

# How to prepare state Defense of Marriage Act returns in TaxWise

To prepare returns that include states not conforming to the Defense of Marriage Act (DOMA), use the What If? feature in TaxWise.

## Preparing the joint federal return

Prepare the federal joint return for taxpayers falling under DOMA regulations just as you would prepare a standard married filing jointly return.

Start and complete the return, including all forms you normally complete for the client, such as Form W-2, Form 2441, etc.

Electronically file or print the federal return without the state.

## Preparing a state return for the taxpayer

Before you begin the state return, verify the state laws directly from the state.

To prepare a state return for the individual listed as the taxpayer on the federal return, use the following steps:

1. With the completed federal return open, on the **File** menu, click “What IF? Mode”.

The screenshot shows the TaxWise 2013 software interface. The 'File' menu is open, and the 'What If? Mode' option is selected. The main window displays the 'Main Information Sheet' for a 2013 return. The taxpayer's name is Robert W. Smith, and the return is for Form 1040. The spouse's name is Karen M. Taylor Smith, and the return is for Form 1040. The mailing address is 623 Miller Road.

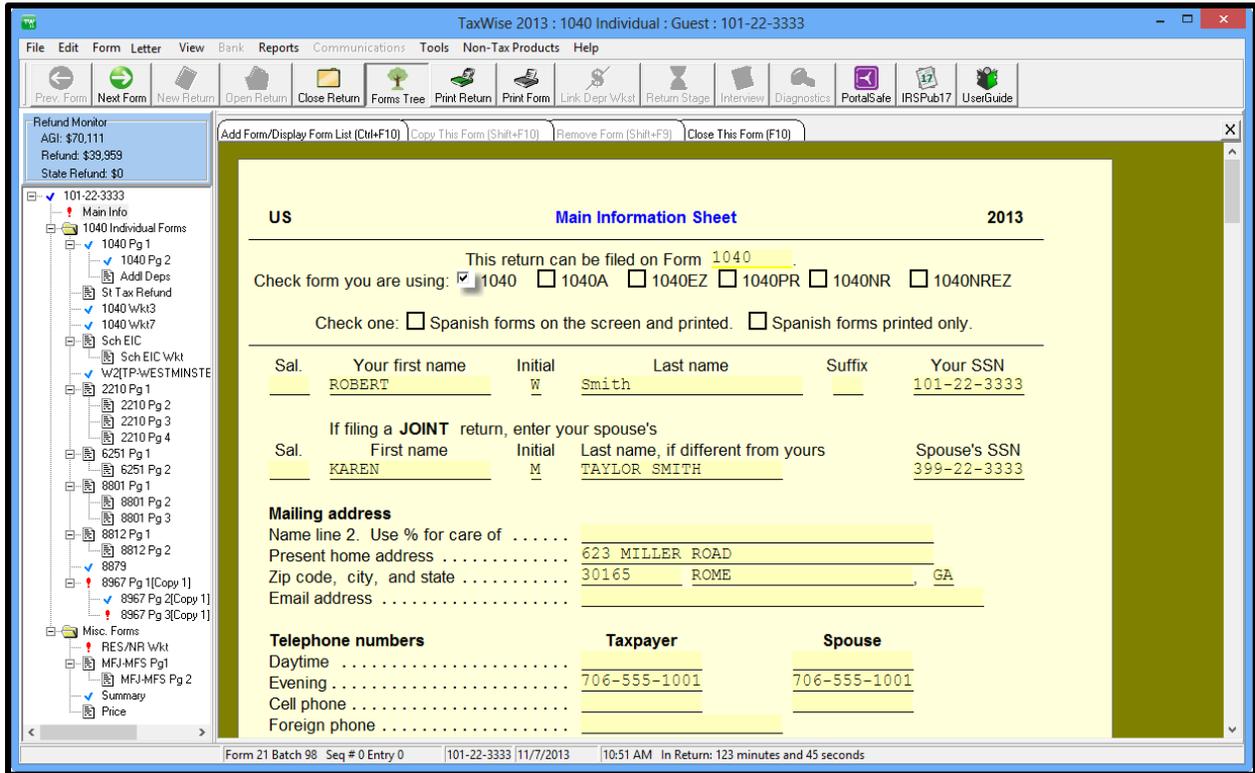
| Sal. | Your first name | Initial | Last name | Suffix | Your SSN    |
|------|-----------------|---------|-----------|--------|-------------|
|      | ROBERT          | W       | Smith     |        | 101-22-3333 |

If filing a **JOINT** return, enter your spouse's

| Sal. | First name | Initial | Last name, if different from yours | Spouse's SSN |
|------|------------|---------|------------------------------------|--------------|
|      | KAREN      | M       | TAYLOR SMITH                       | 399-22-3333  |

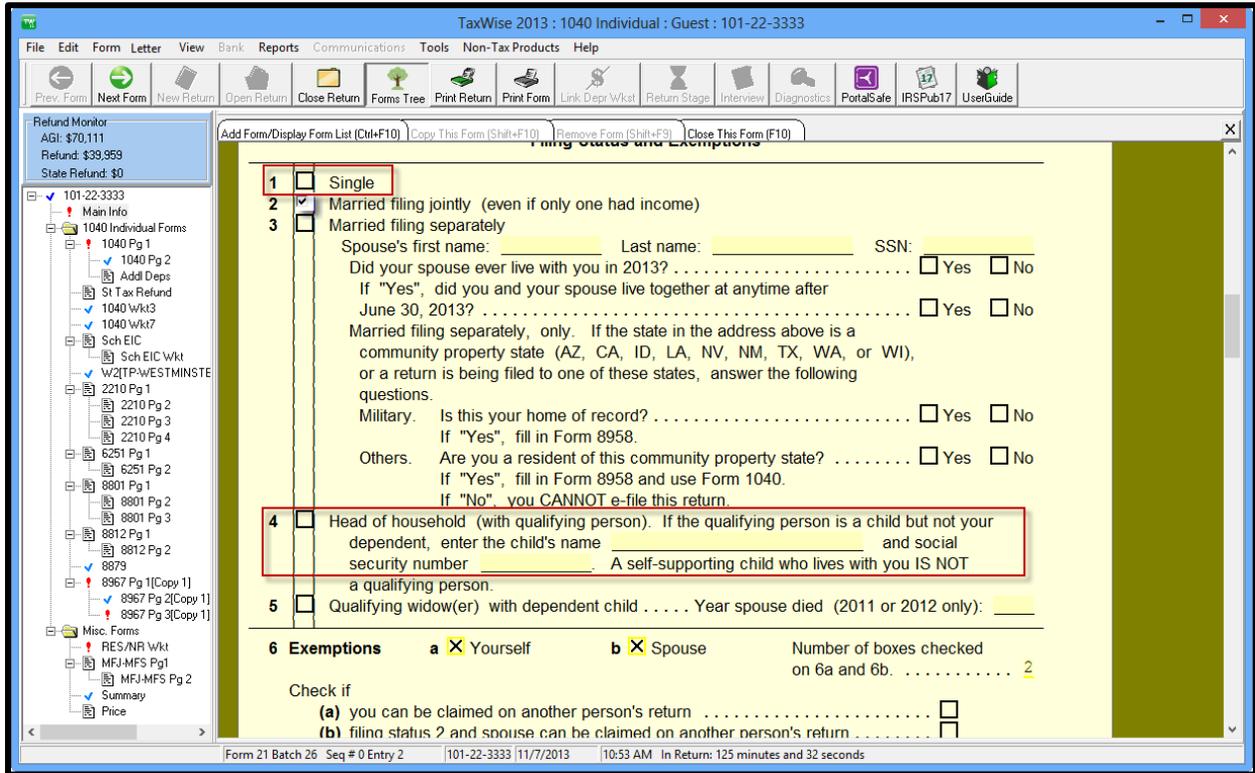
Mailing address  
Mailing address line 2. Use % for care of .....  
Present home address: 623 MILLER ROAD

TaxWise displays a copy of the tax return with an olive green background:



2. Remove all information for the client you listed as the spouse on the original federal return. This could include the following information:
  - a. Name
  - b. Social Security number
  - c. Date of birth
  - d. Supporting forms (Form W-2)

- Change the filing status on the Main Information Sheet to **Single**, or, if the taxpayer qualifies, to **Head of household**.

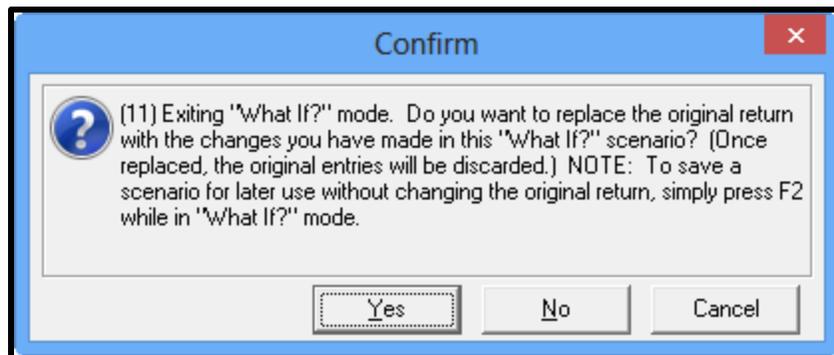


- Verify that you removed all *spouse* information.
- Print the return and mail it to the state.

**Note:** You cannot electronically file these state returns.

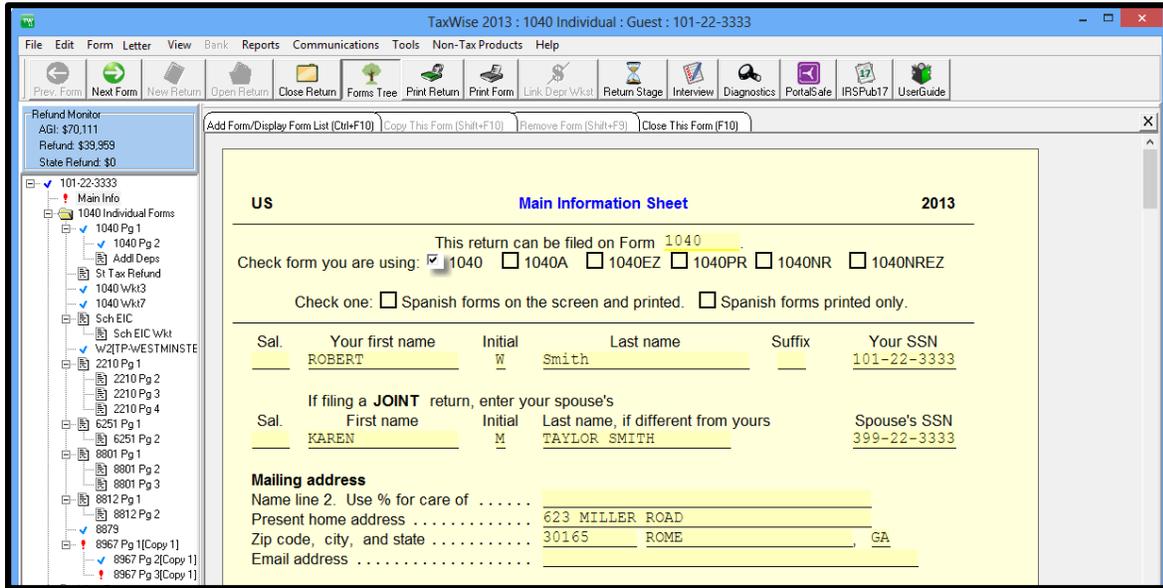
- Press F2 to save the return scenario.
- On the **File** menu, click **“What If?” Mode**.

TaxWise displays the **Confirm** dialog box:



- Click **No**.

TaxWise exits What IF? Mode and displays the original return:



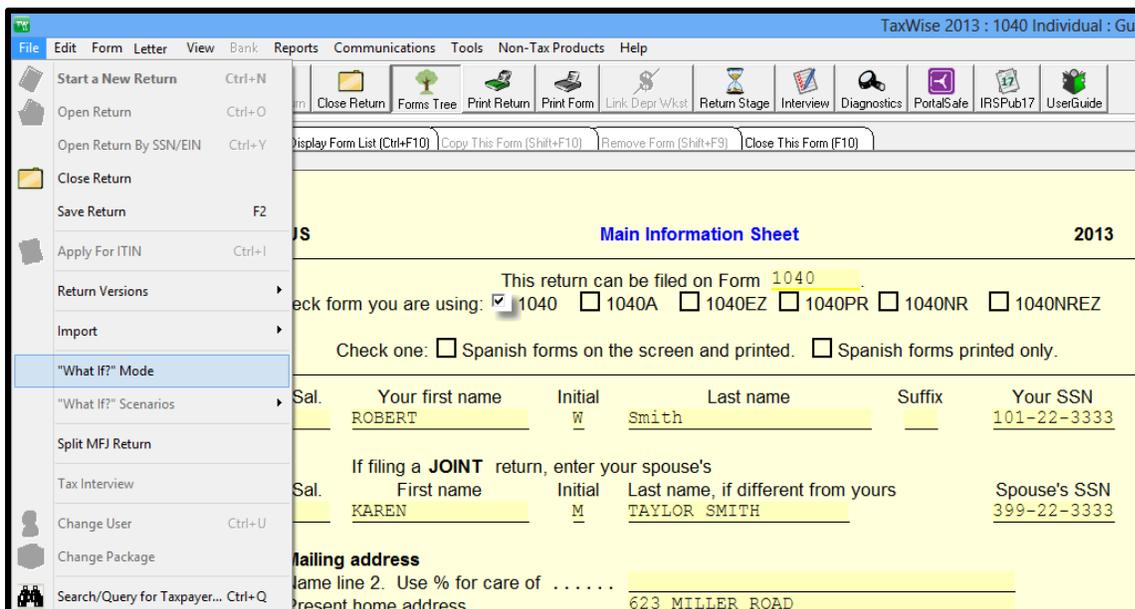
**Note:** Make sure you click **No** to return to the original return. If you do not, TaxWise overwrites the original return with these changes.

## Preparing a state return for the spouse

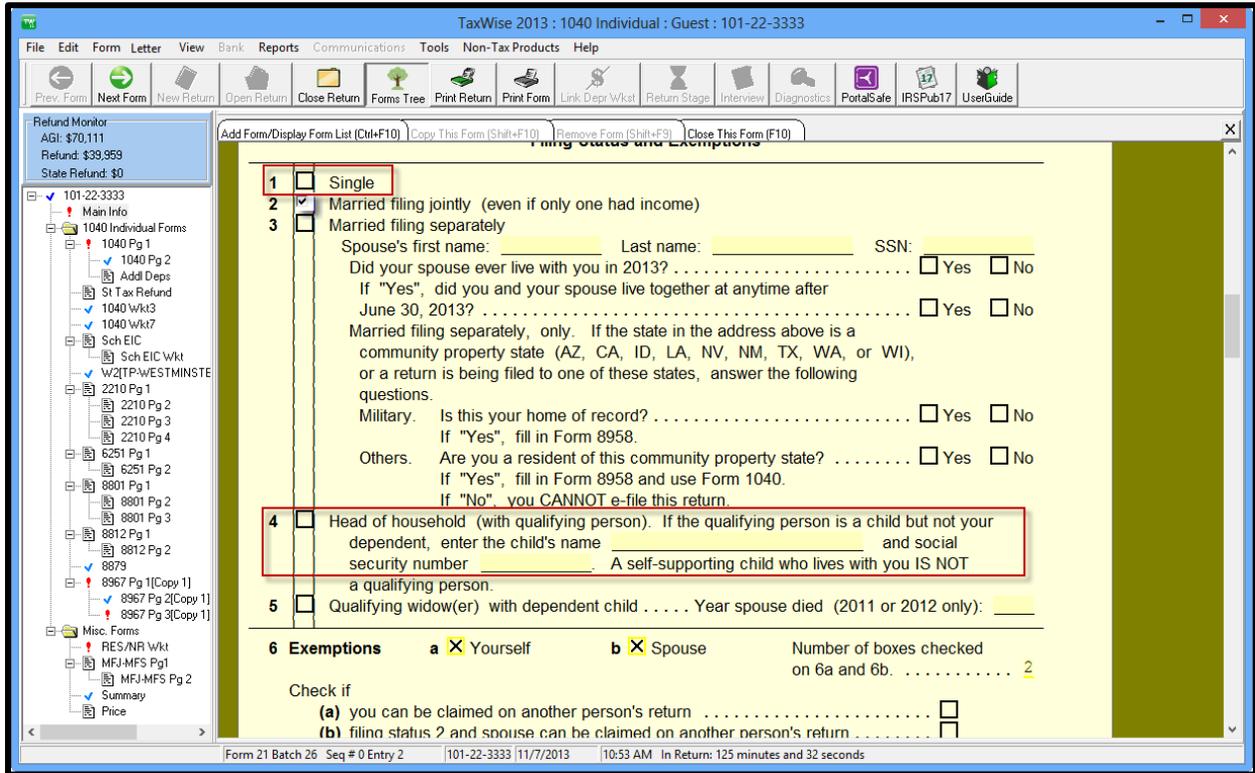
Before you begin the state return, verify the state laws directly from the state.

To prepare a state return for the individual listed as the spouse on the federal return, use the following steps:

1. With the completed federal return open, on the **File** menu, click **“What IF? Mode”**.

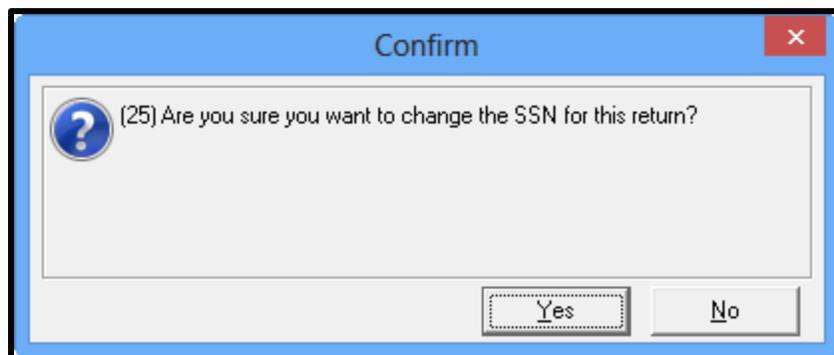


TaxWise displays a copy of the tax return with an olive green background.



2. Remove all information for the client you listed as the taxpayer on the original federal return. This could include the following information:
  - a. Name
  - b. Social Security number
  - c. Date of birth
  - d. Supporting forms (Form W-2)
3. Move all information for the client you listed as the spouse on the original federal return to the boxes for taxpayer. This includes the information you removed for the original taxpayer.

When you change the Social Security number on the Main Information Sheet, TaxWise displays a **Confirm** dialog box to verify that you want to change the Social Security number on the return:



- Change the filing status on the Main Information Sheet to **Single**, or, if the taxpayer qualifies, to **Head of household**.

The screenshot shows the TaxWise 2013 interface for a 1040 Individual return. The 'Filing Status and Exemptions' section is active. The 'Single' option is selected and highlighted with a red box. Other options include 'Married filing jointly (even if only one had income)', 'Married filing separately', 'Head of household (with qualifying person)', and 'Qualifying widow(er)'. Below the filing status options, the 'Exemptions' section shows 'a X Yourself' and 'b X Spouse' selected. The status bar at the bottom indicates 'Form 21 Batch 26 Seq # 0 Entry 2' and 'In Return: 125 minutes and 32 seconds'.

- Verify that you removed all *taxpayer* information.
- Print the return and mail it to the state.

**Note:** You cannot electronically file these state returns.

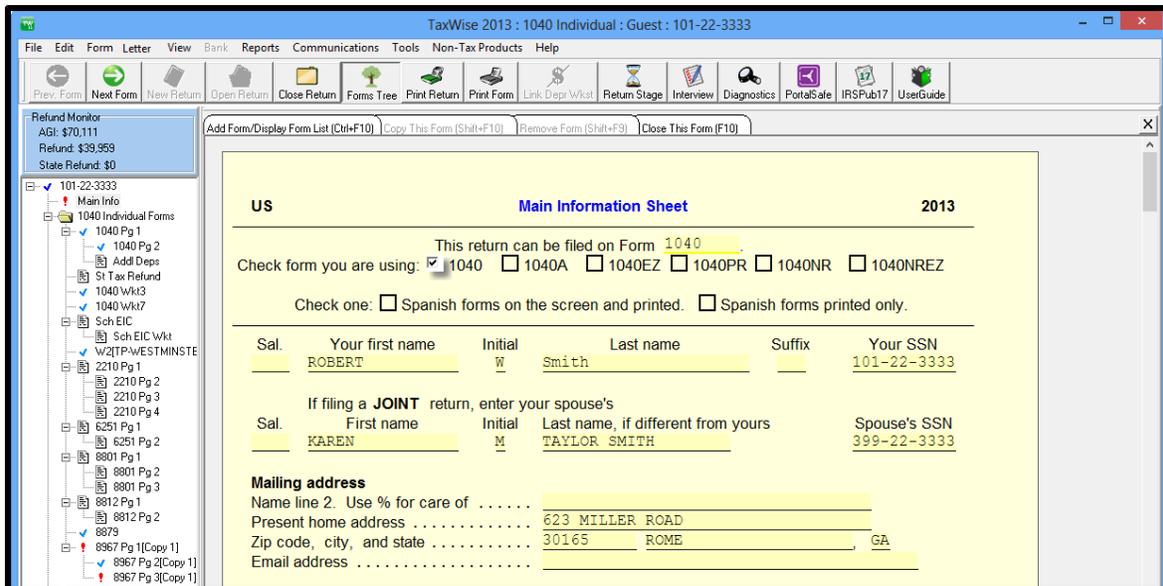
- Press F2 to save the return scenario.
- On the **File** menu, click **“What If?” Mode**.

TaxWise displays the **Confirm** dialog box:

The 'Confirm' dialog box contains the following text: '(11) Exiting "What If?" mode. Do you want to replace the original return with the changes you have made in this "What If?" scenario? (Once replaced, the original entries will be discarded.) NOTE: To save a scenario for later use without changing the original return, simply press F2 while in "What If?" mode.' The 'Yes' button is highlighted with a dashed border.

9. Click **No**.

TaxWise exits What If? Mode and displays the original return:



**Note:** Make sure you click **No** to return to the original return. If you do not, TaxWise overwrites the original return with these changes.