss other than a Wash Sale
- □ E - Form 1099-B or 1099-S with Selling Expenses or Options not Reflected on Form

Select the adjustment reason as “nondeductible loss other than a wash sale” which will show as adjustment code L.
IRA/Pension Distributions
(Form 1099-R, Form SSA-1099)

Tax Slayer 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.

Selected 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.

**Whose 1099-R is this?**
- **Recipient**
  - Taxpayer Sample
  - Spouse Sample

**Payer Information**
- **Payer’s ID**
- **Payer Name**
- **Address (Number and Street)**
- **ZIP Code**
- **City, Town, or Post Office**

**1099-R Information**
- **1 Gross Distribution**
- **2a Taxable Amount**
- **2b Taxable amount not determined**
- **Total distribution**
- **3 Capital gain**
- **4 Federal income tax withheld**

**Check here if this is a substitute 1099-R.**

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

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

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

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

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

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)

**Note:** Tax Law for Disaster Victims

At certain times, 401(k) and similar employer-sponsored retirement plans can make loans and hardship distributions to an individual whose principal place of abode is located in a disaster area and who sustained an economic loss. Search the IRS website for "Tax Relief in Disaster Situations" for more information. Any options that require the completion of Forms 8915 and/or 8606 are out of scope.

---

<table>
<thead>
<tr>
<th>Box</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Employee contributions or insurance premiums</td>
</tr>
<tr>
<td>6</td>
<td>Net unrealized appreciation in employer's securities</td>
</tr>
<tr>
<td>7</td>
<td>Distribution Code(s)</td>
</tr>
<tr>
<td>8</td>
<td>Other (Not collected)</td>
</tr>
<tr>
<td>9a</td>
<td>Your percentage of total distribution</td>
</tr>
<tr>
<td>9b</td>
<td>Total employee contributions</td>
</tr>
<tr>
<td>10</td>
<td>Amount allocable to IRR within 5 years</td>
</tr>
</tbody>
</table>

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 Simplified Method Worksheet (see Box 2a).
Taxable Amount Not Determined
(Special Circumstances)

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

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

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

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

**Calculate Taxable Amount**

**Simplified Method Worksheet**

**Public Safety Officers Distribution**

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

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 Method Worksheet**

- **Cross distribution amount (from 1099-R)**
- **Plan cost at annuity start date**
- **Starting date of annuity**
- **Death benefit exclusion**
- **Age of recipient at start date**
- **Number of months paid in 2018**
- **Amounts previously recovered**
- **Public Safety Officer Exclusion**
- **Enter the Plan cost (shown in Box 9b of 1099-R).**
- **Enter the annuity start date. If the disability benefits were paid under this plan during the tax year, enter the date beginning after the taxpayer reached minimum retirement age as the annuity start date. The plan administrator should issue two separate 1099-R statements. If not, prorate the amount to be treated as wages based on the annuity start date.**
- **Enter the age of the taxpayer on the date the pension started – this may be different than the taxpayer’s age at the end of that year.**
- **For a joint or survivor annuity, add the ages of both spouses on the start date. For the beneficiary of an employee who died, see Publication 575, Pensions and Annuities.**
- **For a joint and survivor annuity that starts:**
  - After the death of the employee, use only the survivor’s age.
  - Before the death of either beneficiary, continue with the same exclusion amount after the first death.
- **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 1 (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. Note: There is no cost recovery of employee contributions prior to minimum retirement age.

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

Internal Revenue Code 402(c). Extended rollover period for plan loan offset amounts.
Provides that the period during which a qualified plan loan offset amount may be contributed to an eligible retirement plan as a rollover contribution is extended from 60 days after the date of the offset to the due date (including extensions) for filing the Federal income tax return for the taxable year in which the plan loan offset occurs, that is, the taxable year in which the amount is treated as distributed from the plan.

Rollovers

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

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?

See the list of Roth IRA distribution codes on the following page that are in scope and out of scope for the VITA/TCE programs.
<table>
<thead>
<tr>
<th>Box 7 Distribution Codes</th>
<th>Explanations</th>
</tr>
</thead>
</table>
| **1 — Early distribution, no known exception** | If this amount was rolled over within 60 days of the withdrawal and—if the distribution was from an IRA—no prior rollover was made in the same 12-month period. Check the box under Rollover or Disability on Form 1099-R, and enter the amount rolled over. Trustee to trustee transfer isn’t considered a prior rollover. If more than one rollover from an IRA in the 12-month period, return is Out of Scope.  
• If this wasn’t rolled over, a 10% additional tax will be applied unless the taxpayer qualifies for an exception. See Tab H, Other Taxes, Payments and ACA, for a list of exceptions. If the taxpayer qualifies for an exception, go to Form 5329, Additional Taxes on Qualified Plans and Other Tax-Favored Accounts, enter the amount that qualifies for an exception and select the reason for the exception from the dropdown list. |
| **2 — Early distribution, exception applies** | Code 2 applies if the taxpayer is under 59 ½ but the payer knows that an exception to the additional tax applies. If the IRA/SEP/SIMPLE box ISN’T checked, no further action needed. If the IRA/SEP/SIMPLE box IS checked, additional reporting may be required on Form 8606, and the return is Out of Scope. |
| **3 — Disability** | Code 3 is for a disability pension.  
• If the taxpayer is under the minimum retirement age for the company he retired from, then check the box under Rollover or Disability that says, “Check here to report as wages on the Form 1040.” This will reclassify the disability income as wages. It will also include the amount in earned income for calculation of the earned income credit, the dependent care credit and the additional child tax credit.  
• If the taxpayer has reached the minimum retirement age, no further action is needed. |
| **4 — Death** | Code 4 is for a survivor’s benefit or an inherited IRA. If it’s a pension, the original retiree has died, and the survivor is receiving his or her share of the pension. If the original pensioner was using the Simplified Method, continue to use it for the survivor. If it’s an inherited IRA and the original owner had a basis, the survivor takes over that basis. |
| **5 — Prohibited transaction** | This code is Out of Scope. |
| **6 — Tax-free Section 1035 exchange** | This code is Out of Scope. |
| **7 — Normal distribution** | Code 7 is for normal distributions. It may occur in several different situations:  
• If the amounts in Box 1 and 2a are the same, and Box 2b isn’t checked, the pension is fully taxable.  
• If the taxpayer makes a rollover from one IRA to another and holds the money less than 60 days, enter the amount rolled over into the Rollover or Disability field.  
• If the Box 2b is checked and there is an amount in Box 9b, complete the Simplified Method. Be sure to use the taxpayer’s age at the time of retirement—not current age.  
• If there is an amount in Box 2 that is different than Box 1, no further action is needed.  
• If there is no amount (or zero) in Box 2a, check to see if there is an amount in Box 5. If this is the same amount as Box 1, the distribution is the taxpayer’s own money coming back. None of the distribution will be taxed.  
• If 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. |
| **8 — Excess contributions** | This code is Out of Scope. |
| **9 — Cost of current life insurance** | This code is Out of Scope |
### Form 1099-R Box 7 Distribution Codes (continued)

<table>
<thead>
<tr>
<th>Box 7 Distribution Codes</th>
<th>Explanations</th>
</tr>
</thead>
<tbody>
<tr>
<td>A — May be eligible for 10-year tax option</td>
<td>This code is Out of Scope.</td>
</tr>
<tr>
<td>B — Designated Roth account distribution</td>
<td>Code B is for a distribution from a designated Roth account. This code is in scope only if taxable amount has been determined.</td>
</tr>
<tr>
<td>D — Annuity payments from nonqualified annuities</td>
<td>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.</td>
</tr>
<tr>
<td>E — Distributions under Employee Plans Compliance Resolution System (EPCRS)</td>
<td>This code is Out of Scope.</td>
</tr>
<tr>
<td>F — Charitable gift annuity</td>
<td>Code F is used for the annuity payments from a charitable gift annuity. To determine the amount to enter in box 2a (taxable amount), subtract the amount in box 3 (cap gains), from the taxable amount (box 1) and enter that difference in the Form 1099R screen box 2a. The gain should be the amount in Box 3, and the gain is long term.</td>
</tr>
<tr>
<td>G — Direct rollover of distribution and direct payment</td>
<td>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.</td>
</tr>
<tr>
<td>H — Direct rollover of a designated Roth account distribution to a Roth IRA</td>
<td>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.</td>
</tr>
<tr>
<td>J — Early distribution from a Roth IRA</td>
<td>This code is Out of Scope.</td>
</tr>
<tr>
<td>K — Distribution of Traditional IRA assets not having a readily available FMV</td>
<td>This code is Out of Scope.</td>
</tr>
<tr>
<td>L — Loans treated as deemed distributions</td>
<td>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.</td>
</tr>
<tr>
<td>N — Recharacterized IRA contribution</td>
<td>This code is Out of Scope.</td>
</tr>
<tr>
<td>P — Excess contributions plus earnings/excess deferrals</td>
<td>This code is Out of Scope.</td>
</tr>
<tr>
<td>Q — Qualified distribution from a Roth IRA</td>
<td>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.</td>
</tr>
<tr>
<td>R — Recharacterized IRA contribution</td>
<td>This is Out of Scope.</td>
</tr>
<tr>
<td>S — Early distribution from a SIMPLE IRA in the first 2 years, no known exception</td>
<td>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.</td>
</tr>
<tr>
<td>T — Roth IRA distribution, exception applies</td>
<td>This code is Out of Scope.</td>
</tr>
<tr>
<td>U — Dividends distributed from an ESOP</td>
<td>This code is Out of Scope.</td>
</tr>
<tr>
<td>W — Charges or payments for LTC contracts</td>
<td>This code is Out of Scope.</td>
</tr>
</tbody>
</table>
Qualified Charitable Distribution (QCD) may be used if the person was at least 70½. This makes that portion of the distribution nontaxable.

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

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.

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

Do not use this checkbox. See Tab D, Income, Taxable Amount Not Determined (Special Circumstances) page.
Form RRB-1099-R Distributions

Tax Slayer Navigation: Federal Section > Income > IRA/Pension Distributions > RRB-1099-R; or Keyword “RR”

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

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

Taxable amount may have to be determined using Simplified Method.
Form SSA-1099/RRB-1099 Tier 1 Distributions

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

**Social Security SSA-1099/RRB-1099 Tier I**

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

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

Taxpayer's Medicare Premiums

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

Spouse's Medicare Premiums

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.

Enter amount from Box 6 of Form SSA-1099 - Tier 1 (Blue form) Net Social Security Equivalent Benefits (SSEB).

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

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 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.

Lump-Sum Payments

Begin Worksheet
Form SSA-1099 Lump-Sum Distributions

Social Security Lump-Sum Payment

Year the lump sum payment was made for
2016

Filing Status in Earlier Year *
- Please Select -
Single
- Please Select -

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
2016

Filing Status in Earlier Year *
Single

SSA Payments received in Earlier Year
$

Portion of this year SSA for Earlier year *
$

Modified Adjusted Gross Income for Earlier Year *
$

Taxable Benefits Reported in Earlier Year
$

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

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.
### Entering K-1 Information in TaxSlayer

#### Schedule K-1

<table>
<thead>
<tr>
<th>Schedule K-1 Form 1065</th>
<th>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.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schedule K-1 Form 1120S</td>
<td></td>
</tr>
<tr>
<td>Schedule K-1 Form 1041</td>
<td></td>
</tr>
</tbody>
</table>

#### 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.

- This situation would be Out of Scope.

- **CANCEL**

- **CONTINUE**
Entering K-1 Information in TaxSlayer (continued)

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

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

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

**Note:** Most in scope K-1s will be from a passive entity, and the taxpayer’s investment will be at risk. Be sure to select these boxes in the software, if applicable. TaxSlayer may give you a warning if the At-Risk box is left blank.
Box 14b does not appear in the TaxSlayer Form 1041 K-1 entry screen. Instead make the following entries:

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

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

No need to enter in TaxSlayer

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

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

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

1) Enter amounts from Codes L and M in Deductions>Credits>Foreign Taxes Paid.
2) Enter in state as needed.
Entering Rental and Royalty Income in TaxSlayer

**TaxSlayer Navigation:** Income>Rents and Royalties; or Keyword “SC”

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

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

Enter the total rental payments received for the tax year.

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

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

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.

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

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

Select to enter rental expenses.

Select to enter vehicle expenses.

**Schedule E Rentals and Royalties**

Currently Editing: House

Rent and Royalty Basic Information

Depreciation

Expenses

Car and Truck Expenses

Refer taxpayers who are real estate professionals to a professional tax preparer.
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.

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

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.
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-2G (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.

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

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

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

U.S. citizens and U.S. resident aliens are required to report worldwide income on a U.S. tax return. However, certain taxpayers can exclude income earned while living in foreign countries.

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

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

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

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

The taxpayer’s tax home is the taxpayer’s regular or principal place of business, employment, or post of duty, regardless of where the taxpayer maintains a family residence. A taxpayer may have more than one tax home during the year.
To meet the period of stay requirement, the taxpayer must be either:

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

**Form 2555 Qualifying Test**

Taxpayer qualifies under *

- Physical Presence Test
- Bona Fide Residence Test

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

From *

- [ ] 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 2019. The dates may begin or end in a calendar year other than 2019.

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

**Note:** Waiver of minimum time requirements (for physical presence and bona fide residence tests): The taxpayer must leave the country because of war, civil unrest, or similar adverse conditions.
If the taxpayer left the principal country of residence during the tax year, enter the information requested for each additional country he or she visited.

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

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

If more than one additional country was visited, select **Add Country**.
Select **Clear** if the taxpayer did not visit any other countries during their time abroad.
Entering Foreign Earned Income Exclusion Information in TaxSlayer (continued)

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.

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)

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

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

Enter the number of days in your qualifying period that fall within your 2019 tax year. Your qualifying period is the period during which you meet the tax home test and either the Bona Fide Residence or the Physical Presence Test.
Entering Other Compensation in TaxSlayer

**TaxSlayer Navigation:** Income > Other Income > Other Income Not Reported Elsewhere

Scholarships and grants used to pay for tuition, fees and course-related expenses are not taxable. Use this link to report only amounts that were used for nonqualifying expenses. “SCH” will appear on the dotted line next to the wages line on Form 1040. Taxable scholarship is considered unearned income for most purposes but is considered earned income for determining filing requirement.

Enter scholarships and grants used to pay for tuition, fees and course-related expenses.

Enter wages received as a household employee for which the taxpayer did not receive a Form W-2 because the employer paid less than $2,100 in 2019. “HSH” will appear on the dotted line next to wages on Form 1040.

Enter wages received as a household employee.

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 Medicaid waiver payments are listed on Form W-2, enter the amount reported in Box 1 and also enter the same amount reported on the unnumbered box labeled Medicaid waiver payments on the Form W-2 screen in TaxSlayer to exclude it.

**Scenario B:**
If income is reported on a Form 1099-MISC, go to Schedule 1 > Other income not reported elsewhere and enter Notice 2014-7 in the description field and $0 in the amount field.

**Scenario C:**
If income is reported on a Form 1099-MISC and you are in the business of providing home care services, enter the full amount of 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:** For the income to be excludable, the care must be in provider’s home.

**Note:** 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.
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

1. **Did the taxpayer receive Form 1099-C, Cancellation of Debt, or other documentation (if less than $600) from a creditor and is the information shown on the form or document correct?**
   - **YES** – Go to Step 2
   - **NO** – Go to Step 6

   **Note:** The creditor is not required to issue a Form 1099-C if the canceled debt is under $600. However, the taxpayer may be required to report the canceled debt as income regardless of the amount.

2. **Was the credit card debt related to a business?**
   - **YES** – Go to Step 6
   - **NO** – Go to Step 3

3. **Does box 6 of the Form 1099-C indicate Code A for bankruptcy?**
   - **YES** – Go to Step 6
   - **NO** – Go to Step 4

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

4. **Was the taxpayer insolvent* immediately before the cancellation of debt?**
   - **YES** – Go to Step 6
   - **NO** – Go to Step 5

   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.

5. **The cancellation of nonbusiness indebtedness or cancellation of debt (the amount in box 2 of Form 1099-C or an amount less than $600 provided in other documentation) must be reported as ordinary income on Form 1040, Schedule 1 (Other Income). No additional supporting forms or schedules are required for reporting income from canceled credit card debt.

6. **This tax issue is outside the scope of the volunteer programs. The taxpayer may qualify to exclude all or some of the discharged debt. However, the rules involved are complex.**

   **Refer the taxpayer to:**
   - The IRS website for the most up-to-date information.
   - The Taxpayer Advocate Service (TAS): 1-877-777-4778, TTY/TDD 1-800-829-4059. TAS may help if the problem cannot be resolved through normal IRS channels.
   - A professional tax preparer.
   - Publication 4681, Canceled Debts, Foreclosures, Repossessions, and Abandonments (For Individuals)

* If the taxpayer is not in bankruptcy or unable to determine if they are insolvent the credit card debt forgiveness is presumed fully taxable.
**Insolvency Determination Worksheet**

Determining insolvency is Out of Scope for the volunteer. *This sample worksheet is for reference only.*

**Assets (FMV)**

<table>
<thead>
<tr>
<th>Item</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homes</td>
<td>$</td>
</tr>
<tr>
<td>Cars</td>
<td></td>
</tr>
<tr>
<td>Recreational vehicles, etc.</td>
<td></td>
</tr>
<tr>
<td>Bank accounts</td>
<td></td>
</tr>
<tr>
<td>IRAs, 401Ks, etc.</td>
<td></td>
</tr>
<tr>
<td>Jewelry</td>
<td></td>
</tr>
<tr>
<td>Furniture</td>
<td></td>
</tr>
<tr>
<td>Clothes</td>
<td></td>
</tr>
<tr>
<td>Misc.</td>
<td></td>
</tr>
<tr>
<td>Other assets</td>
<td></td>
</tr>
<tr>
<td><strong>Total Assets:</strong></td>
<td><strong>$</strong></td>
</tr>
</tbody>
</table>

**Liabilities**

<table>
<thead>
<tr>
<th>Item</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortgages</td>
<td>$</td>
</tr>
<tr>
<td>Home equity loans</td>
<td></td>
</tr>
<tr>
<td>Vehicle loans</td>
<td></td>
</tr>
<tr>
<td>Personal signature loans</td>
<td></td>
</tr>
<tr>
<td>Credit card debts</td>
<td></td>
</tr>
<tr>
<td>Past-due mortgage interest, real estate taxes, utilities, and child care costs</td>
<td></td>
</tr>
<tr>
<td>Student loans</td>
<td></td>
</tr>
<tr>
<td>Other liabilities</td>
<td></td>
</tr>
<tr>
<td><strong>Total Liabilities:</strong></td>
<td><strong>$</strong></td>
</tr>
</tbody>
</table>

**Total Assets minus Total Liabilities = $**

(Negative amount equals insolvency)
(Positive amount equals solvency)
Entering Cancellation of Credit Card Debt in TaxSlayer

**TaxSlayer Navigation:** Income>Other Income>Cancellation of Debt Form 1099-C, Form 982; or Keyword: C or CANC

Generally, if a debt for which a taxpayer is personally liable is canceled or forgiven, the taxpayer must include the canceled amount in income.

⚠️ Be sure to ask if the taxpayer was insolvent or in bankruptcy – these situations make the return Out of Scope.

### Cancellation of Debts
- Cancellation of Debt (Form 1099-C)
- Exclusions (Form 982)
- Prepayment Section 108(i) Election

### Form 1099-C
- Form belongs to *
  - Taxpayer
  - Spouse of Taxpayer
- Creditor's name *
- Creditor's Federal identification number *
- Amount of debt cancelled *

Enter the information from the Form 1099-C. Be sure to indicate whether the canceled debt was for the taxpayer or the spouse.

If the Form 1099-C was for mortgage forgiveness on the taxpayer’s main home, see Discharge of Qualified Principal Residence Indebtedness in Tab EXT, Legislative Extenders.

Cancellation of Credit Card Debt and Forgiveness of Qualified Principal Residence Indebtedness (if extended) is within the scope of the Advanced certification of the volunteer program.

If the taxpayer has any other type of debt forgiven, or may have been insolvent at the time of the debt forgiveness, the taxpayer should be referred to a professional.
Tab E: Adjustments
**Adjustments to Income**

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

<table>
<thead>
<tr>
<th>Adjustments</th>
<th>MSA Out of Scope</th>
<th>Health Savings Account Form 8889</th>
<th>Contributions to SEP, Simple, and Qualified Plans</th>
<th>Self-Employed Health Insurance</th>
<th>Penalty on Early Withdrawal of Savings or CD</th>
<th>Alimony Paid</th>
<th>IRA Deduction</th>
<th>Nondeductible IRAs Form 8606</th>
<th>Student Loan Interest Deduction</th>
<th>Domestic Production Form 8903</th>
<th>Other Adjustments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical Savings Account Form 8853</td>
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<td>Educator Expenses</td>
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<tr>
<td>Expenses for Reservists, Performing Artists, and Qualifying Government Employees</td>
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<td>Health Savings Account Form 8889</td>
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<td>Moving Expenses Form 3903</td>
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<td>Self-Employed Health Insurance</td>
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<td>Alimony Paid</td>
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<td>IRA Deduction</td>
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<td>Nondeductible IRAs Form 8606</td>
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<td>Domestic Production Form 8903</td>
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<td>Other Adjustments</td>
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<td></td>
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</tr>
</tbody>
</table>

**Note:** Military reservists who must travel more than 100 miles away from home to attend a drill or reserve meeting may deduct their travel expenses as an adjustment to income. Entertainment expenses are not allowed.

The amount of expenses that can be deducted is limited to the:

1) actual lodging costs,
2) federal rate for per diem (for meals and incidental expenses) and
3) standard mileage rate (for car expenses) plus any parking fees, ferry fees and/or tolls.

Enter this information on Form 2106.
Check the box to indicate that the taxpayer is a member of a 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.

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is the maximum benefit?</td>
<td>$250 (If the taxpayer and spouse are both eligible educators, they can deduct up to $500, but neither can deduct more than their own expenses up to $250).</td>
</tr>
<tr>
<td>Who can claim the expense?</td>
<td>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.</td>
</tr>
<tr>
<td>What are qualifying expenses?</td>
<td>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.</td>
</tr>
<tr>
<td>What are nonqualifying expenses?</td>
<td>Expenses for home schooling or nonathletic supplies for courses in health or physical education.</td>
</tr>
<tr>
<td>What other issues apply?</td>
<td>Taxpayer must reduce qualified expenses by • Excludable U.S series EE and I savings bond interest from Form 8815 • Nontaxable qualified tuition program earnings or distributions • Nontaxable distribution of earnings from a Coverdell education savings account • Any reimbursements received for expenses that weren’t reported on the Form W-2</td>
</tr>
</tbody>
</table>

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

**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 total amount of premiums paid here for health insurance:

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

**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 one source of income subject to SE tax
- You are filing Form 2553
- 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.
**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

<table>
<thead>
<tr>
<th><strong>STEP</strong></th>
<th><strong>DESCRIPTION</strong></th>
<th><strong>RESPONSE</strong></th>
</tr>
</thead>
</table>
| 1 | If eligible, were contributions made to an HSA? | YES – Complete Form 8889, Part I, lines 1 and 2. Go to Step 2.  
NO – Go to Part II, below. |
| 2 | Was the taxpayer enrolled in the same HDHP coverage for the **entire** year? | YES – Complete Form 8889, Part I, lines 3-13.  
**FOR YES AND NO: Lines 4 and 10 are Out of Scope.** |
|      | (Answer Yes, if last-month rule applies, and see Form 8889 Instructions)  
**Caution:** If line 2 is more than line 13, the taxpayer must withdraw the excess contribution to avoid an additional tax. If the excess is not timely withdrawn, refer the taxpayer to a professional tax preparer. (Refer to Form 8889 Instructions, line 13). |

### PART II – HSA Distributions

<table>
<thead>
<tr>
<th><strong>STEP</strong></th>
<th><strong>DESCRIPTION</strong></th>
<th><strong>RESPONSE</strong></th>
</tr>
</thead>
</table>
| 1 | Did the taxpayer receive distributions from the HSA trustee (whether or not Form 1099-SA received)? | YES – Complete Form 8889 Part II, Line 14a, 14b, if applicable, and 14c. Go to Step 2.  
NO – STOP, do not complete Part II. |
| 2 | Did the taxpayer use all or part of the distribution to pay or get reimbursed for qualified medical expenses during the year that were incurred after the HSA was established and were for qualified persons? | YES – Enter the amount on line 15 and complete line 16. Go to Step 3.  
NO – Enter zero on line 15 and complete line 16. Go to Step 3. |
| 3 | If any part of the distribution is taxable, was the distribution made after the taxpayer died, became disabled or turned 65? | YES – Check box on line 17a and complete 17b.  
NO – Taxpayer will be subject to an additional 20% tax. |
How will you know if the taxpayer has an HSA issue?

- The Interview/Intake & Quality Review Sheet has the Yes or Unsure HSA box checked.
- The taxpayer’s (or spouse’s) Form W-2 will contain code W in box 12 for employer contributions.
- The taxpayer (or spouse) has a Form 1099-SA with an x in the box showing distributions from an HSA.
- The taxpayer (or spouse) may receive Form 5498-SA for their HSA contributions. If taxpayers don’t have this form they can provide the information regarding HSA contributions based on their records.

Contributions to an employee’s account through a Section 125 (cafeteria) plan are treated as employer contributions and aren’t deductible.
Health Saving Accounts (HSA) (continued)

**HSA Distributions**

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.

Enter amount spent on qualifying expenses not reimbursed by insurance.

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.

Form 8889 will calculate the amount of excess contributions, if any.

If the excess contributions and earnings are not withdrawn by the due date of the return, including extensions, then the return is out of scope.

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**

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.

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: For 2019, the annual contribution limits on deductions for HSAs for individuals with self-only coverage is $3,500 (increase of $50) and $7,000 for family coverage (increase of $100). There is an additional contribution amount of $1,000 for taxpayers who are age 55 or older.

Note: This amount will adjust a calculated amount.

Note: This amount will adjust a calculated amount.

Note: This amount will adjust a calculated amount.

Age 55 or older may make an additional contribution.
## Alimony Requirements
### (Instruments Executed After 1984 and Before 2019)

<table>
<thead>
<tr>
<th>Payments ARE defined as alimony if all of the following are true:</th>
<th>Payments AREN’T alimony if any of the following are true:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments are required by a divorce or separation instrument.</td>
<td>Payments aren’t required by a divorce or separation instrument.</td>
</tr>
<tr>
<td>Payer and recipient spouse don’t file a joint return with each other.</td>
<td>Payer and recipient spouse file a joint return with each other.</td>
</tr>
<tr>
<td>Payment is in cash or cash equivalents (including checks or money orders).</td>
<td>Payment is:</td>
</tr>
<tr>
<td></td>
<td>• Not in cash,</td>
</tr>
<tr>
<td></td>
<td>• A noncash property settlement,</td>
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<tr>
<td></td>
<td>• Spouse’s part of community income, or</td>
</tr>
<tr>
<td></td>
<td>• To keep up the payer’s property.</td>
</tr>
<tr>
<td>Payment isn’t designated in the instrument as not alimony.</td>
<td>Payment is designated in the instrument as not alimony.</td>
</tr>
<tr>
<td>Spouses legally separated under a decree of divorce or separate maintenance aren’t members of the same household.</td>
<td>Spouses legally separated under a decree of divorce or separate maintenance are members of the same household.</td>
</tr>
<tr>
<td>Payments aren’t required after death of the recipient spouse.</td>
<td>Payments are required after death of the recipient spouse.</td>
</tr>
<tr>
<td>Payment isn’t treated as child support.</td>
<td>Payment is treated as child support.</td>
</tr>
<tr>
<td>These payments are deductible by the payer and includible in income by the recipient.</td>
<td>These payments are neither deductible by the payer nor includible in income by the recipient.</td>
</tr>
</tbody>
</table>

**Note:** Alimony paid pursuant to a divorce or separation instrument executed on or before December 31, 2018, is deductible. Divorce or separation agreements executed after Dec 31, 2018, or executed before 2019 but later modified if the modification expressly states the repeal of the deduction for alimony payments applies to the modification, are not deductible for the spouse who makes the payments and will not be included in income for the spouse that receives the payment.
IRA Deduction

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

---

**IRA Deduction**

Enter amount of IRA Contribution made by Taxpayer

0. (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

0. (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

Taxpayer Retirement Plan

0. Taxpayer has a retirement plan.

0. Taxpayer DOES NOT have a retirement plan

Spouse Retirement Plan

0. Spouse has a retirement plan.

0. Spouse DOES NOT have a retirement plan

---

**Note:** Taxpayers must be under age 70½ by end of the year to contribute to a traditional IRA. Contributions for the current tax year can be made until the filing deadline, generally April 15 of the year following the tax year. Your filing status has no effect on the amount of allowable contributions to your traditional IRA. However, if during the year either you or your spouse was covered by a retirement plan at work, your deduction may be reduced or eliminated, depending on your filing status and income. See Publication 590-A, Contributions to Individual Retirement Arrangements, for details.

**Note:** Compensation for purposes of an IRA contribution includes wages, salaries, commissions, net profit from self-employment, taxable alimony and separate maintenance, and nontaxable combat pay.

---

**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.

<table>
<thead>
<tr>
<th>Feature</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum benefit</td>
<td>You can reduce your income subject to tax by up to $2,500.</td>
</tr>
</tbody>
</table>
| Loan qualifications      | Your student loan: Taxpayer must be legally liable for the loan.  
• must have been taken out solely to pay education expenses, and  
• can’t be from a related person or made under a qualified employer plan.                                                                                                                                                                                                              |
| Student qualifications   | The student must be:  
• you, your spouse, or a person who was your dependent when you took out the loan, or would’ve been your dependent except you were a dependent, or had gross income over the exemption amount, or filed MFJ.  
• enrolled at least half-time in a program leading to a degree, certificate or other recognized educational credential.                                                                                                                                                           |
| Time limit on deduction  | You can deduct interest paid during the remaining period of your student loan.                                                                                                                                                                                                                                                                    |
| Phaseout                 | The amount of your deduction depends on your modified adjusted gross income and filing status.                                                                                                                                                                                                                                                    |

If student loan interest is paid by someone who isn't legally liable for it, the payment is treated as received by the person who's legally liable, and the person legally liable is allowed to take the adjustment.

**Note:** Taxpayer cannot claim deduction if filing status is Married Filing Separately.
Tab F: Deductions
Standard Deduction

This chart provides the standard deduction amounts for tax year 2019.

<table>
<thead>
<tr>
<th>If the taxpayer’s filing status is...</th>
<th>Your standard deduction is...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single or married filing separate return</td>
<td>$12,200</td>
</tr>
<tr>
<td>Married filing joint return or qualifying widow(er) with dependent child</td>
<td>$24,400</td>
</tr>
<tr>
<td>Head of household</td>
<td>$18,350</td>
</tr>
</tbody>
</table>

*Don’t use this chart if the taxpayer was born before January 2, 1955, or is blind, or if someone can claim the taxpayer as a dependent (or their spouse if married filing jointly). (See the chart on the following page.)

Persons Not Eligible for the Standard Deduction

Your standard deduction is zero and you should itemize any deductions you have if:

- Your filing status is married filing separately, and your spouse itemizes deductions on his or her return
- You are filing a tax return for a short tax year because of a change in your annual accounting period (Out of Scope)
- You are a nonresident or dual-status alien during the year. You are considered a dual-status alien if you were both a nonresident and resident alien during the year (Out of Scope).
- If you are a nonresident alien who is married to a U.S. citizen or resident alien at the end of the year, you can choose to be treated as a U.S. resident. (See Publication 519, U.S. Tax Guide for Aliens.) If you make this choice, you can take the standard deduction.

Note: If you can be claimed as a dependent on another taxpayer’s return (such as your parents’ return), your standard deduction may be limited.
Standard Deduction (continued)

Standard Deduction Chart for People Born Before January 2, 1955, or Who are Blind

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, 1955
- You are blind
- Spouse was born before January 2, 1955
- Spouse is blind

Enter the total number of boxes checked: 

<table>
<thead>
<tr>
<th>IF your filing status is . . .</th>
<th>AND the number in the box above is . . .</th>
<th>THEN your standard deduction is . . .</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>1</td>
<td>$13,850</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>15,500</td>
</tr>
<tr>
<td>Married filing jointly</td>
<td>1</td>
<td>$25,700</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>27,000</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>28,300</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>29,600</td>
</tr>
<tr>
<td>Qualifying widow(er)</td>
<td>1</td>
<td>$25,700</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>27,000</td>
</tr>
<tr>
<td>Married filing separately</td>
<td>1</td>
<td>$13,500</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>14,800</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>16,100</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>17,400</td>
</tr>
<tr>
<td>Head of household</td>
<td>1</td>
<td>$20,000</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>21,650</td>
</tr>
</tbody>
</table>

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, 1955
   - You are blind
   - Spouse was born before January 2, 1955
   - Spouse is blind

2. Is your earned income* more than $750?  
   - Yes. Add $350 to your earned income. Enter the total.  
   - No. Enter $1,100

3. Enter the amount shown below for your filing status:  
   - Single or married filing separately**—$12,200  
   - Married filing jointly—$24,400  
   - Head of household—$18,350

4. Standard deduction:  
   a. Enter the smaller of line 2 or line 3. If born after January 1, 1955, and not blind, stop here and enter this amount on Form 1040 or Form 1040-SR, line 9. Otherwise go to line 4b.  
   b. If born before January 2, 1955, or blind, multiply the number on line 1 by $1,300 ($1,650 if single or head of household).  
   c. Add lines 4a and 4b. Enter the total here and on Form 1040 or 1040-SR, line 9.

* 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 amounts you reported on Form 1040, line 1, and Schedule 1, lines 3 and 6, minus the amount, if any, on Schedule 1, line 14.

** Marital Filings Separately—You can check the boxes for "Your spouse" if your filing status is married filing separately and your spouse had no income, isn’t filing a return, and can’t be claimed as a dependent on another person’s return.
# 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.

<table>
<thead>
<tr>
<th>Step</th>
<th>Question</th>
<th>Yes/No Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>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 enable them to work. <strong>Note</strong>: Casualty and theft losses are beyond the scope of VITA/TCE.</td>
<td>If YES, go to Step 2. If NO, generally speaking, you should take the standard deduction if eligible. For further explanation see exceptions in Publication 17, Your Federal Income Tax For Individuals, Standard Deduction chapter.</td>
</tr>
<tr>
<td>2</td>
<td>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?</td>
<td>If YES, you can’t deduct reimbursed expenses. Go to Step 4. If NO, you can claim these expenses. Go to Step 3.</td>
</tr>
</tbody>
</table>
| 3    | Were the medical and dental expenses more than 10% of your adjusted gross income? **Note**: You can include medical and dental bills you paid for:  
- Yourself and your spouse  
- All dependents you claim on your return  
- Your child whom you don’t claim as a dependent because of the rules for children of divorced or separated parents  
- Any person you could have claimed as a dependent on your return except that person received $4,200 or more of gross income or filed a joint return  
- Any person you could have claimed as a dependent except that you, or your spouse if filing jointly, can be claimed as a dependent on someone else’s 2019 return | If YES, you can claim qualified expenses. Go to Step 4. If NO, you can’t deduct these expenses. Go to Step 4. |
| 4    | Were the following taxes you paid imposed on you: state and local general sales tax, state or local income tax, real or personal property taxes? **Note**: The total amount of these taxes is limited to $10,000 ($5,000 MFS) per return. | If YES, go to Step 5. If NO, you can’t claim this expense as a deduction because you weren’t obligated to pay the taxes. Go to Step 6. |
| 5    | Did you pay these taxes during this tax year? | If YES, you can claim these expenses and go to Step 6. If NO, you can’t deduct taxes for this year that were paid in another year. Go to Step 6. |
| 6    | Are you legally liable for a home mortgage loan? | If YES, go to Step 7. If NO, you can’t take an interest expense for a mortgage for which you aren’t legally liable. Go to Step 12. |
### Interview Tips – Itemized Deductions (continued)

<table>
<thead>
<tr>
<th>Step</th>
<th>Question</th>
<th>Yes/No Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>Was the mortgage a secured debt on a main or second home?</td>
<td>If <strong>YES</strong>, go to Step 8. If <strong>NO</strong>, you can’t take an interest expense. Go to Step 11.</td>
</tr>
<tr>
<td>8</td>
<td>Did you pay the mortgage interest in this tax year?</td>
<td>If <strong>YES</strong>, go to Step 9. If <strong>NO</strong>, you can’t take the mortgage interest deduction. Go to Step 11.</td>
</tr>
<tr>
<td>9</td>
<td>Did you take out the mortgage on or before October 13, 1987?</td>
<td>If <strong>YES</strong>, your mortgage interest is fully deductible. Go to Step 10. If <strong>NO</strong>, follow the flowchart, “Is My Home Mortgage Interest Fully Deductible” in Publication 17 to determine what is deductible. Go to Step 11.</td>
</tr>
<tr>
<td>10</td>
<td>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)?</td>
<td>If <strong>YES</strong>, follow the “Are My Points Fully Deductible This Year” flowchart in Publication 17 and then go to Step 11. See <strong>Note 1</strong>. If <strong>NO</strong>, go to Step 11.</td>
</tr>
<tr>
<td>11</td>
<td>Did you have home equity interest that was used to buy, build, or improve your home?</td>
<td>If <strong>YES</strong>, your home equity interest is deductible. If <strong>NO</strong>, go to Step 12.</td>
</tr>
<tr>
<td>12</td>
<td>Did you make a cash contribution to a qualified organization?</td>
<td>If <strong>YES</strong>, you must have a written record from that particular organization, and then go to Step 13. If <strong>NO</strong>, go to Step 13.</td>
</tr>
<tr>
<td>13</td>
<td>Did you make a noncash donation to a qualified organization?</td>
<td>If <strong>YES</strong>, advise the taxpayer that generally he or she must have a written receipt from that particular organization. Go to Step 14. See <strong>Note 2</strong>. If <strong>NO</strong>, Go to Step 14.</td>
</tr>
<tr>
<td>14</td>
<td>Is the total of all noncash donations $500 or less?</td>
<td>If <strong>YES</strong>, see Publication 17 for more details. If <strong>NO</strong>, this is beyond the scope of VITA/TCE. Refer taxpayer to a professional tax preparer.</td>
</tr>
</tbody>
</table>

**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

### Itemized Deductions

Use Standard or Itemized Deduction

- **Medical and Dental Expenses**
  - Select to enter medical expenses. Do not include any medical insurance included in the Self-Employed Health Insurance Deduction.

- **Mortgage Interest and Expenses**

- **Taxes You Paid**

- **Gifts to Charity**

- **Unreimbursed Employee Business Expense**

- **Job-Related Travel Expenses Form 2106**

- **Miscellaneous Deductions**

- **Less Common Deductions**

---

### Schedule A Deductible and Nondeductible Medical Expenses

<table>
<thead>
<tr>
<th>You can include:</th>
<th>You can’t include:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Bandages</td>
<td>• Baby sitting and childcare</td>
</tr>
<tr>
<td>• Birth control pills prescribed by your doctor</td>
<td>• Bottled water</td>
</tr>
<tr>
<td>• Body scan</td>
<td>• Contributions to Archer MSAs (see Pub. 969)</td>
</tr>
<tr>
<td>• Braille books</td>
<td>• Diaper service</td>
</tr>
<tr>
<td>• Breast pump and supplies</td>
<td>• Expenses for your general health (even if following your doctor’s advice)</td>
</tr>
<tr>
<td>• Capital expenses for equipment or improvements to your home needed for medical care (see Worksheet A, Capital Expense Worksheet, in Pub. 502)</td>
<td>• Social security tax, Medicare tax, FUTA, and state employment tax for worker providing medical care (see Wages for nursing services below)</td>
</tr>
<tr>
<td>• Diagnostic devices</td>
<td>• Special items (artificial limbs, false teeth, eyeglasses, contact lenses, hearing aids, crutches, wheelchair, etc.)</td>
</tr>
<tr>
<td>• Expenses of an organ donor</td>
<td>• Special education for mentally or physically disabled persons</td>
</tr>
<tr>
<td>• Eye surgery (to promote the correct function of the eye)</td>
<td>• Stop-smoking programs</td>
</tr>
<tr>
<td>• Fertility enhancement, certain procedures</td>
<td>• Operation, treatment, or medicine that is illegal under federal or state law</td>
</tr>
<tr>
<td>• Guide dogs or other animals aiding the blind, deaf, and disabled</td>
<td>• Life insurance or income protection policies, or policies providing payment for loss of life, limb, sight, etc.</td>
</tr>
<tr>
<td>• Hospital services fees (lab work, therapy, nursing services, surgery, etc.)</td>
<td>• Maternity clothes</td>
</tr>
<tr>
<td>• Lead-based paint removal</td>
<td>• Medical insurance included in a car insurance policy covering all persons injured in or by your car</td>
</tr>
<tr>
<td>• Legal abortion</td>
<td>• Medicine you buy without a prescription</td>
</tr>
<tr>
<td>• Legal operation to prevent having children such as a vasectomy or tubal ligation</td>
<td>• Nursing care for a healthy baby</td>
</tr>
<tr>
<td>• Long-term care contracts, qualified</td>
<td>• Prescription drugs you brought in (or ordered shipped) from another country, in most cases</td>
</tr>
<tr>
<td>• Meals and lodging provided by a hospital during medical treatment</td>
<td>• 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</td>
</tr>
<tr>
<td>• Medical services fees (from doctors, dentists, surgeons, specialists, and other medical practitioners)</td>
<td>• Surgery for purely cosmetic reasons</td>
</tr>
<tr>
<td>• Medicare Part D premiums</td>
<td>• Toothpaste, toiletries, cosmetics, etc.</td>
</tr>
<tr>
<td>• Medical and hospital insurance premiums</td>
<td>• Teeth whitening</td>
</tr>
<tr>
<td>• Nursing services</td>
<td>• Weight-loss expenses not for the treatment of the treatment of obesity or other disease</td>
</tr>
<tr>
<td>• Oxygen equipment and oxygen</td>
<td>• Wages for nursing services</td>
</tr>
<tr>
<td>• Part of life-care fee paid to retirement home designated for medical care</td>
<td>• Weight loss, certain expenses for obesity</td>
</tr>
<tr>
<td>• Physical examination</td>
<td>• Weight loss, certain expenses for obesity</td>
</tr>
<tr>
<td>• Prescription medicines (prescribed by a doctor) and insulin</td>
<td>• Weight loss, certain expenses for obesity</td>
</tr>
<tr>
<td>• Psychiatric and psychological treatment</td>
<td>• Baby sitting and childcare</td>
</tr>
<tr>
<td>• Social security tax, Medicare tax, FUTA, and state employment tax for worker providing medical care (see Wages for nursing services below)</td>
<td>• Medical insurance included in a car insurance policy covering all persons injured in or by your car</td>
</tr>
<tr>
<td>• Special items (artificial limbs, false teeth, eyeglasses, contact lenses, hearing aids, crutches, wheelchair, etc.)</td>
<td>• Medicine you buy without a prescription</td>
</tr>
<tr>
<td>• Special education for mentally or physically disabled persons</td>
<td>• Nursing care for a healthy baby</td>
</tr>
<tr>
<td>• Stop-smoking programs</td>
<td>• Prescription drugs you brought in (or ordered shipped) from another country, in most cases</td>
</tr>
<tr>
<td>• Transportation for needed medical care</td>
<td>• 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</td>
</tr>
<tr>
<td>• Treatment at a drug or alcohol center (includes meals and lodging provided by the center)</td>
<td>• Surgery for purely cosmetic reasons</td>
</tr>
<tr>
<td>• Wages for nursing services</td>
<td>• Toothpaste, toiletries, cosmetics, etc.</td>
</tr>
<tr>
<td>• Weight loss, certain expenses for obesity</td>
<td>• Teeth whitening</td>
</tr>
</tbody>
</table>

---

**CAUTION:** You can’t include in medical expenses amounts you pay for controlled substances that aren’t legal under federal law, even if such substances are legalized by state law.
Schedule A - Itemized Deductions (continued)

Schedule A - Medical Deductions

Medical and dental insurance

If taxpayer has medical insurance through the Marketplace, remember to adjust the total premium after the PTC is calculated.

Note: We automatically pull over the following
- Medicare premiums paid on your SSA-1099 (Social Security) and RRB-1099.
- Self employed health insurance you have already entered.
- Do not include medical/dental premiums deducted from your pay through a cafeteria plan (pre-taxed).

- Amount paid to doctors/dentists
- Prescriptions
- X-Rays, lab work, etc
- Nursing help (not for healthy baby or housework)
- Hospital care (including meals and lodging)
- Medical aids (hearing aids, crutches, wheelchairs, etc)
- Medical mileage driven (in miles)
- Other medical expenses

Add/Edit Qualified Long-Term Care Premiums

To enter multiple expenses of a single type, click on the small calculator icon beside the line. Enter the first description, the amount, and Continue. Enter the next. They will be totaled on the input line and carry to Schedule A.

Note: Medical and dental floor percentage is 10%. Some senior residences (nursing homes) have an amount in the monthly cost which is a medical expense. Taxpayers can include in medical expenses the cost of medical care in a nursing home, home for the aged or similar institution. This includes the cost of meals and lodging if the principal reason for being there is to get medical care.
Schedule A - Taxes You Paid

The itemized deduction for state and local taxes and sales and property taxes is limited to a combined, total deduction of $10,000 ($5,000 if Married Filing Separately).

<table>
<thead>
<tr>
<th>Taxes Paid</th>
<th>Enter amount paid with last year’s state return and any other state and local income tax payments not entered elsewhere.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional State and Local Income Tax (DO NOT INCLUDE AMOUNTS FROM W-2, 1099, W-2G or Estimates.)</td>
<td></td>
</tr>
<tr>
<td>State and Local Sales Tax Paid</td>
<td>Click here to open the sales tax worksheet. See the next page for details.</td>
</tr>
<tr>
<td>Prior Year 4th Quarter State Estimates paid after 12/31/2018</td>
<td></td>
</tr>
<tr>
<td>Real Estate Taxes (Non-Business Property)</td>
<td>Enter real estate taxes that are reported on Form 1098 with the mortgage interest on the mortgage interest screen.</td>
</tr>
<tr>
<td>Real Estate Taxes entered here will overwrite any real estate taxes paid already entered.</td>
<td></td>
</tr>
<tr>
<td>Personal Property (ex: Car Registration)</td>
<td>Enter vehicle license registration fee if based on value (ad valorem) under Personal Property taxes.</td>
</tr>
<tr>
<td>Enter your Ad Valorem tax, exclude amount paid for actual car tag.</td>
<td></td>
</tr>
<tr>
<td>Other Taxes</td>
<td>If taxpayers purchased or sold a home in the tax year, they may not be able to deduct all Real Estate Taxes. See Publication 17, “Real Estate Taxes” section, for more information.</td>
</tr>
<tr>
<td>Description</td>
<td></td>
</tr>
<tr>
<td>Amount</td>
<td></td>
</tr>
<tr>
<td>Modified Adjusted Gross Income</td>
<td>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.).</td>
</tr>
<tr>
<td>Calculated Modified Adjusted Gross Income (MAGI)</td>
<td></td>
</tr>
<tr>
<td>$74400</td>
<td></td>
</tr>
<tr>
<td>Amount to Adjust the Calculated MAGI by</td>
<td></td>
</tr>
<tr>
<td>$</td>
<td></td>
</tr>
</tbody>
</table>
Schedule A - Sales Tax Deduction

Sales Taxes Deduction

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.

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.

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

Leave rates blank for the system to use default rates. Enter a value to override your percentage.

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, RVs, and boats.

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.

State and Local Sales Tax Override

If you know the total amount of your state and local sales taxes (from receipts), you can enter the full amount instead of individual transactions.

Total Amount Paid

$ |

Note: If using the override feature, leave all other fields on the Sales Tax Deduction screen blank.
### Schedule A Interest

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

### Home Mortgage Loan(s) used to Buy/Build/Improve Home

Did you use all of your home mortgage loan(s) to buy, build or improve your home? ★
- Yes
- No

### Mortgage Interest Reported on 1098

If there are multiple mortgages, make additional Schedule A Interest entries.

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

For mortgages entered into after December 15, 2017, the amount of interest you can deduct is on no more than $750,000 of debt used to buy, build, or substantially improve your principal home and a second home ($375,000 in the case of married taxpayers filing separate tax returns) for tax years 2018 through 2025.

Points from refinancing must be spread over the life of the mortgage unless used to remodel (see section in Publication 17, labeled “Points”). Enter loan origination fee from closing statement as points not reported on Form 1098 if not included as points on Form 1098.

---

**Note:** The deduction for home equity debt is disallowed as a mortgage interest deduction unless the home equity debt was used to build, buy, or substantially improve the taxpayer’s qualified residence.
### Gifts to Charity

<table>
<thead>
<tr>
<th>Category</th>
<th>BEGIN</th>
<th>CONTINUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Gifts to Charity</td>
<td>BEGIN</td>
<td>BEGIN</td>
</tr>
<tr>
<td>Non-Cash Gifts to Charity</td>
<td>BEGIN</td>
<td>BEGIN</td>
</tr>
<tr>
<td>Non-Cash Donations (more than $500)</td>
<td>BEGIN</td>
<td>BEGIN</td>
</tr>
<tr>
<td>Limitation on Charitable Contributions Deduction</td>
<td>BEGIN</td>
<td>BEGIN</td>
</tr>
<tr>
<td>Declaration of Appraiser</td>
<td>BEGIN</td>
<td>BEGIN</td>
</tr>
<tr>
<td>Donee Acknowledgement</td>
<td>BEGIN</td>
<td>BEGIN</td>
</tr>
</tbody>
</table>

**Note:** Enter amounts given by cash or check under Cash Gifts to Charity. The 30% & 60% refer to the percentage of your AGI that can be deducted this year. See Publication 17 for definitions. Enter the value of noncash items (including miles driven in service to a charity) donated under Noncash Gifts to Charity. Be careful to list them separately.

If noncash contributions are greater than $500, Form 8283, Noncash Charitable Contributions must be completed and this form is Out of Scope.

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

### Charity Cash Contributions

- **Charity Name:**
- **Description:**
- **Date of Donation:**
  - MM
  - DD
  - YYYY
- **Amount Donated:**

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.
Note: No miscellaneous itemized deductions will be allowed for job expenses and certain miscellaneous deductions subject to the 2% limitation. These expenses may be deductible on state returns.

### Schedule A - Miscellaneous Deductions

<table>
<thead>
<tr>
<th>Item</th>
<th>Formatted Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amortizable premium on taxable bonds</td>
<td>$</td>
</tr>
<tr>
<td>Federal estate tax on income in respect to a decedent</td>
<td>$</td>
</tr>
<tr>
<td>Gambling losses to the extent of gambling winnings</td>
<td>$</td>
</tr>
<tr>
<td>Impairment-related work expenses</td>
<td>$</td>
</tr>
<tr>
<td>Non-deductible expenses</td>
<td>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. Nondeductible expenses: Commuting; home repair; rent; loss from sale of home; personal legal expenses; lost/misplaced cash or property; fines/ penalties; safe deposit box rental; tax return preparation; investment fees and expenses.</td>
</tr>
</tbody>
</table>
Qualified Business Income Deduction

For taxable years beginning after December 31, 2017 and before January 1, 2026, there is a deduction for “pass through” businesses. Sole proprietors are categorized as “pass through” businesses.

- A sole proprietor that reports a profit on Schedule C will be able to take up to 20% of qualified business income (QBI) as a deduction on the tax return.
- The calculations on Schedule C and Schedule SE are not affected by the deduction.
- Taxable income is not reduced below zero by the 20% deduction.
- The 20% deduction is limited for higher income.
- The deduction will also be limited for specified service trades or businesses. Refer to Form 1040 instructions for more information.

For taxable income that does not exceed the applicable threshold amount, the QBI deduction is the lesser of:

- 20% of qualified business income (for example, it is the net profit reported on a Schedule C) or
- 20% of taxable income (equals adjusted gross income minus the applicable standard or itemized deduction) minus net capital gains and qualified dividends. See Form 1040 instructions for more details.

Qualified business income is reduced by the deductible part of the SE tax, the SE health insurance deduction and by contributions to qualified retirement plans. The deduction is claimed on Form 1040 and can be taken in addition to the standard deduction or itemized deduction.

The 20% deductions for sole proprietors and qualified REIT dividends are in scope; however, taxpayers with a qualified business net loss carryforward from a prior year or publicly traded partnership are out of scope.

See Publication 535, Business Expenses, for additional information.
Tab G: Nonrefundable Credits
## Nonrefundable Credits

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

### Credits

<table>
<thead>
<tr>
<th>Credit Description</th>
<th>Screen</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign Tax Credit Form 1116</td>
<td>Begin</td>
</tr>
<tr>
<td>Child Care Credit Form 2441</td>
<td>Begin</td>
</tr>
<tr>
<td>Education Credits Form 1096-T</td>
<td>Begin</td>
</tr>
<tr>
<td>Retirement Savings Credit Form 8880</td>
<td>Begin</td>
</tr>
<tr>
<td>Residential Energy Credit Form 5695</td>
<td>Begin</td>
</tr>
<tr>
<td>Adoption Credit Form 8839</td>
<td>Begin</td>
</tr>
<tr>
<td>DC First-Time Homebuyer Credit Form 8849</td>
<td>Begin</td>
</tr>
<tr>
<td>Mortgage Interest Credit Form 896</td>
<td>Begin</td>
</tr>
<tr>
<td>Claiming Refundable Credits after Divorce Form 8862</td>
<td>Begin</td>
</tr>
<tr>
<td>EIC Check list</td>
<td>Begin</td>
</tr>
<tr>
<td>Credit for the Elderly or Disabled Schedule R</td>
<td>Begin</td>
</tr>
<tr>
<td>Alternative Motor Vehicle Credit (Hybrid Cars) Form 8917</td>
<td>Begin</td>
</tr>
<tr>
<td>Qualified Electric Motor Vehicle Credit Form 8936</td>
<td>Begin</td>
</tr>
<tr>
<td>Small Employer Health Insurance Premium Form 8941</td>
<td>Begin</td>
</tr>
<tr>
<td>Credit for Federal Tax Paid on Fuels Form 4136</td>
<td>Begin</td>
</tr>
<tr>
<td>Credit for Increasing Research Activities from Pass-through Entities Form 6765</td>
<td>Begin</td>
</tr>
<tr>
<td>Investment Credit Form 3468</td>
<td>Begin</td>
</tr>
</tbody>
</table>

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

### Form 8863

**TaxSlayer Navigation:** Federal Section>Deductions>Credits Menu>Education Credits; or Keyword "886". For complete education credit information refer to Tab J, Education Benefits

#### Schedule R

If taxpayer qualifies for the credit for the elderly or the disabled, open Schedule R. Refer to the Credit for the Elderly or the Disabled - Screening Sheet later in this tab.
### Child Tax Credit

This is a credit intended to reduce the tax. This part of the credit isn’t refundable. The credit is up to $2,000 per qualifying child. This credit calculates automatically.

#### Qualifying child:

1. Under age 17 at the end of the tax year.
2. A U.S. citizen or U.S. national* or resident alien of the United States. See Tab L, Resident/NR Alien.
3. Claimed as your dependent.**
4. Your:
   a. son or daughter, adopted child, stepchild, eligible foster child, or a descendant of any of them
   b. brother, sister, half brother, half sister, stepbrother, stepsister, or a descendant of any of them (for example, your niece or nephew)
5. Didn’t provide over half of his or her own support.
6. Lived with the taxpayer for more than half of the tax year. (See Exception to Time Lived with You section on the Child Tax Credit chart on the following page.)
7. Must have a Social Security Number valid for employment issued before the due date of the return.

* A National is an individual who, although not a U.S. citizen, owes his or her allegiance to the United States. U.S. nationals include American Samoans and Northern Mariana Islanders who chose to become U.S. nationals instead of U.S. citizens.

**Refer to the tables in Tab C, Dependents, for the rules governing who may be claimed as a dependent.

---

### Additional Child Tax Credit – General Eligibility

Note: Make sure the taxpayer’s credit hasn’t been disallowed previously. If previously disallowed, see Form 8862, Information To Claim Certain Credits After Disallowance, in Tab I, Earned Income Credit.

The child tax credit is generally a nonrefundable credit; however, certain taxpayers may be entitled to a refundable additional child tax credit.

- Taxpayers with more than $2,500 of taxable earned income may be eligible for the additional child tax credit if they have at least one qualifying child.
- Taxpayers with three or more children may also be eligible for additional child tax credit regardless of their income.
- Limited to $1,400 per qualifying child

Schedule 8812, Additional Child Tax Credit, is used to calculate the allowable additional child tax credit.

See Tab C, Dependents, and the worksheet in the instruction booklet for additional information (including definitions and special rules relating to an adopted child, foster child, or qualifying child of more than one person).

---

Note: No credit or refund for an overpayment for a taxable year shall be made to a taxpayer before the 15th day of the second month following the close of the taxable year (generally February 15th) if the taxpayer claimed the EITC or additional child tax credit on the tax return.

Note: The qualifying child must have a valid social security number by the due date of the tax return (including extensions). Taxpayers may not file an amended return to retroactively claim the additional child tax credit for a qualifying child if a valid SSN for the child is issued after the due date of the tax return.

Note: You must claim the child as a dependent on your return to qualify for the child tax credit.

Note: (International Certification only) If you claim the foreign earned income exclusion, the housing exclusion, or the housing deduction on Form 2555, you can’t claim the additional child tax credit.

Note: See Disallowance of Certain Credits in Tab I, Earned Income Credit, if the taxpayer received a letter saying they had to complete Form 8862.
### 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:

<table>
<thead>
<tr>
<th>Step</th>
<th>Question</th>
<th>Yes/No Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>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.</td>
<td>If <strong>YES</strong>, go to Step 2. If <strong>NO</strong>, 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.</td>
</tr>
<tr>
<td>2</td>
<td>Did this person provide over half of his or her own support for the tax year?</td>
<td>If <strong>YES</strong>, go to Step 4. If <strong>NO</strong>, 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.</td>
</tr>
</tbody>
</table>
| 3    | Did this person live with you for more than half of the tax year? If the dependent didn’t live with you for the required time, see the following notes below the chart:  
  - **Exception to Time Lived with You**  
  - **Kidnapped Child**  
    - Children of Divorced or Separated Parents or Parents who live apart.  | If **YES**, go to Step 5. If **NO**, you can’t claim the child tax credit for this person. |
| 4    | Is this person a U.S. citizen, U.S. national, or resident alien of the United States?  
  Note: A national is an individual who, although not a U.S. citizen, owes his or her allegiance to the United States. U.S. nationals include American Samoans and Northern Mariana Islanders who chose to become U.S. nationals instead of U.S. citizens. See Tab L, Resident/NR Alien for definition of Resident Alien. | If **YES**, go to Step 6. If **NO**, you can’t claim the child tax credit for this person. |
| 5    | Does this person have a Social Security Number valid for employment issued before the due date of the return (including extensions)? | If **YES**, go to Step 7. If **NO**, you can’t claim the child tax credit for this person. This person qualifies for the credit for other dependents if he or she has an ATIN or ITIN. |
| 6    | Is this person under age 17 at the end of the tax year? | If **YES**, go to Step 8. If **NO**, you must use Publication 972 to figure the credit. |
| 7    | Are you excluding income from Puerto Rico or are you filing Form 2555 (relating to foreign earned income), or Form 4563, Exclusion of Income for Bona Fide Residents of American Samoa? | If **NO**, go to Step 5. If **YES**, you must use Publication 972 to figure the credit. |
| 8    | Are you claiming any of the following credits?  
  - Adoption Credit, a residential energy credit, Form 5695, Part II; Mortgage Interest credit, Form 8396; District of Columbia first-time homebuyer credit, Form 8859. | If **NO**, use the Child Tax Credit Worksheet to figure the credit. If **YES**, you must use Publication 972 to figure the credit. |

**Questions: Who Must Use Publication 972, Child Tax Credit?**

**Exception to Time Lived with You**  
A child is considered to have lived with you for all of the current tax year if the child was born or died in 2019 and your home was this child’s home for more than half the time he or she was alive. Temporary absences for special circumstances, such as for school, vacation, medical care, military service, or detention in a juvenile facility, count as time lived at home.

**Kidnapped Child**  
A kidnapped child is considered to have lived with you for all of the current tax year if:  
- In the year the kidnapping occurred, the kidnapped child is presumed by law enforcement to have been taken by someone who isn’t a family member, and  
- The kidnapped child lived with the taxpayer for more than half of the portion of the year prior to the kidnapping.

**Modified Adjusted Gross Income Limits**  
- Married filing jointly - $400,000  
- All other filing statuses - $200,000

**Note:** Current tax year reference applies to tax year 2019.

### Children of Divorced or Separated Parents**  
A child will be treated as being the qualifying child of his or her noncustodial parent if all of the following apply:  
- The parents were divorced or legally separated or lived apart at all times during the last 6 months of the current tax year.  
- The child received over half of his or her support for the current tax year from the parents.  
- The child was in the custody of one or both of the parents for more than half of the current tax year.  
- The custodial parent signs Forms 8332, Release/Revocation of Release of Claim to Exemption for Child by Custodial Parent, or similar statement that he or she won’t claim the child as a dependent in the current tax year and the noncustodial parent includes a copy of the form or statement with his or her return. If the divorce decree or separation agreement went into effect after 1984 and before 2009, the noncustodial parent may be able to attach certain pages of the decree or agreement instead of Form 8332. For pre-1985 divorces, see the Instructions for Form 1040.
Credit for Other Dependents

There is a $500 credit for other dependents who do not qualify for the $2,000 child tax credit. The dependent must be a U.S. citizen, U.S. national, or resident of the U.S. The dependent must have a valid identification number (ATIN, ITIN, or SSN).

The $500 nonrefundable credit is available for dependents who don’t qualify for the child tax credit, such as children who are age 17 and above, dependents with other relationships (such as elderly parents), or children who do not have a valid SSN. Taxpayers cannot claim the credit for themselves (or a spouse if Married Filing Jointly).

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

Note: If previously disallowed, see Form 8862, Information To Claim Certain Credits After Disallowance, in Tab I, Earned Income Credit.
### Table 2: Credit for Other Dependents

**You must start with Table 1: Child Tax Credit** (To claim the child tax credit and/or the credit for other dependents, you can’t be a dependent of another taxpayer.)

**Probe/Action: Ask the taxpayer:**

**step 1** Is the person the qualifying child of any taxpayer? For this purpose, a person isn’t a taxpayer if he or she isn’t required to file a U.S. income tax return and either doesn’t file such a return or files only to get a refund of withheld income tax or estimated tax paid.

- If **YES**, you can’t claim the credit for other dependents for this person.
- If **NO**, go to **Step 2**.

**step 2** Was the person your son, daughter, stepchild, foster child, or a descendant of any of them (e.g., 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 (Any relationships established by marriage aren’t ended by death or divorce) **OR**

- 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?

  - See the following note at the end of the chart:
    - **Exceptions to Time Lived with You**

  - If **YES**, go to **Step 3**.
  - If **NO**, you can’t claim the credit for other dependents for this person.

**step 3** Did the person have gross income of less than $4,200 in 2019?

- See the following note at the end of the chart:
  - **Exceptions to Gross Income Test**

  - If **YES**, go to **Step 4**.
  - If **NO**, you can’t claim the credit for other dependents for this person.

**step 4** Did you provide more than half the person’s total support for the year?

- See the following notes at the end of the chart:
  - **Kidnapped Child**
  - **Child of Divorced or Separated Parents or Parent who live apart**
  - **Multiple Support Agreement**

  - If **NO**, you can’t claim the credit for other dependents for this person.
  - If **YES**, go to **Step 5**.

**Continued on next page**
### Table 2: Credit for Other Dependents

**Continued**

**Probe/Action:** Ask the taxpayer:

<table>
<thead>
<tr>
<th>Step</th>
<th>Question</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Is the person a U.S. citizen, U.S. national, U.S. resident alien, or a resident alien of the United States?</td>
<td>If NO, you can’t claim the credit for other dependents for this person. If YES, go to Step 6.</td>
</tr>
</tbody>
</table>

**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 Table L, Resident/NR Alien for definition of Resident Aliens.

<table>
<thead>
<tr>
<th>Step</th>
<th>Question</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Does this person have a SSN, ATIN, or an ITIN?</td>
<td>If YES, you can claim the credit for other dependents for this person. If NO, you can’t claim the credit for other dependents.</td>
</tr>
</tbody>
</table>

**Exception to Time Lived with You**

A child is considered to have lived with you for all of the current tax year if the child was born or died in 2019 and your home was this child’s home for more than half the time he or she was alive. Temporary absences for special circumstances, such as for school, vacation, medical care, military service, or detention in a juvenile facility, count as time lived at home.

**Kidnapped Child**

A kidnapped child is considered to have lived with you for all of the current tax year if:

- In the year the kidnapping occurred, the kidnapped child is presumed by law enforcement to have been taken by someone who isn’t a family member, and
- The kidnapped child lived with the taxpayer for more than half of the portion of the year prior to the kidnapping.

**Modified Adjusted Gross Income Limits**

- Married filing jointly - $400,000
- All other filing statuses - $200,000

**Note:** Current tax year reference applies to tax year 2019.

**Children of Divorced or Separated Parents**

A child will be treated as being the qualifying child of his or her noncustodial parent if all of the following apply:

- The parents were divorced or legally separated or lived apart at all times during the last 6 months of the current tax year.
- The child received over half of his or her support for the current tax year from the parents.
- The child was in the custody of one or both of the parents for more than half of the current tax year.
- The custodial parent signs Form 8332 Release/Revocation of Release of Claim to Exemption for Child by Custodial Parent, or similar statement that he or she won’t claim the child as a dependent in the current tax year and the noncustodial parent includes a copy of the form or statement with his or her return. If the divorce decree or separation agreement went into effect after 1984 and before 2009, the noncustodial parent may be able to attach certain pages of the decree or agreement instead of Form 8332. For pre-1985 divorces, see the Instructions for Form 1040.

**Gross Income Test**

- The gross income of an individual who is permanently and totally disabled at any time during the year doesn’t include income for services the individual performs at a sheltered workshop.
- Gross income means all income the person received in the form of money, goods, property and services, that isn’t exempt from tax. Don’t include social security benefits unless the person is married filing a separate return and lived with their spouse at any time during the tax year or if 1/2 the social security benefits plus their other gross income and tax-exempt interest is more than $25,000 ($32,000 if MFJ).

**Multiple Support**

If no one person contributed over half of the support of your relative (or person who lived with you all year as a member of your household) but you and another person(s) provided more than half of the person’s support, special rules may apply that would treat you as having provided over half of the support. For details, see Publication 501.

**Taxpayer Identification Numbers (SSN, ATIN, ITIN)**

- Child tax credit is not allowed on your original or an amended tax return with respect to a child who didn’t have a social security number (SSN) issued before the due date of the return (including extensions).
- If the person that qualifies you for the credit for other dependents was placed with you for a legal adoption and you don’t know his or her SSN, you must get an adoption taxpayer identification number (ATIN) from the IRS. Complete Form W-7A, Application for IRS Adoptions Taxpayer Identification Number. If the person isn’t a U.S. citizen or resident alien, apply for an individual taxpayer identification number (ITIN) instead.
- If you or the person qualifying you for the credit for other dependents is not eligible for a SSN, apply for an individual taxpayer identification number (ITIN) using Form W-7/W-7(SP), Application for IRS Individual Taxpayer Identification Number. If you apply for an ITIN on or before the date of your return (including extension) and the IRS issues you an ITIN as a result of the application, the IRS will consider your ITIN as issued on or before the due date of your return.
Form 1116 – Foreign Tax Credit

In order to claim a credit for any foreign taxes paid without filing Form 1116, you must answer Yes to all of the following questions:

- Is all of your gross foreign source income Passive Category income such as interest and dividends?
- Was all of that interest and dividend income reported to you on Form 1099-INT, Form 1099-DIV, or Schedule K-1?
- If you had dividend income from shares of stock, did you hold those shares for at least 16 days?
- Is the total of your foreign taxes less than or equal to $300?
- Were all of your taxes:
  A. Legally owed and not eligible for a refund; AND
  B. Paid to countries that are recognized by the United States; AND
  C. Paid to countries that do not support terrorism?

Foreign tax credit not over $300

Note: Only enter an amount if you answered Yes to all the questions above.

$ 

If you are needing to file Form 1116 because you are not making the election above, complete Form 1116 Foreign Tax Credit.

GO TO FORM 1116

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

Section 931A income
Foreign branch income
Passive income
General limited income
Section 901(j) income
Income sourced by treaty
Lump-sum distributions

Out of Scope

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.

Out of Scope

Passive income

Country of residence *
- Please Select -

Select country of residence

☐ Are you reporting income that passed through a mutual fund or other regulated investment company (RIC) on a country-by-country basis?

☐ Do you have passive income that is treated as general category income because it is highly taxed?

Carryback or Carryover

Reduction in Foreign Taxes

Adjustments

Reduction of credit for international boycott operations

$ 

Type of income

Credit is claimed for taxes paid or accrued

☐ Paid

☐ Accrued

Indicate whether the foreign tax was actually paid during the tax year (paid) or if the tax was billed in one year but paid in another (accrued). A taxpayer using the cash basis can choose to use either the cash or accrual method to determine the foreign tax credit. However, if the accrual method is chosen, the taxpayer must continue to use the accrual method for the foreign tax credit on all future returns.
Select the country that imposed the tax.

Enter the gross income (not the tax) of this category type where indicated. Enter income from this category type only, not total income. Do not enter any income excluded by Form 2555.

Enter the gross income of this category type where indicated. Enter income from this category type only, not total income. Include any income excluded by Form 2555, but only if that income is of the category selected (passive or general income).

If your gross foreign source income (including income excluded on Form 2555) does not exceed $5,000, you can allocate all your interest expense to U.S. source income. Otherwise, deductible home mortgage interest (including points and qualified mortgage insurance premiums) is apportioned using a gross income method. See Instructions for Form 1116.

Select the itemized amounts boxes to enter taxes paid in foreign currency in the appropriate category.

Generally, you must enter the amount of foreign taxes, in both the foreign currency denomination(s) and as converted into U.S. dollars, that relate to the category of income checked (Passive or General limited income).

Enter the date the tax was paid or accrued.

Enter the taxes paid (in U.S. dollars) in the appropriate category.
Child and Dependent Care Credit Expenses

Probe/Action: To determine if a taxpayer qualifies for the Credit for Child and Dependent Care Expenses, ask the taxpayer for information from the screening sheet on the next page.

Who is a qualifying person?

- A qualifying child who was under the age of 13 when the expenses were incurred and who can be claimed as a dependent, see the first caution below.
- Any person who was incapable of self-care* whom the taxpayer can claim as a dependent or could've been claimed as a dependent except that the person had gross income of more than $4,200 or filed a joint return or that the taxpayer or spouse, if married filing jointly, could be claimed as a dependent on someone else's 2019 return.
- A spouse who was physically or mentally incapable of self-care*.

*Incapable of self-care - persons who can't dress, clean, or feed themselves. Also, persons who must have constant attention to prevent them from injuring themselves or others.

The qualifying person must live with the taxpayer more than 1/2 the year.

See Publication 17, "Child and Dependent Care Credit," chapter for special rules regarding divorced or separated parents or parents who live apart.

Qualified work-related expenses

- Expenses must be paid for the care of the qualifying person to allow the taxpayer and spouse, if married, to work or look for work.
- The care includes the costs of services for the qualifying person's well-being and protection.
- Expenses to attend kindergarten or a higher grade aren't an expense for care.
- Expenses for summer day-camp are qualifying, but those for overnight camp aren’t.

Refer to Tab C, Dependents, for the rules governing who may be claimed as a dependent.

⚠️ Only the custodial parent may claim the child and dependent care credit even if the child is being claimed as a dependent by the noncustodial parent under the rules for divorced or separated parents.

⚠️ If Dependent Care Benefits are listed in Box 10 of a Form W-2, then the taxpayer MUST complete Form 2441, Child and Dependent Care Expenses. If Form 2441 isn’t completed, the Box 10 amount is added as taxable wages.

Note: If the qualifying child turned 13 during the tax year, the qualifying expenses include amounts incurred for the child while under age 13 when the care was provided.
**Credit for Child & Dependent Care Expenses – Screening Sheet**

Can You Claim the Child and Dependent Care Credit?

<table>
<thead>
<tr>
<th>Step</th>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Was the care for one or more qualifying persons? See prior page for definition.</td>
<td>YES – Go to Step 2</td>
<td>NO – You CAN’T claim the child and dependent care credit ²</td>
</tr>
<tr>
<td>2</td>
<td>Did you (and your spouse if applicable) have earned income¹ during the year? Refer to the Earned Income Credit tab.</td>
<td>YES – Go to Step 3</td>
<td>NO – You CAN’T claim the child and dependent care credit ²</td>
</tr>
<tr>
<td>3</td>
<td>Did you pay the expenses to allow you to work or look for work? See prior page for qualifying expenses.</td>
<td>YES – Go to Step 4</td>
<td>NO – You CAN’T claim the child and dependent care credit ²</td>
</tr>
<tr>
<td>4</td>
<td>Were your payments made to someone you or your spouse could claim as a dependent?</td>
<td>YES – You CAN’T claim the child and dependent care credit ²</td>
<td>NO – Go to Step 5</td>
</tr>
<tr>
<td>5</td>
<td>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.</td>
<td>YES – You CAN’T claim the child and dependent care credit ²</td>
<td>NO – Go to Step 6</td>
</tr>
<tr>
<td>6</td>
<td>Were your payments made to your child who was under the age of 19 at the end of the year?</td>
<td>YES – You CAN’T claim the child and dependent care credit ²</td>
<td>NO – Go to Step 7</td>
</tr>
<tr>
<td>7</td>
<td>Are you single?</td>
<td>YES – Go to Step 10</td>
<td>NO – Go to Step 8</td>
</tr>
<tr>
<td>8</td>
<td>Are you filing a joint return?</td>
<td>YES – Go to Step 10</td>
<td>NO – Go to Step 9</td>
</tr>
<tr>
<td>9</td>
<td>Do you meet the requirements to be considered unmarried?</td>
<td>YES – Go to Step 10</td>
<td>NO – You CAN’T claim the child and dependent care credit ²</td>
</tr>
<tr>
<td>10</td>
<td>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, &quot;Due Diligence&quot; section)</td>
<td>YES – Go to Step 11</td>
<td>NO – You CAN’T claim the child and dependent care credit ²</td>
</tr>
<tr>
<td>11</td>
<td>Did you have only one qualifying person and exclude or deduct at least $3,000 of dependent care benefits? ³</td>
<td>YES – You CAN’T claim the child and dependent care credit ²</td>
<td>NO – You CAN claim the child and dependent care credit. Fill out Form 2441.</td>
</tr>
</tbody>
</table>

**Footnotes**

1. Your spouse is treated as having earned income for any month that he or she is a full-time student, or physically or mentally not able to care for himself or herself. (Your spouse also must live with you for more than half the year.) If the taxpayer's spouse died during the year and he/she files a return as a surviving spouse, the taxpayer may, but isn't required to, take into account the earned income of the spouse who died during the year.

2. If you had expenses that met the requirements for 2018, except that you didn’t pay them until 2019, you may be able to claim those expenses in 2019.

3. If two or more, the amount you can exclude or deduct is limited to a total of $6,000.
Form 2441 – Credit for Child and Dependent Care Expenses

**TaxSlayer Navigation:** Federal Section>Deductions>Credits>Child Care Credit; or Keyword “2441”

---

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

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.

1. Compute 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
   $ [Enter amount]

   Benefits (Do not enter an amount from your W-2)
   Employer-paid Dependent Care Benefits
   $ [Enter amount]

   Forfeited Employer-paid Benefits
   $ [Enter amount]

   Benefits Received from Sole Proprietorship or Partnership
   $ [Enter amount]

   Did you pay any expenses for 2017 during 2018
   Yes
   No

Form 2441 Page 2:
If the taxpayer or spouse is a full-time student or disabled, enter $250 per month ($500 per month if more than one qualifying person was cared for during the year). If the person also worked during the month, use the higher of $250 (or $500) or his or her actual earned income for that month.

CAUTION: 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. If the taxpayer has a filing status of surviving spouse, the amount from line 4 is entered on line 5.
## 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:

<table>
<thead>
<tr>
<th>Step</th>
<th>Question</th>
<th>YES – Go to Step</th>
<th>NO – Not qualified for credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Did you make a voluntary contribution or deferral to an IRA or other qualified plan for 2019?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Is AGI $32,000 or less ($48,000 if head of household, $64,000 if married filing jointly)?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Were you born before January 2, 2002?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Are you being claimed as a dependent on someone else’s tax return for 2019?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Were you a full-time student during 2019?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Footnotes

1. Plans that qualify are listed in the Other Credits chapter of Publication 17. Answer yes if the taxpayer will make a qualifying IRA contribution for tax year 2019 by the due date of the return.

2. You were a student if during any part of 5 calendar months of 2019 you:
   - Were enrolled as a full-time student at a school, or
   - Took a full-time, on-farm training course given by a school* or a state, county, or local government agency.

   *A school includes technical, trade and mechanical schools. It does not include on-the job training courses, correspondence schools, or schools offering courses only through the Internet.

### Important Reminders for Retirement Savings Contributions Credit

- Be sure to look at the taxpayer’s Form(s) W-2. An entry in box 12 or an “X” in the Retirement box is an indicator that the taxpayer may be eligible for this credit. A full description of all codes used in box 12 can be found in Instructions for Forms W-2 and W-3.

- An entry in box 14 on the Form W-2 may also indicate a contribution to a state retirement system. In TaxSlayer, if the contribution qualifies, from the drop down menu in Box 14 of Form W-2, select **Retirement (Not in Box 12) Carry to Form 8880**. If these are treated as employer contributions they aren’t eligible for the credit. See Instructions for Form W-2.

- When using tax software, remember to key in all entries as they appear on the Form W-2.

- A contribution to a Traditional or Roth IRA qualifies for this credit, but may not appear on any taxpayer document. Remember to review the expenses section on page 2 of the Form 13614-C, Intake/Interview & Quality Review Sheet, and ask taxpayers if they made any IRA contributions.

- Some distributions reduce the eligible contributions for this credit. In addition to distributions for the current year as shown on Forms 1099-R, be sure to ask about distributions from the 2 prior years or between January 1 and the tax filing deadline.

- See a list of distributions later in this tab that don’t reduce the eligible contributions for this credit.

- Form 8880, Credit for Qualified Retirement Savings Contributions, is used to claim this credit.

- If taxpayer (or spouse if MFJ) is a full-time student, be sure to mark it in the Personal Information Section in the software. This credit is not available to full-time students.
Retirement Savings Contributions Credit (continued)

**TaxSlayer Navigation:** Federal Section>Deductions>Credits>Retirement Savings Credit; or Keyword “8880”

Open the Retirement Savings Contributions Credits screen if the taxpayer meets eligibility criteria and any of the following are true:

1. The taxpayer(s) make a Traditional IRA or a Roth IRA contribution before the filing deadline.
2. The taxpayer or spouse’s Form W-2 includes:
   - Box 12 entries of D, E, F, G, H, S, AA, BB
   - Box 14 amounts that are voluntary retirement contributions or marked as “Qualifies for Form 8880”
3. The designated beneficiary of an Achieving a Better Life Experience (ABLE) account made a contribution to their ABLE account.

Verify total contribution amounts with the taxpayer. Total IRA contributions cannot exceed the lesser of total compensation or the annual limit. See Tab E, Adjustments for limits.

**Internal Revenue Code Section 414(h)(2) provides that any plan established by a governmental unit, where the contributions of employing units are designated employee contributions, but the employer “picks up” the contributions, the contributions are treated as employer contributions, not voluntary contributions made by the employee. They do not qualify for the credit.**

**Note:** Certain distributions received after 2016 and before the due date (including extensions) of your 2019 tax return from any of the following types of plans are subtracted from contributions:

- Traditional or Roth IRAs
- 401(k), 403(b), governmental 457, 501(c)(18)(D), SEP, or SIMPLE plans
- Qualified retirement plans (including the federal Thrift Savings Plan).

Distributions entered on Form 1099-R will be calculated by the software. Any other distributions from the 2 prior years or between January 1 and the tax filing deadline must be entered manually where indicated. TaxSlAYER cannot identify which current tax year distributions are relevant, so it automatically reports all tax year distributions. If one of these distributions is listed on the following page as a distribution that should not be included (e.g., military pensions), go to the Form 1099-R entry screen for that distribution and check the box labeled "Does not qualify for Form 8880."
Retirement Savings Contributions Credit (continued)

Don’t include any of the following as distributions. See Tab D, Income, Form 1099-R Box 7 Distribution Codes.

- Military pensions
- Distributions not taxable as the result of a rollover or a trustee-to-trustee transfer
- Distributions from your IRA (other than a Roth IRA) rolled over or converted to your Roth IRA
- Loans from a qualified employer plan treated as a distribution
- Distributions of excess contributions or deferrals (and income allocable to such contributions or deferrals)
- Distributions of contributions made during a tax year and returned (with any income allocable to such contributions) on or before the due date (including extensions) for that tax year
- Distributions of dividends paid on stock held by an employee stock ownership plan under IRC section 404(k)
- Distributions that are taxable as the result of an in-plan rollover to your designated Roth account
- Distributions from an inherited IRA by a nonspousal beneficiary

The credit is calculated using the following percentages:

<table>
<thead>
<tr>
<th>If AGI is —</th>
<th>And your filing status is —</th>
<th>Married filing jointly</th>
<th>Head of household</th>
<th>Single, Married filing separately, or Qualifying widow(er)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over —</td>
<td>But not over —</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>$19,250</td>
<td>.5</td>
<td>.5</td>
<td>.5</td>
</tr>
<tr>
<td>$19,250</td>
<td>$20,750</td>
<td>.5</td>
<td>.5</td>
<td>.2</td>
</tr>
<tr>
<td>$20,750</td>
<td>$28,875</td>
<td>.5</td>
<td>.5</td>
<td>.1</td>
</tr>
<tr>
<td>$28,875</td>
<td>$31,125</td>
<td>.5</td>
<td>.2</td>
<td>.1</td>
</tr>
<tr>
<td>$31,125</td>
<td>$32,000</td>
<td>.5</td>
<td>.1</td>
<td>.1</td>
</tr>
<tr>
<td>$32,000</td>
<td>$38,500</td>
<td>.5</td>
<td>.1</td>
<td>.0</td>
</tr>
<tr>
<td>$38,500</td>
<td>$41,500</td>
<td>.2</td>
<td>.1</td>
<td>.0</td>
</tr>
<tr>
<td>$41,500</td>
<td>$48,000</td>
<td>.1</td>
<td>.1</td>
<td>.0</td>
</tr>
<tr>
<td>$48,000</td>
<td>$64,000</td>
<td>.1</td>
<td>.0</td>
<td>.0</td>
</tr>
<tr>
<td>$64,000</td>
<td>---</td>
<td>.0</td>
<td>.0</td>
<td>.0</td>
</tr>
</tbody>
</table>
Credit for the Elderly or the Disabled – Screening Sheet

Figure A. Are You a Qualified Individual?
Use the following chart to determine if the taxpayer is eligible for the credit for the elderly or the disabled:

- **step 1**: Were you married at the end of the tax year?
  - YES – Go to Step 2
  - NO – Go to Step 4

- **step 2**: Did you live with your spouse at any time during the year?
  - YES – Go to Step 3
  - NO – Go to Step 4

  Answer NO if you qualify to be considered unmarried and file as Head of Household.

- **step 3**: Are you filing a joint return with your spouse?
  - YES – Go to Step 4
  - NO – You aren’t a qualified individual and can’t take the credit for the elderly or the disabled

- **step 4**: Are you a U.S. citizen or resident alien? ¹
  - YES – Go to Step 5
  - NO – You aren’t a qualified individual and can’t take the credit for the elderly or the disabled

- **step 5**: Were you 65 or older at the end of the tax year?
  - YES – You are a qualified individual and may be able to take the credit for the elderly or the disabled unless your income exceeds the limits in Figure B
  - NO – Go to Step 6

- **step 6**: Are you retired on permanent and total disability?
  - YES – You aren’t a qualified individual and can’t take the credit for the elderly or the disabled
  - NO – Go to Step 8

- **step 7**: Did you reach mandatory retirement age before this year? ²
  - YES – You aren’t a qualified individual and can’t take the credit for the elderly or the disabled
  - NO – Go to Step 8

- **step 8**: Did you receive taxable disability benefits this year?
  - YES – You are a qualified individual and may be able to take the credit for the elderly or the disabled unless your income exceeds the limits in Figure B
  - NO – You aren’t a qualified individual and can’t take the credit for the elderly or the disabled

Footnotes

¹ If you were a nonresident alien at any time during the tax year and were married to a U.S. citizen or resident alien at the end of the tax year, see U.S. Citizen or Resident Alien under Qualified Individual. If you and your spouse choose to treat you as a U.S. resident alien, answer “yes” to this question.

² Mandatory retirement age is the age set by your employer at which you would have been required to retire, had you not become disabled.

**Figure B. Income Limits**

<table>
<thead>
<tr>
<th>IF you are . . .</th>
<th>THEN you generally can't take the credit if...</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Your adjusted gross income (AGI) is . . .</td>
</tr>
<tr>
<td>single, head of household, or qualifying widow(er) with dependent child</td>
<td>$17,500</td>
</tr>
<tr>
<td>married filing a joint return and both spouses qualify in Figure A</td>
<td>$25,000</td>
</tr>
<tr>
<td>married filing a joint return and only one spouse qualifies in Figure A</td>
<td>$20,000</td>
</tr>
<tr>
<td>married filing a separate return and you lived apart from your spouse for all of 2019</td>
<td>$12,500</td>
</tr>
</tbody>
</table>

**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

**Schedule R Retired/Disability Question**

Choose one

- Both spouses were 65 or older.
- Both spouses were under 65, but only one spouse retired on permanent and total disability.
- Both spouses were under 65 and both retired on permanent and total disability.
- One spouse was 65 or older and the other spouse was under 65 and retired on permanent and total disability.
- One spouse was 65 or older, and the other spouse was under 65 and NOT retired on permanent and total disability.

**Statement of Disability**

IF  ☐ You filed a physician’s statement for this disability for 1983 or an earlier year

OR  ☐ You filed or got a statement for tax years after 1983 and your physician signed line B on the statement,

AND  ☐ Due to your continued disabled condition, you were unable to engage in any substantial gainful activity in 2018.

☐ Check this box only if this entire statement is true.

Check the box if the statements above regarding the taxpayer’s disability are true. Not checking the box does not prevent the taxpayer from claiming the credit. However, they must obtain a physician’s statement for their records. See the Instructions for Schedule R for a sample statement.

**Physician’s Statement Needed**

⚠️ Because you did not meet both qualifications on the previous page, the IRS requires you to obtain another physician’s statement. Your physician must complete the statement for Schedule R and you must retain it for your records.
Entering the Credit for the Elderly or the Disabled (continued)

**Income**

**Taxable disability income**

Enter the taxpayer’s taxable disability income, if any, (such as from Form 1099-R) where indicated.

**Other pension, annuity, or disability benefit that is excluded from income under any other provision of law (DO NOT re-enter non-taxable income already reported such as Social Security Benefits)**

Enter pension, annuity or disability benefits excluded from income as indicated. Do not enter Social Security benefits. Enter Social Security income in the Social Security SSA-1099 screen in Tax Slayer.
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

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-Employment Tax Schedule SE</td>
<td>Out of Scope</td>
</tr>
<tr>
<td>Alternative Minimum Tax Form 6251</td>
<td>Out of Scope</td>
</tr>
<tr>
<td>Tax on Unreported Tip Income Form 4137</td>
<td>Out of Scope</td>
</tr>
<tr>
<td>Tax on Early Distribution Form 5329</td>
<td>Out of Scope</td>
</tr>
<tr>
<td>Household Employment Tax Schedule H</td>
<td>Out of Scope</td>
</tr>
<tr>
<td>First-time Homebuyer Repayment Form 5405</td>
<td>Out of Scope</td>
</tr>
<tr>
<td>Tax For Children Under Age 18 Form 8615</td>
<td>In Scope, with limitations</td>
</tr>
<tr>
<td>Child's Interest/Dividend Earnings Form 8814</td>
<td>Out of Scope</td>
</tr>
<tr>
<td>Net Investment Income Tax Form 8960</td>
<td>Out of Scope</td>
</tr>
<tr>
<td>Uncollected Social Security and Medicare Tax on Wages Form 8019</td>
<td>Out of Scope</td>
</tr>
</tbody>
</table>

**Self-Employment Tax** –
Entered automatically from Schedule SE. TaxSlayer calculates the amount using the entries from Schedule C.

**Unreported Social Security and Medicare Tax** –
Unreported Social Security and Medicare Tax comes from Form 4137, Social Security and Medicare Tax on Unreported Tip Income, not reported on Form W-2.

**TaxSlayer Navigation:** Federal Section>Income>Wages and Salaries>Unreported tips (on W-2 below line 10); or Keyword “W”. If unreported because tips were less than $20 per month, Federal Section>Other Taxes>Tax on Unreported Tip Income; or Keyword “4137”
Other Taxes and Payments (continued)

Repayment of First-Time Homebuyer Credit Form 5405 –

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

Taxpayers who purchased a home in 2008 and received the First Time Homebuyer Credit (maximum $7,500 loan) started repayments in 2010 and must enter the repayment on Form 5405, Repayment of the First-Time Homebuyer Credit. (See 5405 instructions for when it is required.)

Use the First-Time Homebuyer Credit Account Look-up tool on irs.gov to determine the amount of the repayment.

TaxSlayer Navigation: Federal Section>Other Taxes>Tax for Children Under 18

Tax for Children who Have Unearned Income

If the student includes the tax free educational assistance in income, has a filing requirement and unearned income (including the taxable scholarship) over $2,200, the student will be subject to filing Form 8615, Tax for Certain Children Who Have Unearned Income (Kiddie Tax) to compute the tax. (See the following page.)

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)

<table>
<thead>
<tr>
<th>Step</th>
<th>Question</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Was the child’s unearned income more than $2,200?</td>
<td>Go to Step 2</td>
<td>Don’t use Form 8615 to figure the child’s tax.</td>
</tr>
<tr>
<td>2</td>
<td>Is the child required to file a tax return for 2019?</td>
<td>Go to Step 3</td>
<td>Don’t use Form 8615 to figure the child’s tax.</td>
</tr>
<tr>
<td>3</td>
<td>Was the child under age 18 at the end of 2019?</td>
<td>Go to Step 8</td>
<td>Go to Step 4</td>
</tr>
<tr>
<td>4</td>
<td>Was the child age 18 at the end of 2019?</td>
<td>Go to Step 7</td>
<td>Go to Step 4</td>
</tr>
<tr>
<td>5</td>
<td>Was the child under age 24 at the end of 2019?</td>
<td>Go to Step 6</td>
<td>Don’t use Form 8615 to figure the child’s tax.</td>
</tr>
<tr>
<td>6</td>
<td>Was the child a full-time student in 2019?</td>
<td>Go to Step 7</td>
<td>Don’t use Form 8615 to figure the child’s tax.</td>
</tr>
<tr>
<td>7</td>
<td>Did the child have earned income that was more than half of his or her support?</td>
<td>Don’t use Form 8615 to figure the child’s tax.</td>
<td>Go to Step 8</td>
</tr>
<tr>
<td>8</td>
<td>Was at least one of the child’s parents alive at the end of 2019?</td>
<td>Go to Step 9</td>
<td>Don’t use Form 8615 to figure the child’s tax.</td>
</tr>
<tr>
<td>9</td>
<td>Is the child filing a joint return for 2019?</td>
<td>Don’t use Form 8615 to figure the child’s tax.</td>
<td>Go to Step 10</td>
</tr>
<tr>
<td>10</td>
<td>Use Form 8615 to figure the child’s tax. Attach it to the child’s return.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: If the child’s parent chooses to report the child’s income by filing Form 8814, the child isn’t required to file a tax return. Don’t use Form 8615. (See Parent’s Election to Report Child’s Interest and Dividends.) Form 8814 is out of scope.
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**

**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**  
$  

**Enter the amount not subject to additional tax.**

**Select the reason for exemption**  
-- Please Select --

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

**Coverdell ESA and QTPs that are not subject to the additional tax**  
$
Other Taxes and Payments (continued)

Exception codes and explanations for early distributions from IRAs or retirement plans:
(Do not rely on this list alone. See Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs), for rules and details pertaining to each exception.)

<table>
<thead>
<tr>
<th>No</th>
<th>Exception</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>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).</td>
</tr>
<tr>
<td>02</td>
<td>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).</td>
</tr>
<tr>
<td>03</td>
<td>Distributions due to total and permanent disability. Does not apply if the disability occurred after the distribution.</td>
</tr>
<tr>
<td>04</td>
<td>Distributions due to death (doesn’t apply to modified endowment contracts).</td>
</tr>
<tr>
<td>05</td>
<td>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.</td>
</tr>
<tr>
<td>06</td>
<td>Qualified retirement plan distributions made to an alternate payee under a qualified domestic relations order (doesn’t apply to IRAs).</td>
</tr>
<tr>
<td>07</td>
<td>IRA distributions made to unemployed individuals for health insurance premiums.¹</td>
</tr>
<tr>
<td>08</td>
<td>IRA distributions made for qualified higher education expenses.</td>
</tr>
<tr>
<td>09</td>
<td>IRA distributions made for purchase of a first home, up to $10,000.</td>
</tr>
<tr>
<td>10</td>
<td>Distributions due to an IRS levy on the qualified retirement plan.</td>
</tr>
<tr>
<td>11</td>
<td>Qualified distributions to reservists while serving on active duty for at least 180 days.</td>
</tr>
<tr>
<td>12</td>
<td>Other ². Also, enter this code if more than one exception applies.</td>
</tr>
</tbody>
</table>

Footnotes

¹ 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.

² Distributions incorrectly indicated as early distributions by code 1, J, or S in box 7 of Form 1099-R. Include on line 2 the amount you received when you were age 59 1/2 or older. See Form 5329 Instructions or Publication 590-B for additional exceptions. For additional exceptions that apply to annuities, see Publication 575, Pensions and Annuity Income.

Additional Taxes on HSAs

For those with HSA certification only. Additional taxes for HSA distributions not used for qualified medical expenses are reported on Form 1040 Schedule 2. All other taxes on this line are Out of Scope. See Instructions for Form 8889, Health Savings Accounts (HSAs).

The additional 20% tax does not apply to distributions made after the account beneficiary:
- Dies,
- Becomes disabled, or
- Turns age 65
Affordable Care Act (ACA)

Health Insurance Questionnaire

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

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

☐ No — If the taxpayer applied for coverage via the Marketplace but was instead enrolled in Medicaid, answer No.

A Yes answer will require entry of information from Form 1095-A. See Premium Tax Credit section later in this tab for help entering Form 1095-A.

TIP If taxpayers answer No, no further action is necessary.
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, second lowest cost silver plan (SLCSP) 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 (Part III, Column C)

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.


Column A - Monthly Premium: These are the 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 SLCSP 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 SLCSP premium to enter in Column B. If the individuals enrolled through a State-based Marketplace, go to the state’s website to determine the SLCSP 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 SLCSP premium, call the Marketplace to obtain a correct SLCSP premium. The SLCSP 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 SLCSP 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.

TIP 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 SLCSP premiums and enter them on the 1095-A screen in the SLCSP 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

If Form 1095-A shows the same monthly amounts for all 12 months, select “Yes” and enter the annual amounts below. Otherwise, select “No” and enter monthly amounts.

If one or more of the amounts in column B is incorrect and the correct SLCSP premium amounts are not the same for all 12 months, select “No”.

If the taxpayer is Married Filing Separately a checkbox will appear on this screen. If the taxpayer cannot file a joint return because of domestic abuse or spousal abandonment check the box. See Instructions for Form 8962, Premium Tax Credit for details. If a taxpayer is Married Filing Separately and is not eligible for relief, he/she must repay APTC, subject to the repayment limitation. See Part IV, Allocation Situation 2, of the Form 8962 instructions to determine the amount of APTC your taxpayer must repay.

This question appears for all taxpayers with APTC:

This question is really asking: Is the taxpayer liable for unlimited APTC repayment?

**Answer NO in most cases.**

**Only answer YES if all individuals on the tax return for whom APTC was paid:**

- Are undocumented immigrants; or
- Were eligible for the Trade Adjustment Assistance Health Care Tax Credit (HCTC) (Out of Scope)

**Answer YES in most cases.**

**Answer YES if:**

- There is an amount in column C of Form 1095-A (APTC) for one or more months; or
- One of the individuals on the taxpayer’s Form 1095-A is lawfully present but ineligible for Medicaid

**Answer NO ONLY if:**

Income is below 100% federal poverty line (FPL), no APTC was paid, and the second bullet from above does not apply

⚠️ The TaxSlayer default answer is NO for this question.
Out of Scope Situations

Allocation of Policy Amounts (Shared Policy)

If the following situations apply, the taxpayer may have to allocate policy amounts with another taxpayer. If so, the return is Out of Scope:

- The 1095-A lists a covered person who is not on this tax return or,
- A person on the tax return was enrolled in another taxpayer’s Marketplace coverage. (The person is listed on a Form 1095-A sent to a taxpayer not on this tax return.)

Alternative Calculation for Year of Marriage

If the following situation applies, an Alternative Calculation for Year of Marriage may be elected. If the taxpayer elects this option, the return is Out of Scope.

- Taxpayers got married during 2019, are filing a joint return for 2019, and both spouses were unmarried as of January 1, 2019
- A member of the taxpayers’ tax family was enrolled in a qualified health plan for which APTC was paid for months prior to the first full month of marriage, and
- Taxpayers have excess APTC (their APTC exceeds their allowed PTC).

Taxpayers may choose to file MFJ or MFS without the alternative calculation, which remains in scope.

See Publication 974, Premium Tax Credit (PTC), for more details.
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.

The net premium tax credit a taxpayer can claim (the excess of the taxpayer’s premium tax credit over APTC) will appear on Form 1040, Schedule 3. This amount will increase taxpayer’s refund or reduce the balance due.

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 SLCSP premium should be the same on all Forms 1095-A for a given month. Enter that amount. If the enrollees are enrolled in different states, add the SLCSP premiums. When in doubt, look it up in the Tax Tool for your Marketplace. See the Tax Tool section later in this tab.

Column C (entered in Column F of Form 8962):
Add the amounts together.

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.

The taxpayer is ineligible for the PTC
- See Form 8962 instructions
- Enter 0 in column B

PTC Eligibility - QSEHRA

Employers may offer a qualified small employer health reimbursement arrangement (QSEHRA) to their eligible employees. Under a QSEHRA, an eligible employer can reimburse eligible employees for health care costs, including premiums for Marketplace health insurance. If taxpayers were covered under a QSEHRA, their employer should have reported the annual permitted benefit in box 12 of Form W-2 with code FF. If the QSEHRA is affordable for a month, no PTC is allowed for the month. If the QSEHRA is unaffordable for a month, taxpayers must reduce the monthly PTC (but not below -0-) by the monthly permitted benefit amount. If there is a code FF on Form W-2 box 12, the employee has a Marketplace policy and is otherwise eligible for PTC, the return is Out of Scope.
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 cannot claim PTC for his or her Marketplace coverage for any month the person was enrolled in employer-sponsored coverage; if APTC was paid for a person’s Marketplace coverage for a month the person was enrolled in employer-sponsored coverage, it must be repaid up to the repayment limitation.
- PTC can be claimed for an individual who was eligible for employer-sponsored coverage, but not enrolled only if:
  a. Coverage was unaffordable for the employee (regardless of the cost of family coverage). The cost of coverage is found on Form 1095-C for those working for large employers, or
  b. Coverage did not provide a minimum level of benefits, referred to as “minimum value.” A taxpayer can check with the employer if he or she suspects coverage did not meet minimum standards.
- Exception: A person who is eligible for employer-sponsored coverage and gave the Marketplace accurate information about the offer of coverage but was still determined eligible for APTC can claim PTC for his or her Marketplace coverage even if the employer coverage is affordable based on the taxpayer’s actual household income.
- See Publication 974 for more information and special rules on employer-sponsored coverage, including coverage waiting periods, health reimbursement arrangements, and coverage after employment ends.

Medicaid/CHIP:

- If the Marketplace determined the taxpayer was eligible for APTC and therefore ineligible for Medicaid or CHIP, and the taxpayer received APTC, the taxpayer will generally remain eligible for APTC for the plan year, even if actual household income suggests the person may have been eligible for Medicaid or CHIP. If this is the case, answer Yes to the question in TaxSlayer which asks “Is your household income below 100% of the Federal poverty line, and do you meet all of the requirements under either “Estimated household income at least 100% of the Federal poverty line” or “Alien lawfully present in the United States”?
- If an individual for whom APTC is being paid is determined to be eligible for government-sponsored coverage retroactively, the individual is not considered eligible for that coverage until the month after the eligibility determination is made. (For example, a person who enrolled at the beginning of the year in Marketplace coverage with APTC, but in July is determined eligible for Medicaid retroactive to April 1, can, if otherwise eligible, claim PTC in January through July, despite concurrent enrollment in Medicaid in April through July.)

Medicare:

- A person eligible for Medicare loses eligibility for PTC even if he or she fails to enroll in Medicare. The loss of eligibility occurs the first day of the fourth full month after the person became eligible for Medicare. For example, a person who is enrolled in Marketplace coverage with APTC, but becomes Medicare-eligible on his 65th birthday on May 17, loses eligibility for PTC on September 1, the first day of the fourth full month after Medicare eligibility.
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**

<table>
<thead>
<tr>
<th>Repayment of Excess Advance Payment of the Premium Tax Credit</th>
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</thead>
<tbody>
<tr>
<td>27 Excess advance payment of PTC. If line 25 is greater than line 24, subtract line 24 from line 25. Enter the difference here.</td>
</tr>
<tr>
<td>28 Repayment limitation (see instructions)</td>
</tr>
<tr>
<td>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.</td>
</tr>
</tbody>
</table>

**Review the Health Care section in the software:**

- Make sure Form 1095-A is correct and complete (see Premium Tax Credit: Form 1095-A Overview, earlier in this tab).
- Ask the taxpayer to contact the Marketplace if the form doesn’t reflect premiums that were paid or if there are other errors.
- If the taxpayer received Form 1095-A, make sure the question “Is your household income below 100%...” is answered correctly in the Health Insurance section of the software (see the Premium Tax Credit entry screens, earlier in this tab).
- Check the Health Insurance section of the software to see if the question “Are you required to repay all of the APTC received?” is answered correctly (see the Premium Tax Credit entry screens, earlier in this tab).
- If the taxpayer or spouse lived in Hawaii or Alaska, ensure that state is selected as the resident state in the Basic Information section.

**Consider income adjustments to reduce household income.**

- If the taxpayer is eligible to claim an IRA deduction, remember that taxpayers can contribute to an IRA until the tax filing deadline.
- If the taxpayer or spouse has an HSA and has not contributed the maximum for the tax year, he or she may contribute to their HSA until the tax filing deadline.
- If the taxpayer or spouse is self-employed, ensure all business expenses have been claimed. The taxpayer may be able to claim the self-employed health insurance deduction, which may reduce their household income.
- If the taxpayer or spouse is eligible and wishes to claim HCTC or establish a SEP-IRA, refer him/her to a professional return preparer.

**Consider married filing separately.**

- The taxpayer may be ineligible for the PTC, but filing separately may cap repayment of APTC at a lower level based on income.

**Important!** If the taxpayer is currently enrolled in Marketplace coverage and has a 2019 repayment of APTC, the taxpayer should contact the Marketplace **now** to adjust their 2020 APTC to avoid similar repayments for the 2020 tax year!

<table>
<thead>
<tr>
<th>Repayment Caps for APTC</th>
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<tbody>
<tr>
<td>Income (as % of federal poverty line)</td>
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<td>Under 200%</td>
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<td>200% – 299%</td>
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<tr>
<td>300% – 399%</td>
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<tr>
<td>400% and above</td>
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</tbody>
</table>
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/.

The tool allows a taxpayer to find their SLCSP to complete or correct Column B of the Form 1095-A.

The Tax Tool will ask you to enter all members of the household, even those with other coverage.

Several screens will ask for the family’s ZIP code and whether they lived in the same place for all months. Confirm the information for each family member.
This section determines for each family member whether someone will be included in the SLCSP, which you will enter in TaxSlayer.

Follow the instructions closely! **Check the boxes** for the months the person was:
- Eligible for or enrolled in Medicare, Medicaid, or CHIP. Month will be disabled if you said in Step 1 that a person was eligible for employer-sponsored coverage or an exemption.
- Leave the boxes unchecked if those circumstances don’t apply.

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)

The results page shows the SLCSP for the household.

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

Your results

These monthly premiums are used to calculate your premium tax credit. They’re not necessarily the premiums you paid.

Wrong form? See if I can claim an affordability exemption

Enter these amounts on IRS Form 8962 when you prepare your 2018 income tax return.

<table>
<thead>
<tr>
<th></th>
<th>Monthly SLCSP premiums</th>
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<tr>
<td>Jan</td>
<td>$1,249.66</td>
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<tr>
<td>Feb</td>
<td>$1,249.66</td>
</tr>
<tr>
<td>Mar</td>
<td>$1,249.66</td>
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</tbody>
</table>
Federal Poverty Lines

For purposes of the premium tax credit, eligibility for a certain year is based on the most recently published set of poverty lines. As a result, the tax credit for 2019 will be based on the 2018 federal poverty lines.

### 2018 Poverty Lines for the 48 Contiguous States and the District of Columbia

For families/households with more than 8 persons, add $4,320 for each additional person (100% Poverty Line)

<table>
<thead>
<tr>
<th>Persons in family/household</th>
<th>100% Poverty Line</th>
<th>138% Poverty Line</th>
<th>400% Poverty Line</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>$12,140</td>
<td>$16,753</td>
<td>$48,560</td>
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<td>2</td>
<td>$16,460</td>
<td>$22,715</td>
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<td>3</td>
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<td>8</td>
<td>$42,380</td>
<td>$58,484</td>
<td>$169,520</td>
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</table>

### 2018 Poverty Lines for Alaska

For families/households with more than 8 persons, add $5,400 for each additional person (100% Poverty Line)

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<thead>
<tr>
<th>Persons in family/household</th>
<th>100% Poverty Line</th>
<th>138% Poverty Line</th>
<th>400% Poverty Line</th>
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<td>$73,112</td>
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### 2018 Poverty Lines for Hawaii

For families/households with more than 8 persons, add $4,970 for each additional person (100% Poverty Line)

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<th>Persons in family/household</th>
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The decimal number from this table is used to calculate the taxpayer’s contribution amount when completing Form 8962.
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<th>Income as % of FPL</th>
<th>Applicable Decimal</th>
<th>Income as % of FPL</th>
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</tr>
</tbody>
</table>
Tab I: Earned Income Credit
# Earned Income Table

<table>
<thead>
<tr>
<th>Earned Income for EIC</th>
<th>Includes</th>
<th>Doesn’t include</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Taxable wages, salaries, and tips</td>
<td></td>
<td>• Interest and dividends</td>
</tr>
<tr>
<td>• Union strike benefits</td>
<td></td>
<td>• Social Security and railroad retirement benefits</td>
</tr>
<tr>
<td>• Taxable long-term disability benefits received prior to minimum retirement age</td>
<td></td>
<td>• Welfare benefits</td>
</tr>
<tr>
<td>• Net earnings from self-employment</td>
<td></td>
<td>• Workfare payments</td>
</tr>
<tr>
<td>• Gross income of a statutory employee</td>
<td></td>
<td>• Pensions and annuities (except if disability pension and taxpayer is under minimum retirement age)</td>
</tr>
<tr>
<td>• Household employee income</td>
<td></td>
<td>• Veteran’s benefits (including VA rehabilitation payments)</td>
</tr>
<tr>
<td>• Nontaxable combat pay election</td>
<td></td>
<td>• Workers’ compensation benefits</td>
</tr>
<tr>
<td>• Nontaxable combat pay election</td>
<td></td>
<td>• Alimony</td>
</tr>
<tr>
<td>• Nonemployee compensation</td>
<td></td>
<td>• Child support</td>
</tr>
<tr>
<td>• The rental value of a home or a housing allowance provided to a minister as part of the minister’s pay (Out of Scope)</td>
<td></td>
<td>• Nontaxable foster-care payments</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Unemployment compensation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Taxable scholarship or fellowship grants that aren’t reported on Form W-2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Earnings for work performed while an inmate at a penal institution or on work release*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Salary deferrals (for example, under a 401(k) or 403(b) plan or the Federal Thrift Savings Plan)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• The value of meals or lodging provided by an employer for the convenience of the employer</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Disability Insurance payments</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Excludable dependent care benefits (line 25 of Form 2441)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Salary reductions such as under a cafeteria plan</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Excludable employer-provided educational assistance benefits (may be shown in box 14 of Form W-2)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 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.</td>
</tr>
</tbody>
</table>

*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

<table>
<thead>
<tr>
<th>Part A</th>
<th>Part B</th>
<th>Part C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rules for Everyone</td>
<td>Rules If You Have a Qualifying Child</td>
<td>Rules If You Don't Have a Qualifying Child</td>
</tr>
<tr>
<td>Taxpayers &amp; qualifying children must all have SSN that is valid for employment by the due date of the return (including extensions).¹</td>
<td>Child must meet the relationship, age, residency test and joint return tests but not the support test. The child doesn’t have to be your dependent.²</td>
<td>Must be at least age 25 but under age 65 as of December 31.³</td>
</tr>
<tr>
<td>Filing status can’t be married filing separately.</td>
<td>Qualifying child can’t be used by more than one person to claim the EIC.</td>
<td>Can’t be the dependent of another person.</td>
</tr>
<tr>
<td>Must be a U.S. citizen or resident alien all year.</td>
<td>The taxpayer can’t be a qualifying child of another person.</td>
<td>Must have lived in the United States more than half the year.</td>
</tr>
<tr>
<td>Can’t file Form 2555 (relating to foreign earned income).</td>
<td></td>
<td>Can’t be a qualifying child of another person.</td>
</tr>
<tr>
<td>Investment income must be $3,600 or less.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Can’t be a qualifying child of another person.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Part D

**Earned Income and AGI Limitations**

You must have earned income to qualify for this credit. Your earned income and AGI must be less than:

- $50,162 ($55,952 for married filing jointly) if you have three or more qualifying children,
- $46,703 ($52,493 for married filing jointly) if you have two qualifying children,
- $41,094 ($46,884 for married filing jointly) if you have one qualifying child, or
- $15,570 ($21,370 for married filing jointly) if you don’t have a qualifying child.

### Footnotes

1. If your Social Security card says "VALID FOR WORK ONLY WITH DHS AUTHORIZATION," you can use your Social Security number to claim EIC if you otherwise qualify.

   If taxpayer (or spouse, if filing a joint return) or dependent has an individual taxpayer identification number (ITIN), they can’t get the EIC. ITINs are issued by the IRS to noncitizens who can’t get an SSN.

   If the taxpayer’s Social Security card has a “NOT VALID FOR EMPLOYMENT” imprint, and if the card-holder obtained the SSN to get a federally funded benefit, such as Medicaid, they can’t get the EIC.

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

3. Taxpayers turning 25 on January 1st are considered to be 25 as of December 31st. Taxpayers reaching the age 65 on January 1st are still considered to be 64 as of December 31st.

⚠️ **CAUTION** Taxpayers cannot file an amended return to claim the credit for a year they did not originally have a valid Social Security number.
EIC General Eligibility Rules

Probe/Action: Ask the taxpayer:

1. **Calculate the taxpayer’s earned income and adjusted gross income (AGI) for the tax year. Are both less than:**
   - $50,162 ($55,952 married filing jointly) with three or more qualifying children;
   - $46,703 ($52,493 married filing jointly) with two qualifying children;
   - $41,094 ($46,884 married filing jointly) with one qualifying child; or
   - $15,570 ($21,370 married filing jointly) with no qualifying children?

   If **YES**, go to Step 2.
   If **NO**, STOP. You can’t claim the EIC.

2. **Do you (and your spouse, if filing jointly) have a Social Security number (SSN) that allows you to work?**

   *Answer “NO” if the taxpayer’s Social Security card has a “NOT VALID FOR EMPLOYMENT” imprint, and if the cardholder obtained the SSN to get a federally funded benefit, such as Medicaid.*

   If **YES**, go to Step 3.
   If **NO**, STOP. You can’t claim the EIC.

3. **Is your filing status married filing separately?**

   If **YES**, STOP. You can’t claim the EIC.
   If **NO**, go to Step 4.

4. **Are you (or your spouse, if married) a nonresident alien?**

   Answer “NO” if the taxpayer is married filing jointly, and one spouse is a citizen or resident alien and the other is a nonresident alien.

   If **YES** and you are either unmarried or married but not filing a joint return, STOP. You can’t claim the EIC.
   If **NO**, go to Step 5.

5. **Are you (or your spouse, if filing jointly) filing Form 2555 (Foreign Earned Income) to exclude income earned in a foreign country?**

   If **YES**, STOP. You can’t claim the EIC.
   If **NO**, go to Step 6.

6. **Is your investment income (interest, tax exempt interest, dividends, capital gains distributions & capital gains) more than $3,600?**

   If **YES**, STOP. You can’t claim the EIC.
   If **NO**, go to Step 7.

7. **Are you (or your spouse, if filing jointly) the qualifying child of another taxpayer?**

   If **YES**, STOP. You can’t claim the EIC.
   If **NO**, go to the interview tips for EIC—With a Qualifying Child or EIC—Without a Qualifying Child.

*If your Social Security card says **VALID FOR WORK ONLY WITH DHS AUTHORIZATION**, you can use your Social Security number to claim EIC if you otherwise qualify.*
EIC With a Qualifying Child

Probe/Action: Ask the taxpayer:

step 1 Does your qualifying child have an SSN that allows him or her to work?  
Answer NO if the child’s Social Security card says “NOT VALID FOR EMPLOYMENT” and his or her SSN was only obtained to get a federally funded benefit.  
If YES, go to Step 2.  
If NO, STOP. You can’t claim the EIC on the basis of this qualifying child.

step 2 Is the child your son, daughter, stepchild, adopted child, or eligible foster child, brother, sister, half brother, half sister, stepbrother, stepsister, or a descendant of any of them?  
If YES, go to Step 3.  
If NO, STOP. This child isn’t your qualifying child. Go to interview tips for EIC Without a Qualifying Child.

step 3 Was the child any of the following at the end of the tax year:  
• Under age 19 and younger than the taxpayer (or spouse, if filing jointly)  
• Under age 24 and a full-time student and younger than the taxpayer (or spouse, if filing jointly), or  
• Any age and permanently and totally disabled?  
If YES, go to Step 4.  
If NO, STOP. This child isn’t your qualifying child. Go to interview tips for EIC Without a Qualifying Child.

step 4 Did the child file a joint return for the year?  
Answer NO if the child and his or her spouse filed a joint return only to claim a refund of income tax withheld or estimated tax paid.  
If NO, go to Step 5.  
If YES, STOP. This child isn’t your qualifying child (failed the joint return test). Go to interview tips for EIC Without a Qualifying Child.

step 5 Did the child live with you in the United States for more than half (183 days for 2019) of the tax year?  
Active duty military personnel stationed outside the United States are considered to live in the United States for this purpose.  
If YES, go to Step 6.  
If NO, STOP. This child isn’t your qualifying child. Go to interview tips for EIC Without a Qualifying Child.

step 6 Is the child a qualifying child of another person?  
There may be a case when a qualifying child can’t be claimed by anyone.  
If YES, explain to the taxpayer what happens when more than one person claims the EIC using the same child (Qualifying Child of More than One Person rule). If the taxpayer chooses to claim the credit with this child, compute the EIC using the appropriate EIC worksheets.  
If NO, compute the EIC using the appropriate EIC worksheet.

Footnotes

1 If your child was married at the end of the year, he or she doesn’t meet the joint return test unless you can claim the child as a dependent or you can’t claim the child as a dependent because you gave that right to the child’s other parent.

2 Temporary absences. Count time that you or your child is away from home on a temporary absence due to a special circumstance as time the child lived with you. Examples of a special circumstance include illness, school attendance, business, vacation, military service, and detention in a juvenile facility.
EIC Without a Qualifying Child

Probe/Action: Ask the taxpayer:

<table>
<thead>
<tr>
<th>Step</th>
<th>Question</th>
<th>If NO, go to Step 2.</th>
<th>If YES, STOP. You can't claim the EIC.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Can you (or your spouse, if filing jointly) be claimed as a dependent by another person?</td>
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</tr>
<tr>
<td>2</td>
<td>Were you (or your spouse, if filing jointly) at least 25 but under age 65 on December 31 of the tax year?</td>
<td>If NO, STOP. You can’t claim the EIC.</td>
<td>If YES, go to Step 3.</td>
</tr>
<tr>
<td></td>
<td>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.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Did you (and your spouse, if filing jointly) live in the United States for more than half (at least 183 days) of the tax year?</td>
<td>If NO, STOP. You can’t claim the EIC.</td>
<td>If YES, compute EIC using the appropriate EIC worksheet.</td>
</tr>
</tbody>
</table>

Note: Taxpayers meeting the above age criteria should file a paper return to avoid a potential rejected electronic filed return. Also file a paper return in the year the taxpayer turns 65 if death occurs before their birthday.

Qualifying Child of More than One Person

If the child meets the conditions to be the qualifying child of more than one person, only one person can claim the child. The tiebreaker rules, which follow, explain who, if anyone, can claim the EIC when more than one person has the same qualifying child. However, the tiebreaker rules don’t apply if the other person is your spouse and you file a joint return. Review all of the conditions to see which one applies.

- If only one of the persons is the child’s parent, the child is treated as the qualifying child of the parent.
- If the parents don’t file a joint return together but both parents claim the child as a qualifying child, the IRS will treat the child as the qualifying child of the parent with whom the child lived for the longer period of time in 2019. If the child lived with each parent for the same amount of time, the IRS will treat the child as the qualifying child of the parent who had the higher adjusted gross income (AGI) for 2019.
- If no parent can claim the child as a qualifying child, the child is treated as the qualifying child of the person who had the highest AGI for 2019.
- If a parent can claim the child as a qualifying child but no parent does so claim the child, the child is treated as the qualifying child of the person who had the highest AGI for 2019, but only if that person’s AGI is higher than the highest AGI of any of the child’s parents who can claim the child.

Note 1: If the taxpayers can’t claim the EIC because their qualifying child is treated under the tiebreaker rules as the qualifying child of another person for 2019, they may be able to take the EIC using a different qualifying child, or take the EIC if they qualify using the rules for people who don’t have a qualifying child.

Note 2: Subject to these tiebreaker rules, the taxpayer and the other person may be able to choose which of them claims the child as a qualifying child. See Publication 596, Earned Income Credit (EIC), for examples.
Disallowance of Certain Credits

Form 8862, Information to Claim Certain Credits After Disallowance, must be completed for any taxpayer whose EIC, credit for other dependents (ODC), child tax credit (CTC)/additional child tax credit (ACTC), or American opportunity tax credit (AOTC), was previously reduced or disallowed and the taxpayer received a letter saying they had to complete and attach Form 8862 to claim the credit(s) the next time.

If the IRS determined a taxpayer claimed the credit(s) due to reckless or intentional disregard of the rules (not due to math or clerical errors) the taxpayer can’t claim the credit(s) for 2 tax years. If the error was due to fraud, then the taxpayer can’t claim the credit(s) for 10 tax years.
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
- Travel
- Research
- Clerical help
- Equipment and other expenses not required for enrollment in or attendance at an eligible educational institution

Worksheet 1-1. Taxable Scholarship and Fellowship Income

1. Enter the total amount of any scholarship or fellowship grant for 2019. See Amount of scholarship or fellowship grant in Publication 970.

   1. ______________

   • If you are a degree candidate at an eligible educational institution, go to line 2.
   • If you aren’t a degree candidate at an eligible educational institution, stop here. The entire amount is taxable. For information on how to report this amount on your tax return, see Reporting Scholarships and Fellowships Grants, later.

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).

   2. ______________

3. Subtract line 2 from line 1

   3. ______________

4. Enter the amount from line 3 that your scholarship or fellowship grant required you to use for other than qualified education expenses

   4. ______________

5. Subtract line 4 from line 3

   5. ______________

6. Enter the amount of your qualified education expenses

   6. ______________

7. Enter the smaller of line 5 or line 6. This amount is the most you can exclude from your gross income (the tax-free part of the scholarship or fellowship grant)

   7. ______________

8. Subtract line 7 from line 5

   8. ______________

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

   9. ______________

¹ However, a scholarship or fellowship grant isn’t treated as tax free to the extent the student includes it in gross income (the student may or may not be required to file a tax return) for the year the scholarship or fellowship grant is received and either:

- The scholarship or fellowship grant (or any part of it) must be applied (by its terms) to expenses (such as room and board) other than qualified education expenses.
- The scholarship or fellowship grant (or any part of it) may be applied (by its terms) to expenses (such as room and board) other than qualified education expenses.

You may be able to increase the combined value of an education credit and certain educational assistance if the student includes some or all of the educational assistance in income in the year it is received. See Publication 970 for more information.
## Highlights of Education Tax Benefits for Tax Year 2019

This chart highlights some differences among the benefits discussed in Publication 970. See the text for definitions and details. Don’t rely on this chart alone.

---

You generally can’t claim more than one benefit for the same education expense.

<table>
<thead>
<tr>
<th>What is your benefit?</th>
<th>Scholarships, Fellowships, Grants, and Tuition Reductions</th>
<th>American Opportunity Credit</th>
<th>Lifetime Learning Credit</th>
<th>Student Loan Interest Deduction</th>
<th>Tuition and Fees Deduction, if extended</th>
<th>Coverdell ESA†</th>
<th>Qualified Tuition Program (QTP)†</th>
<th>Education Exception to Additional Tax on Early IRA Distributions†</th>
<th>Education Savings Bond Program†</th>
<th>Employer-Provided Educational Assistance†</th>
<th>Business Deduction for Work-Related Education</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amounts received may not be taxable</td>
<td>Credits can reduce the amount of tax you have to pay.</td>
<td>Credits can reduce amount of tax you must pay</td>
<td>Can deduct interest paid</td>
<td>Can deduct expenses</td>
<td>Earnings not taxed</td>
<td>Earnings not taxed</td>
<td>No 10% additional tax on early distribution</td>
<td>Interest not taxed</td>
<td>Employer benefits not taxed</td>
<td>Can deduct expenses</td>
</tr>
<tr>
<td>What is the annual limit?</td>
<td>None</td>
<td>$2,500 credit per student</td>
<td>$2,000 credit per tax return</td>
<td>$2,500 deduction</td>
<td>$4,000</td>
<td>$2,000 contribution per beneficiary</td>
<td>None</td>
<td>Amount of qualified education expenses</td>
<td>Amount of qualified education expenses</td>
<td>$5,250 exclusion</td>
<td>Amount of qualifying work-related education expenses</td>
</tr>
<tr>
<td>What expenses qualify besides tuition and required enrollment fees?</td>
<td>Course-related expenses such as fees, books, supplies, and equipment</td>
<td>Course-related books, supplies, and equipment</td>
<td>Amounts paid for required books, etc., that must be paid to the educational institution, etc., are required fees</td>
<td>Books Supplies Equipment Room &amp; board Transportation Other necessary expenses</td>
<td>None</td>
<td>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 &amp; board Uniforms Transportation Computer access Supplementary expenses</td>
<td>Higher Education: Books Supplies Equipment Room &amp; board if at least half-time student Expenses for special needs services Computer Equipment, computer software, or Internet access and related services Elem/sec (K-12) education: See Pub 970</td>
<td>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 &amp; board if at least half-time student Expenses for special needs services</td>
<td>Payments to Coverdell ESA</td>
<td>Payments to QTP</td>
<td>Transportation Equipment Other necessary expenses</td>
</tr>
<tr>
<td>What education qualifies?</td>
<td>Scholarships, Fellowships, Grants, and Tuition Reductions</td>
<td>American Opportunity Credit</td>
<td>Lifetime Learning Credit</td>
<td>Student Loan Interest Deduction</td>
<td>Tuition and Fees Deduction, if extended</td>
<td>Coverdell ESA†</td>
<td>Qualified Tuition Program (QTP)†</td>
<td>Education Exception to Additional Tax on Early IRA Distributions†</td>
<td>Education Savings Bond Program†</td>
<td>Education-Provided Educational Assistance†</td>
<td>Business Deduction for Work-Related Education</td>
</tr>
<tr>
<td>--------------------------</td>
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<td>------------------------------------------------</td>
</tr>
<tr>
<td>What are some of the other conditions that apply?</td>
<td>Must be in degree or vocational program</td>
<td>Can be claimed for only 4 tax years (which includes years Hope credit claimed)</td>
<td>Must have been at least half-time student in degree program</td>
<td>Can’t claim both deduction &amp; education credit for same student in same year</td>
<td>Assets must be distributed at age 30 unless special needs beneficiary</td>
<td>No other conditions</td>
<td>No other conditions</td>
<td>No other conditions</td>
<td>No other conditions</td>
<td>No other conditions</td>
<td>No other conditions</td>
</tr>
<tr>
<td>In what income range do benefits phase out?</td>
<td>No phaseout</td>
<td>$80,000 - $90,000</td>
<td>$58,000 - $68,000</td>
<td>$70,000 - $85,000</td>
<td>$65,000 - $80,000</td>
<td>$95,000 - $110,000</td>
<td>No phaseout</td>
<td>No phaseout</td>
<td>No phaseout</td>
<td>No phaseout</td>
<td>No phaseout</td>
</tr>
</tbody>
</table>

† Any nontaxable distribution is limited to the amount that doesn’t exceed qualified education expenses.

Taxpayers filing MFS cannot claim deductions for the American opportunity credit, lifetime learning credit, or student loan interest deductions.
# Education Credits

**TaxSlayer Navigation:** Federal Section>Deductions>Credits Menu>Education Credits; or Keyword "EDUCA" or "886"

**Probe/Action:** To determine if a taxpayer qualifies for the education credit.

**Warning:** 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

<table>
<thead>
<tr>
<th></th>
<th>American Opportunity Credit</th>
<th>Lifetime Learning Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Maximum credit</strong></td>
<td>Up to $2,500 credit per eligible student</td>
<td>Up to $2,000 credit per return</td>
</tr>
<tr>
<td><strong>Limit on modified adjusted gross income (MAGI)</strong></td>
<td>$180,000 if married filing jointly; $90,000 if single, head of household, or qualifying widow(er)</td>
<td>$136,000 if married filing jointly; $68,000 if single, head of household, or qualifying widow(er)</td>
</tr>
<tr>
<td><strong>Refundable or nonrefundable</strong></td>
<td>40% of credit may be refundable¹; the rest is nonrefundable</td>
<td>Nonrefundable—credit limited to the amount of tax you must pay on your taxable income</td>
</tr>
<tr>
<td><strong>Number of years of postsecondary education</strong></td>
<td>Available ONLY if the student had not completed the first 4 years of postsecondary education before 2019</td>
<td>Available for all years of postsecondary education and for courses to acquire or improve job skills</td>
</tr>
<tr>
<td><strong>Number of tax years credit available</strong></td>
<td>Available ONLY for 4 tax years per eligible student (including any year(s) Hope credit was claimed)</td>
<td>Available for an unlimited number of tax years</td>
</tr>
<tr>
<td><strong>Type of program required</strong></td>
<td>Student must be pursuing a program leading to a degree or other recognized education credential</td>
<td>Student does not need to be pursuing a program leading to a degree or other recognized education credential</td>
</tr>
<tr>
<td><strong>Number of courses</strong></td>
<td>Student must be enrolled at least half-time for at least one academic period beginning during 2019 (or the first 3 months of 2020 if the qualified expenses were paid in 2019)</td>
<td>Available for one or more courses</td>
</tr>
<tr>
<td><strong>Felony drug conviction</strong></td>
<td>As of the end of 2019, the student had not been convicted of a felony for possessing or distributing a controlled substance</td>
<td>Felony drug convictions do not make the student ineligible</td>
</tr>
<tr>
<td><strong>Qualified expenses</strong></td>
<td>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</td>
<td>Tuition and required enrollment fees (including amounts required to be paid to the institution for course-related books, supplies, and equipment)</td>
</tr>
<tr>
<td><strong>Payments for academic periods</strong></td>
<td>Payments made in 2019 for academic periods beginning in 2019 or beginning in the first 3 months of 2020</td>
<td>Payments made in 2019 for academic periods beginning in 2019 or beginning in the first 3 months of 2020</td>
</tr>
<tr>
<td><strong>TIN needed by filing due date</strong></td>
<td>Filers and students must have a TIN by the due date of their 2019 return (including extensions)</td>
<td></td>
</tr>
<tr>
<td><strong>Educational institution's EIN</strong></td>
<td>You must provide the educational institution’s employer identification number (EIN) on your Form 8863, Education Credits.</td>
<td></td>
</tr>
</tbody>
</table>

## Footnote

¹ None of the credit is refundable if (1) the taxpayer claiming the credit is (a) under age 18 or (b) age 18 at the end of the year, and their earned income was less than one-half of their own support or (c) a full time student over 18 and under 24 and their earned income was less than one-half of their own support; and (2) the taxpayer has at least one living parent, and; (3) the taxpayer doesn’t file a joint return.
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?

<table>
<thead>
<tr>
<th>If the taxpayer…</th>
<th>Then only…</th>
</tr>
</thead>
<tbody>
<tr>
<td>Has a dependent who is an eligible student</td>
<td>The taxpayer can claim the credit based on that dependent’s expenses. The dependent can’t claim the credit.</td>
</tr>
<tr>
<td>Doesn’t claim the dependent on the tax return</td>
<td>The dependent can claim the credit. The taxpayer can’t claim the credit based on the dependent’s expenses.</td>
</tr>
</tbody>
</table>

Who Can’t Claim the Credit?

- Married filing separately filing status
- Anyone listed as a dependent on another person’s tax return
- Taxpayers whose modified AGI is more than the allowable income limits
- Taxpayer (or the spouse) was a nonresident alien for any part of the tax year unless one of the exceptions listed in Publication 519, U.S. Tax Guide for Aliens, applies

What Expenses Qualify?

- Expenses paid for an academic period starting in 2019 or the first 3 months of 2020
- Expenses not refunded when the student withdraws from class
- Expenses paid with the proceeds from a loan

What are Qualifying Expenses?

- The term “qualified tuition and related expenses” is expanded for the American opportunity credit to include expenditures for course materials. For this purpose, course-related materials are books, supplies, and equipment needed for a course of study whether or not the materials are purchased from the educational institution as a condition of enrollment or attendance.

What is Tax-Free Educational Assistance?

- Tax-free parts of scholarships and fellowships
- Pell Grants (see Publication 970)
- Employer-provided educational assistance (see Publication 970)
- Veterans’ educational assistance
- Any other nontaxable payment (other than gifts or inheritances) received as educational assistance

Note: Don’t reduce the qualified education expenses by any scholarship or fellowship reported as income on the student’s tax return if the use of the scholarship isn’t restricted and used to pay education expenses that aren’t qualified (such as room and board).

Note: Taxpayers must have a Form 1098-T from an eligible educational institution to claim education benefits.

Note: If the student includes the tax free educational assistance in income, has a filing requirement and unearned income (including the taxable scholarship) over $2,200, the student may be subject to filing Form 8615, Tax for Certain Children Who Have Unearned Income (Kiddie Tax), to compute the tax. (See Tab H, Other Taxes, Payments and ACA for additional information).
Determining Qualified Education Expenses
Box 1 may include nontaxable scholarship and grant amounts. Some students may choose to pay nonqualifying expenses
with scholarship/Pell Grant funds, making the scholarship/Pell Grant taxable. This is true even if the scholarship/grant
was paid directly to the school. This may increase the amount of qualifying expenses that can be used in calculating an
education credit. Examples can be found in Coordination with Pell grants and other scholarships or fellowship grants in
Publication 970.

Determine the amount paid by verifying the payment received from the student account statement with the amount shown
in Box 1 of Form 1098-T. Remember to include books, supplies, course related materials and equipment if claiming the
American opportunity credit. Also remember to include out of pocket payments made by the student or on the student’s
behalf. This includes student loans, payments, credit cards and taxable portions of scholarships/grants.
Adjusted Qualified Education Expenses Worksheet (Form 8863 instructions)
1. Total qualified education expenses paid for on behalf of the student in 2019 for the academic period . . . . . . . . . . . . . . . . . . .

7,500

2. Less adjustments:
a.

Tax-free educational assistance received in 2019 allocable to the academic period. . . . . . . . . .

3,000

b. Tax-free educational assistance received in 2020 (and before you file your 2019 tax return)
allocable to the academic period . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .

0

c.

Refunds of qualified education expenses paid in 2019 if the refund is received in 2019 or in 2020
before you file your 2019 tax return . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .

0

3. Total adjustments (add lines 2a, 2b, and 2c) . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . .

3,000

4. Adjusted qualified education expenses. Subtract line 3 from line 1. If zero or less, enter -0- . . . . . . . . . . . . . . . . . . . . . . . . . .

4,500

Example - Bill and Sue are eligible to claim the American opportunity credit for their daughter Sarah, who is in her first
year of college. They have a Form 1098-T with $7,000 in box 1 and a $3,000 Pell Grant in box 5. During your interview
with Bill and Sue, you determine that $3,000 was paid in September 2019 for the fall semester; $3,000 was paid by Pell
Grant and $4,000 was paid by loan proceeds. They paid $500 for books in 2019. To calculate the eligible expenses for
their credit, take the $7,000 ($3,000 grant + $4,000 loan) paid in 2019, plus the $500, for books and enter on line 1 of the
worksheet above. The $3,000 will be entered on line 2a. The line 3 amount would be $3,000. Subtracting line 3 from line
1, you get qualified education expenses of $4,500.
Note: If the student doesn’t have a copy of their student account statement, ask them to go online through their college or
university to get this information.
Note: Forms 1098-T with amounts listed in boxes 4 and 6 are out of scope.
J-6


Entering Education Benefits

TaxSlayer Navigation: Federal Section>Deductions>Credits Menu>Education Credits; or Keyword 8863

Form 8863 - Educational Credit

Select an Eligible Student
Taxpayer: [Field]

Select the type of credit *
- American Opportunity
- Lifetime Learning

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

$ [Field]

If the taxpayer was under age 24 at the end of the year and met the conditions as outlined in the student under age 24 chart in this tab, they can't take the refundable American opportunity credit.

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

See determining qualified expenses page earlier in this tab.

For lifetime learning credit, course-related books, materials, and supplies are not included as qualified expenses unless paid directly to the institution as a condition of enrollment.
Entering Education Benefits (continued)

TaxSlayer Navigation: Federal Section>Deductions>Credits, Menu>Education Credits; or Keyword “886”

Did the student receive Form 1098-T from this institution for 2018? *
- Yes
- No
Did the student receive Form 1098-T from this institution for 2017 with Box 2 filled in and Box 7 checked? *
- Yes
- No
Enter the Institution’s Federal Identification Number (from Form 1098-T) *
- [Blank]

Has the Hope Scholarship Credit or American Opportunity Credit already been claimed on 4 prior tax returns? *
- Yes
- No
Was the student enrolled at least half-time? *
- Yes
- No
Did the student complete the first 4 years of post-secondary education before 2018? *
- Yes
- No
Was the student convicted, before the end of 2018, of a felony for possession or distribution of a controlled substance? *
- Yes
- No

- Only the taxpayer is eligible if he or she claims the student as a dependent. Only the student is eligible if he or she isn’t claimed as a dependent (even if he or she can be claimed) - no matter who pays.
- For the American opportunity credit only, qualified tuition and related expenses include books, supplies and equipment needed for the course, whether or not they were purchased from the institution as a condition of enrollment. Computers, however, can only be included IF they are a requirement for enrollment or attendance.

Note: The following aren’t qualifying expenses for education credits: room and board, insurance, medical, transportation, or personal expenses, even if the amount must be paid to the institution as a condition of enrollment or attendance. If the educational expenses are associated with sports, games, hobbies, or other noncredit courses, see Publication 970 for more information.

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.

Caution: If American opportunity credit is selected but taxpayer is determined to be ineligible after answering qualifying questions, TaxSlayer will automatically change credit to lifetime learning without changing tax preparer’s credit selection or any other warning.
# Student Under Age 24 Claiming American Opportunity Credit

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Were you under 24 at the end of 2019?</td>
<td>If NO, stop here; you do qualify to claim part of the allowable American opportunity credit as a refundable credit. If YES, go to question 2.</td>
</tr>
<tr>
<td>2. Were you over 18 at the end of 2019?</td>
<td>If YES, go to question 3. If NO, go to question 4.</td>
</tr>
<tr>
<td>3. Were you a full-time student (defined later) for 2019?</td>
<td>If NO, stop here; you do qualify to claim part of your allowable American opportunity credit as a refundable credit. If YES, go to question 5.</td>
</tr>
<tr>
<td>4. Were you 18 at the end of 2019?</td>
<td>If YES, go to question 5. If NO, go to question 6.</td>
</tr>
<tr>
<td>5. Was your earned income (defined below) less than one-half of your support for 2019?</td>
<td>If NO, stop here; you do qualify to claim part of your allowable American opportunity credit as a refundable credit. If YES, go to question 6.</td>
</tr>
<tr>
<td>6. Was either of your parents alive at the end of 2019?</td>
<td>If NO, stop here; you do qualify to claim part of your allowable American opportunity credit as a refundable credit. If YES, go to question 7.</td>
</tr>
<tr>
<td>7. Are you filing a joint return for 2019?</td>
<td>If NO, you do not qualify to claim part of your allowable American opportunity credit as a refundable credit. If YES, you do qualify to claim part of your allowable American opportunity credit as a refundable credit.</td>
</tr>
</tbody>
</table>

**Earned income.** Earned income includes wages, salaries, professional fees, and other payments received for personal services actually performed. Earned income includes the part of any scholarship or fellowship that represents payment for teaching, research, or other services performed by the student that are required as a condition for receiving the scholarship or fellowship. Earned income does not include that part of the compensation for personal services rendered to a corporation which represents a distribution of earnings or profits rather than a reasonable allowance as compensation for the personal services actually rendered.

**Full-time student.** Solely for purposes of determining whether a scholarship is considered support, you were a full-time student for 2019 if during any part of any 5 calendar months during the year you were enrolled as a full-time student at an eligible educational institution (defined earlier), or took a full-time, on-farm training course given by such an institution or by a state, county, or local government agency.
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
- Consent to Disclose Tax Return Information to VITA/TCE Tax Prep Sites
- State ID (Optional) (Shows only if there is a state return)

**Federal Return Type**
Select type of federal return. The drop down options for a balance due return differ from those for a return with a refund. Some states may require the federal return be e-filed before the state e-filed return can be electronically processed.

To apply a federal refund towards next year's taxes open Federal>Payments and Estimates>Apply Payments to Next Year's Taxes.

To apply state refund to next year's state taxes, go to State>Payments

---

**Federal Return Types with a Refund**

<table>
<thead>
<tr>
<th>E-file: Paper Check</th>
<th>E-filed with refund check mailed to taxpayer</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-file: Direct Deposit</td>
<td>E-filed with direct deposit</td>
</tr>
<tr>
<td>Paper Return with Direct Deposit</td>
<td>Paper return with direct deposit</td>
</tr>
<tr>
<td>Paper Return</td>
<td>Paper return with check mailed to taxpayer</td>
</tr>
</tbody>
</table>

**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

<table>
<thead>
<tr>
<th>State</th>
<th>Refund/Due</th>
<th>Return Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>GA</td>
<td>$ 481.00</td>
<td>Not Selected</td>
</tr>
</tbody>
</table>

If the state return is marked as Paper and the federal return is e-filed, confirm this is the correct choice and not a mistake.

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.

<table>
<thead>
<tr>
<th>Name of Bank</th>
<th>Input the name of the bank as stated on the check.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of Account</td>
<td>Checking</td>
</tr>
<tr>
<td>Routing Transit Number</td>
<td></td>
</tr>
<tr>
<td>Confirm Routing Transit Number</td>
<td></td>
</tr>
<tr>
<td>Bank Account Number</td>
<td></td>
</tr>
<tr>
<td>Confirm Bank Account Number</td>
<td></td>
</tr>
</tbody>
</table>

Note: This bank information MUST be accurate for your return to process correctly.

State Return Types with a Refund

- Paper Return
- E-file: Paper Check
- Paper Return with Direct Deposit
- E-file: Direct Deposit

State Return Types with an Amount Owed

- Paper Return
- E-file: Mail Payment
- E-file: Direct Debit

Note: See Pointers for Direct Deposit of Refunds later in this tab.

CAUTION: 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

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: 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.

<table>
<thead>
<tr>
<th>Purchase Savings Bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td>You can purchase up to 3 savings bonds with the remainder of your refund.</td>
</tr>
<tr>
<td>Bond amounts must be in $ 50 increments</td>
</tr>
</tbody>
</table>

- **Purchase A bond**
  - I do not want to purchase this bond
  - Amount to be used for bond purchase for yourself: $0.00

- **Purchase another bond for yourself or someone else**
  - I do not want to purchase this bond
  - Bond Amount: $0.00
  - Enter the owner's name (First then Last) for the bond registration
  - If you would like to add a co-owner or beneficiary, enter the name here (First then Last)
  - Is Beneficiary?

Third Party Designee Info

- **This information is optional but must be filled out completely if you choose to include it.**

- **First Name**
  - 

- **Designee Last Name**
  - 

- **Designee Phone**
  - 

- **Designee Pin**
  - 

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

Global Carryforward

- **Consent Status**
  - I/We, the Taxpayer have read the above information. By typing in my/our taxpayer PIN(s) and checking this input, I/We hereby [ ] consent to "Consent to Disclose Tax Return Information to VITA/TCE Tax Prep Sites" as stated above.
  - I/We, the Taxpayer have read the above information. By checking this input, I/We hereby [ ] consent to "Consent to Disclose Tax Return Information to VITA/TCE Tax Prep Sites" as stated above.

- **Primary PIN (enter 5 numbers)**
  - 62269

- **Primary PIN Date**
  - 09/22/2019

- **Secondary PIN (enter 5 numbers)**
  - 62268

- **Secondary PIN Date**
  - 04/21/2019

- **Next**

**Grant** = Next year, the taxpayer’s data will carry forward to any VITA/TCE site using TaxSlayer.

**Deny** = Next year, the taxpayer’s data will carry forward only to the VITA/TCE site that prepared the return.

**Note:** Paper Form 15080, Consent to Disclose Tax Return Information to VITA/TCE Tax Return Preparation Sites, is not needed if the taxpayer denies the Global Carryforward of return data to all sites, enters his/her own PIN into TaxSlayer, or if the site uses another tax preparation software.
Completing the e-File Section (continued)

Questions
Answer national and local questions

1. Would you say you can carry on a conversation in English, both understanding and speaking?
2. Would you say you can read a newspaper or book in English?
3. Do you or any member of your household have a disability?
4. Are you or your spouse a Veteran from the US Armed Force?
5. Was the taxpayer physically present during the entire return preparation and quality review process?

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 driver’s 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

Number

Issue Date

Expiration Date

- No Expiration date

Issue State

NY Document 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.

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
IRS e-file Signature Authorization

The taxpayers’ PINs are defaulted to 1+ the last four digits of the SSN in the electronic return record before the taxpayers sign Form 8879, IRS e-file Signature Authorization. The taxpayers must sign and date Form 8879 before the ERO originates the electronic submission of the return and after reviewing the return and ensuring the tax return information on the form matches the information on the return.

Taxpayer PIN Guidelines
The PIN can be any five numbers except all zeros. If filing a joint return, a PIN is needed for the taxpayer and spouse.

How to use the Practitioner (ERO) PIN in TaxSlayer
• 98765 is defaulted in Office Setup
• The information is pulled from Office Setup to Part III of Form 8879

Form 8453, U.S. Individual Income Tax Transmittal for an IRS e-file Return

Form 8453 will be used to transmit specific supporting documents that can’t be e-filed. Those paper forms, schedules and supporting documents include:

• Form 2848, Power of Attorney and Declaration of Representative (or POA that states the agent is granted authority to sign the return)
• Form 8332, Release / Revocation of Release of Claim to Exemption for Child by Custodial Parent (or certain pages from a divorce decree or separation agreement, that went into effect after 1984 and before 2009) (see instructions)
• Form 8949, Sales and Other Dispositions of Capital Assets (or a statement with the same information), if you elect not to report your transactions electronically on Form 8949. Form 8453 is to be mailed to the Austin Submission Processing Center within three business days.

Mail Form 8453 to:
Internal Revenue Service
Attn: Shipping and Receiving, 0254
Receipt and Control Branch
Austin, TX 73344-0254

TIP 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, all supporting documents, and the completed tax return. The taxpayer must be available to explain any discrepancies the Quality Reviewer may discover.

There are two acceptable quality review methods:

- **Designated Review** - This preferred quality review method employs a designated Quality Reviewer, a volunteer who is solely dedicated to reviewing returns prepared by the other volunteers at the site.
- **Peer Review** - When a designated Quality Reviewer is not available, volunteers can review each other’s returns.

All items below in the **Quality Review Checklist** must be addressed:

- Taxpayer (and Spouse's) identity was verified with a photo ID during the visit
- The volunteer return preparer and quality reviewer are certified to prepare/review this return and return is within scope of the program
- All questions in Parts I through V are answered and unsure boxes were discussed with the taxpayer and correctly marked yes or no
- All applicable information in the shaded area on Page 1 was completed by the certified volunteer preparer
- Names, Addresses, SSNs, ITINs, and EINs are verified and correct
- Filing status is correct
- Dependency determinations are correct
- All Income (with or without source documents) checked “yes” in Part III is verified and correct
- All applicable adjustments to income are verified and correct
- Standard or Itemized Deductions are correct
- All eligible credits are correct
- All applicable provisions of ACA were considered for each person named on the tax return and are correct
- Federal Income Tax Withholding and Estimated Tax Payments are correct
- Direct Deposit/Debit and checking/saving account numbers are correct
- SIDN is correct on the return
- During the visit, the taxpayer(s) was advised that they are responsible for the information on their return
- Any errors identified or incomplete Form 13614-C are discussed with the preparer

Refer to Publication 5310, Tax Return Quality Review Job Aid, for additional guidance on how to conduct a quality review.

**Due Diligence**

All IRS tax law-certified volunteers are required to exercise due diligence. This means, as a volunteer, you are required to do your part when preparing or quality reviewing a tax return to ensure the information on the tax return is correct and complete.

Doing your part includes: confirming a taxpayer’s (and spouse, if applicable) identity and providing top-quality service by helping them understand and meet their tax responsibilities.

Generally, as an IRS tax law-certified volunteer, you can rely in good faith on information from a taxpayer without requiring documentation as verification. However, part of due diligence requires you to ask a taxpayer to clarify information that may appear to be inconsistent or incomplete. When reviewing information for accuracy, you need to consider if the information is unusual or questionable. Follow-up questions are required when these types of items are identified.
TaxSlayer Basic Quality Review - Print Set

Quality Review using TaxSlayer: Refer to Publication 5310, Tax Return Quality Review Job Aid

Return Open: After the return is prepared and still opened by the preparer, the preparer should select Quality Review from the drop down list on the Submission page. The Quality Reviewer may select the “Quality Review” print set. Although TaxSlayer calls these print sets, returns can be viewed without printing using Adobe Reader.

Note: A peer-to-peer reviewer may use the “Return Open” process.

Return Closed: If the preparer closes the return, the Quality Reviewer should select the printer icon drop down list from the Client List page. This list will include the printer options for the Quality Reviewer.

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

Selecting the Quality Review print set while the return is opened or closed, the Quality Reviewer will be able to review all documents included in the tax return. Compare the IRS Form 13614-C to the embedded TaxSlayer Intake/Interview sheet to verify the documents included in the tax return.
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.

<table>
<thead>
<tr>
<th>Return Information</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of Return</strong></td>
<td>E-file: Mail Payment</td>
</tr>
<tr>
<td><strong>Federal Due</strong></td>
<td>$2,718.00</td>
</tr>
<tr>
<td><strong>Is Complete</strong></td>
<td>✔</td>
</tr>
<tr>
<td><strong>Invoice Paid</strong></td>
<td>✔</td>
</tr>
</tbody>
</table>
Return Signature

A return isn’t considered valid unless it is signed. Both spouses must sign if the return is filed jointly. The return should be dated and the occupation lines should be completed. Advise the taxpayer they’re responsible for the information on the return.

When someone can sign for you

Child’s Return

If a child can’t sign his or her name, the parent, guardian, or another legally responsible person must sign the child’s name in the space provided followed by the words “By (parent or guardian signature), parent or guardian for minor child.”

Incapacitated Spouse

If the spouse can’t sign because of injury or disease and tells the taxpayer to sign for him or her, the taxpayer can sign the spouse’s name on the return followed by the words “By (your name), Husband (or Wife).” A dated statement must be attached to the return. See Publication 501, Dependents, Standard Deduction, and Filing Information, for requirements to include in the statement.

Military Spouse

If the taxpayer’s spouse is unable to sign the return because he or she is serving in a combat zone or is performing qualifying service outside of a combat zone, and the taxpayer doesn’t have a power of attorney (POA) or other statement, the taxpayer can sign for their spouse. Attach a signed statement to the return that explains that the spouse is serving in a combat zone. See Publication 3, Armed Forces’ Tax Guide, for other situations.

Court-appointed conservator or other fiduciary

If you are a court-appointed conservator, guardian, or other fiduciary for a mentally or physically incompetent individual who has to file a tax return, sign your name for the individual and file Form 56, Notice Concerning Fiduciary Relationship.

Power of Attorney

Attach a copy of the taxpayer’s original paper POA to a copy of Form 8453 for the site to send to the IRS once the return is accepted. Alternatively, you may scan the POA as a PDF and attach the PDF to the return prior to 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.
Return Signature (continued)

Deceased Taxpayer

TaxSlayer Navigation: Federal Section>Personal Information

If the spouse died during the year and the surviving spouse didn’t remarry, a joint return can be filed. If a taxpayer died before filing the return and had no filing requirement but had tax withheld, a return must be filed to get a refund. If the decedent had a filing requirement, the taxpayer’s spouse or personal representative will have to file and sign a return for the person who died. A personal representative can be an executor, administrator, or anyone who is in charge of the decedent’s property. If no one has yet been appointed as executor or administrator, the surviving spouse can sign the return for the deceased spouse and enter “Filing as surviving spouse” in the area where the return is signed.

If filing a paper return, write “Deceased,” the decedent’s name, and the date of death across the top of the tax return. TaxSlayer will automatically note on the top of Form 1040, U.S. Individual Income Tax Return the decedent’s name and date of death.

Form 2848, Power of Attorney and Declaration of Representative, is invalid once the taxpayer dies; therefore Form 56 or new Form 2848 signed by estate executor or representative must be completed. See Publication 559, Survivors, Executors, and Administrators, for details.

Claiming a Refund for a Deceased Person

TaxSlayer Navigation: Federal Section>Miscellaneous Forms>Claim a Refund Due to a Deceased Taxpayer

Court-appointed representatives should file the return and attach a copy of the certificate that shows their appointment. All other filers requesting the decedent’s refund should file the return and attach Form 1310, Statement of Person Claiming Refund Due a Deceased Taxpayer. The software completes this form.
Printing the Tax Return

**TaxSlayer Navigation:** Client Search>Office Client List or e-File Section>Last Screen (Submission)>Print Return

A copy of the return can be printed by selecting the Printer Icon located on the Client Tax Return row from the Office Client List. A copy of the tax return can also be printed from within the return. The print location from inside the return is located on the Submission page under the e-File section. After all required information has been entered on the e-file page, select Save. The program will display the Submission page. From this page, click on the drop down arrow, select the appropriate print set, and then select Print Return. Once the PDF is generated, you can choose the pages you wish to print and the number of copies you wish.

Distributing Copies of Returns

**Taxpayer**

- Form 1040 with all forms/schedules including signed Form 8879 and Form 8453, if applicable.
- Organize the taxpayer’s copy of the return according to the attachment sequence at the top right corner of each form. Any supplemental schedules are put at the end.
- Form 8332, if applicable.
- Original Power of Attorney, if applicable.
- State forms/schedules, as applicable.
- All other taxpayer documents including Form(s) W-2 and Form(s) 1099.

**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.
- Attach federal copies of Form(s) W-2 and any Form(s) 1099 with withholding.

**Paper State Return**

- Signed state return with all forms and schedules.
- Attach a copy of the federal return if required by state instructions.
- Attach state copies of Form(s) W-2 and any Form(s) 1099 with withholding.

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 hyphens but omit spaces and special symbols. Don’t include the check number or the dollar amount on canceled checks. On the sample check below, the account number is 20202086. The 16-digit number on a debit card is not the account number.

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 canceled 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 someone else’s account. If the direct deposit is voided, a paper check will automatically be mailed to the address on the electronic tax form.

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.

- **CAUTION**: Financial institutions generally don’t allow a joint refund to be deposited into an individual account. The IRS isn’t responsible if a financial institution refuses a direct deposit.

- **CAUTION**: Direct deposit of a taxpayer’s refund is to be made to an account (or accounts) only in the taxpayer’s name. Advise taxpayers their refund may only be deposited directly into his/her own account(s).

Taxpayer’s federal and state refunds can’t be deposited into VITA/TCE Volunteer or any associated partner’s personal or business bank/debit card accounts.

**Note**: To combat fraud and identity theft, IRS permits a maximum of three refunds to be electronically deposited into a single financial account.

The fourth and subsequent refunds automatically convert to a paper refund check and will be mailed to the taxpayer.
Balance Due Returns

General Information

• Taxpayers don’t have to pay if balance due is less than $1.
• Payment in full is due by the April filing due date to avoid interest and penalties.
• Taxpayer should file his or her return by the April filing due date to avoid a failure-to-file penalty.
• There are separate penalties for filing late and paying late. The late filing penalty is higher.
• Advise taxpayers to file the return on time, even if they can’t pay the full amount owed. They should pay as much as they can with the return to reduce penalties and interest.

Payment Methods

1. Electronic Funds Withdrawal
   E-filing allows taxpayers to file their return early and schedule their payment for withdrawal from their checking or savings account on a future date up to the April filing due date. Advise taxpayers that they should check their account to verify that the payment was made.

2. IRS Direct Pay
   IRS direct pay on the IRS website is a free one-time payment from your checking account to the IRS. Use this secure service to pay your tax bill or make an estimated tax payment directly from your checking or savings account at no cost to you. You’ll receive instant confirmation that your payment has been submitted. Just follow the easy steps below. Bank account information isn't retained in IRS systems after payments are made.

   It takes just 5 easy steps to make a payment:

<table>
<thead>
<tr>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
<th>Step 4</th>
<th>Step 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide your tax information</td>
<td>Verify your identity</td>
<td>Enter your payment information</td>
<td>Review and electronically sign the transaction</td>
<td>Print or record your online confirmation number</td>
</tr>
</tbody>
</table>

3. Check or money order payments
   • Don’t attach the payment to the return.
   • Refer to instructions on Form 1040V, Payment Voucher.
   • Submit the payment with a properly completed Form 1040V.
   • Don’t mail cash.

4. Credit card payments
   • American Express, Discover, Mastercard, or Visa cards are accepted.
   • A convenience fee will be charged by the service providers.
   • For details, visit the IRS website, keywords “make a payment.”

Note: See Form 1040 Instructions for additional information
5. Electronic Federal Tax Payment System (EFTPS)
   Taxpayers can use EFTPS to pay their federal taxes, but they must enroll first. EFTPS is a fast, easy, convenient and secure service provided free by the Department of Treasury. For more information or to enroll visit the IRS website, keywords “make a payment” or call EFTPS Customer Service at 1-800-316-6541 (for individual payments). TTY/TDD help is available by calling 1-800-733-4829.

   Note: You must have a valid Social Security Number (SSN) to use this application. This application cannot accommodate Individual Taxpayer Identification Numbers (ITINs)

6. PayNearMe (Cash Payments)
   Taxpayers can make a cash payment without the need of a bank account or credit card at more than 27,000 retail locations nationwide. To find a location near you, visit the IRS website, keywords “make a payment.”

7. Pay by Mobile Device
   To pay through a mobile device, taxpayers may download the IRS2Go app.

Installment Agreement
Because of the Bipartisan Budget Act of 2018, user fees for low-income taxpayers setting up installment agreements (long-term payment plans) may be waived or reimbursed, under certain conditions.

Effective for installment agreements established on or after April 10, 2018:
   • Taxpayers meeting the low-income threshold (at or below 250% of the federal poverty guidelines, as determined for the most recent year) who agree to establish a Direct Debit Installment Agreement, will not be charged a user fee.
   • Taxpayers who are low income and unable to make electronic payments through a debit instrument by entering into a Direct Debit Installment Agreement will be reimbursed the user fee upon completion of the installment agreement.

What if the taxpayer can’t pay?
   • Full pay within 120 days. If taxpayers can pay the full amount they owe within 120 days, go to the IRS website, keyword “installment agreement” to establish your request to pay in full. By doing this, taxpayers can avoid paying the fee to set up an installment agreement.
   • Online Payment Agreement. If the taxpayer’s balance due is $50,000 or less, the taxpayer can apply online for a payment agreement instead of filing Form 9465, Installment Agreement Request. To do that, go to IRS.gov and enter “Online Payment Agreement” or “OPA” in the “Search” box. The origination fee is lower for online payment agreements than applying by phone, mail or in person.
   • The taxpayer can request an extension of time to pay if paying the tax by the due date will be an undue hardship. For details see Form 1127, Application for Extension of Time for Payment of Tax Due to Undue Hardship. This form is Out of Scope.

Offer in Compromise
If the taxpayer can’t pay through an installment agreement and/or by liquidating assets, they may be eligible for an Offer in Compromise (offer). An offer is an agreement between the taxpayer and the IRS that settles a tax debt for less than the full amount owed. The IRS may accept an offer if:
   • The IRS agrees that the tax debt may not be accurate,
   • The taxpayer has insufficient assets and income to pay the amount due in full, or
   • The taxpayer has exceptional circumstances and paying the amount due would cause an economic hardship or would be unjust.

The taxpayer can use the Offer in Compromise Pre-Qualifier tool located at the IRS website, keyword “offer” to determine if an offer is a realistic option to resolve their balance due. The questionnaire format assists in gathering the information needed and provides instant feedback as to eligibility. To apply for an offer, the taxpayer must read and complete the forms located in Form 656-B, Offer in Compromise.
How can a taxpayer avoid a balance due in the future?

**TIP**
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 Tax Withholding Estimator 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 or 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; or Keyword “1040-ES”

### Estimated Payments for Next Year

- **First Quarter (April 15, 2019)**
  
  Enter amount to be printed on each voucher.

- **Second Quarter (June 17, 2019)**

- **Third Quarter (September 16, 2019)**

- **Fourth Quarter (January 15, 2020)**

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.

**TaxSlayer Navigation:** Federal Section>Payments & Estimates>Apply Overpayment to Next Year’s Taxes

### Payment Apply Refund

Amount of Overpayment ($1,782.00) to apply to 2019

Enter amount to be printed on each voucher.
Tab L: Resident/NR Alien
Nonresident Alien or Resident Alien? - Decision Tree

Start here to determine your residency status for federal income tax purposes

RESIDENT Alien for U.S. Tax Purposes

Were you a lawful permanent resident of the United States ("had a green card") at any time during the current tax year?¹

→ YES

Were you physically present in the United States on at least 31 days during the current tax year?³

→ YES

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, counting all days of presence in the current tax year, 1/3 of the days of presence in the first preceding year, and 1/6 of the days of presence in the second preceding year?³

→ YES

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 required)

→ NO

NONRESIDENT Alien for U.S. Tax Purposes

Were you physically present in the United States on at least 31 days during the current tax year?³

→ NO

Were you physically present in the United States on at least 183 days during the current tax year?³

→ NO

Resident or Nonresident Alien Decision Tree

Footnotes

¹ If this is your first or last year of residency, you may have a dual status for the year. See Dual-Status Aliens in Pub 519. (Out-of-Scope)

² In some circumstances you may still be considered a nonresident alien and eligible for benefits under an income tax treaty between the U.S. and your country. Check the provision of the treaty carefully. (Must be certified appropriately.)

³ See Days of Presence in the United States in Pub 519 for days that do not count as days of presence in the U.S. (Exempt individuals such as students, scholars, and others temporarily in the U.S. under an F, J, M, or Q visa's immigration status do not count their days of presence in the U.S. for specified periods of time.)

⁴ If you meet the substantial presence test for the following year, you may be able to choose treatment as a U.S. resident alien for part of the current tax year. See Substantial Presence Test under Resident Aliens and First-Year Choice under Dual Status Aliens in Pub. 519. (Out-of-Scope)

⁵ Nonresident students from Barbados, Hungary, and Jamaica, as well as trainees from Jamaica, may qualify for an election to be treated as a U.S. Resident for tax purposes under their tax treaty provisions with the U.S. A formal, signed, election statement must be attached to the Form 1040 (preparation of the statement is Out of Scope). (It continues until formally revoked.)
# Resident or Nonresident Alien Decision Chart

Determine residency status for federal income tax purposes.

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

**Footnotes**

¹ If this is your first year of residency, you may have a dual status for the year. See Dual Status Aliens in Pub 519, U.S. Tax Guide for Aliens. (Out of Scope)

² In some circumstances you may still be considered a nonresident alien and eligible for benefits under an income tax treaty between the U.S. and your country. Check the provision of the treaty carefully. (Out of Scope)

³ See Days of Presence in the United States in Publication 519 for days that do not count as days of presence in the U.S. (Exempt individuals such as students, scholars, and others temporarily in the U.S. under an F, J, M, or Q visa’s immigration status do not count their days of presence in the U.S. for specified periods of time.)

⁴ If you meet the substantial presence test for the following year, you may be able to choose treatment as a U.S. resident alien for part of the current tax year. See Substantial Presence Test under Resident Aliens and First Year Choice under Dual Status Aliens in Publication 519. (Out of Scope)

⁵ Nonresident students from Barbados, Hungary, and Jamaica, as well as trainees from Jamaica, may qualify for an election to be treated as a U.S. Resident for tax purposes under their tax treaty provisions with the U.S. A formal, signed, election statement must be attached to the Form 1040 (preparation of the statement is Out of Scope). (It continues until formally revoked.)
Resident or Nonresident Alien Decision Chart (continued)

If after using the Resident or Nonresident Alien Decision Chart (Page L-1) you have determined a taxpayer is a Resident Alien for U.S. Tax Purposes, and does not meet any of the exceptions that would be outside of the scope of the VITA program, select one of the filing statuses listed under the Basic Information Section in TaxSlayer Pro. A Resident Alien is treated like a U.S. Citizen when determining filing status.

If after using the Resident or Nonresident Alien Decision Chart (Page L-1) you have determined a taxpayer is a Nonresident Alien for U.S. Tax Purposes, under the Basic Information Section in TaxSlayer Pro, select Nonresident Alien, if you have certified under the Foreign Student and Scholar Module and the taxpayer’s circumstances are within the scope of the Foreign Student and Scholar VITA program. After selecting the Nonresident Alien filing status, you will be given six (6) choices; Single resident of Canada or Mexico or single U.S. national, other single nonresident alien, Married resident of Canada or Mexico or married U.S. national, Married resident of South Korea, other married nonresident alien, or Qualified widower(er) with dependent child.

You will only complete a tax return for a Nonresident Alien if you have certified on the Foreign Student and Scholar Module, and at least 1 other person at your site, who is also certified on the Foreign Student and Scholar Module, can quality review the return.

Be sure to have the taxpayer complete Form 13614-NR, Nonresident Alien Intake and Interview Sheet, and use Publication 4011, VITA/TCE Foreign Student and Scholar Resource Guide, to conduct the Quality Review.

Electronic Filing of Returns with Valid ITIN

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

Returns can be electronically filed when the taxpayer has an Individual Taxpayer Identification Number (ITIN) but has a Form W-2 with a Social Security Number (SSN) that belongs to another taxpayer.

1. The taxpayer’s ITIN must be entered on the personal information screen in the space provided for the taxpayer’s or spouse’s social security number, if applicable.

2. When completing the Form W-2 in TaxSlayer, enter the SSN shown on the paper Form W-2. The Internal Revenue Service requires the manual key entry of the Taxpayer Identification Number (TIN) as it appears on Form W-2 received from the employer for all taxpayers with ITINs who are reporting wages. The ITIN that was entered when the return was started won’t auto-populate the TIN on Form W-2 for these ITIN filers.

Employee

Whose W-2 is this? *

☐ Test Taxpayer
☐ Spouse Taxpayer

ITIN SSN *

Note: ITIN taxpayers requesting to file Forms 1099-R, Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts etc., with an incorrect Social Security Number must file a paper return. These returns can’t be e-filed. There are no procedures in place to e-file these types of returns.
Creating a Temporary ITIN when the Spouse and/or Dependent(s) are Applying for an ITIN

TaxSlayer Navigation: Federal Section>Miscellaneous Forms> Application for ITIN

TaxSlayer will not generate temporary ITINs for the taxpayer, spouse and/or dependents on a return if Form W-7 is needed. The ITIN application requires a federal tax return be associated with all Form W-7 applications (with some exceptions as noted in the instructions for Form W-7). Federal tax returns can’t be filed using electronic return preparation software without a TIN (taxpayer identification number). If the taxpayer is working under an erroneous social security number, that social security number should be used only on the W-2.

1. In the TIN field for all individuals needing to complete Form W-7, enter all digits as zeros “0”. A return requiring three temporary TINs will be entered as follows:
   - The spouse's: 000-00-0000
   - The first dependent's: 000-00-0000
   - The second dependent's: 000-00-0000

2. Select each individual in TaxSlayer. Fill in the name of each family member applying for an ITIN on a separate Form W-7 application. Make sure that names match required documentation that clients will be submitting with their W-7 application(s). See Tab B, Starting a Return and Filing Status, Determining the Last Name of the Taxpayer section for additional information.

3. Print the return package, and provide the return package to the taxpayer to mail with Forms W-7 to the address shown on the Form W-7 instructions.

4. If the taxpayer has a family pack that includes multiple Forms W-7 with one return, or multiple returns with one Form W-7, these forms should be staggered and stapled together to show the entire package as a family pack. This will prevent separation of the forms/returns that could delay the processing time.

5. Have taxpayers mail Form W-7 application(s), all original supporting documentation, and tax return or take to a Certified Acceptance Agent (CAA) or local Taxpayer Assistance Center (TAC) for ITIN Authentication. Note: Not all TAC offices are authorized to perform ITIN Authentication. See the list of supporting documentation in the Form W-7 Instructions.

6. If applicable, prepare a copy of the state return with a copy of the federal return attached. If taxpayers will not owe state taxes, suggest they hold the state return until they receive their official ITIN letter(s), which may take 7 weeks (9 to 11 weeks if submitted during peak processing periods, January 15 through April 30). Once the ITIN(s) is assigned, record them on the state tax returns before mailing.

Note: ITINs will expire if not used within three years. The ITIN will expire on the date following the due date of the tax return for such third consecutive taxable year.

The following communication products provide information on changes being made to the Individual Taxpayer Identification Number (ITIN) program this year. They are intended for use in raising awareness among taxpayers with a need to file a federal tax return in 2020 but whose ITIN will expire at the end of 2019. The products, available in multiple languages, are offered in electronic format for electronic distribution or for printing.

Publication 5259 (EN-SP), ITIN Fact Sheet

This publication explains changes IRS is implementing as a result of the Protecting Americans from Tax Hikes (PATH) Act legislation requiring expiration of certain ITINs. It also covers changes to the use of a passport as a stand-alone document for dependent ITIN applications.

Publication 5256 (EN-SP), You May Need to Renew Your Expired ITIN

This publication provides taxpayers quick facts about which ITINs are expiring and how to get more information. It provides three flyers per page and can be printed and cut/separated for use.

Publication 5257 (EN-SP), Renewing Your ITIN

This publication is a full page document detailing the facts about expiring ITINs and basic information about how to renew them. There’s an electronic version with resource links and a printable version with instructions on how and where to find more information.
Tab M: Other Returns
Amended Returns

Overview of Amended Return Preparation Process in TaxSlayer

TaxSlayer Navigation: Access the federal and state amended return screens from the navigation MENU on the left side of the screen.

The Protecting Americans from Tax Hikes (PATH) Act of 2015 prevents taxpayers using newly issued tax ID numbers to retroactively claim refundable tax credits in prior years. For example, someone who filed a tax return under an ITIN and later got an SSN cannot file amended return(s) to claim EITC.

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

If the VITA/TCE site amending the return prepared the original return in TaxSlayer, print a copy of the return. A copy of the original federal and state returns is available in the Client Status section on the Office Client List page.

Office Client List

To view and print the original filed and accepted return, go to the client list.

If the VITA/TCE site amending the return did not prepare the original return in TaxSlayer, the site will need a copy of the original return. See “Amended Returns - Original Return Not Created by the Site Preparing the Amended Return” later in this tab.

When changing the filing or residency status, TaxSlayer warns that all state returns will be deleted. Regardless of the state, the steps to amend a state return are consistent. TaxSlayer asks for the state refund amount or the amount paid if there is a state balance due.
Amended Returns (continued)

Completing an Amended Return that was Accepted in TaxSlayer (Site prepared the original filed return)

1. Pull the original tax return amounts to Form 1040X, Amended Return, original column by taking the following steps:
   a. Find and open the original return in TaxSlayer.
   b. Make all necessary changes to the return based on the new information from the taxpayer. (For example, if the taxpayer needs to add a Form W-2, add it now as you would if preparing a return normally.)
   c. When you finish making changes, select 20XX Amended Return. TaxSlayer displays the Amended Tax Returns - Form 1040X page:

   ![Amended Tax Return - Form 1040X]

   d. Select Begin on the Original Return Information line.
   e. Because the IRS accepted the return through TaxSlayer, the software defaults the original accepted return information on this page. Review the information using the printed original return. If any information needs to be changed, change it here.
   f. If the taxpayer is changing personal exemptions, has changed their address, or wants to change an election for the Presidential Election Campaign Fund, select the appropriate check boxes at the bottom of the page.
   g. When finished, select Continue.

2. Amend the State Return (if needed)
   a. Select Begin on the Create Amended State Return line. If there are no state changes, skip to step 3.
   b. Select Amend State for the state you need to amend.

   ![State Return Table]

   c. Select Begin on the Amended Return line.
   d. Read the screen and select Yes from the drop-down list.
   e. Select Begin on the Review and Complete Amended Return line.
   f. Select Begin on each line of the State Return: Review and Complete Amended Return page. Use the printed original return to ensure all information has been entered correctly based on the original accepted return.
   g. When you finish reviewing all information, select Back.
   h. TaxSlayer Pro displays the State Return: Amended Return page. When finished with all the information for the amended return, select Save, then Exit return to leave the state’s page. Repeat as necessary for other states.
Amended Returns (continued)

3. Explain changes
   a. Go to the Amended Tax Return – Form 1040X page, then select Begin on the Explain Changes line.
   b. Enter an explanation for each change in the box provided.

4. Print Return and assemble the Form 1040X package to be mailed
   a. From the Amended Tax Return – Form 1040X page, select Print Amended Return, select Begin, then Continue. On the “Print Results” page select Print your 20XX Tax Return.
   b. In the pdf of the return, examine Column A to verify all lines from the original Form 1040, U.S. Individual Income Tax Return, have transferred. Next, examine Column B to verify that the amendment change(s) you entered appear on the correct line(s) of the column. Then verify that the amount(s) on line(s) changed appear in the correct total amount(s) of these lines in Column C.
   c. Verify the correct amount overpaid or owed. On page 2, verify that all information is correct and that appropriate boxes are checked for qualifying children eligible for Child Tax Credit.
   d. If the state form is amended, scroll down the pdf to the state forms and verify that additions to or subtractions from the federal AGI that were manually made on the amended state return are correct.
   e. Ask a Quality Reviewer to double-check all entries on the amended return.
   f. Print tax forms as indicated in the table below (If a state amendment is not needed, skip state forms)
   g. For an amended return, Form 1040X is the payment voucher if a balance is due. The taxpayer should simply enclose a check with the amended return.
   h. Verify the state payment voucher amount (if used for your state) and that state amended return requirements are met.
   i. Have taxpayers sign the 1040X and the state amended return. Advise the taxpayer the amended return should not be filed until the refund or the original return has been processed. Remind taxpayers to enclose payment – if payment is due.
   j. Attach any new or corrected documents (like a late 1099-R, Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.). Do not attach the original return.
   k. If responding to a notice from the IRS, send the federal amended return to the address shown in the notice. If not, use the address in the 1040X Instructions.

<table>
<thead>
<tr>
<th>Tax Forms</th>
<th>Total</th>
<th>IRS</th>
<th>State</th>
<th>Taxpayer</th>
</tr>
</thead>
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<td>1</td>
<td>1</td>
</tr>
<tr>
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<td></td>
<td>1</td>
</tr>
<tr>
<td>Any federal forms changed or added</td>
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<td>State voucher (if any)</td>
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</tr>
<tr>
<td>Any required State forms</td>
<td>2</td>
<td>1</td>
<td></td>
<td>1</td>
</tr>
</tbody>
</table>
Amended Returns - Original Return Not Created by the Site Preparing the Amended Return

1. Since the return does not currently exist, create a federal return and state return, if applicable, that includes the amended information. These return figures comprise Form 1040X, Column C.

For any return with multiple information-reporting documents, as an alternative to entering every document, add the documents together. The software requires an EIN and business address to calculate and place information on the correct line of the tax return. Choose an EIN and business address from the available information-reporting documents for software input. All information-reporting documents must be included with the tax return. If applicable, create state return.

- For returns with adjustments, credits, and additional schedules:
  a. Schedule C with no required amendment can be created by using the net profit as total income.
  b. Schedule D with no required amendment can be created by using one transaction for long term and/or one transaction for short term. Enter the net gain as the sales price with no basis.
  c. Adjustments and credits information is entered as applicable.

2. Go to the 20xx Amended Return menu > Original Federal Return Information screen to provide the original return information.

- This menu populates Form 1040X, column A.
- Form 1040X columns C will populate based on the return prepared with the amended information. Column B will populate based on the differences between Columns C and A.
- Go to the Amend State Return screen.
- Select Edit Amended link at Amended State Return screen.
- Select Amended Return.
- Select Yes at the Create Amended Return box.
- Complete entries at Review and Complete Amended Return screen, particularly entries involving dollar amounts.

3. When you have confirmed or entered all amounts from the original return, continue with steps 3 through 4 on the Amended Returns page.
Prior Year Returns

Who can prepare prior year returns?
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 levels 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 (PATH Act), taxpayers can no longer:

- File a prior year return claiming EITC on the basis of newly issued Social Security numbers (SSNs) for themselves and/or qualifying dependent(s).
- File a prior year return claiming American Opportunity Tax Credit on the basis of newly issued SSNs, Individual Taxpayer Identification Numbers (ITINs) or Adoption Taxpayer Identification Numbers (ATINs) for themselves and/or qualifying student(s).
- File a prior year return claiming Additional Child Tax Credit on the basis of newly issued SSNs, ITINs, or ATINs for themselves and/or qualifying child.

Technical resources:
The following tools are useful resources:

- Prior year return tax preparation software.
  a. TaxSlayer Pro® Online users can access the prior year software from the home page.
  b. Desktop sites will need to download and install the prior year software from the TaxSlayer website. Sites will use their current EFIN and setup the software as usual. No registration codes are needed with TaxSlayer.
- Forms 13614-C from prior years are helpful. Sites may keep hard copies or rely on electronic copies.
- Taxpayer’s Wage and Income Transcripts from their IRS records are extremely useful.

Note: For transcripts, taxpayers can go to the IRS website, Keyword “Transcript”, register, and secure transcripts online if they have email and can comply with enhanced verification. Taxpayers can also request transcripts to be mailed to the address on file which takes 5 to 10 calendar days for delivery. In addition, taxpayers can request a transcript via Form 4506-T, Request for Transcript of Tax Return, or by calling 1-800-908-9946.

Transcripts ordered online will be masked (redacted). Without EINs, the return cannot be e-filed. EXCEPTION: An unmasked wage and income transcript can be provided to the taxpayer when needed for preparing and filing a return. Only the taxpayer, or the taxpayer’s authorized representative, or the authorized individual for the decedent can make the request. The unmasked wage and income transcript can only be mailed to the taxpayer’s address of record, or to the authorized individual for the decedent; it cannot be faxed. An unmasked transcript may also be provided to a taxpayer (or representative) by requesting it in person at a Taxpayer Assistance Center (TAC). Appointments are required. Locations of TACs can be found on irs.gov, or refer to Tab P for telephone number.
Prior Year Returns (continued)

• Prior year publications and instructions to forms and schedules are available on the IRS website.
• Use the online tool Interactive Tax Assistance (ITA) for answers to many current and prior year tax law questions. ITA is available on the IRS website.

Whether to e-file or mail prior year returns:

Only the two most current prior years can be e-filed. Older prior year returns must be mailed to the appropriate IRS address from the list in Tab P, Partner Resources, “Where to File” page. Also, refer to Tab K, Finishing the Return, for additional information regarding balance due returns and payment options.

Expired Tax Topics and Other Issues Applicable to Prior Years:

Refer to the Publication 17, Your Federal Income Tax For Individuals, for the applicable tax year and review the “What’s New” section.

What if a site cannot prepare a requested prior year return?

If possible, refer the taxpayer to other VITA/TCE sites that offer prior year return service. Otherwise, advise the taxpayer to seek assistance from a paid tax preparer.

Note: Don’t refer taxpayers to their local IRS Tax Assistance Center because they no longer prepare tax returns for individuals.
Filing an Extension Using TaxSlayer

**TaxSlayer Navigation:** Federal Section>Miscellaneous Forms>Application for Extension Form 4868; or Keyword “4868” or “EXT”

**Form 4868 - Application for Extension**

**How To File Your Extension**

1. **Enter your Information:** Fill out all of the information in the “Required Extension Information” section below. Select Continue.

2. **E-File Your Extension:** Start by selecting e-file from the navigation bar. You will then be given the option to file your return (Form 1040 and supporting schedules), or to file your extension (Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return). Complete the extension e-file process. You should get an acknowledgement regarding your extension (whether the IRS accepted or rejected it) by email within the 24-48 hours of filing.

3. **Amount Paid with Extension:** You will need to pay the amount due that you enter for “Amount Paid with Extension.” You can do this in one of 3 ways:
   a. Pay by electronic withdrawal from your checking account: You can choose to pay your “payment” amount as an electronic withdrawal from your checking account. Once you enter the amount you would like to pay, check the box that appears to select this option. Enter your banking information, the date you would like the transaction to take place, and re-enter the amount to pay for confirmation. When you submit your extension, the withdrawal information will be sent.
   b. Pay by credit card: You can use your credit card and pay by phone by contacting one of the IRS approved service providers.
   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.

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**Miscellaneous Forms**

- Injured Spouse Form Form 8379
- Claim a Refund Due to a Deceased Taxpayer Form 1319
- Application for Extension Form 4868
- Married Filing Separately Allocations Form 8935
- IRS Identification Pin
- Installment Agreement Form 433-A
- Application for ITIN Form W-7
- Power of Attorney and Declaration of Representative Form 2848
- Explanations

**Required Extension Information**

- **Tax Liability**
  - Use current liability amount
  - 
- **Amounts previously paid for current tax year**
  - 
- **Amount Paid with Extension**
  - 
  - I was out of the country.

**Go to Extension Payment**

- CANCEL
- CONTINUE
Tab N: Using TaxSlayer® Desktop
Navigating TaxSlayer® Pro (Desktop)

**Note:** This tab provides key highlights for using the desktop software 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.

To begin a new return or edit an existing one, select the Tax Returns button or choose Tax Returns from the menu on the right.

Access the E-file section to transmit/e-file returns and extensions, check acknowledgements and print reports.

Client Status - search by SSN and display the taxpayer’s Social Security number, phone numbers, address, Federal return type, IRS Transaction date, and Reject information.

Select the Help Center to see the TaxSlayer support phone number and email address, link to the VITA/TCE Springboard, and see the latest release notes.

Select Print Returns to print returns, extensions, and blank forms.

Utilities – this menu allows you to backup and recall returns, and do other administrative tasks.

Configuration – to set up the program defaults, preparers, etc.

View Returns – allows you to enter a specific SSN or pick from the client list and choose from View/Print options. You cannot edit a return from View Returns.

To begin a new return or edit an existing one, select the Tax Returns button or choose Tax Returns from the menu on the right.
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.

- **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.

- **Check the Message Center**

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

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

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

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.

The Personal Information summary menu will appear next. If you need to change your answers to the Marketplace questions, you can select that item.
Income – Key Highlights

After entering personal and ACA information, enter all items of income. Refer to Tab D, Income, for additional information and specific instructions on these topics. 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. If you start with option 3 (less than $1500) and then put any amount using option 2 (Sch B), any amounts input under option 3 are ignored and lost.

• 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 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.
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.

**Tip:** 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, enter the amount in the Medicaid Waiver Payment box on the Form W-2 entry screen to exclude it.

Scenario B: If income is reported on Form 1099-MISC, Miscellaneous Income, go to Other income not reported elsewhere and 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.

• You must answer due diligence questions in order to claim Earned Income Credit (EIC) and Child Tax Credit (CTC). Certain answers will cause the taxpayer to not receive CTC and EIC. Go to “View Results” and choose “Why No EIC Calculated” to see why. “If EIC Checklist was Not Answered Correctly” is checked, you must go back and correct your answers on Form 8867.
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 Microsoft Edge, Chrome, Firefox or Safari.
2. Type https://vita.taxslayerpro.com in the address line. Current and prior year software can be accessed upon logging in.
3. In Microsoft Edge,
   - Select the Favorites icon
   - Select Add
   - In Name, type the name you want the favorites to display
   - Select OK
4. In Chrome,
   - Select the 3 horizontal dots at the upper right side of the screen
   - Select to display Bookmarks
   - Select Bookmark this page

Logging on to Pro Online the first time

For added security, TaxSlayer uses a method called Multifactor Authentication, where a code is sent to you at a known point of contact to verify your identity.

The user name isn’t case sensitive. To log on to TaxSlayer® Pro Online, enter your Username and Password, then select Login.

You will be prompted to verify your account by having a code sent either to your email address or a cell phone capable of receiving text messages. In most cases, text messages are the fastest method of verification. Select your preferred option, and select Send Code.

When you receive your code, enter it and select Verify.

If your account was set up with only an email address, the cell phone option will not appear.

You will need to perform this process periodically based on systems requirements.

Note: See TaxSlayer User Guide for updated login procedures

Note: After two unsuccessful login attempts, you will be required to select the “I’m not a robot” box.
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.

**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.

**TIP** After selecting Start New 20XX Tax Return, you can select a client profile. Each profile will send you to appropriate data input screens for that kind of taxpayer, e.g., working family with kids, retired with investments, retired without investments.
Navigating TaxSlayer® Pro Online

**TaxSlayer Navigation:** Federal Section>Income

**Income**

This section is used to enter all items of income on the tax return. You will be given two options from the main income page:

- Select **Guide Me** to launch a step-by-step series of questions to help determine the various types of income that should be entered on the tax return.

- Select **Enter Myself** if you prefer to enter in items of income without the help. This will take you to the income entry screen which lists the various types of income that should be reported on the tax return. Select a **Begin** or an edit button to enter/edit an item of income. See Tab D, Income for more directions on entering specific types of income.

**TaxSlayer Navigation:** Federal Section>Deductions

**Deductions**

This section is used to enter all deductions, adjustments or credits on the tax return.

- Select **Guide Me** to launch a step-by-step series of questions to help determine the various types of deductions that should be entered on the tax return.

- Select **Enter Myself** if you prefer to enter deductions without assistance. This will take you to the deductions entry screen which lists the various types of deductions that should be reported on the tax return. Select a **Begin** or an edit button to enter/edit a deduction. See the Adjustments, Deductions, Nonrefundable Credits, Earned Income Credit, and Education Benefits tabs for additional information and specific instructions on these topics.
Navigating TaxSlayer® Pro Online (continued)

**TaxSlayer Navigation: Federal Section>Other Taxes**

**Other Taxes**

This section is used to enter any other tax types for which the taxpayer may be liable. Select the **Begin** button next to any other tax item to enter in data applicable to the taxpayer. See Tab H, Other Taxes, Payments and ACA, for additional information and specific instructions.

**TaxSlayer Navigation: Federal Section>Payments and Estimates**

**Payments & Estimates**

This section is used to enter such items as payments, apply overpayments to next year’s return and to print vouchers for next year’s estimated payments. Select the **Begin** button next to any payment or estimate item to enter in data applicable to the taxpayer. See the Tab H, Other Taxes, Payments and ACA for additional information and specific instructions.

**TaxSlayer Navigation: Federal Section>Miscellaneous Forms**

**Miscellaneous Forms**

This section of the Federal Section is used to enter the following:

- Injured Spouse Allocation (Form 8379)
- Claim a Refund Due to a Deceased Taxpayer (Form 1310)
- Application for Extension (Form 4868)
- Married Filing Separate Allocation
- IRS Identity Protection PIN (IP PIN)
- Installment Agreement (Form 9465)
- Application for ITIN (Form W-7)
- Power of Attorney (Form 2848)
- Explanations (Preparer Notes)
Navigating TaxSlayer® Pro Online (continued)

State Section

Since the IRS cannot train volunteers to prepare state and local tax returns, partners are responsible for scheduling appropriate state and local tax training for volunteers wherever this service will be voluntarily offered.

The State of Residency will auto-fill when the Zip Code is entered in the Basic Information section. The State of Residency can be changed manually in the Basic Information section after the state has auto-filled. If you don’t have a state return, you can select Continue or use any of the navigation options on the left side of your screen.

The following states don’t have a general state income tax return: Alaska, Florida, Nevada, New Hampshire, South Dakota, Tennessee, Texas, Washington and Wyoming. Tennessee and New Hampshire levies a tax on interest and dividend income.

Additional states can be added to the return file at the Add Another State Return link in the State Return home page. Choose a state from the pick list or by selecting the state on the United States map and select Continue. Select the taxpayer’s state residency type. The residency types for most states are resident, part year resident and nonresident. Select Continue.

To delete a state return, select State Section from the left side of your screen. Select the delete icon next to the state that you would like to delete.

Summary/Print Page

The Calculation Summary screen is an overview of each section of the tax return. Select the show details link located next to each item to view a breakdown of what items are included in the tax return. You can view and/or edit each item of income, adjustments, tax, payments, etc., by selecting the link from the expanded list. You can toggle between the Summary View or the 1040 View, which allows you to link from most of the line items on the Form 1040. The prior year comparison option will contain return data if a prior year return was completed through the software.

Select View/Print Return to create a PDF of the return that can be printed or reviewed.
<table>
<thead>
<tr>
<th>Form or Topic</th>
<th>Keyword</th>
<th>Navigation to Data Entry Screen</th>
<th>Pub 4012 Page</th>
</tr>
</thead>
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<td>982 Reduction of Tax Attributes…</td>
<td>98</td>
<td>Income&gt;Other Income&gt;Cancellation of Debt Form 1099-C, Form 982</td>
<td>EXT-3</td>
</tr>
<tr>
<td>1040-ES Estimated Tax Payments</td>
<td>1040</td>
<td>Payments &amp; Estimates&gt;Vouchers for Next Year’s Estimated Payments</td>
<td>K-17</td>
</tr>
<tr>
<td>1040-X Amended Return</td>
<td>N/A</td>
<td>Select 2019 Amended Return Section from side menu or create prior year return</td>
<td>M-1</td>
</tr>
<tr>
<td>1095-A Health Insurance</td>
<td>N/A</td>
<td>Select Health Insurance Section from side menu&gt;Follow screens to Advanced Premium Tax Credit</td>
<td>H-7</td>
</tr>
<tr>
<td>1098 Mortgage Interest Statement</td>
<td>1098</td>
<td>Deductions&gt;Itemized Deductions&gt;Mortgage Interest and Expenses&gt;Mortgage Interest Reported on Form 1098</td>
<td>F-9</td>
</tr>
<tr>
<td>1098-E Student Loan Interest</td>
<td>1098</td>
<td>Deductions&gt;Adjustments&gt;Student Loan Interest Deduction</td>
<td>E-10</td>
</tr>
<tr>
<td>1098-T Tuition Statement</td>
<td>1098</td>
<td>Deductions&gt;Credits Menu&gt;Education Credits</td>
<td>J-2</td>
</tr>
<tr>
<td>1099-A Acquisition or Abandonment</td>
<td>Capital</td>
<td>Income&gt;Capital Gain and Losses&gt;Sale of Main Home Worksheet or use Capital Gains and Loss Items</td>
<td>EXT-1</td>
</tr>
<tr>
<td>1099-B Proceeds from Broker and Barter Exchange</td>
<td>10</td>
<td>Income&gt;Capital Gain and Losses&gt;Capital Gain and Loss Items</td>
<td>D-22</td>
</tr>
<tr>
<td>1099-C Cancellation of Debt</td>
<td>C or CANC</td>
<td>Income&gt;Other Income&gt;Cancellation of Debt Form 1099-C</td>
<td>D-59</td>
</tr>
<tr>
<td>1099-DIV Dividends</td>
<td>D</td>
<td>Income &gt;Interest and Dividends&gt;Interest or Dividend Income</td>
<td>D-11</td>
</tr>
<tr>
<td>1099-G State Tax Refund</td>
<td>G</td>
<td>Income&gt;State and Local refunds</td>
<td>D-13</td>
</tr>
<tr>
<td>1099-G Unemployment Compensation</td>
<td>10, UN</td>
<td>Income&gt;Unemployment Compensation</td>
<td>D-3</td>
</tr>
<tr>
<td>1099-INT Interest Income</td>
<td>INT</td>
<td>Income&gt;Interest and Dividends&gt;Interest or Dividend Income</td>
<td>D-8</td>
</tr>
<tr>
<td>1099-INT Box 9, Private Activity Bond Interest (PAB)</td>
<td>INT</td>
<td>Other Taxes&gt;Alternative Minimum Taxes&gt;Interest from specified private activity bonds exempt from the regular tax</td>
<td>D-9</td>
</tr>
<tr>
<td>1099-K Payment Card and Third Party…</td>
<td>N/A</td>
<td>Income&gt;Payment Card and Third-Party Network Transactions Form 1099K&gt;C&gt;Income (include in gross receipts or sales)</td>
<td>D-14</td>
</tr>
<tr>
<td>1099-MISC Miscellaneous Income</td>
<td>MIS</td>
<td>Income&gt;Form 1099-MISC</td>
<td>D-15</td>
</tr>
<tr>
<td>1099-OID Original Issue Discount</td>
<td>INT</td>
<td>Income&gt;Interest and Dividends&gt;Interest or Dividend Income&gt;Original Issue Discount, Form 1099-OID</td>
<td>D-7</td>
</tr>
<tr>
<td>1099-Q Payments from Education Programs</td>
<td>N/A</td>
<td>If not taxable, do not enter, if taxable, then Out of Scope</td>
<td>D-11</td>
</tr>
<tr>
<td>1099-QA Distributions from ABLE Accounts</td>
<td>N/A</td>
<td>If not taxable, do not enter, if taxable, then Out of Scope</td>
<td>D-11</td>
</tr>
<tr>
<td>1099-R IRA Distribution</td>
<td>-R</td>
<td>Income&gt;IRA/Pension Distributions&gt;Add or Edit a 1099-R</td>
<td>D-32</td>
</tr>
<tr>
<td>1099-R Pension Distributions</td>
<td>-R</td>
<td>Income&gt;IRA/Pension Distributions&gt;Add or Edit a 1099-R</td>
<td>D-32</td>
</tr>
<tr>
<td>1099-R Retirement</td>
<td>-R</td>
<td>Income&gt;IRA/Pension Distributions&gt;Add or Edit a 1099-R</td>
<td>D-32</td>
</tr>
<tr>
<td>1099-S Proceeds from Real Estate Transaction</td>
<td>CAP</td>
<td>Income&gt;Capital Gain and Losses&gt;Capital Gains and Loss Item</td>
<td>D-26</td>
</tr>
<tr>
<td>1099-SA HSA</td>
<td>HSA</td>
<td>Deductions&gt;Adjustments&gt;Health Savings Account Form 8889</td>
<td>E-5</td>
</tr>
</tbody>
</table>
## Navigating TaxSlayer (continued)

<table>
<thead>
<tr>
<th>Form or Topic</th>
<th>Keyword</th>
<th>Navigation to Data Entry Screen</th>
<th>Pub 4012 Page</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2120 Multiple Support Declaration</strong></td>
<td>N/A</td>
<td>On the Dependent Entry Screen, check the box &quot;This dependent qualifies for a multiple support agreement&quot; and follow the prompts on the next screen.</td>
<td>C-5</td>
</tr>
<tr>
<td><strong>4852 Substitute for Form W-2</strong></td>
<td>W2</td>
<td>Income&gt;Wages&gt;Add a W-2&gt;This is a substitute W-2</td>
<td>D-4</td>
</tr>
<tr>
<td><strong>4852 Substitute for Form 1099-R</strong></td>
<td>-R</td>
<td>Follow the 1099-R navigation and check the box indicating this is a substitute 1099-R</td>
<td>D-33</td>
</tr>
<tr>
<td><strong>CSA 1099-R Civil Service Annuity Paid</strong></td>
<td>-R</td>
<td>Income&gt;IRA/Pension Distributions&gt;Add or Edit a 1099-R</td>
<td>D-34</td>
</tr>
<tr>
<td><strong>CSF 1099-R Statement of Survivor Annuity Paid</strong></td>
<td>-R</td>
<td>Income&gt;IRA/Pension Distributions&gt;Add or Edit a 1099-R</td>
<td>D-36</td>
</tr>
<tr>
<td><strong>K-1 Beneficiary’s (or Partner’s) Share of Income</strong></td>
<td>K</td>
<td>Income&gt;Other Income&gt;K-1 Earnings</td>
<td>D-45</td>
</tr>
<tr>
<td><strong>RRB 1099 Railroad Retirement Benefits (Tier 1 blue form)</strong></td>
<td>RR</td>
<td>Income&gt;IRA/Pension Distributions&gt;Social Security Benefits/RRB-1099</td>
<td>D-42</td>
</tr>
<tr>
<td><strong>RRB 1099-R Railroad Retirement Benefits (Tier 1 green form) Benefits (Tier 2 green form)</strong></td>
<td>RR</td>
<td>Income&gt;IRA/Pension Distributions&gt;RRB-1099-R</td>
<td>D-42</td>
</tr>
<tr>
<td><strong>SSA-1099 Social Security Benefits</strong></td>
<td>SSA</td>
<td>Income&gt;IRA/Pension Distributions&gt;Social Security Benefits/RRB-1099</td>
<td>D-43</td>
</tr>
<tr>
<td><strong>W-2 Wages &amp; Salaries</strong></td>
<td>W</td>
<td>Income&gt;Wages and Salaries</td>
<td>D-4</td>
</tr>
<tr>
<td><strong>W-2G Gambling Winnings</strong></td>
<td>W2G</td>
<td>Income&gt;Other Income&gt;Gambling Winnings</td>
<td>D-51</td>
</tr>
<tr>
<td><strong>Alimony Paid</strong></td>
<td>ALIM</td>
<td>Deductions&gt;Adjustments&gt; Alimony Paid</td>
<td>E-8</td>
</tr>
<tr>
<td><strong>Alimony Received</strong></td>
<td>ALIM</td>
<td>Income&gt;Alimony Received</td>
<td>E-8</td>
</tr>
<tr>
<td><strong>Amended Return</strong></td>
<td>N/A</td>
<td>Select 2019 Amended Return Section from side menu or create prior year return</td>
<td>M-1</td>
</tr>
<tr>
<td><strong>American Opportunity Credit</strong></td>
<td>1098</td>
<td>Deductions&gt;Credits&gt;Education Credits</td>
<td>J-4</td>
</tr>
<tr>
<td><strong>Annuity Calculator, Simplified Method or Public Safety Officer Exclusion</strong></td>
<td>-R</td>
<td>Income&gt;IRA/Pension Distributions&gt;Add or edit a 1099-R&gt;Click here for options</td>
<td>D-35</td>
</tr>
<tr>
<td><strong>Brokers Statements</strong></td>
<td>N/A</td>
<td>See appropriate 1099</td>
<td></td>
</tr>
<tr>
<td><strong>Business Expenses</strong></td>
<td>C or SCHEDULE C</td>
<td>Income&gt;Profit or Loss From A Business&gt;Add (or edit) a Schedule C Income from Business&gt;General Expenses, Car And Truck Expenses, or Other Expenses</td>
<td>D-17</td>
</tr>
<tr>
<td><strong>Cancellation of Debt</strong></td>
<td>CAN</td>
<td>Income&gt;Other Income&gt;Cancellation of Debt</td>
<td>D-59</td>
</tr>
<tr>
<td><strong>Capital Gains</strong></td>
<td>CAP</td>
<td>Income&gt;Capital Gains and Losses</td>
<td>D-22</td>
</tr>
<tr>
<td><strong>Capital Gains Distributions</strong></td>
<td>INT or DIV</td>
<td>Income&gt;Interest and Dividend Income&gt;Interest or Dividend Income&gt;Dividend Income&gt;Capital Gain to Schedule D</td>
<td>D-11</td>
</tr>
<tr>
<td><strong>Capital Loss Carryover</strong></td>
<td>CAP</td>
<td>Income&gt;Capital Gains and Losses&gt;Other Capital Gains Data (including Capital Loss Carryover)</td>
<td>D-22</td>
</tr>
<tr>
<td>Form or Topic</td>
<td>Keyword</td>
<td>Navigation to Data Entry Screen</td>
<td>Pub 4012 Page</td>
</tr>
<tr>
<td>---------------------------------------</td>
<td>---------</td>
<td>-----------------------------------------------------------------------------------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>Charitable Distribution from IRA</td>
<td>-R</td>
<td>Income&gt;IRA/Pension Distribution&gt;Add or edit 1099-R Subtract distribution that was sent directly</td>
<td>D-32</td>
</tr>
<tr>
<td></td>
<td></td>
<td>by trustee to charity from Box 1 and enter the difference in Box 2a Income&gt;IRA/Pension Distribution&gt;</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Nontaxable Distributions – To add QCD indicator to return</td>
<td></td>
</tr>
<tr>
<td>Charitable Donations</td>
<td>CHA</td>
<td>Deductions&gt;Itemized Deductions&gt;Gifts to Charity</td>
<td>F-4</td>
</tr>
<tr>
<td>Deceased Taxpayer</td>
<td>PER plus 1310</td>
<td>Personal Information&gt;Check here if Taxpayer is deceased. PLUS, complete Form 1310 if</td>
<td>K-11</td>
</tr>
<tr>
<td></td>
<td></td>
<td>person filing the return is other than spouse (Miscellaneous Forms&gt;Claim a Refund Due to a</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Deceased Taxpayer).</td>
<td></td>
</tr>
<tr>
<td>Child and Dependent Care Expenses</td>
<td>2441</td>
<td>Deductions&gt;Credits&gt;Child and Dependent Care Credit</td>
<td>G-10</td>
</tr>
<tr>
<td>Direct Deposit/Direct Debit</td>
<td>N/A</td>
<td>E-File Section from side menu&gt;Federal Return Type, State Return Type. Then enter Taxpayer Bank</td>
<td>K-2, K-13</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Account Information.</td>
<td></td>
</tr>
<tr>
<td>Dividend Income</td>
<td>D</td>
<td>Income &gt;Interest and Dividends&gt;Interest or Dividend Income</td>
<td>D-11</td>
</tr>
<tr>
<td>Donations to Charity</td>
<td>CHA</td>
<td>Deductions&gt;Itemized Deductions&gt;Gifts to Charity</td>
<td>F-4</td>
</tr>
<tr>
<td>Early Withdrawal Penalty (not on 1099-INT)</td>
<td>EARL</td>
<td>Deductions&gt;Adjustments&gt; Penalty on Early Withdrawal of Savings or CD</td>
<td>E-1</td>
</tr>
<tr>
<td>Education Expenses</td>
<td>EDUCAC or 886</td>
<td>Deductions &gt;Credits Menu&gt;Education Credits</td>
<td>Tab J</td>
</tr>
<tr>
<td>Educator Expenses</td>
<td>EDUCAC</td>
<td>Deductions&gt;Adjustments&gt; Educator Expenses</td>
<td>E-3</td>
</tr>
<tr>
<td>Elderly or Disabled Credit</td>
<td>ELD</td>
<td>Deductions&gt;Credits&gt;Credit for the Elderly or Disabled Schedule R</td>
<td>G-17</td>
</tr>
<tr>
<td>Estimated Tax Payments paid for current tax year</td>
<td>FED or PAY</td>
<td>Payments &amp; Estimates&gt;Federal Estimated Payments for 20XX</td>
<td></td>
</tr>
<tr>
<td>Estimated Payment Vouchers (Federal) for next year</td>
<td>VOU</td>
<td>Payments &amp; Estimates&gt;Vouchers for Next Year’s Estimated Payments</td>
<td>K-17</td>
</tr>
<tr>
<td>Exempt Interest</td>
<td>INT</td>
<td>Income&gt;Interest and Dividends&gt;Interest or Dividend Income&gt;Interest Income, Form 1099-INT</td>
<td>D-9</td>
</tr>
<tr>
<td>Extension, Filing for</td>
<td>EXTE</td>
<td>Miscellaneous Forms&gt;Application for Extension</td>
<td>M-7</td>
</tr>
<tr>
<td>First-Time Homebuyer Credit (Repayment)</td>
<td>FIR</td>
<td>Other Taxes&gt;First-time Homebuyer Repayment</td>
<td>H-2</td>
</tr>
<tr>
<td>Foreign Tax Credit</td>
<td>1116</td>
<td>Deductions&gt;Credits Menu&gt;Foreign Tax Credit</td>
<td>G-7</td>
</tr>
<tr>
<td>Gambling Winnings</td>
<td>W2G</td>
<td>Income &gt;Other Income&gt;Gambling Winnings</td>
<td>D-51</td>
</tr>
<tr>
<td>Health Savings Accounts</td>
<td>HSA</td>
<td>Deductions&gt;Adjustments&gt; Health Savings Account</td>
<td>E-5</td>
</tr>
<tr>
<td>Household Employee Income (no W-2)</td>
<td>OT or OTHER</td>
<td>Income&gt;Other Income&gt;Other Compensation&gt; Household Employee Income</td>
<td>D-57</td>
</tr>
<tr>
<td>Identity Theft PIN</td>
<td>PIN</td>
<td>Miscellaneous Forms&gt;IRS Identification Pin</td>
<td>P-2</td>
</tr>
<tr>
<td>Injured Spouse</td>
<td>INJ</td>
<td>Miscellaneous Forms&gt;Injured Spouse Form</td>
<td>P-4</td>
</tr>
<tr>
<td>Interest Income or Interest Income not on a Form</td>
<td>INT</td>
<td>Income&gt;Interest and Dividends&gt;Interest or Dividend Income&gt;Interest Income, Form 1099-INT</td>
<td>D-7</td>
</tr>
<tr>
<td>Form or Topic</td>
<td>Keyword</td>
<td>Navigation to Data Entry Screen</td>
<td>Pub 4012 Page</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>---------</td>
<td>--------------------------------------------------------------------------------------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>ITIN, Application for</td>
<td>N/A</td>
<td>Miscellaneous Forms&gt;Application for ITIN</td>
<td>L-3</td>
</tr>
<tr>
<td>IRA Contributions (Traditional IRA)</td>
<td>IRA</td>
<td>Deductions&gt;Adjustments&gt;IRA Deduction</td>
<td>E-9</td>
</tr>
<tr>
<td>IRA Contributions (ROTH IRA)</td>
<td>RETIRE</td>
<td>Deductions&gt;Credits Menu&gt;Retirement Savings Credit&gt;Enter Any Current Year Traditional or Roth IRA Contributions (Do not re-enter Traditional IRA contributions already reported in the IRA Deduction menu)</td>
<td>E-9</td>
</tr>
<tr>
<td>IRA Distributions</td>
<td>-R</td>
<td>Income&gt;IRA/Pension Distributions&gt;Add or Edit a 1099-R</td>
<td>D-32</td>
</tr>
<tr>
<td>IRA Qualified Charitable Distribution (Not a Charitable Gift Annuity)</td>
<td>-R</td>
<td>Income&gt;IRA/Pension Distribution&gt;Add or edit 1099-R&gt;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&gt;IRA/Pension Distribution&gt;Go to Nontaxable Distributions&gt; and check the box “Check here to mark this as a Qualified Charitable Distribution (QCD) on your return.”</td>
<td>D-32</td>
</tr>
<tr>
<td>IRA Rollover</td>
<td>-R</td>
<td>Income&gt;IRA/Pension Distributions&gt;Add or Edit a 1099-R&gt;check the box &quot;Check here if all/part of the distribution was rolled over and enter the rollover amount.”</td>
<td>D-37</td>
</tr>
<tr>
<td>Jury Duty Pay</td>
<td>N/A</td>
<td>Income&gt;Other Income&gt;Other Income Not Reported Elsewhere</td>
<td>D-51</td>
</tr>
<tr>
<td>Jury Duty Paid to the Employer</td>
<td>J</td>
<td>Deductions&gt;Adjustments&gt;Other Adjustments&gt;Jury Duty Pay</td>
<td>E-1</td>
</tr>
<tr>
<td>Lump Sum Social Security Benefit</td>
<td>SSA</td>
<td>Income&gt;IRA/Pension Distributions&gt;Social Security Benefits/ RRB-1099&gt;Begin Worksheet</td>
<td>D-44</td>
</tr>
<tr>
<td>Medical and Dental Expenses</td>
<td>MED</td>
<td>Deductions&gt;Itemized Deductions&gt;Medical and Dental Expenses</td>
<td>F-5</td>
</tr>
<tr>
<td>Medicaid Waiver Payments on W-2</td>
<td>W</td>
<td>Income&gt;Wages and Salaries&gt;enter the amount in the box titled &quot;Medicaid Waiver Payment in Box 1” below box 13 (this amount will be subtracted on Schedule 1).</td>
<td>D-58</td>
</tr>
<tr>
<td>Mileage for Charitable Travel</td>
<td>CHA</td>
<td>Deductions&gt;Itemized Deductions&gt;Gifts to Charity&gt;Noncash Gifts to Charity</td>
<td>F-10</td>
</tr>
<tr>
<td>Mileage for Medical Travel</td>
<td>MED</td>
<td>Deductions&gt;Itemized Deductions&gt;Medical and Dental Expenses</td>
<td>F-6</td>
</tr>
<tr>
<td>Mortgage Interest and Points Paid</td>
<td>MORT</td>
<td>Deductions&gt;Itemized Deductions&gt;Mortgage Interest and Expenses&gt;Mortgage Interest Reported on Form 1098</td>
<td>F-9</td>
</tr>
<tr>
<td>Mortgage Interest Paid—not on Form 1098</td>
<td>MORT</td>
<td>Deductions&gt;Itemized Deductions&gt;Mortgage Interest and Expenses&gt;Mortgage Interest Not Reported on Form 1098</td>
<td>F-9</td>
</tr>
<tr>
<td>Noncash Donations that total $500 or less</td>
<td>CHA</td>
<td>Deductions&gt;Itemized Deductions&gt;Gifts to Charity&gt;Noncash Gifts to Charity</td>
<td>F-10</td>
</tr>
<tr>
<td>OID Interest</td>
<td>INT</td>
<td>Income&gt;Interest and Dividends&gt;Interest or Dividend Income</td>
<td>D-7</td>
</tr>
<tr>
<td>Other Income (prizes, jury duty, etc.)</td>
<td>N/A</td>
<td>Income&gt;Other Income&gt;Other Income Not Reported Elsewhere</td>
<td>D-51</td>
</tr>
<tr>
<td>Pension Distributions</td>
<td>-R</td>
<td>Income&gt;IRA/Pension Distributions&gt;Add or Edit a 1099-R</td>
<td>D-32</td>
</tr>
</tbody>
</table>
## Navigating TaxSlayer (continued)

<table>
<thead>
<tr>
<th>Form or Topic</th>
<th>Keyword</th>
<th>Navigation to Data Entry Screen</th>
<th>Pub 4012 Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Property Taxes</td>
<td>Proper</td>
<td>Deductions&gt;Itemized Deductions&gt;Taxes You Paid</td>
<td>F-7</td>
</tr>
<tr>
<td>PIN, Identity Theft</td>
<td>PIN</td>
<td>Miscellaneous Forms&gt;IRS Identification Pin</td>
<td>P-2</td>
</tr>
<tr>
<td>Private Activity Bond interest</td>
<td>INT</td>
<td>Income&gt;Interest and Dividends&gt;Interest or Dividend Income</td>
<td>D-9</td>
</tr>
<tr>
<td>Prizes and Awards</td>
<td>N/A</td>
<td>Income&gt;Other Income&gt;Other Income Not Reported Elsewhere</td>
<td>D-15</td>
</tr>
<tr>
<td>Public Safety Officer Exclusion</td>
<td>-R</td>
<td>Income&gt;IRA/Pension Distributions&gt;Add or edit 1099-R&gt;Click here for options</td>
<td>D-35</td>
</tr>
<tr>
<td>Real Estate Taxes</td>
<td>MORT</td>
<td>Deductions&gt;Itemized Deductions&gt;Mortgage Interest and Expenses&gt;Mortgage Interest Reported on Form 1098</td>
<td>F-7</td>
</tr>
<tr>
<td>Refunds of State and Local Income Tax (if reportable)</td>
<td>G [box 2]</td>
<td>Income&gt;State and Local Refunds</td>
<td>D-13</td>
</tr>
<tr>
<td>Retirement Savings Credit</td>
<td>RETI</td>
<td>Deductions&gt;Credits&gt;Retirement Savings Credit</td>
<td>G-14</td>
</tr>
<tr>
<td>Roth IRA Contributions</td>
<td>IRA</td>
<td>Deductions&gt;Credits&gt;Retirement Savings Credit&gt;Any Current Year Roth IRA Contributions</td>
<td>G-15</td>
</tr>
<tr>
<td>Royalties (Simple royalties with no associated expenses)</td>
<td>SC</td>
<td>Income&gt;Rents and Royalties</td>
<td>D-49</td>
</tr>
<tr>
<td>Sale of Stock</td>
<td>CAP</td>
<td>Income&gt;Capital Gain and Losses</td>
<td>D-22</td>
</tr>
<tr>
<td>Sale of Main Home</td>
<td>CAP</td>
<td>Income&gt;Capital Gain and Losses&gt;Sale of Main Home Worksheet or use Capital Gains and Loss Items</td>
<td>D-28</td>
</tr>
<tr>
<td>Sales Tax Deduction</td>
<td>SALE or TAX</td>
<td>Deductions&gt;Itemized Deductions&gt;Taxes You Paid</td>
<td>F-8</td>
</tr>
<tr>
<td>Schedule C</td>
<td>SC</td>
<td>Income&gt;Profit or Loss from a Business</td>
<td>D-16</td>
</tr>
<tr>
<td>Scholarships and Grants;</td>
<td>OT or OTHER</td>
<td>Income&gt;Other Income&gt;Other compensation&gt; Scholarships and Grants</td>
<td>D-57 J-1</td>
</tr>
<tr>
<td>Self-employment Income</td>
<td>C</td>
<td>Income&gt;Profit or Loss from a Business</td>
<td>D-14</td>
</tr>
<tr>
<td>Seller-financed Mortgage Interest Paid</td>
<td>MORT</td>
<td>Deductions&gt;Itemized Deductions&gt;Mortgage Interest and Expenses&gt;Mortgage Interest Not Reported on Form 1098</td>
<td>D-10</td>
</tr>
<tr>
<td>Seller-financed Mortgage Interest Received</td>
<td>INT</td>
<td>Income&gt;Interest and Dividends&gt;Interest or Dividend Income&gt;Seller Financed Interest Income</td>
<td>D-10</td>
</tr>
<tr>
<td>Simplified Method</td>
<td>-R</td>
<td>Income&gt;IRA/Pension Distributions&gt;Add or edit a 1099-R&gt;Click here for options (under box 2a Taxable Amount)</td>
<td>D-36</td>
</tr>
<tr>
<td>Social Security Benefits</td>
<td>SSA</td>
<td>Income&gt;IRA/Pension Distributions&gt; Social Security Benefits/ RRB-1099</td>
<td>D-43</td>
</tr>
<tr>
<td>Taxable Refund Worksheet or State and Local Tax Refund Worksheet</td>
<td>G [box 2]</td>
<td>Income&gt;State and Local Refunds</td>
<td>D-13</td>
</tr>
<tr>
<td>State and Local Taxes Paid</td>
<td>STAT</td>
<td>Deductions&gt;Itemized Deductions&gt;Taxes You Paid&gt;Additional State and Local Income Tax</td>
<td>F-8</td>
</tr>
<tr>
<td>Student Loan Interest</td>
<td>STU or LOA</td>
<td>Deductions&gt;Adjustments&gt; Student Loan Interest Deduction</td>
<td>E-10</td>
</tr>
<tr>
<td>Form or Topic</td>
<td>Keyword</td>
<td>Navigation to Data Entry Screen</td>
<td>Pub 4012 Page</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>---------</td>
<td>-------------------------------------------------------------------------------------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>Substitute W-2</td>
<td>W</td>
<td>Income&gt;Wages and Salaries&gt;Add or edit a W-2 Wage Statement&gt;Check the box This is a substitute W-2</td>
<td>D-4</td>
</tr>
<tr>
<td>Tax Exempt Interest</td>
<td>INT</td>
<td>Income&gt;Interest and Dividends&gt;Interest or Dividend Income&gt;Interest Income, Form 1099-INT</td>
<td>D-9</td>
</tr>
<tr>
<td>Taxes Paid, Federal or State Estimated</td>
<td>FED or PAY</td>
<td>Payments &amp; Estimates&gt;Federal Estimated Payments for 2019 or State Estimated</td>
<td></td>
</tr>
<tr>
<td>Taxes Paid, State and Local Estimated</td>
<td>FED or STATE</td>
<td>Payments &amp; Estimates&gt;State Estimated Payments or Federal Estimated Payments for 20XX</td>
<td></td>
</tr>
<tr>
<td>Tip Income (not reported to employer)</td>
<td>W</td>
<td>Income&gt;Wages and Salaries&gt;Unreported Tips (on W2 below line 10)</td>
<td>D-5</td>
</tr>
<tr>
<td>Tip Income (not reported to employer because tips were less than $20 per month)</td>
<td>4137</td>
<td>Income&gt;Other Taxes&gt;Tax on Unreported Tip Income</td>
<td>D-5</td>
</tr>
<tr>
<td>Traditional IRA Contributions</td>
<td>IRA</td>
<td>Deductions&gt;Adjustments&gt;IRA Deduction</td>
<td>E-9 G-14</td>
</tr>
<tr>
<td>Tribal Per Capita Payments not on 1099</td>
<td>N/A</td>
<td>Income&gt;Other Income&gt;Other Income Not Reported Elsewhere</td>
<td></td>
</tr>
<tr>
<td>Unemployment Compensation</td>
<td>UN</td>
<td>Income&gt;Unemployment Compensation</td>
<td>D-3</td>
</tr>
<tr>
<td>Unemployment Compensation Repayment—Same Year as Benefit Received</td>
<td>G</td>
<td>Income&gt;Unemployment Compensation</td>
<td>D-3</td>
</tr>
<tr>
<td>Volunteer Expenses</td>
<td>CHA</td>
<td>Deductions&gt;Itemized Deductions&gt;Gifts to Charity</td>
<td>F-10</td>
</tr>
<tr>
<td>Vouchers for Estimated Payments Federal State</td>
<td>VOU</td>
<td>Payments &amp; Estimates&gt;Vouchers for Next Year’s Estimated Payments State section&gt;Misc Forms&gt;Estimated Payment Vouchers</td>
<td>K-17</td>
</tr>
<tr>
<td>Wages &amp; Salaries</td>
<td>W</td>
<td>Income&gt;Wages and Salaries</td>
<td>D-4</td>
</tr>
<tr>
<td>W-7 Application for ITIN</td>
<td>N/A</td>
<td>Miscellaneous Forms&gt;Application for ITIN</td>
<td>L-3</td>
</tr>
</tbody>
</table>
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.

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 requires appointments at Taxpayer Assistance Center (TAC) locations throughout the United States. Taxpayers will call a new toll-free number to make an appointment for face-to-face service. Taxpayers requiring an appointment at a TAC location should call 1-844-545-5640.

The IRS also provides Virtual Tax Services at various locations that do not have a TAC. With this model, taxpayers sit at a designated workstation and are assisted by an IRS employee who appears on screen and is located in a remote office.
### Identity Theft Job Aid for Volunteers

Being sensitive towards victims of identity theft is critical to assisting taxpayers through a confusing and frustrating situation. Remember victims of identity theft are:

- Victimized by identity thieves, mostly through no fault of their own, and
- Trying to comply with tax laws, file a tax return and pay their fair share of taxes

Every December, the IRS mails Notice CP01A to taxpayers previously identified as identity theft victims. The notice includes a 6-digit Identity Protection Personal Identification Number (IP PIN) to be entered on the tax return. Taxpayers are mailed Notice CP01A every year as long as the identity theft indicator remains on their account (usually 3 years). **Use the most recent IP PIN regardless of the tax year.**

Use the chart below when assisting taxpayers who are victims or may be victims of identity theft at VITA/TCE site.

<table>
<thead>
<tr>
<th>If...</th>
<th>Then...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identity Protection PIN (IP) PIN was issued to primary and/or, secondary and/or dependent taxpayer(s)</td>
<td>Ensure the IP PIN is input correctly on the tax return.</td>
</tr>
</tbody>
</table>
| Taxpayer received an IP PIN but didn’t bring it with them | 1. Complete a tax return for the taxpayer.  
2. Provide the taxpayer with a complete copy of the tax return. (Provide two copies - one copy to keep for their records and the other copy if the taxpayer will mail the tax return.)  
3. Refer to Lost, Misplaced or Non-Receipt of IP PIN on the following page.  
4. If the taxpayer wants to e-file, arrange for the taxpayer to provide the IP PIN by returning to the site or via telephone. |
| Taxpayer received an IP PIN but misplaced or lost it | 1. Complete a tax return for the taxpayer.  
2. Provide the taxpayer with a complete copy of the tax return. (Provide two copies - one copy to keep for their records and the other copy if the taxpayer will mail the tax return.)  
3. Refer to Lost, Misplaced or Non-Receipt of IP PIN on the following page.  
4. If the taxpayer receives original or a reissued IP PIN and wants to e-file, arrange for the taxpayer to provide the IP PIN by returning to the site or via telephone. |
| Taxpayer didn’t receive IP PIN but IRS rejected the e-filed tax return because the IP PIN wasn’t entered. | 1. Refer to Lost, Misplaced or Non-Receipt of IP PIN on the following page.  
2. Provide the taxpayer with two complete copies of the tax return.  
3. If the taxpayer receives the original or a reissued IP PIN and the taxpayer wants to e-file, advise the taxpayer to provide the IP PIN by returning to the site or via telephone.  
4. If IRS doesn’t provide the IP PIN, advise the taxpayer to follow IRS instructions in mailing the tax return. There may be processing delays as IRS verifies the taxpayer’s identity. |
| IRS rejected the taxpayer’s tax return because the taxpayer’s primary/secondary/dependent SSN was previously used. | 1. Advise the taxpayer to contact the IRS for assistance. If required, they will advise the taxpayer to complete Form 14039, Identity Theft Affidavit and to mail it with their tax return to the IRS. Taxpayers can electronically complete and submit Form 14039 on the Federal Trade Commission (FTC) web portal. The IRS will respond in approximately 30 days after all the necessary information is received.  
2. Provide the taxpayers two copies of their tax return. One copy for the taxpayer to keep for their records and the other copy to mail. |
Identity Theft Job Aid for Volunteers (continued)

Lost, Misplaced or Non-Receipt of IP PIN

If a taxpayer didn’t receive his/her new IP PIN or the taxpayer misplaced it, the taxpayer has two options:

1. Register and create a user profile to get his/her current IP PIN. The registration process will require the taxpayer to provide specific personal information and answer a series of questions to validate his/her identity. Use key words “IP PIN” in the search window on the IRS website to access the Retrieve Your Identity Protection PIN (IP PIN) application.

2. Contact IRS at 1-800-908-4490 to request his/her IP PIN to be reissued by mail if the taxpayer is unable or unwilling to create an account on the IRS website.

The taxpayer will need to mail a paper tax return without the IP PIN if either of the following situations apply:

- The taxpayer has moved since January 1 of this year, or
- It’s after October 14 and the taxpayer hasn’t filed his/her current or prior year tax return.

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

**TaxSlayer Navigation:** Miscellaneous Forms > IRS Identification PIN; or Keyword “PIN”

To enter a taxpayer’s IP PIN in the tax software, select **Miscellaneous Forms** under the Federal Section on the left navigation bar and then select IRS Identification PIN and complete the screen as shown.

### IRS Identity Protection Pin

If you have received a notice from the IRS containing an Identity Theft Pin please enter the Pin here in order to ensure that your tax return is processed without delay.

- Screenshot Sample (XXX-XX-0001)
- Spouse Sample (XXX-XX-0002)
- Dependent Sample (XXX-XX-1234)
Frequent Taxpayer Inquiries

Taxpayers normally ask questions during the interview process about the topics covered in this section. Visit the IRS.gov website, keyword: “1040 Central” or see Publication 17 for additional topics and information.

Installment Payment
Publication 594, The IRS Collection Process, explains taxpayers’ rights and responsibilities regarding payment of federal taxes.

Copies of Prior-Years’ Returns
Transcripts of prior-year returns may be obtained by going to the IRS.gov website or by filing Form 4506-T, Request for Transcript of Tax Return. The website can be used to get prior-year information needed for this year’s return.

If an actual copy is needed, taxpayer should complete Form 4506, Request for Copy of Tax Return, and mail it with the required fee to the IRS campus where the return was filed.

Amended Returns (See Tab M, Other Returns)
Form 1040-X, 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 go to IRS.gov and search “free tax help,” download the IRS mobile app IRS2Go, or call 1-888-227-7669 for this information.

Problems Navigating the IRS
Taxpayer Advocate Service (TAS) has offices in every state, the District of Columbia, and Puerto Rico. Your local advocate’s number is at www.taxpayeradvocate.irs.gov, and in your local directory. You can also call 1-877-777-4778.

See Publication 1546, Taxpayer Advocate Service - We Are Here to Help You, for details on what TAS provides.

Refund Information
Taxpayers should be directed to the IRS.gov website to obtain information about their refund. Specific information is available by clicking on Refund Status, then “Where’s My Refund?”

Innocent Spouse Relief
Taxpayers who file a joint tax return are jointly and individually responsible for the tax and any interest or penalty due on the joint return even if they later divorce. In some cases, a spouse (or former spouse) will be relieved of the tax, interest, and penalties on a joint tax return. Spousal relief is granted in certain situations when a taxpayer can prove he/she isn’t liable for amounts due in joint filing situations.

Taxpayers should see Publication 971, Innocent Spouse Relief, which explains the types of relief, who may qualify for them, and how to get them. Married persons who didn’t file joint returns, but who live in community property states, may also qualify for relief. (Out of Scope)

Injured Spouse Relief
An injured spouse claim is different from an innocent spouse relief request. An injured spouse can request the division of tax overpayment attributed to each spouse. The injured spouse must file Form 8379, Injured Spouse Allocation, to request his or her portion of a joint refund.

Married Filing Separately
Unless required to file separately, married taxpayers may want their tax figured on a joint return and on separate returns, to make sure they are receiving the most advantageous filing status. Filing separately may be advantageous for some taxpayers in certain situations, however, most married taxpayers would pay more combined tax on separate returns than they would on a joint return. See Publication 17, Your Federal Income Tax for Individuals, “Filing Status” section, for Special Rules (which outlines the disadvantages). Taxpayers who filed a Married Filing Jointly return cannot amend their return to change to Married Filing Separately after the due date of the return. There is an exception for deceased taxpayers.

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 nontax 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 866-297-0517, between 8:30 a.m. and 6 p.m. Eastern Time.
Where to File

Where Do You File?
Mail your return to the address shown below that applies to you.

TIP
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.

TIP
Make the check or money order payable to “United States Treasury.” Taxpayers should write “2019 Form 1040” and the first name listed on the tax return (primary taxpayer), address, daytime phone number, and primary taxpayer’s Social Security number (SSN) on their payment and attach Form 1040-V.

IF you live in... | THEN use this address if you: | Are requesting a refund or are not enclosing a check or money order... | Are enclosing a check or money order...
--- | --- | --- | ---
Alabama, Georgia, Kentucky, New Jersey, North Carolina, South Carolina, Tennessee, Virginia | Department of the Treasury Internal Revenue Service Kansas City, MO 64999-0002 | Internal Revenue Service P.O. Box 931000 Louisville, KY 40293-1000
Alaska, Arizona, California, Colorado, Hawaii, Idaho, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming | Department of the Treasury Internal Revenue Service Fresno, CA 93888-0002 | Internal Revenue Service P.O. Box 7704 San Francisco, CA 94120-7704
Arkansas, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Montana, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Wisconsin | Department of the Treasury Internal Revenue Service Fresno, CA 93888-0002 | Internal Revenue Service P.O. Box 802501 Cincinnati, OH 45280-2501
Connecticut, District of Columbia, Maryland, Pennsylvania, Rhode Island, West Virginia | Department of the Treasury Internal Revenue Service Ogden, UT 84201-0002 | Internal Revenue Service P.O. Box 37910 Hartford, CT 06176-7910
Delaware, Maine, Massachusetts, Missouri, New Hampshire, New York, Vermont | Department of the Treasury Internal Revenue Service Kansas City, MO 64999-0002 | Internal Revenue Service P.O. Box 37008 Hartford, CT 06176-7008
Florida, Louisiana, Mississippi, Texas | Department of the Treasury Internal Revenue Service Austin, TX 73301-0002 | Internal Revenue Service P.O. Box 1214 Charlotte, NC 28201-1214
A foreign country, U.S. possession or territory*, or use an APO or FPO address, or file Form 2555 or 4563, or are a dual-status alien | Department of the Treasury Internal Revenue Service Austin, TX 73301-0215 USA | Internal Revenue Service P.O. Box 1303 Charlotte, NC 28201-1303 USA

*If you live in American Samoa, Puerto Rico, Guam, the U.S. Virgin Islands, or the Northern Mariana Islands, see Pub. 570, Tax Guide for Individuals With Income From U.S. Possessions.

Note: Mailing addresses for amended returns can be found in the instructions for Form 1040-X.
Interactive Tax Assistant (ITA)

The ITA tool is a tax law resource that takes you through a series of questions and provides you with responses to tax law questions on a limited number of topics. Enter “ITA” into the Search feature on the IRS website.

- Simply answer the questions and select Continue to progress to the next question screen.
- You may need to collect information before the interview such as income amounts, taxes owed and credits you are claiming.
- The tool includes a crossover feature that allows you to move from certain tax topics to another without needing to enter the same answers multiple times. The Review/Start Over buttons allows you to adjust responses to previously asked questions.
- When you reach the response screen, you have the option to print the entire interview and the final response.

ITA Topics by Category

Premium Tax Credit, Filing Requirement, Form to Use, Due Date, Filing Status, Dependents and Exemptions, Retirement: Pensions, IRAs, Social Security, Other Income, Deductions, Itemized Deductions, Credits, and Additional Topics (ITINs, Injured Spouse Claims, Cancellation of Debt on a Personal Residence, and Estimated Tax Payments)

For additional information on tax law resource tools, refer to the IRS website, keywords “Tax Trails” and “Tax Topics.”
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 Contingency Plan Option, later in this tab.

**This option should be established during the Pre-Planning Phase of site operations. Refer to Publication 1084, Volunteer Site Coordinator Handbook, for more detailed information.

Temporary Virtual VITA/TCE Process

Secure Taxpayer Consent:

- The taxpayer must present proof of identity, which includes a photo identification for him/her and if applicable, their spouse.
- If the taxpayer agrees to use the virtual process for preparing their tax return, the volunteer will prepare Page 1 of the Form 14446, Virtual VITA/TCE Taxpayer Consent, and the taxpayer is required to complete Page 2. Taxpayer must answer “Yes” or “No” to the question regarding Request to Review your Tax Return for Accuracy.
- The taxpayer keeps Page 1 of the form, while the site maintains Page 2.
- The appropriate virtual method(s) and step-by-step procedures will be explained to the taxpayer and timeframes will be established for the taxpayer to return to the site and complete the process.

A secure process for authenticating both the taxpayer and the volunteer must be provided to the taxpayer in the event that additional information is required to complete the tax return. Please refer to Publication 4299, Privacy and Confidentiality-A Public Trust, for more information.

Intake/Interview:

The intake and interview process must be performed before the taxpayer leaves the site.

- IRS tax law certified volunteers must conduct the initial interview following all the steps outlined in Pub 5101, Intake/Interview & Quality Review Training.
- The volunteer will need to make notes on the Form 13614-C, Intake/Interview & Quality Review Sheet, indicating the appropriate filing status and qualified dependents.
- Eligibility determinations for deductions and credits will be made and documented on the Form 13614-C.
- All oral testimony must be thoroughly documented on the Form 13614-C for use during the return preparation at a later time.
- The verified SSNs and/or ITINs will need to be written on the Form 13614-C for all persons that will be included on the tax return.
- A telephone 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, see Contingency Plan Option on the next page.

For a complete listing of contingency options, refer to IRS Publication 4396-A.

In order for the TaxSlayer® Pro Desktop contingency plan to work successfully, it is important to keep the designated computers updated with the latest desktop software versions. TaxSlayer® Pro Desktop automatically updates the first time you open it each day if the computer is connected to the internet. It is recommended that you do this daily or weekly.

If a software system outage necessitates the use of a temporary contingency plan, you can use the installed and updated version of TaxSlayer® Pro Desktop to complete any returns you need to prepare during the outage. Sites will be able to work the return completely from the desktop application, including e-filing and getting acknowledgments. The return will remain in the desktop application for the duration of the filing season.

Returns prepared using the desktop software during a contingency plan will be transmitted from the desktop software. Use the desktop software to retrieve any acknowledgement associated with the returns transmitted from the desktop software.

When TaxSlayer® Pro Online is available again, use it to prepare new returns and complete any returns you started previously in TaxSlayer® Pro Online.

You will have to run separate reports for these returns and manually add them to your online return count.
Contingency Plan Option

Contingency Plan – TaxSlayer Pro, also referred to as Desktop, should be utilized in the rare occasions where TaxSlayer® Pro Online is unavailable or the site loses internet for an extended period of time. The Desktop software should be downloaded and installed as part of pre-season preparation. Follow the instructions below to download the desktop software:

Access Springboard

The URL is https://vita.taxslayerpro.com/

Click on My Account in the top right corner to login with username and password created from the link provided by TaxSlayer when your order was originally placed.

From the Springboard, download the ProOnline User Guide for detailed contingency procedures.
Contingency Plan Option (continued)

To download the TaxSlayer Pro program from the internet, complete the following steps:

- Look for Other Options to the right of the screen
- Select Install 20XX TaxSlayer Pro Software
- Select Run
- Follow the on-screen prompts to download and install the TaxSlayer Pro software

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

**Note:** If you are running anti-virus software or a firewall in the background, be sure that you select Allow, Permit, or Unblock if prompted to do so to allow the TaxSlayer Pro program files to download and install.

Install the software on a standalone computer with internet connection to be used in the event TaxSlayer® Pro Online is unavailable for an extended period of time.
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 and to verify the taxpayer(s) last name. 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.

<table>
<thead>
<tr>
<th>Top Reject Codes</th>
<th>Suggested Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>500 Primary SSN and Primary Name Control of the Tax Form must match data from the IRS Master File.</td>
<td>Verify name and SSN or ITIN. Double check source document. Review name and SSN control.</td>
</tr>
<tr>
<td>501 Qualifying SSN on Schedule EIC and the corresponding Qualified Name Control must match data from the IRS Master File.</td>
<td>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.</td>
</tr>
<tr>
<td>502 Employer Identification Number of Form W-2, W-2G, or 1099-R must match data from the IRS Master File.</td>
<td>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.</td>
</tr>
<tr>
<td>503 Last name for the secondary taxpayer on the return does not match the IRS Master File and/or SSA records.</td>
<td>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.</td>
</tr>
<tr>
<td>504 Dependent’s SSN must match data from the IRS Master File.</td>
<td>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).</td>
</tr>
<tr>
<td>506 Qualifying child’s SSN listed for the purpose of claiming Earned Income Tax Credit (EITC) has been used on another tax return.</td>
<td>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.</td>
</tr>
<tr>
<td>507 Dependent’s SSN on the Form 1040 was previously used for the same purpose.</td>
<td>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.</td>
</tr>
<tr>
<td>535 Qualifying SSN on Schedule EIC and the corresponding Year of Birth must match data received from the SSA.</td>
<td>Verify birthday, name and SSN of each child.</td>
</tr>
<tr>
<td>541 Taxpayer must be older than qualifying child on Schedule EIC.</td>
<td>Verify birthdays of taxpayer and child.</td>
</tr>
<tr>
<td>600 Taxpayer must file Form 8862 to claim EITC after disallowance.</td>
<td>Complete Form 8862, Information To Claim Certain Credits After Disallowance.</td>
</tr>
</tbody>
</table>
Tab R: Glossary and Index
Acknowledgment (ACK) – A report generated by the IRS to a Transmitter that indicates receipt of all transmissions. An ACK Report identifies the returns in each transmission that are accepted or rejected for specific reasons.

Adjusted Basis – Original cost of a capital asset plus any increases or decreases to that cost, such as commissions and fees.

Adjusted Gross Income (AGI) – Total gross income minus specific deductions such as educator expenses, alimony income, and the Student Loan Interest Deduction.

Adjustments to Income – Adjustments such as educator expenses, penalty on early withdrawal of savings, and contributions to a traditional IRA, that are subtracted from total income on Form 1040, to establish the AGI.

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

Basis – The original cost of a capital asset.

Blind – A taxpayer is considered blind if either totally blind or has a certified statement from eye doctor that
  • Taxpayer cannot see better than 20/200 in the better eye with glasses or contact lenses or
  • Field of vision is not more than 20 degrees

The taxpayer does not have to produce the certificate, but should have it if IRS asks for it.

Capital Gain or Loss – The difference between the basis of a capital asset and the amount received when it has been sold.

Custodial and Noncustodial Parent – The custodial parent is the parent with whom the child lived for the greater number of nights during the year. The other parent is the noncustodial parent. If the child lived with each parent for an equal number of nights during the year, the custodial parent is the parent with the higher adjusted gross income.

Dependents – Either a qualifying child or a qualifying relative of the taxpayer.

Direct Deposit – An electronic transfer of a refund into a taxpayer’s financial institution account.

Due Diligence – Due diligence, when used in context with claiming the Head of Household filing status or certain credits including the Earned Income Tax Credit (EITC), refers to requirements that income tax return preparers must follow when determining eligibility to file a return or claim for refund as Head of Household and when determining eligibility for, and the amount of, certain credits including the EITC.

Earned income – Any income received for work, such as wages or business/self-employment income.

Earned Income Tax Credit (EITC) – A refundable tax credit for most people who work but do not earn high incomes. The purpose of the EITC is to reduce their tax burden and to supplement the wages of working families whose earnings are less than the maximums for their filing status.

Education Credits – A credit based on qualified education expenses the taxpayer paid during the tax year that will reduce the amount of tax due.

Electronic Filing Identification Number (EFIN) – An identification number assigned by the IRS to accepted applicants for participation in IRS e-file.

Estimated Tax Payments – Payments paid quarterly by the taxpayer if the expected tax due exceeds certain limits. Generally, estimated payments are made by taxpayers that have income from self-employment, dividends, interest, capital gains, rent, and royalties.

Exempt Income – Nontaxable income that is generally not shown on the return and not included in the income tax computation. There are some instances when exempt income is shown on the return but not included in the income tax computation such as interest income produced from certain types of investments.

Exemption – The deduction for personal exemptions is suspended (reduced to $0) for tax years 2018 through 2025 by the Tax Cuts and Jobs Act. Although the exemption amount is zero, the ability to claim an exemption may make taxpayers eligible for other tax benefits.

Facilitated Self Assistance (FSA) – A method taxpayers can use to file their own return using a web-based tax preparation software program.

Foreign Earned Income Exclusion – Certain taxpayers can exclude income earned in, and while living in, foreign countries.

Foster Child – A foster child is an individual who is placed with you by an authorized placement agency or by judgement, decree, or other order of any court of competent jurisdiction.

Full-time Student – You’re a full-time student if you’re enrolled at a school for the number of hours or classes that the school considers full-time. You must have been a full-time student for some part of each of 5 calendar months during the year. (The months need not be consecutive.)

Gross income – All income received in the form of money, goods, property, and services that isn’t exempt from tax.

Health Savings Account (HSA) – A medical savings account available...
to taxpayers who are enrolled in a High-Deductible Health Plan (HDHP). Funds contributed to an account are not subject to income tax.

**Identity Protection PIN (IP PIN)**
- A six-digit number assigned to eligible taxpayers that helps prevent the misuse of their Social Security Number on fraudulent federal income tax returns. Allows taxpayer to file electronically.

**Individual Taxpayer Identification Number (ITIN)**
- A tax processing nine-digit number issued by the IRS. ITINs are issued regardless of immigrant status because both resident and nonresident aliens may have a U.S. filing or reporting requirement.

**IRS e-file Signature Authorization (Form 8879)**
- Declaration document and signature authorization for an e-filed return filed by an Electronic Return Originator.

**IRS Master File**
- Known as the IRS Individual Master File (IMF), this application receives data from an array of sources to aid the IRS regarding tax return submissions. The IMF includes tax return filing information, payment information, examination results, and related documents.

**Itemized Deductions**
- Specific personal expenses such as unreimbursed medical or dental expenses subject to a limitation, mortgage interest, and charitable contributions that allow taxpayers to reduce their taxable income.

**Legally Blind**
- See Blind.

**Medicare Waiver Payment**
- These are payments treated as difficulty of care payments when received by an individual care provider for care of an eligible individual (whether related or unrelated) living in their home.

**MyFreeTaxes (MFT)**
- An FSA program sponsored by H&R Block and nonprofits which taxpayers can use to file their own tax returns.

**Name Control**
- The first four significant letters of a taxpayer’s last name that the IRS uses in connection with the taxpayer SSN to identify the taxpayer, spouse and dependents.

**Nonrefundable Credits**
- A dollar-for-dollar reduction of the tax liability. Nonrefundable credits such as child and dependent care expenses, education credits, and child tax credit can only reduce the tax liability to zero.

**Nonresident Alien**
- Any individual who is not a U.S. Citizen, Resident Alien, or U.S. National and has not passed the green card test or the substantial presence test for the calendar year.

**Nontaxable Income**
- Generally excludable and not shown on the return, such as gifts and inheritances.

**Other Taxes**
- Other taxes such as self-employment tax, taxes on IRAs and other qualified retirement plans, and repayment of first-time homebuyer credit, are added to the income tax from the tax tables to establish the total tax.

**Payments**
- Payments such as federal withholding, Earned Income Tax Credit, and Additional Child Tax Credit, are subtracted from the total tax to establish the amount overpaid or the amount owed.

**Permanently and Totally Disabled**
- An individual is permanently and totally disabled if both of the following apply.
  1. He or she can’t engage in any substantial gainful activity because of a physical or mental condition.
  2. A doctor determines the condition has lasted or can be expected to last continually for at least a year or can lead to death.

**Practitioner PIN Method**
- An electronic signature option for taxpayers who use an Electronic Return Originator to e-file.

**Refundable Credits**
- Reduces the tax liability below zero and allows an individual to receive a tax refund.

**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 the either the green card test or the substantial presence test for the calendar year.

**Routing Transit Number (RTN)**
- A number assigned by the Federal Reserve to each financial institution.

**Self-Select PIN Method**
- An electronic signature option for taxpayers who e-file using either a personal computer or an ERO. This method requires the taxpayer to create a five-digit Personal Identification Number (PIN) to use as the signature on the e-file return and to submit authentication information to the IRS with the e-file return.

**Standard Deduction**
- A dollar amount that reduces the amount of income for which an individual is taxed, including an additional standard deduction for individuals who are blind or age 65 or over.

**Taxable Income**
- Adjusted Gross Income minus standard or itemized deductions and QBI.

**Taxpayer Advocate Service (TAS)**
- An independent organization within the IRS, led by the National Taxpayer Advocate. Its job is to ensure every taxpayer is treated fairly and that taxpayers know and understand their rights. TAS offers free help to taxpayers in dealing with the often confusing process of resolving tax problems they have not been able to resolve on their own. TAS has at least one taxpayer advocate office located in every state, the District of Columbia, and Puerto Rico.
**Temporary Absence** – You and your qualifying person are considered to live together even if one or both of you are temporarily absent from your home due to special circumstances, such as illness, education, business, vacation, military service, or detention in a juvenile facility. It must be reasonable to assume the absent person will return to the home after the temporary absence. You must continue to keep up the home during the absence.

**Unearned Income** – Any income not produced from work, such as unemployment income or income produced by investments.

**Virtual VITA/TCE Methods** – Includes any site where face-to-face activities are not used during the tax preparation process. The IRS-tax law certified preparer who prepares the return and/or the quality reviewer are not face-to-face with the taxpayer. Includes temporary VITA/TCE Contingency Plan, Drop-Off Site, an Intake Site plus a Return Preparation and/or Quality Review Site.

**Wash Sale** – The sale of securities at a loss and the acquisition of the same (substantially identical) securities within 30 days of the sale date (before or after). The loss is added to the cost of the new stock or securities, increasing the cost basis.
### Index

#### Symbols

- **401K**
  - Additional Tax on IRA’s and Other Qualified Plans H-4
  - Form 1099-R distributions D-33
  - IRA contributions G-15

- **A**
  - Abandonment or foreclosure Ext-1
  - ABLE accounts 11, D-51

- **ACA**
  - Alternative Calculation for Year of Marriage H-9
  - Applicable Figure Table H-18
  - Dependents’ MAGI H-10
  - Federal Poverty Lines H-17
  - Filing threshold H-10
  - Form 8962 H-7
  - Healthcare.gov tax tool H-14
  - Ineligible for the PTC H-11
  - Members of the household H-14
  - Minimum essential coverage H-12
  - Months H-15
  - Premium Tax Credit H-7
  - Premium Tax Credit Overlapping Coverage H-12
  - Unexpected APTC Repayments H-13
  - Additional child tax credit A-3, B-3, D-39, G-2, I-6, M-5, R-2
  - Disallowance of Certain Credits I-6
  - General Eligibility G-2
  - Additional Tax on Early IRA Distributions J-2
  - Adjusted basis D-30, D-31
  - Adjusted Gross Income R-1
  - Adjustments to income E-1, E-2, R-1
  - Ad valorem F-7
  - Alimony 6, 7, D-3, E-1, E-8
  - Alternative Minimum Tax D-9
  - Amended returns M-1
  - American opportunity credit M-5, O-7
    - Comparison of education credits J-4
    - Determining qualified education expenses J-6
    - Disallowance I-6
    - Students under age 24 J-9
    - TaxSlayer navigation J-7, O-7
  - Archer MSA 12, D-51, F-5
  - Armed Forces Gross Income D-2
  - Automobiles. See Motor Vehicles

- **B**
  - Balance due H-10, K-2, K-14
  - Bank account information K-1
  - Birth date B-15
  - Bitcoins D-22
  - Blind F-2
  - Bona Fide D-52, D-53, D-55
  - Bond D-9, D-12, E-3, K-4
  - Business miles D-20
  - Business profit or loss. See Schedule C

- **C**
  - Cancellation of Debt (COD) Ext-1, D-1, D-51, O-6, O-7
    - credit card D-51, D-59, D-61
    - Entering Cancellation of Credit Card Debt in TaxSlayer D-61
    - Principal Residence Ext-1, Ext-2, Ext-3, Ext-4, Ext-5, D-51
  - Capital Gain Distribution D-11
  - Capital gains and losses D-22
    - Adjustments to Basis D-26
    - Capital Loss Carryover D-22
    - Cost basis D-23
    - Date Acquired or Date Sold D-23
    - Dividend income D-11
    - Entering capital gains and losses D-23
    - Entering Capital gains and losses D-24, D-25, D-46, N-7
    - Gift 15
    - Reporting Multiple Transactions D-23
    - Sale of the personal residence Ext-2
    - Scope limitations 9, 15
  - Car and truck expenses D-20
  - Carry forward D-25, K-4, N-3
  - Charitable contributions D-19, F-10, R-2
  - Charitable Distribution, qualified (QCD) D-32
  - Charitable Gift Annuity D-40
  - Child and dependent care C-2, D-5, G-10, G-11, G-12, R-2
  - Children of divorced or separated parents. See dependent/qualifying person
  - Child’s Interest and Dividends 14, H-3
  - Child tax credit A-3, C-2, D-39, G-2, I-6, M-5, R-2
    - Interview Tips G-3
    - ITIN G-3, G-6
    - Publication 972 G-3
    - Qualifying child G-2
    - Schedule 3 B-3
  - Civil rights. See inside back cover
  - Civil Service Retirement D-36

- **Codes**
  - 1099-R Box 7 D-39
  - adjustment Form 8949 D-26
  - early distribution H-5
  - W-2, Box 12 H-11

- **Commuting miles D-20**

- **Completing return K-1**
  - Deceased taxpayer K-11
  - e-file K-1
  - Paper returns K-12
  - Power of attorney K-11
  - Printing the tax return K-12
  - Quality review K-8
  - Signature K-10
  - Contingency Plans for site operations Q-1

- **Co-ops, income D-1**

- **Cost of goods sold D-18**

- **Cost of keeping up a home B-11**

#### Credits

- Additional child tax credit G-2
- American opportunity credit J-4
- Child and dependent care credit G-10
- Child tax credit G-2
- Credit for other dependents G-4
- Earned income I-1
- Elderly or disabled G-17
- First-time homebuyer H-2
- Foreign tax G-7
- Lifetime learning J-4
- Nonrefundable G-1
- Premium tax credit H-8
- Residential energy Ext-7, G-1
- Retirement savings contribution G-14
- Retroactively claim refundable tax credits M-1
- Custodial parent C-6, G-3, G-10, K-6, R-1
Death of taxpayer or spouse
Entering B-4
Return signature K-11
Sale of main home D-28
Simplified method D-36
Deductions. See itemized deductions or standard deductions
Dental expenses Ext-3, C-7, D-2, D-34, F-3, F-5
Dependent/qualifying person
Child and dependent care credit G-10
Children of divorced or separated parents C-1, C-2, C-3, G-3, G-6
Child tax credit G-2
Custodial Parent C-2, C-6, G-3, G-6, G-10, K-6, R-1
Education Credits J-5
Entering Dependent/Qualifying Person B-17
Filing requirement A-1
Glossary R-1
Head of household B-9
Medical and dental expenses F-3
Qualifying child J-2
Qualifying relative C-5
Rules for Claiming a Dependent C-1
Worksheet for Determining Support C-7
Deposit slip K-13
Direct debit K-2
Direct deposit K-1, K-2, K-3, K-7, K-13, M-5, O-8
Disability income D-39, G-17
Disability severance payments D-2
Disabled F-5, G-11, R-2
Disallowance of certain credits I-6
Disaster victims D-34
Dividend. See Dividend income
Dividend income
Dividend Income (Form 1099-DIV) D-11
Nontaxable income D-1
Qualified dividend income D-46
Taxable income D-1
Tax-exempt D-9
Divorced parents. See Dependent/qualifying person
E
Early Distribution, penalty D-39, H-4
Earned income
American Opportunity credit J-9
Credit for Child and Dependent Care Expenses G-13
For Children and Other Dependents A-2
For EIC I-1, I-2, I-3
Earned Income Credit (EIC)
Disallowance of certain credits I-6
EIC filing errors I-1
Eligibility requirements I-2
General eligibility rules I-3
Glossary R-1
Income for D-57, I-1
inmate in a penal institution D-57
qualifying child B-18, C-2, I-2, I-4
qualifying child of more than one person I-5
should file A-3
without a qualifying child I-5
Education Credits
Comparison of education credits J-4
Eligible student J-5
Entering education benefits J-7
Glossary R-1
Out of scope J-6
Student under age 24 J-7, J-9
Who can claim the credit J-5
Who can’t claim the credit J-5
Education Expenses
1099-Q 11
Employer- provided educational assistance J-2
IRA distributions H-5, J-2
Qualified education expenses J-1, J-5, J-6
Education Savings Accounts (ESAs) D-51, E-3
Education Savings Bond Program J-2
Education tax benefits J-2, J-3
Educator expenses E-3
E-file
Bank account information K-2
e-File Process K-1
extension of time to file M-7
Federal return type K-1
Form 8453 K-6
ITIN L-3
National and local questions K-5
PIN guidelines K-6
Prior year returns M-6
Resident or nonresident alien L-2
Savings Bonds K-4
Split refund K-3
State ID K-5
State return K-2
Third party designee K-4
EIC. See Earned Income Credit
Electronic Funds Withdrawal K-14
Eligible educational institution J-5
Energy credit 8, Ext-7, G-1, G-3
Estimated tax payments
Federal O-8
Glossary R-1
State D-13, O-11
Vouchers K-17, O-6
Exempt income D-46, R-1
Exemption C-1, R-1
Extension M-7, O-4, O-8
F
Facilitated Self Assistance (FSA) R-1
Federal income D-37, G-1, L-2
Federal Poverty Lines H-17
Fellowships J-1, J-2, J-3
Filing requirements A-1, B-12
Children and Other Dependents A-2, H-10
Most people A-1
Other situations A-3
Filing status A-1, B-10, B-12
Head of Household B-10
Interview Tips B-9
First-time homebuyer credit A-3, D-29, H-2
Foreclosure Ext-1
Foreign address B-16
Foreign bank accounts 15
Foreign earned income D-52, D-53, D-54, G-2, G-3, G-13, I-2, I-3, R-1
Foreign Social Security from Canada or Germany 5
Foreign tax credit D-12, G-7
Foreign Taxes Paid D-48
Form 56 10, K-10
Form 656-B K-15
Form 709 10
Form 843 10
Form 965-A 7
Form 982 Ext-1, Ext-3, Ext-4, D-61
Form 1040
Job Aid B-1
Schedules B-2
Starting a new return B-6
Form 1040-C 10
Form 1040-ES 5, K-16, O-6
Form 1040 Job Aid B-1
Form 1040-NR 6, B-12
Form 1040-NR-EZ 6, B-12
Form 1040-PR 6
Form 1040-SR 6
Form 1040-SS 6
Form 1040-X. See amended returns
Form 1041. See Schedule K-1
Form 1041 K-1 D-47
Form 1045 10
Form 1065. See Schedule K-1
Form 1065 K-1 D-48
Form 1066 10
Form 1095-A. See ACA
Form 1095-B 10
Form 1095-C 10
Form 1098 10, O-6
Form 1098-C 8, 10
Form 1098-E 10, O-6
Form 1098-Q 10
Form 1098-T. See education credits
Form 1099 5, K-12
Form 1099-A 10, Ext-1, O-6
Form 1099-B. See Capital gains and losses
Form 1099-C
Credit card debt D-59
Qualified principal residence indebtedness Ext-1
Form 1099-CAP 10
Form 1099-DIV D-11
Form 1099-G 11, O-6
Form 1099-H 11
Form 1099-INT D-8
Form 1099-K 8, 11, D-14, D-17, N-7, O-6
Form 1099-LTC 11, D-51
Form 1099-MISC
Medicaid waiver payments D-58, N-8
Nonemployee compensation D-15
Other income D-15, D-51
Schedule C D-14
Form 1099-OID 8, 11, O-6
Form 1099-PATR 6, 11
Form 1099-Q 6, 11, O-6
Form 1099-QA 6, 11
Form 1099-R
CSA 1099-R D-34, D-36
Disability under minimum retirement D-37
Distribution codes D-39
Employee contributions D-34
IRA/Pension Distribution D-32
Nontaxable distribution D-41
Public safety officer D-35
Qualified Charitable Distribution D-41
Rollovers D-37
Roth IRA D-38
Simplified method D-36
Taxable amount not determined D-35
Treated as wages D-36
Form 1099-S 12, A-3, D-28, D-31, O-6
Form 1099-SA 6, 12, E-6, O-6
Form 1116 7, 12, D-12, G-7, G-9
Form 1120S 9
Form 1127 12, K-15
Form 1310 12, K-11
Form 2106 7, 12, E-1
Form 2120 12, C-5, O-7
Form 2439 8, 12
Form 2441 12, D-5, G-10, G-11, G-12, G-13, I-1
Form 2555 6, 12, I-2, I-3
Form 2848 12, K-6, O-4
Form 3468 12
Form 3520 8, 12
Form 3800 8, 12
Form 3903 7, 12
Form 4106 12
Form 4106-T 12
Form 4106 12, D-5
Form 4506 P-4
Form 4506-T P-4
Form 4562 8, 9, 12
Form 4684 12
Form 4797 12
Form 4835 12
Form 4852 13, D-4, O-7
Form 4868 13, M-7
Form 4952 13
Form 4972 13
Form 5329 A-3, D-39, D-40, H-4
Form 5405 7, 13, H-2
Form 5498 13
Form 5498-ESA 13
Form 5498-QA 13
Form 5498-SA 13, E-6
Form 5695 8, 13, Ext-7, G-3
Form 6251 13, D-9
Form 6252 13
Form 6781 13
Form 8275 13
Form 8275 R 13
Form 8283 8, 13
Form 8332 13, C-6, G-3, K-6, K-12
Form 8379 13, P-4
Form 8396 13, G-3
Form 8453 13, C-6, D-25, K-6, K-12
Form 8582 9, 13
Form 8606 13, D-39
Form 8615 6, 13, H-2
Form 8621 13
Form 8801 8, 14, A-3
Form 8805 14
Form 8814 14
Form 8815 14, E-3
Form 8821 14
Form 8822 P-4
Form 8829 14
Form 8833 14
Form 8834 14
Form 8839 14
Form 8840 L-2
Form 8848 14
Form 8849 A-1
Form 8853 14, D-51
Form 8857 14
Form 8859 G-3
Form 8862 14, G-4, I-6, J-8, Q-5
Form 8863 14, G-1, J-7
Form 8865 14
Form 8879 K-6, K-12, Q-1
Form 8880 14, D-6, G-14, G-15
Form 8885 8, 14
Form 8886 14
Form 8888 5, 14, K-13
Form 8889 H-5
Form 8903 14, E-1
Form 8908 14
Form 8910 14
Form 8911 14
Form 8915-A 14
Form 8915-B 14
Form 8917 14
Form 8919 7, 14
G
Gain and losses D-22, D-25
Gambling losses F-3, F-11
Gambling winnings Q-7
Gift D-1
Glossary R-1
Grants D-51, D-57, J-2, J-3
Gross income A-1, C-1, D-1, D-2, G-3, G-6
Gross income test G-6

H
Hardship refund request P-4
Head of household B-10
Healthcare.gov tax tool H-14
Health insurance premiums D-32, D-34, D-35, H-5
Home equity interest F-4
Household employee income D-51, I-1
How to use this guide 4
HSA A-3, E-1, O-8, R-1
Contributions E-6
Distributions E-7
Employer contributions D-6
Form 8889 E-6
Glossary R-1
Screening sheet E-5
Self-Employed Health Insurance E-4

I
Identity Protection Pin (IP PIN) O-4, P-3
Identity theft K-13, O-8, O-10, P-2, P-3
Income
Armed Forces Gross Income D-2
Capital gains. See Capital gains and losses
Dividend. See Dividend income
gambling winnings D-51
Income quick reference guide D-1
Interest. See Interest income
Rental and royaltiy income D-49
Self-employment income D-14
Social Security. See Social Security
State and local refund D-13
Taxable income D-1
TaxSlayer entry D-3
tips D-5, H-1
wages. See Form W-2
Individual Retirement Account.
See IRA

Individual Taxpayer Identification Number.
See ITIN
Injured spouse O-4, O-8, P-4, P-6
Innocent spouse P-4
Insolvency Determination Worksheet D-60
Installment agreement K-15, O-4
Insurance premiums D-34, F-5, H-5
Insurance proceeds D-1
Intake/Interview & Quality Review Sheet (Form 13614-C) B-12
Interactive tax assistant P-6
Interest Ext-1, Ext-3, D-1, D-46, D-51, E-3, F-4, G-6, G-7, G-9, I-1, I-3, K-14, K-16, N-7, O-5, O-6, P-1, P-4, R-1, R-2
Interest expense 13, B-11, D-20
Interest income D-7, D-8, K-16, O-8
Municipal bonds D-9
Out of scope D-7
Private activity bond D-9
Seller financed mortgage D-10
Tax-exempt D-9
TaxSlayer navigation D-7, D-8
Inventory D-17

IRA
Adjustments E-9
Basis D-38
Charitable gift annuity O-9
Converting from pre-tax to post-tax D-37
distributions D-1, D-32, D-35, D-36
Exceptions H-4
Nontaxable distributions D-32, D-41
Qualified charitable distribution D-39, D-41, O-9
Retirement savings contribution credit G-14
Rollover deadline D-37
Rollovers D-37
Tax on early distribution H-4
IRS Direct Pay K-14
IRS e-file Signature Authorization K-6, R-2
IRS master file R-2
IRS Taxpayer Assistance Center (TAC) L-4, P-1
ITA M-6, P-6

Itemized deductions D-13
Cash contribution F-4
Gambling losses F-11
Gifts to Charity F-10
Glossary R-2
Interview tips F-3, F-4
Married filing separately  F-7
Medical expenses  F-5, F-6
Miscellaneous  F-11
Mortgage interest  F-4, F-9
Persons Not Eligible for the Standard Deduction  F-1
Real estate taxes  F-7
Sales tax  F-8
State and local general sales taxes  F-3, F-7
Taxes you cannot deduct  F-7

ITIN
Applying for an ITIN  L-3
Child Tax Credit  G-1, G-6
Electronic Filing of Returns with Valid ITIN  L-3
Temporary  L-4

J
Job aid  Ext-1, Ext-4, B-5, P-2, P-3
Job expenses and certain miscellaneous deductions  F-11
Joint or survivor annuity  D-36
Jury duty  D-1, D-51, E-1

K
K-1  D-45, D-46, D-47, D-48
Keeping up a home  B-11
Keyword (navigating TaxSlayer)  O-6
Kiddie Tax  A-2, H-2, J-5
Kidnapped child  C-1, G-3, G-6

L
Last name  B-13, B-14, N-4, Q-5, R-2
Legislative Extenders  D-61, F-9, G-1
Life insurance premiums  C-8
Lifetime learning credit  J-4
Local income tax  C-8, O-10
Logging on  O-1
Long-term care insurance  D-51
Loss carryover  D-22

M
Married filing jointly
As a dependent  C-1, C-3
Considered unmarried  B-9
Injured spouse  B-8
Married filing separately
Education credit  J-4
EIC Eligibility Requirements  I-2
Not eligible for the standard deduction  F-1
Premium tax credit  H-8, H-11, H-13
Meals and incidental expenses  E-1
Medicaid waiver expenses  G-13
Medicaid waiver payments  D-58
Medical expenses
Early distributions from IRAs  H-5
Health saving accounts  E-7
Itemized deductions  F-3, F-5, O-9
Transportation  F-5
Military income (Armed forces income)  D-1
Military reservists expenses  E-1
Minimum essential coverage  H-12
Miscellaneous deductions  F-5, F-11
Modified Adjusted Gross Income (MAGI)  H-10
Mortgage interest  B-11, D-10, F-4, O-9, R-2
Motor vehicles  D-20
Multifactor Authentication  O-1
Municipal bond interest  D-25
MyFreeTaxes (MFT)  R-2
mySocialSecurity account  B-13

N
Name control  B-13, R-2
Nominee interest  D-9
Nonbusiness credit card  Ext-2, D-59
Noncash donations  F-4, O-9
Noncustodial parent  B-10, R-1
Nonrefundable credits  E-9, G-1, G-4, O-3, R-2
Nonresident alien  B-12, F-1, I-3, L-2
Decision Chart  L-1, L-2
Entering basic information  B-14
Glossary  R-2
Resident or nonresident alien  L-1, L-2
Nontaxable income  Ext-2, Ext-3, D-1, D-14, D-41, F-8, R-1, R-2
Notary fees  D-1

O
Offer in compromise  K-15
Office of Personnel Management  D-36
OID interest  O-9
Other income  Ext-1, A-3, D-51, D-52, D-57, D-61, I-1, N-7, N-8, O-9, P-6
Other taxes  D-9, H-1, H-2, H-3, H-4, H-5, O-4, O-6
Out of scope 5

P
Paper return  K-1, K-2, K-11, K-12
Patronage dividends  D-1
Payment agreements  K-15
Payment Card and Third Party Network Transactions  D-14
Payments and estimates  K-1, O-4
PayNearMe (Cash Payments)  K-15
Pell Grant  J-5, J-6
Penalty  K-14
Pension and annuity income  A-2
Pension distribution  D-32
Pension income  K-16
Permanently disabled  C-1, R-2
Personal information  B-15, G-14, K-11, L-3, N-4, N-5, P-3
Personal property tax  F-3, F-7
Personal representative  K-11
PIN guidelines  K-6
PIN identity protection  P-2
Points paid  O-9
Poverty lines  H-17
Power of attorney  K-6, K-10, K-12, O-4
Practitioner PIN Method  R-2
Premium Tax Credit  H-7
Principal residence  Ext-4
Printing from desktop  N-10
Prior year data  B-7
Prior year returns  M-4
Prisoner earned income  D-3, D-51, N-7
Private activity bond (PAB)  D-9
Private Mortgage Insurance (PMI)  F-9
Pro online home  O-2
Property taxes  B-9, B-11, D-1, D-20, O-10
Public safety officer  D-35

Q
Qualified business income deduction  D-12, F-12
Qualified Charitable Distributions (QCD)  D-32
Qualified tuition program  D-51, E-3, J-2
Qualifying Child
Child and Dependent Care Credit  G-10
Child & Dependent Care Credit  G-11
Children of divorced or separated parents  C-6
Child Tax Credit  G-2
EIC  B-18, I-2, I-3, I-4
Entering Dependent/Qualifying Person
B-17
Head of Household  B-9
Interview tips  C-3
Prior year returns  M-6
Qualifying child of more than one person  C-2, I-5
Qualifying relative  C-3, C-4, C-5
Qualifying Relative
Dependents  C-1, C-3, C-4, C-5, C-6
Head of Household  B-9
Quality review  K-7, K-8, K-9, O-2, Q-1
Quality site requirement  16, K-7
Questions about your business  D-18

R
Railroad Retirement Benefits (RRB)  D-1, D-42, I-1, O-7
Real estate taxes  B-11, D-60, O-10
Refund
Direct deposit  K-1, K-2, K-3
Prior years  M-6
Purchase savings bonds  K-4
Split refund option  K-3
state and local refund  D-3, D-13
Where's my refund  P-6
Refundable credits  G-1
Reject codes  Q-5
Rejected returns  Q-5
Rental income  D-1, D-17, D-49, D-50
Repairs  B-11
Reservist expenses  12, E-1
Residency status  B-16
Residential energy credit Ext-7, G-1, G-3
Resident or nonresident alien decision chart  L-2
Resident state return  B-17
Retirement savings contributions credit  E-9, G-14, G-15, G-16, O-10
Retroactive claim some tax credit  M-5
Return signature  K-10
Return types  K-1
Reverse mortgages  D-1, D-9
Rollover deadline  D-37
Roth IRA
Contribution  D-38
Converting from pre-tax to post-tax  D-37
Deduction  E-9
Distribution  D-37, D-38, D-40
Retirement savings contributions credit  G-14, G-15, G-16
Rollover  D-37, D-40
Routing transit number  K-13
Royalty income  D-46, D-49
RRB  D-42

S
Sale of main home  D-28
Sale of stock  D-25, O-10
Sales tax  D-13, F-7, F-8, O-10
Savings bond  D-9, D-12, E-3, K-4
Schedule 1  D-7, B-3
Schedule 2  D-7, A-3, B-3
Schedule 3  D-7, B-3, H-10
Schedule 8812  10, 14, G-2
Schedule A  D-50, F-5, F-6, F-7, F-8
Schedule B. See interest income, dividend income
Schedule C
Car and truck expenses  D-20
Cost of goods sold  D-18
General expenses  D-19
Health insurance  D-19, E-1
Inventory  D-17
Less than $600  D-14
Not reported on Form 1099- MISC  D-17
Out of Scope  D-19
Qualified business income  F-12
Questions about the operation of your business  D-17
Reported on a Form 1099-MISC  D-14
TaxSlayer navigation  D-14, D-17
Travel expenses  E-1
Schedule D  Ext-2, Ext-3, Ext-5, A-1, D-11, D-22, D-29, D-46, N-7
Schedule E  D-6, D-46, D-49, D-50
Schedule F  D-9
Schedule H  D-9
Schedule J  D-9
Schedule K-1
Foreign taxes  G-7
Form 1041  D-45
Form 1065  D-45
Form 1120S  D-45
Out of scope items  D-45, D-46
TaxSlayer navigation  D-45, D-46
Schedule Q  D-9
Schedule R  D-9, G-1, G-18
Schedule SE  F-12, H-1
Scholarships  D-51, D-57, J-1, J-2, J-3
Scope of service  5
Self employed health insurance deduction  D-19, E-4
Self-employment income  D-14, D-17, O-10
Seller financed mortgage interest  D-10, O-10
Sick pay  D-6
Simplified method  D-36
Social Security
Determining support  C-7
Gross Income Test  G-6
Lump-sum distributions  D-44
mySocialSecurity account  B-13
TaxSlayer navigation  D-42
Solo proprietor  F-12
Split refund  K-3, K-4, K-13
Standard deduction  F-1, F-2, F-5, F-12, R-2
Standards of conduct. See inside front cover
State and local refund worksheet  D-13
State returns  M-1
Statutory employee  D-6
Student loan interest  E-1, E-10, J-2, J-3, O-6, O-10, R-1
Supplemental security income (SSI)  D-1
Support  C-7

T
Taxable and nontaxable income  D-1
Taxable income  D-1, R-2
Taxable interest  A-2, D-8
Taxes you paid  F-3, F-7, O-11
Tax exempt interest  C-4, D-9, D-44, D-46, O-11
Taxpayer Advocate Service (TAS)  R-2
Taxpayer inquiries  P-4
Tax return preparation  F-11
TaxSlayer Admin
Contingency Plan  Q-1, Q-2
TaxSlayer Pro Desktop
Credits - Key Highlights  N-9
Income - Key Highlights  N-6
Input highlights  N-3
Navigating  N-1
Printing  N-10
TaxSlayer Pro Online
As a favorite  O-1
Homepage  O-2
Multifactor authentication  O-1
Navigating  O-3, O-6
Temporary absence  B-4, B-9, C-1, C-4, G-3, G-6, I-4
Tiebreaker Rules  C-2
Tip income  D-5
Tips  A-2, A-3, D-1, D-5, H-1, I-1, O-11
Transcripts  M-5, P-4
Tribal per capita payments  D-1, O-11
Tuition and fees deduction  Ext-6, J-2, J-3

U
Unearned income  H-2, H-3
Unemployment compensation  D-1, D-3, I-1, O-11
Unreported Social Security and Medicare tax  H-1
Unreported tip income  H-1

V
Vehicle license registration fee  F-7
Veterans  D-1, J-5
View form option  N-3
Virtual VITA/TCE Methods  R-3
Volunteer Agreement  16
Volunteer expenses  O-11
Voucher  K-14, K-17, M-3

W
Wages reported on Form 1099-R.
See Form 1099-R
Wash Sale  D-26
Welfare payments  D-1
Where’s my refund  P-4, P-6
Who must file  A-1, A-3
Who should file  A-3
Withholding  D-4, D-6, D-15, K-16
Worksheet for determining support  C-7
Worldwide income  D-52
Taxpayer Civil Rights

The Department of the Treasury-Internal Revenue Service will not tolerate discrimination based on race, color, national origin (including limited English proficiency), disability, reprisal, sex (in education programs or activities) or age in programs or activities receiving federal financial assistance from the Internal Revenue Service.

Persons with disabilities and/or limited English proficiency should be able to participate in or benefit from programs and services that IRS supports. Taxpayers with a disability may request a reasonable accommodation and taxpayers with limited English proficiency may request language assistance to access service. For additional information refer to Publication 4053, Your Civil Rights Are Protected, for reasonable accommodation.

If a taxpayer believes that he or she has been discriminated against, a written complaint should be sent to:

Internal Revenue Service
Civil Rights Unit
1111 Constitution Avenue, NW, Room 2413
Washington DC 20224

Email edi.civil.rights.division@irs.gov

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

Low Income Tax Clinics

Low Income Taxpayer Clinics (LITCs) are independent from the IRS. LITCs serve individuals whose income is below a certain level and need to resolve tax problems with the IRS, such as audits, appeals, and tax collection disputes. In addition, clinics can provide information about taxpayer rights and responsibilities in different languages for individuals who speak English as a second language. Services are offered for free or a small fee. For more information or to find a clinic near you, see the LITC page at http://www.taxpayeradvocate.irs.gov/litcmap or IRS Publication 4134, Low Income Taxpayer Clinic List. This Publication is also available online at www.irs.gov or by calling the IRS at 1-800-829-3676.

Taxpayer Advocate Service

The Taxpayer Advocate Service is Here to Help You

What is the Taxpayer Advocate Service?
The Taxpayer Advocate Service (TAS) is an independent organization within the Internal Revenue Service that helps taxpayers and protects taxpayer rights. Our job is to ensure that every taxpayer is treated fairly and that you know and understand your rights under the Taxpayer Bill of Rights.

What can TAS do for you?
We can help you resolve problems that you can’t resolve with the IRS. And our service is free. If you qualify for our assistance, you will be assigned to one advocate who will work with you throughout the process and will do everything possible to resolve your issue. TAS can help you if:

- Your problem is causing financial difficulty for you, your family, or your business.
- You face (or your business is facing) an immediate threat of adverse action
- You’ve tried repeatedly to contact the IRS, but no one has responded, or the IRS hasn’t responded by the date promised.

How can you reach us?
We have offices in every state, the District of Columbia, and Puerto Rico. Your local advocate’s number is at www.taxpayeradvocate.irs.gov, and in your local directory. You can also call us at 1-877-777-4778.

How can you learn about your taxpayer rights?
The Taxpayer Bill of Rights describes ten basic rights that all taxpayers have when dealing with the IRS. Our Tax Toolkit at www.taxpayeradvocate.irs.gov can help you understand what these rights mean to you and how they apply. These are your rights. Know them. Use them.

How else does the Taxpayer Advocate Service help taxpayers?
TAS works to resolve large-scale problems that affect many taxpayers. If you know of one of these broad issues, please report it to us at www.irs.gov/sams.
# Information for Volunteers

## TaxSlayer

<table>
<thead>
<tr>
<th>Service</th>
<th>Number/Email</th>
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<tbody>
<tr>
<td>TaxSlayer Volunteer Support</td>
<td>1-800-421-6346 (Do not give to the public)</td>
</tr>
<tr>
<td>TaxSlayer via E-Mail</td>
<td><a href="mailto:support@vita.taxslayerpro.com">support@vita.taxslayerpro.com</a></td>
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## Prior Year Return Access

<table>
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<th>URL</th>
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<td>Current and 3 previous years</td>
<td><a href="https://vita.taxslayerpro.com">https://vita.taxslayerpro.com</a></td>
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<td>accessible from one URL</td>
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## Internal Revenue Service

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<tr>
<td>VITA/TCE Hotline for tax law</td>
<td>1-800-829-8482 (800-TAX-VITA)</td>
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<tr>
<td>questions (volunteer use only)</td>
<td></td>
</tr>
<tr>
<td>IRS e-file Help Desk</td>
<td>1-866-255-0654</td>
</tr>
<tr>
<td>Identity Theft Unit</td>
<td>1-800-908-4490</td>
</tr>
<tr>
<td>Taxpayer Assistance Centers</td>
<td>1-844-545-5640</td>
</tr>
<tr>
<td>Quality and Volunteer Tax Alerts</td>
<td><a href="https://www.irs.gov/individuals/quality-and-tax-">https://www.irs.gov/individuals/quality-and-tax-</a></td>
</tr>
<tr>
<td></td>
<td>alerts-for-irs-volunteer-programs</td>
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## Information to Assist Taxpayers

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<tr>
<td>Refund Offset Inquiry (Financial</td>
<td>1-800-304-3107</td>
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<tr>
<td>System)</td>
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<tr>
<td>IRS Tax-Help for Deaf (TDD)</td>
<td>1-800-829-4059</td>
</tr>
<tr>
<td>Taxpayer Advocate Service</td>
<td>1-877-777-4778</td>
</tr>
<tr>
<td>Social Security Administration</td>
<td>1-800-772-1213</td>
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