

# **National Tax Training Committee**

## **Self-Study: Certification Lessons**

**Tax Year 2023**

For the latest release of this document click [here](#).

**Before you begin:**

Please note that certain calculations could change as the IRS continues to finalize instructions for tax year 2023. Expect TaxSlayer to work with the IRS and state agencies to incorporate updates as they are received. Tax-Aide/NTTC recommends students review TaxSlayer produced tax returns and are aware of the resulting calculations.

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# NTTC Self-Study Certification Lessons

Thank you for volunteering with AARP Foundation Tax-Aide and welcome to Tax Year 2023. **Self-Study Certification Lessons** are intended for returning counselors and new volunteers. New volunteers should first complete **Self-Study New Volunteer Lessons** as the prerequisite before starting these lessons.

You are encouraged to use the resource and tax law documents in every step you take with tax preparation, taking the IRS certification tests, and production. All of the Tax-Aide and IRS resources are “open book”. Some documents are voluminous, so you are encouraged to get proficient and comfortable with finding what you need in online versions. In tax preparation you must use your Chromebook that is provided by AARP Foundation. For training you are encouraged to use your Chromebook, however you should be able to use most personal computers as well. AARP Tax-Aide Self-Study is intended for students that are studying by themselves or in a small group.

Included in this document are self-directed lessons.

- Study and learn the tax law using the [NTTC 4491 Tax-Aide Version, Training Guide](#) and [IRS Link & Learn Taxes](#).
- Learn and practice with the exercises using the [NTTC Modified 4012, Volunteer Resource Guide](#) and the [TaxSlayer/Practice Lab](#) software.
- Utilize the suggested resources and tools.

*NTTC Self-Study Certification Lessons* can be used to prepare for the tests. These lessons make use of the [IRS Link & Learn Taxes](#) lessons and will be updated for tax year 2023 in early December when the Link & Learn lessons are updated.

**Best Practice:** Use [NTTC Training Resource Links](#) and [NTTC Useful Tax Prep Links](#) to download and/or print formatted files. This document contains links to most references volunteers use for training and production.

Download the key electronic PDF documents to your personal computer or to your Chromebook Google Drive. It's easy to find these PDF documents by accessing the **AARP Volunteer Portal > Tax-Aide: Training and Tax Law Library (red folder) > A - Training Resources > Self Study**. Review the list of documents and then download the desired file. [ReadMe for Self-Study](#) may be helpful.

## Introduction and Resources

Throughout this document, [NTTC-4491](#) refers to the Tax-Aide Version of the *IRS Publication 4491 VITA/TCE Training Guide*. The [NTTC-4012](#) refers to the current version of the *IRS Publication 4012 VITA/TCE Volunteer Resource Guide with modifications for Tax-Aide Volunteers*.

The [Colorado Resource Toolbox](#) is a set of independently developed tax preparation tools that have been made available to AARP Foundation Tax-Aide Counselors and Trainers. Originally a Colorado Tax-Aide volunteer, Jeff Bogart, developed several important electronic calculators and their list has grown into a toolbox endorsed by the Tax-Aide National Tax Training Committee (NTTC).

 If you are new to YouTube, watch this quick [YouTube basics video](#).

 Importantly, watch [NTTC Pub 4012 video](#) for the best practice for navigating the document online!

 Watch:

- [Introduction to Federal Income Tax Law video](#).
- [Intake Screening video](#).
- [Tips for an Accurate Return](#).
- [Filing Requirements video](#).

## Intake/Interview and Quality Review Training (Form 13614-C)

Taxpayers using services offered through the Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) programs should be confident they are receiving quality service. This includes having an accurate tax return prepared.

The IRS SPEC requires all instructors, coordinators, client facilitators, return preparers, quality reviewers and any volunteer assisting taxpayers in completing Form 13614-C and/or assigning tax returns to preparers to pass the Intake/Interview and Quality Review test with a score of 80% or higher.

Preparing an accurate tax return begins with explaining the tax preparation process, completing all questions on Form 13614-C, listening to the taxpayer, asking the right questions, and ends with a quality review to ensure accuracy.

Form 13614-C, Intake/Interview and Quality Review Sheet, is a tool designed to help ensure taxpayers are given the opportunity to provide all needed information before their tax return is prepared. When used properly, this form effectively contributes to accurate tax return preparation.

[\*IRS Pub 5101, page 3\*](#)

### Study:

- Tax-Aide guidance for tax preparation:
  - [Gold Standards for Intake & Interview](#).
  - [Gold Standards for Quality Review](#).
- IRS standards (important to pass the IRS certification test required for Tax-Aide volunteers).
  - [Pub 5101](#) VITA/TCE Intake/Interview and Quality Review Training.
  - [Pub 5838](#) VITA/TCE Intake/Interview and Quality Review Handbook



Watch the [Intake Screening Video](#)

## IRS: Volunteer Standards of Conduct Agreement - VITA/TCE Programs

 Review: [Form 13615](#) *Volunteer Standards of Conduct Agreement*:

<b>Form 13615</b> (October 2023)	Department of the Treasury - Internal Revenue Service <b>Volunteer Standards of Conduct Agreement – VITA/TCE Programs</b>	
<p>The mission of the VITA/TCE return preparation programs is to assist eligible taxpayers in satisfying their tax responsibilities by providing <b>free</b> 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.</p> <p><b>Use of Form 13615:</b> This form provides information on a volunteer's certification. All VITA/TCE volunteers must pass the Volunteer Standards of Conduct certification, and sign and date Form 13615, Volunteer Standards of Conduct Agreement - VITA/TCE Programs, prior to working at a VITA/TCE site. In addition, return preparers, quality reviewers, coordinators, and tax law instructors must certify in Intake/Interview and Quality Review and tax law prior to signing this form. These certifications are also required for greeters, screeners, client facilitators, who answer tax law questions. This form is not valid until the coordinator, sponsoring partner, instructor, or IRS contact confirms the volunteer's identity, name and address with a government-issued photo ID, and signs and dates this form.</p> <p><b>Standards of Conduct:</b> As a volunteer in the VITA/TCE programs, you must adhere to the following Volunteer Standards of Conduct:</p>		
<p><b>VSC #1</b> - Follow all Quality Site Requirements (QSR).</p> <p><b>VSC #2</b> - Do not accept payment, ask for donations, or accept refund payments for federal or state tax return preparation from customers.</p> <p><b>VSC #3</b> - Do not solicit business from taxpayers you help or use the information you gained about them (taxpayer information) for any direct or indirect personal benefit for yourself, any other specific individual or organization.</p>		<p><b>VSC #4</b> - Do not knowingly prepare false returns.</p> <p><b>VSC #5</b> - Do not engage in criminal, infamous, dishonest, notoriously disgraceful conduct, or any other conduct considered to have a negative effect on the VITA/TCE programs.</p> <p><b>VSC #6</b> - Treat all taxpayers in a professional, courteous, and respectful manner.</p>
<p>Failure to comply with these standards could result in, but is not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Removal from all VITA/TCE programs</li> <li>• Inclusion in the IRS Volunteer Registry to bar future VITA/TCE activity indefinitely</li> <li>• Deactivation of your sponsoring partner's site VITA/TCE electronic filing ID number (EFIN )</li> <li>• Removal of all IRS products, supplies, loaned equipment, and taxpayer information from your site</li> <li>• Termination of your sponsoring organization's partnership with the IRS</li> <li>• Termination of grant funds from the IRS to your sponsoring partner and</li> <li>• Referral of your conduct for potential TIGTA and criminal investigations</li> </ul>		
<p><b>Taxpayer Impact:</b> Taxpayer trust in the IRS and the local sponsoring partner organization is jeopardized when ethical standards are not followed. Fraudulent returns that report incorrect income, credits, or deductions can result in many years of interaction with the IRS as the taxpayer tries to pay the additional tax plus interest and penalties. This can result in an extreme burden for the taxpayer.</p> <p><b>Volunteer Protection:</b> The Volunteer Protection Act generally protects unpaid volunteers from liability for acts or omissions that occur while acting within the scope of their responsibilities at the time of the act or omission. It provides no protection for harm caused by willful or criminal misconduct, gross negligence, reckless misconduct, or a conscious, blatant disregard of the rights or safety of the individual harmed by the volunteer.</p> <p>For additional information on the volunteer standards of conduct, please refer to <a href="#">Publication 4961</a>, Volunteer Standards of Conduct - Ethics Training.</p>		

### **Take the IRS Standard of Conduct and Intake/Interview and Quality Review Tests.**

- Carefully review the Guidance for [Taking the IRS Certification Tests Online](#).
- Open [Link & Learn Certification](#) and study these documents the first two before taking the first two associated IRS tests. Use your account in [Link & Learn Certification](#) and make sure you have the 2023 versions (they may not be released until December 2023).
  - Volunteer Standards of Conduct (Pub 4961 - [VSOC Training](#))
  - Intake/Interview and Quality Review Training ([Pub 5101](#))
- Remember you only have two chances to pass any IRS test (80% score).

### Your Tasks:

- If you wish, download: [NTTC-4012](#) for your personal computer<sup>1</sup>.

### Watch the [Scope Manual video](#).

- Review or click: [Tax-Aide Scope Manual](#).

The NTTC-4012 and the Tax-Aide Scope Manual are important resource documents. They are used as an 'open book' resource for both training and production tax preparation. AARP Foundation Chromebooks have up-to-date links in the browser bookmarks. Counselors and Prospective Volunteers are encouraged to download both documents from the AARP Volunteer Portal to their personal computers and keep them current with the latest updates.

### Self-Study Progress Sheet and Answers to the Exercises

- Open and review [Self-Study Counselor Resources](#) which contains links to the most important Tax-Aide and IRS resources document for self-study training.
- Download or print a [Progress Sheet](#) and the [answers](#). Record your work on the progress sheet and then check your answers as you do each exercise.

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<sup>1</sup> The [NTTC-4012](#) link is to the most current updated version that is automatically updated. This is the same as the link in the AARP Chromebook, Tax-Aide Links and also by clicking the title page, upper right hand "Click here for latest version of this publication".




### Your Tasks:

- Verify your [IRS Link & Learn Account](#) login. Confirm in your profile that your first name, last name, and address match your government issued photo ID, and that you select 02 - TCE - AARP Volunteer.
- For extra help, review [Taking the Certification Tests Online](#) for detailed instructions.
- If you haven't already done so, go ahead and take the Volunteer Standards of Conduct Test.
- If you don't have a [Practice Lab](#) account for training, create an account using [these instructions](#). To get started in Practice Lab open the [TaxSlayer Springboard](#) page and then click Practice Lab, or in your browser enter this direct link: <https://vita.taxslayerpro.com/IRSTraining/>. Enter the generic password TRAINPROWEB and click Login to gain access to the Lab. Remember this password.



**[Qualifying Child or Relative Resource Tool](#)** (QC/QR Tool) is an eight-page tool that simplifies the identification of qualifying children or relatives and in determining filing status.

**Qualifying Child or Relative Resource Tool**  
(Determining tax benefits for Form 1040)

— FOR AARP FOUNDATION TAX-AIDE USE ONLY —

The following charts can be used to determine who is your qualifying child and who is your qualifying relative for the following income tax purposes:

• Head of household filing status	• Education credits
• Qualifying surviving spouse filing status	• Child and dependent care credit and exclusion
• Child tax credit (CTC) (incl. additional CTC)	• Premium tax credit
• Credit for other dependents	• Medical expense deduction
• Earned income credit (EIC)	

**Always start with Chart 1, Box 1.** If Chart 1 does not apply, you will soon be sent to Chart 2.

If you follow the arrows, you will eventually get to a shaded box that has no arrows leading away from it. At that point, STOP. This box tells you ALL the tax benefits that you can claim based on that person.

[Click to open this tool.](#)


- It identifies tax benefits that can be claimed (subject to additional requirements that may apply).
- It eliminates mistakes that otherwise might never be caught.
- It includes important definitions and a filing status chart.
- Recommended by the AARP Tax-Aide.

**Important:** Check that you are using the 2023 version of the [Qualifying Child or Relative Resource Tool](#). (do not rely on earlier printed versions of this document)

## Dependents and Filing Status



Your Tasks:

-  Watch the [Intake Screening Video](#)
-  Watch the [Filing Requirements Video](#)

## Dependents

Identifying and determining the correct number of dependents is a critical component of completing an accurate return for the taxpayer. The dependency exemption amount is zero through 2025, however claiming a dependent may make taxpayers eligible for other valuable tax benefits including the:

- child tax credit,
- additional child tax credit,
- credit for other dependents,
- earned income credit,
- child and dependent care credit,
- head of household filing status, or
- qualifying surviving spouse filing status.

For tax purposes, a dependent is a child or other person who might qualify the taxpayer for any specific tax benefits. An individual is not a dependent if a person that could claim them as a dependent is not a taxpayer.

see [NTTC-4491](#), Lesson: *Dependents (6-1)*

- Study [NTTC-4491](#), Chapter 6, Dependents. Verify some of the examples and exercises with the [QC/QR Tool](#).
- Click and take the [Dependency Quiz](#).



### Evaluation & Feedback

For **Dependents** complete the [Skills Workout](#) in **Link & Learn** > [Dependents](#) or view NTTC-4491, Chapter 6 (especially the examples & exercises). Choose one but not both.

## Filing Status

Taxpayers must use one of five filing statuses. Filing status impacts the calculation of income tax, affects the amount of the standard deduction, and determines allowance or limitation of certain credits and deductions.

A dependent may either be a qualifying child or a qualifying relative of the taxpayer. The taxpayer's spouse cannot be claimed as a dependent. Some examples of dependents include a child, stepchild, brother, sister, or parent.

Individuals who qualify to be claimed as a dependent may be required to file a tax return if they meet the filing requirements and it may impact the amount of their standard deduction.

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.

see [NTTC-4491](#), Lesson: *Filing Status (4-1)*



Watch the [Filing Status Basic Video](#)

- Study [NTTC-4491](#), Chapter 4, Filing Status. Verify some of the examples and exercises with the [QC/OR Tool](#).



Watch the [Filing Status Advanced Video](#)

- Click and take the [Filing Status Quiz](#).



### Evaluation & Feedback




For **Filing Status** complete the [Skills Workout](#) in Link & Learn > [Filing Status](#) or view NTTC-4491, Chapter 4 (especially the examples & exercises). Choose one but not both.

## Income—Business

Taxpayers may engage in full or part-time activities in a trade or business as a sole proprietor or independent contractor. An activity qualifies as a business if the taxpayer's primary purpose for engaging in the activity is for income or profit and he or she is involved in the activity with continuity and regularity. When the activities do not rise to the level of a trade or business, e.g., if the activity is not engaged in for profit (such as a hobby), special rules apply, and the return is out of scope for Tax-Aide.

(see [NTTC Schedule C Guidelines](#))

### Your Tasks:

-  Watch the [Schedule C Basic video](#).
-  Watch the [Schedule C Advanced SEHI](#)
-  Watch the [Schedule C Advanced QBI & SE tax](#)


- Review the NTTC-4012, Tab D, and the instruction for Business Income.
- Pay close attention to the following topics:
  - Business vehicle expenses
  - Training and education expenses
  - Health Insurance expenses (including Medicare premiums)
  - Loan Interest expense
- Review: [NTTC Schedule C Guidelines](#) (tax law document created by NTTC)
- Review: [Self-Employed Worksheet](#). The worksheet is given to taxpayers with self - employment income. The taxpayer fills out this form and shows it to the tax preparer.

### Test Your Knowledge: Business Income – Scope Limitations

In the quiz check if the items are in or out of scope for Tax-Aide volunteers. Open the [Tax-Aide Scope Manual](#) and search click on “F 1040, S C” in the Table of Contents. Also, the NTTC Schedule C Guidelines and NTTC-4491, Lesson 9 have discussions concerning scope limitations.

- Open and answer the [Business Out-of-scope Quiz](#)

## Self-Employment Business Income Exercise

 Your tasks:

- View the [William Martin's Form 13614-C Intake/Interview & Quality Review Sheet](#) and the documents below.

Form <b>13614-C</b> (October 2023)		Department of the Treasury - Internal Revenue Service <b>Intake/Interview and Quality Review Sheet</b>				OMB Number 1545-1964	
<b>You will need:</b> <ul style="list-style-type: none"> <li>Tax Information such as Forms W-2, 1099, 1098, 1095.</li> <li>Social Security cards or ITIN letters for all persons on your tax return.</li> <li>Picture ID (such as valid driver's license) for you and your spouse.</li> </ul>						<ul style="list-style-type: none"> <li>Please complete pages 1-4 of this form.</li> <li>You are responsible for the information on your return. Please provide complete and accurate information.</li> <li>If you have questions, please ask the IRS-certified volunteer preparer.</li> </ul>	
Volunteers are trained to provide high quality service and uphold the highest ethical standards. To report unethical behavior to the IRS, email us at <a href="mailto:wi.voltax@irs.gov">wi.voltax@irs.gov</a>							
<b>Part I – Your Personal Information</b> (If you are filing a joint return, enter your names in the same order as last year's return)							
1. Your first name <b>WILLIAM</b>		M.I. <b>MARTIN</b>		Last name <b>MARTIN</b>		Best contact number <b>506-555-1234</b>	
2. Your spouse's first name		M.I.		Last name		Best contact number	
3. Mailing address <b>1423 CONCORD LANE</b>		Apt #		City <b>YOUR CITY</b>		State <b>YS</b>	
4. Your Date of Birth <b>03/05/1979</b>		5. Your job title <b>CONTRACT PAINTER</b>		6. Last year, were you:		a. Full-time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
				b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
7. Your spouse's Date of Birth		8. Your spouse's job title		9. Last year, was your spouse:		a. Full-time student <input type="checkbox"/> Yes <input type="checkbox"/> No	
				b. Totally and permanently disabled <input type="checkbox"/> Yes <input type="checkbox"/> No		c. Legally blind <input type="checkbox"/> Yes <input type="checkbox"/> No	
10. Can anyone claim you or your spouse as a dependent? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure							
11. Have you, your spouse, or dependents been a victim of tax related identity theft or been issued an Identity Protection PIN? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							
12. Provide an email address (optional) (this email address will not be used for contacts from the Internal Revenue Service) <b>WMARTIN@EMAIL.XXX</b>							
<b>Part II – Marital Status and Household Information</b>							
1. As of December 31, 2023, what was your marital status?		<input checked="" type="checkbox"/> Never Married (This includes registered domestic partnerships, civil unions, or other formal relationships under state law) <input type="checkbox"/> Married					
		a. If Yes, Did you get married in 2023? <input type="checkbox"/> Yes <input type="checkbox"/> No					
		b. Did you live with your spouse during any part of the last six months of 2023? <input type="checkbox"/> Yes <input type="checkbox"/> No					

- Open Practice Lab and create a new return for **William Martin, SSN 015-00-6517**.
- Determine his filing status.
- Find help with TaxSlayer entries in [NTTC-4012](#) Tab D.
- TIP: Taxpayers insurance premiums paid cannot be used for both self-employment adjustment and itemized deductions.
- Enter William's Business Income and expenses:
  - William is a self-employed painter. His clients are businesses and private homeowners. His business's name is Baldwin Painting, and he uses his home address for his business address. Use Schedule C business code 238320.
  - William received the below two Form 1099-NECs from restaurants he painted.
  - Input the Form 1099-NECs, linking each to a single Schedule C for Baldwin Painting.
  - He also received cash payments totaling \$32,867 from private clients for painting their houses. Add this income to the Schedule C you already created.
  - Be sure to capture all of his business income and expenses.
  - William will use a standard deduction.

## 2023 Self-Employed (Sch C) Worksheet

(Complete a separate worksheet for each business)

Business owner's name: William Martin

- |  |   |
|--|---|
| <input type="checkbox"/> I paid employees or other individuals         | <input type="checkbox"/> I want to deduct a home office             |
| <input type="checkbox"/> I had more than \$35,000 in business expenses | <input type="checkbox"/> I received Form 1095-A for health coverage |
| <input type="checkbox"/> I kept an inventory for my business           | <input type="checkbox"/> I need to report a business loss           |
| <input type="checkbox"/> I have assets to depreciate (any > \$2,500)   | <input type="checkbox"/> I don't use the cash method of accounting  |

**If you checked any of the above, please stop here and speak with one of our Counselors.**

*If you checked none of these above, please continue by completing the worksheet below for each business.*

<b>Income</b>	
Forms 1099 (-NEC, -MISC, -K)	<b>\$9,700</b>
Cash, checks, etc. (incl. tips)	<b>\$32,867</b>
<b>Business expenses</b>	
Advertising	<b>\$350</b>
Commissions and fees	
Health insurance premiums	<b>\$3,400</b>
Business insurance	
Interest on business loans	
Office expense/supplies	
Rent (not home office)	
Repairs	
Supplies	
Licenses or fees	<b>\$95</b>
<b>Business use of car or truck</b>	
Total mileage for year	<b>mi.</b>
Business miles	<b>1968 mi.</b>
Commuting miles	<b>5900 mi.</b>
Other miles	<b>9546 mi.</b>
Vehicle description:	<b>Truck</b>
Date placed in service:	<b>May 1998</b>

Business part of phone	<b>\$695</b>
Training for this business	
Tools, etc. under \$2,500 each	<b>\$598</b>
Travel away from home	
Business meals from restaurants	
Other business meals	
Other (specify)	
<b>Paint</b>	<b>\$8,745</b>
<b>Liability Insurance</b>	<b>\$478</b>
<b>Business Cards</b>	<b>\$317</b>
<b>Personalized coveralls</b>	<b>\$250</b>

<b>Car or truck expenses</b>	
Car loan interest	
Parking, tolls	
Other (specify)	

7/2/2023

**Drivers** – be sure you have with you today:

- > All Forms 1099 AND the detail provided by the company (Door Dash, Lyft, Postmates, Uber, etc.) – you need to download and print the detail from each company's web site.
- > Your trip miles AND your between-trip miles (do not include from home to first stop nor from last stop to home).

<input type="checkbox"/> CORRECTED (if checked)					
PAYER'S name Street address City or town, state or province, country, ZIP or foreign postal code Telephone no. <b>JANE'S CAFE</b> <b>35 WEST ELM STREET</b> <b>YOUR CITY, YOUR STATE, YZIP</b>		OMB No. 1545-0116 <div style="font-size: 2em; font-weight: bold; text-align: center;">20XX</div> Form 1099-NEC	<b>Nonemployee Compensation</b>		
PAYER'S TIN <div style="text-align: center;">12-1234567</div> RECIPIENT'S TIN <div style="text-align: center;">015-00-6517</div> RECIPIENT'S name Street address (including apt.no.) City or town, state or province, country, ZIP or foreign postal code <b>WILLIAM MARTIN</b> <b>143 CONCORD LANE</b> <b>YOUR CITY, YOUR STATE, YZIP</b>		1 Nonemployee compensation <div style="text-align: center;">\$3,200.00</div>		<b>Copy B For Recipient</b>  This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.	
		2			
		3			
		4 Federal income tax withheld			
Account number (see instructions)		5 State tax withheld		6 State/Payer's state no.	7 State income
Form <b>1099-NEC</b>					

<input type="checkbox"/> CORRECTED (if checked)					
PAYER'S name Street address City or town, state or province, country, ZIP or foreign postal code Telephone no. <b>ALICE'S BISTRO</b> <b>234 FALCON DRIVE</b> <b>YOUR CITY, YOUR STATE, YZIP</b>		OMB No. 1545-0116 <div style="font-size: 2em; font-weight: bold; text-align: center;">20XX</div> Form 1099-NEC	<b>Nonemployee Compensation</b>		
PAYER'S TIN <div style="text-align: center;">54-3456789</div> RECIPIENT'S TIN <div style="text-align: center;">015-00-6517</div> RECIPIENT'S name Street address (including apt.no.) City or town, state or province, country, ZIP or foreign postal code <b>WILLIAM MARTIN</b> <b>143 CONCORD LANE</b> <b>YOUR CITY, YOUR STATE, YZIP</b>		1 Nonemployee compensation <div style="text-align: center;">\$6,500.00</div>		<b>Copy B For Recipient</b>  This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.	
		2			
		3			
		4 Federal income tax withheld			
Account number (see instructions)		5 State tax withheld		6 State/Payer's state no.	7 State income
Form <b>1099-NEC</b>					

- In this exercise, health insurance premiums were included on the Self-Employed Worksheet, but when preparing an actual tax return, you also need to consider other sources for this information; e.g. Form SSA-1099 for Medicare premiums, taxpayer provided insurance premiums for itemized deductions, etc.
- Health Insurance/ Affordable Care Act Insurance Plans: Check on the taxpayer's *Intake / Interview & Quality Sheet*, Part V, item 9.
- In TaxSlayer go to Summary/Print, click on View/Print Return, then use "*Print your 202X Tax Return*" to create a PDF of the tax return.
- Find Form 1040 and other forms and fill in your answers in your Progress Sheet and compare with the Self-Study lesson [answers](#).
- Note on the Schedule 1, Line 15 that there is an adjustment to income for the 'Deductible part of self-employment tax.' This was automatically calculated by TaxSlayer as ½ of the Self-Employment Tax shown on Schedule 2, Line 4. Additional adjustments are covered later in this Self-Study program.

### **Evaluation & Feedback**

For **Business Income** complete the [Skills Workout](#) in Link & Learn > [Business Income](#) or view NTTC-4491, Chapter 9 (especially the examples & exercises). Choose one but not both.



## Income – Capital Gain or Loss

Capital gains and/or losses on the sale of assets include the sale of stock, mutual funds, and the sale of a personal residence. They are reported on the tax return, and those net gains are taxed at special rates, depending on the taxpayer's other income. If there is a net capital loss, special rules apply.

Taxpayers provide the information needed to report the sale of their capital assets transactions, usually found in a broker statement. The taxpayer must provide the cost basis for any transaction if not reported on that statement.

To report capital gain or loss, identify the **basis** and/or **adjusted basis** of their sale:

- **Basis** is the original cost of the asset
- **Adjusted basis** includes original cost plus any increases or decreases to that cost (such as commissions, fees, depreciation, deductible casualty losses, insurance reimbursements or major improvements)
- Brokers report cost or other basis on Form 1099-B, *Proceeds from Broker and Barter Exchange Transactions*.
- The holding period is the time when the asset was acquired and when disposed of.
- When a security transaction or the adjusted basis was not included in a brokerage statement or Form 1099-B, the taxpayer will have to provide the information.

see [NTTC-4491](#), Lesson: *Capital Gain or Loss (10-1 through 10-10)*

The adjusted basis and associated holding period are determined to calculate the income from the sales of their identified capital asset. Follow the instruction in NTTC-4012, Tab D, to input the associated detail into TaxSlayer.

 Watch the [Schedule D Brokerage Statement video](#).

### Capital Loss Carryover

- Prior year carryforward losses are entered separately and then automatically combined by TaxSlayer with current year capital gains and losses.
- Any amount over \$3,000 (\$1,500 MFS) may be carried forward for use in future years.
- The carryforward amount is recalculated each year as it is used.
- See NTTC-4012 and NTTC-4491 for more information.

## 1099-B and Brokerage Statement Exercise

### Your Tasks:

- Review Capital Gains and Losses in NTTC-4012, Tab D (*Income*), and the instructions for the applicable forms.
- View [Ronald Davis Form 13614-C Intake/Interview & Quality Review Sheet](#) and the documents below.

Form <b>13614-C</b> (October 2023)		Department of the Treasury - Internal Revenue Service <b>Intake/Interview and Quality Review Sheet</b>				OMB Number 1545-1964	
<b>You will need:</b> <ul style="list-style-type: none"> <li>• Tax information such as Forms W-2, 1099, 1098, 1095.</li> <li>• Social Security cards or ITIN letters for all persons on your tax return.</li> <li>• Picture ID (such as valid driver's license) for you and your spouse.</li> </ul>						<ul style="list-style-type: none"> <li>• Please complete pages 1-4 of this form.</li> <li>• You are responsible for the information on your return. Please provide complete and accurate information.</li> <li>• If you have questions, please ask the IRS-certified volunteer preparer.</li> </ul>	
Volunteers are trained to provide high quality service and uphold the highest ethical standards. To report unethical behavior to the IRS, email us at <a href="mailto:vi.voltax@irs.gov">vi.voltax@irs.gov</a>							
<b>Part I – Your Personal Information</b> (If you are filing a joint return, enter your names in the same order as last year's return)							
1. Your first name <b>RONALD</b>		M.I.	Last name <b>DAVIS</b>		Best contact number <b>503-555-1253</b>		Are you a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. Your spouse's first name		M.I.	Last name		Best contact number		Is your spouse a U.S. citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No
3. Mailing address <b>1423 CONCORD LN</b>				Apt #	City <b>YOUR CITY</b>		State <b>YS</b> ZIP code <b>X</b>
4. Your Date of Birth <b>07/01/1962</b>		5. Your job title <b>NOT EMPLOYED</b>		6. Last year, were you:		a. Full-time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
				b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
7. Your spouse's Date of Birth		8. Your spouse's job title		9. Last year, was your spouse:		a. Full-time student <input type="checkbox"/> Yes <input type="checkbox"/> No	
				b. Totally and permanently disabled <input type="checkbox"/> Yes <input type="checkbox"/> No		c. Legally blind <input type="checkbox"/> Yes <input type="checkbox"/> No	
10. Can anyone claim you or your spouse as a dependent? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure							
11. Have you, your spouse, or dependents been a victim of tax related identity theft or been issued an Identity Protection PIN? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							
12. Provide an email address (optional) (this email address will not be used for contacts from the Internal Revenue Service) <b>RDAVIS@EMAIL.XXX</b>							
<b>Part II – Marital Status and Household Information</b>							
1. As of December 31, 2023, what was your marital status?		<input checked="" type="checkbox"/> Never Married <input type="checkbox"/> Married		(This includes registered domestic partnerships, civil unions, or other formal relationships under state law)			
				a. If Yes, Did you get married in 2023? <input type="checkbox"/> Yes <input type="checkbox"/> No			
				b. Did you live with your spouse during any part of the last six months of 2023? <input type="checkbox"/> Yes <input type="checkbox"/> No			

- Open Practice Lab and create a new return for **Ronald Davis, SSN 015-00-7614**.
- Determine his filing status.
- Find help with TaxSlayer entries in [NTTC-4012](#) Tab D.
- The taxpayer has a long-term capital loss carryover from 2022 of \$5,000.
- Below 1099-B for sale of IBM stock:
  - Ronald sold 25 shares of IBM stock that he inherited from his uncle Jim who died in 2015.
  - Jim purchased the stock for \$50 per share and the share price was \$105 per share on his date of death.

<input type="checkbox"/> CORRECTED			Applicable Check Box on Form 8949 OMB No. 1545-0715 <b>20XX</b> Form 1099-B		<b>Proceeds From Broker and Barter Exchange Transactions</b>
PAYER'S name Street address City or town, state or province, country, ZIP or foreign postal code Telephone no. LINCOLN INVESTMENT SERVICES 197 ESSEX AVENUE JACKSONVILLE, FL 32209			1a Description of Property (Example 100 sh. XYZ Co.) 25 SHARES IBM CORPORATION		
PAYER'S TIN 89-6123456			RECIPIENT'S TIN 015-00-7614		<b>Copy B For Recipient</b>  This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
RECIPIENT'S name Street address (including apt.no.) City or town, state or province, country, ZIP or foreign postal code RONALD DAVIS 143 CONCORD LANE YOUR STATE, YOUR CITY, YZIP			1b Date acquired	1c Date sold or disposed 08/19/20XX	
Account number (see instructions)			1d Proceeds \$3,569.50	1e Cost or other basis	
CUSIP number			1f Accrued Market Discount	1g Wash sale loss disallowed	
FATCA filing requirement <input type="checkbox"/>			2 Short term gain or loss <input type="checkbox"/> Long term gain or loss <input type="checkbox"/> Ordinary <input type="checkbox"/>	3 If checked, proceeds from: Collectables <input type="checkbox"/> QOF <input type="checkbox"/>	
14 State Name			4 Federal income tax withheld	5 If checked, noncovered security <input checked="" type="checkbox"/>	
15 State identification no.			6 Reported to IRS Gross proceeds <input type="checkbox"/> Net proceeds <input checked="" type="checkbox"/>	7 If checked, loss is not allowed due to amount in 1d <input type="checkbox"/>	
16 State tax withheld			8 Profit or (loss) realized in 20XX on closed contracts	9 Unrealized profit or (loss) on open contracts - 12/31/20XX	
12 If checked, basis reported to IRS <input type="checkbox"/>			10 Unrealized profit or (loss) on open contracts - 12/31/20XX	11 Aggregate profit or (loss) on contracts	
Form 1099-B			13 Bartering		

- Use the below brokerage statement and the following information to make the entries in TaxSlayer.
  - For 1099-DIV line 12 (Exempt - Interest Dividends) and 1099-INT line 8 (Tax-Exempt Interest), see your state-specific training.
  - For states with income tax, assume:
    - The exempt-interest dividends are 100% from your state's obligations
    - For the tax-exempt interest, only \$6.25 is exempt from your state tax.

**Tip:** Most brokers use a substitute Form 1099-B that is included as part of a consolidated brokerage statement, rather than the IRS form. Carefully review the brokerage statement during the interview to confirm the transaction data are correct and that the return is in scope.

The following broker summary is based on a larger complete brokerage statement. Accept that the dividends are from regular mutual funds and fully taxable for federal and state and that the exempt-interest dividends are from your state specific funds (100% from your state's obligations). The short-term and long-term transactions are for mutual funds purchased on various dates. All short-term transactions occurred on 8/17/2023. The long-term transactions occurred on various dates with the last transaction of the year on 9/23/2023.

<b>Alpine Brokerage LLC</b> 2715 Alpine Lane Boston MA 02110 Account No. 111-227 Payer's TIN: 95-7456789		20XX <b>TAX INFORMATION SUMMARY</b>		<b>TAX REPORTING STATEMENT</b> <b>Ronald Davis</b> 143 Concord Ln, Your City, YS ZIP Recipient ID No. XXX-XX-7614	
<b>Form 1099-DIV Dividends and Distributions</b> Copy B for Recipient (OMB NO. 1545-0110)			<b>Form 1099-INT Interest Income</b> Copy B for Recipient (OMB NO. 1545-0112)		
<b>Box</b>		<b>Amount</b>	<b>Box</b>		<b>Amount</b>
1a	Total Ordinary Dividends .....	4,560.78	1	Interest Income .....	345.60
1b	Qualified Dividends .....	3,089.56	2	Early Withdrawal Penalty .....	0.00
2a	Total Capital Gain Distributions (Includes 2b – 2d) .....	7,006.50	3	Interest on U.S. Savings Bonds and Treas. Obligations ...	0.00
2b	Unrecaptured 1250 Gain .....	0.00	4	<b>Federal Income Tax Withheld</b> .....	0.00
2c	Section 1202 Gain .....	0.00	5	Investment Expenses .....	0.00
2d	Collectibles (28%) Gain .....	0.00	6	Foreign Tax Paid .....	0.00
2e	Section 897 ordinary dividends .....	0.00	7	Foreign Country or U.S. Possession .....	
2f	Section 897 capital gain .....	0.00	8	Tax-Exempt Interest .....	87.95
3	Nondividend Distributions .....	56.90	9	Specified Private Activity Bond Interest .....	0.00
4	<b>Federal Income Tax Withheld</b> .....	1,000.00	10	Market Discount .....	0.00
5	<b>Section 199A Dividends</b> .....	256.96		Market Discount on Noncovered Securities .....	0.00
6	Investment Expenses .....	850.00	11	Bond Premium .....	223.67
7	Foreign Tax Paid .....	34.89	12	Bond Premium on Tax-Exempt Bond .....	0.00
8	Foreign Country/U.S. Possession:	Various	13	Bond Premium on tax Exempt Bonds .....	
9	Cash Liquidation Distributions .....	0.00	15	State .....	YS
10	Non-Cash Liquidation Distributions .....	0.00	16	State Identification No. ....	XXXX
11	FATCA filing requirement .....		17	State Tax Withheld .....	0.00
12	Exempt-Interest Dividends .....	507.78		FATCA filing requirement .....	
13	Specified Private Activity Bond Interest Dividends .....	0.00			
14	State .....	YS			
15	State Identification No. ....	XXXX			
16	State Tax Withheld .....	0.00			
<b>Summary of Proceeds, Gains &amp; Losses, Adjustments and Withholding</b>					
Term	Form 8949 type	Proceeds	Cost basis	Wash Sale loss disallowed	Net Gain or Loss(-)
Short	A (basis reporter to IRS)	17,749.50	13,932.50		3,817.00
Short	B (basis not reported to IRS)				
Short	C (Form 1099-B not received)				
	<b>Total Short-Term</b>	<b>17,749.50</b>	<b>13,932.50</b>		<b>3,817.00</b>
Long	D (basis reporter to IRS)	8,089.35	5,194.75		2,894.60
Long	E (basis not reported to IRS)				
Long	F (Form 1099-B not received)				
	<b>Total Long-Term</b>	<b>8,089.35</b>	<b>5,194.75</b>		<b>2,894.60</b>
	<b>Grand Total</b>	<b>25,838.85</b>	<b>19,127.25</b>		<b>6,711.60</b>

- In TaxSlayer go to Summary/Print, click on View/Print Return, then use “*Print your 202X Tax Return*” to create a PDF of the tax return.
- Find Form 1040 and other forms and fill in your answers in your Progress Sheet and compare with the Self-Study lesson [answers](#).

## **Evaluation & Feedback**

For **Capital Gains or Losses** complete the [Skills Workout](#) in Link & Learn > [Income, Capital Gain or Loss](#) or view NTTC-4491, Chapter 10 (especially the examples & exercises). Choose one but not both.

## Retirement Income

Retirement income includes benefits from annuities, retirement or profit-sharing plans, insurance contracts, IRAs, etc. Retirement income may be fully or partially taxable. There are multiple types of retirement income and certain income may or may not be taxable. Retirement income can be reported on Forms 1099-R, SSA-1099, CSA-1099, CSF-1099, RRB-1099, and RRB-1099-R.


for more specific details search the [NTTC-4012 Tab D](#) or use the **Table of Contents**, **Tab O**, or the **Index**

## Pension Distribution Rollovers into an IRA Exercise

A rollover is a tax-free distribution to the taxpayer from one retirement account (traditional IRA or employer's pension plan) that rolls over into another qualified retirement account within 60 days. Form 1099-R will be issued to the taxpayer by the financial institution. If the distribution was a direct rollover by the institution to another institution, it will show distribution code G. If there is also a taxable amount in Box 2 of the 1099-R, the distribution may be partially or fully taxable.

see [NTTC-4491](#), Lesson: *Retirement Income*, (11-5)

### Your Tasks:

-  Watch the [Form 1099-R Rollovers video](#)
- Use NTTC-4012, Tab D (*Income*), and find the instructions for 1099-R rollovers.
- View [Patrick Getz Form 13614-C Intake/Interview & Quality Review Sheet](#) and the documents below.
- Patrick rolled over \$234,975 from his pension fund to an IRA.

<b>Form 13614-C</b> (October 2023)	Department of the Treasury - Internal Revenue Service <b>Intake/Interview and Quality Review Sheet</b>	OMB Number 1545-1964																																								
<p><b>You will need:</b></p> <ul style="list-style-type: none"> <li>• Tax Information such as Forms W-2, 1099, 1098, 1095.</li> <li>• Social Security cards or ITIN letters for all persons on your tax return.</li> <li>• Picture ID (such as valid driver's license) for you and your spouse.</li> </ul> <p style="text-align: center;">Volunteers are trained to provide high quality service and uphold the highest ethical standards.          To report unethical behavior to the IRS, email us at <a href="mailto:vi.voltax@irs.gov">vi.voltax@irs.gov</a></p>																																										
<p><b>Part I – Your Personal Information</b> (If you are filing a joint return, enter your names in the same order as last year's return)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">1. Your first name <b>PATRICK</b></td> <td style="width: 10%;">M.I.</td> <td style="width: 30%;">Last name <b>GETZ</b></td> <td style="width: 10%;">Best contact number <b>562-555-1212</b></td> <td style="width: 20%;">Are you a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</td> </tr> <tr> <td>2. Your spouse's first name</td> <td>M.I.</td> <td>Last name</td> <td>Best contact number</td> <td>Is your spouse a U.S. citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No</td> </tr> <tr> <td colspan="3">3. Mailing address <b>3123 SO LINCOLN BLVD</b></td> <td>Apt #</td> <td>City <b>YOUR CITY</b></td> </tr> <tr> <td colspan="2">4. Your Date of Birth <b>07/08/1945</b></td> <td colspan="2">5. Your job title <b>RETIRED</b></td> <td>6. Last year, were you: a. Full-time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</td> </tr> <tr> <td colspan="2">7. Your spouse's Date of Birth</td> <td colspan="2">8. Your spouse's job title</td> <td>9. Last year, was your spouse: a. Full-time student <input type="checkbox"/> Yes <input type="checkbox"/> No b. Totally and permanently disabled <input type="checkbox"/> Yes <input type="checkbox"/> No c. Legally blind <input type="checkbox"/> Yes <input type="checkbox"/> No</td> </tr> <tr> <td colspan="5">10. Can anyone claim you or your spouse as a dependent? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure</td> </tr> <tr> <td colspan="5">11. Have you, your spouse, or dependents been a victim of tax related identity theft or been issued an Identity Protection PIN? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</td> </tr> <tr> <td colspan="5">12. Provide an email address (optional) (this email address will not be used for contacts from the Internal Revenue Service) <b>PATRICKG@EMAIL.XXX</b></td> </tr> </table>			1. Your first name <b>PATRICK</b>	M.I.	Last name <b>GETZ</b>	Best contact number <b>562-555-1212</b>	Are you a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	2. Your spouse's first name	M.I.	Last name	Best contact number	Is your spouse a U.S. citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No	3. Mailing address <b>3123 SO LINCOLN BLVD</b>			Apt #	City <b>YOUR CITY</b>	4. Your Date of Birth <b>07/08/1945</b>		5. Your job title <b>RETIRED</b>		6. Last year, were you: a. Full-time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	7. Your spouse's Date of Birth		8. Your spouse's job title		9. Last year, was your spouse: a. Full-time student <input type="checkbox"/> Yes <input type="checkbox"/> No b. Totally and permanently disabled <input type="checkbox"/> Yes <input type="checkbox"/> No c. Legally blind <input type="checkbox"/> Yes <input type="checkbox"/> No	10. Can anyone claim you or your spouse as a dependent? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure					11. Have you, your spouse, or dependents been a victim of tax related identity theft or been issued an Identity Protection PIN? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					12. Provide an email address (optional) (this email address will not be used for contacts from the Internal Revenue Service) <b>PATRICKG@EMAIL.XXX</b>				
1. Your first name <b>PATRICK</b>	M.I.	Last name <b>GETZ</b>	Best contact number <b>562-555-1212</b>	Are you a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No																																						
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<p><b>Part II – Marital Status and Household Information</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">1. As of December 31, 2023, what was your marital status?</td> <td style="width: 10%;"> <input type="checkbox"/> Never Married  <input type="checkbox"/> Married  <input type="checkbox"/> Divorced  <input type="checkbox"/> Legally Separated  <input checked="" type="checkbox"/> Widowed         </td> <td style="width: 60%;">         (This includes registered domestic partnerships, civil unions, or other formal relationships under state law)          a. If Yes, Did you get married in 2023? <input type="checkbox"/> Yes <input type="checkbox"/> No          b. Did you live with your spouse during any part of the last six months of 2023? <input type="checkbox"/> Yes <input type="checkbox"/> No          Date of final decree _____          Date of separate maintenance decree _____          Year of spouse's death <b>2017</b> </td> </tr> </table>			1. As of December 31, 2023, what was your marital status?	<input type="checkbox"/> Never Married <input type="checkbox"/> Married <input type="checkbox"/> Divorced <input type="checkbox"/> Legally Separated <input checked="" type="checkbox"/> Widowed	(This includes registered domestic partnerships, civil unions, or other formal relationships under state law) a. If Yes, Did you get married in 2023? <input type="checkbox"/> Yes <input type="checkbox"/> No b. Did you live with your spouse during any part of the last six months of 2023? <input type="checkbox"/> Yes <input type="checkbox"/> No Date of final decree _____ Date of separate maintenance decree _____ Year of spouse's death <b>2017</b>																																					
1. As of December 31, 2023, what was your marital status?	<input type="checkbox"/> Never Married <input type="checkbox"/> Married <input type="checkbox"/> Divorced <input type="checkbox"/> Legally Separated <input checked="" type="checkbox"/> Widowed	(This includes registered domestic partnerships, civil unions, or other formal relationships under state law) a. If Yes, Did you get married in 2023? <input type="checkbox"/> Yes <input type="checkbox"/> No b. Did you live with your spouse during any part of the last six months of 2023? <input type="checkbox"/> Yes <input type="checkbox"/> No Date of final decree _____ Date of separate maintenance decree _____ Year of spouse's death <b>2017</b>																																								

- Open Practice Lab, create a new return for **Patrick Getz, SSN 015-00-6520**
- Determine his filing status.
- Find help with TaxSlayer entries in [NTTC-4012](#) Tab D.
- Enter Social Security information from Form SSA-1099:

FORM SSA-1099 - SOCIAL SECURITY BENEFIT STATEMENT	
<b>20XX</b> ○ PART OF YOUR SOCIAL SECURITY BENEFITS SHOWN IN BOX 5 MAY BE TAXABLE INCOME. ○ SEE THE REVERSE FOR MORE INFORMATION.	
Box 1. Name <b>PATRICK GETZ</b>	Box 2. Beneficiary's Social Security <b>015-00-6520</b>
Box 3. Benefits Paid in 20XX <b>\$13,682.00</b>	Box 4. Benefits Repaid to SSA in 20XX
Box 5. Net Benefits Paid for 20XX (Box 3 minus Box 4) <b>\$13,682.00</b>	
<b>DESCRIPTION OF AMOUNT IN BOX 3</b> Paid by check or direct deposit <b>\$6,878.80</b> Medicare Part B premiums deducted from your benefits <b>\$1,735.20</b> Medicare Prescription Drug premiums (Part D) deducted from your benefits <b>\$1,068.00</b> Total Additions <b>\$6,803.20</b> Benefits for 20XX <b>\$13,682.00</b>	<b>DESCRIPTION OF AMOUNT IN BOX 4</b> Box 6. Voluntary Federal Income Tax Withheld <b>\$4,000.00</b> Box 7. Address <b>PATRICK GETZ          3123 SO LINCOLN BLVD          YOUR CITY YS YZIP</b> Box 8. Claim Number (use this number if you need to contact SSA) <b>015-00-6520A</b>
Benefits for 20XX-1 Benefits for 20XX-2 Benefits for 20XX-3	
Form <b>SSA-1099-SM</b>	

- Enter 1099-R from Yale Bank and Trust Company Trustee for Jefferson County Pension Fund (See NTTC-4012, Tab D, for help with TaxSlayer entries):

<input type="checkbox"/> CORRECTED (if checked)						Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.	
PAYER'S name Street address City or town, state or province, country, ZIP or foreign postal code Telephone no. <b>YALE BANK AND TRUST CO          TRUSTEE JEFFERSON CO PENSION FUND          PO BOX 1674          CHICAGO, IL 60601</b>			1 Gross distribution <b>\$234,975.00</b>		<div style="text-align: center; font-size: 2em; font-weight: bold;">20XX</div> Form 1099-R		
			2a Taxable amount				
PAYER'S TIN <b>52-7464547</b>			2b Taxable amount not determined. <input type="checkbox"/>		Total Distribution <input checked="" type="checkbox"/>		
			3 Capital gain (included in box 2a).		4 Federal income tax withheld		
RECIPIENT'S TIN <b>015-00-6520</b>			5 Employee contributions/ Designated Roth contributions or		6 Net unrealized appreciation in employer's securities		
RECIPIENT'S name Street address (including apt.no.) City or town, state or province, country, ZIP or foreign postal <b>PATRICK GETZ          3132 SO LINCOLN BLVD          YOUR CITY, YOUR STATE, YZIP</b>			7 Distribution Code(s) <b>G</b>		IRA/ SEP/ SIMPLE <input type="checkbox"/>		
			8 Other		%		
9a Your percentage of total distribution %			9b Total Employee Contributions				
10 Amount allocable to IRR within 5 years		11 1st year of desig. Roth	12 FATCA filing requirement <input type="checkbox"/>		14 State tax withheld		
15 State/Payer's state no.		16 State distribution		17 Local tax withheld			
18 Name of locality		19 Local distribution		13 Date of payment			
Account number (see instructions)							
Form <b>1099-R</b>							

- In TaxSlayer go to Summary/Print, click on View/Print Return, then use "Print your 202X Tax Return" to create a PDF of the tax return.
- Find Form 1040 and other forms and fill in your answers in your Progress Sheet and compare with the Self-Study lesson [answers](#).

## Partially Taxable Pensions and Annuities Exercise

If a taxpayer made after-tax contributions toward their retirement plan, they have basis in that plan and can recover that basis a bit at a time as they get distributions from the plan. Two methods used to figure the taxable portion of each pension or annuity payment are the General Rule and the Simplified Method. Unless an exception applies, retirees must use the Simplified Method for annuity payments from a qualified plan. If a taxpayer has been using the General Rule to figure the taxable portion for past years, they must be referred to a professional tax preparer.

see [NTTC-4491](#), Lesson: **Retirement Income, (11-9)**



The NTTC recommends the [Annuity/ Pension Exclusion calculator](#) in the [Colorado Resource Toolbox](#) as a Simplified Method tool to calculate the taxable income for pension distributions which contain after-tax contributions. The calculator computes the ages, will advise if the General Rule applies, and handles tricky railroad retirement pensions. With practice and care the Pension Calculator in the [Colorado Resource Toolbox](#) is easy to use and is an excellent tool that gets the right answer.

TaxSlayer's Simplified Method Worksheet requires the taxpayer to provide additional inputs that may not be readily available and are tricky to Counselors, but TaxSlayer can be a data repository for future calculations. The [Colorado Resource Toolbox](#) calculator output is sometimes the best source for inputs to TaxSlayer's Simplified Method Worksheet.

 Watch [Colorado Resource Toolbox \(CO-RT\) Tools Video](#).

#### Your Tasks:

 Watch the [1099-R Pension Exclusion video](#)

- Use the NTTC-4012, Tab D (*Income*), and instruction for the applicable forms
- View the [Sharon Getz Form 13614-C Intake/Interview & Quality Review Sheet](#) and the documents below.

Form <b>13614-C</b> (October 2022)		Department of the Treasury - Internal Revenue Service <b>Intake/Interview &amp; Quality Review Sheet</b>				OMB Number 1545-1964	
<b>You will need:</b> <ul style="list-style-type: none"> <li>• Tax Information such as Forms W-2, 1099, 1098, 1095.</li> <li>• Social security cards or ITIN letters for all persons on your tax return.</li> <li>• Picture ID (such as valid driver's license) for you and your spouse.</li> </ul>				<ul style="list-style-type: none"> <li>• Please complete pages 1-4 of this form.</li> <li>• You are responsible for the information on your return. Please provide complete and accurate information.</li> <li>• If you have questions, please ask the IRS-certified volunteer preparer.</li> </ul>			
<p align="center"><b>Volunteers are trained to provide high quality service and uphold the highest ethical standards.</b>  <b>To report unethical behavior to the IRS, email us at <a href="mailto:vi.voltax@irs.gov">vi.voltax@irs.gov</a></b></p>							
<b>Part I – Your Personal Information</b> (If you are filing a joint return, enter your names in the same order as last year's return)							
1. Your first name <b>SHARON</b>		M.I.	Last name <b>GETZ</b>		Best contact number <b>402-555-1234</b>		Are you a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. Your spouse's first name		M.I.	Last name		Best contact number		Is your spouse a U.S. citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No
3. Mailing address <b>3132 LINCOLN BLVD</b>				Apt #	City <b>YOUR CITY</b>		State <b>YS</b> ZIP code <b>YZIP</b>
4. Your Date of Birth <b>07/28/1946</b>		5. Your job title <b>RETIRED</b>		6. Last year, were you:		a. Full-time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
				b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
7. Your spouse's Date of Birth		8. Your spouse's job title		9. Last year, was your spouse:		a. Full-time student <input type="checkbox"/> Yes <input type="checkbox"/> No	
				b. Totally and permanently disabled <input type="checkbox"/> Yes <input type="checkbox"/> No		c. Legally blind <input type="checkbox"/> Yes <input type="checkbox"/> No	
10. Can anyone claim you or your spouse as a dependent?				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure			
11. Have you, or your spouse, or dependents been a victim of tax related identity theft or been issued an Identity Protection PIN?				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
12. Provide an email address (optional) (this email address will not be used for contacts from the Internal Revenue Service) <b>SHARONG@EMAIL.XXX</b>							
<b>Part II – Marital Status and Household Information</b>							
1. As of December 31, 2022, what was your marital status?		(This includes registered domestic partnerships, civil unions, or other formal relationships under state law)					
<input type="checkbox"/> Never Married		a. If Yes, Did you get married in 2022? <input type="checkbox"/> Yes <input type="checkbox"/> No					
<input type="checkbox"/> Married		b. Did you live with your spouse during any part of the last six months of 2022? <input type="checkbox"/> Yes <input type="checkbox"/> No					
*If using 2021 software, substitute 2021 wherever 2022 is used on this intake form *		<input checked="" type="checkbox"/> Divorced		Date of final decree		<b>1984</b>	

- Open [Practice Lab](#), create a new return for **Sharon Getz, SSN: 015-00-6521**.
- Determine her filing status.
- Find help with TaxSlayer entries in [NTTC-4012](#) Tab D.



- Enter Social Security Income from Form SSA-1099 and the Form W-2:

<b>FORM SSA-1099 - SOCIAL SECURITY BENEFIT STATEMENT</b>			
<div style="display: flex; align-items: center;"> <div style="font-size: 24pt; font-weight: bold; margin-right: 10px;">20XX</div> <div> <input type="checkbox"/> PART OF YOUR SOCIAL SECURITY BENEFITS SHOWN IN BOX 5 MAY BE TAXABLE INCOME.  <input type="checkbox"/> SEE THE REVERSE FOR MORE INFORMATION.                 </div> </div>			
Box 1. Name <b>SHARON GETZ</b>		Box 2. Beneficiary's Social Security <b>015-00-6521</b>	
Box 3. Benefits Paid in 20XX <b>\$13,682.00</b>	Box 4. Benefits Repaid to SSA in 20XX	Box 5. Net Benefits Paid for 20XX (Box 3 minus Box 4) <b>\$13,682.00</b>	
<b>DESCRIPTION OF AMOUNT IN BOX 3</b> Paid by check or direct deposit <span style="float: right;">\$11,946.80</span> Medicare Part B premiums deducted from your benefits <span style="float: right;">\$1,735.20</span> Medicare Prescription Drug premiums (Part D) deducted from your benefits Total Additions <span style="float: right;">\$1,735.20</span> Benefits for 20XX <span style="float: right;">\$13,682.00</span>  Benefits for 20XX-1 Benefits for 20XX-2 Benefits for 20XX-3		<b>DESCRIPTION OF AMOUNT IN BOX 4</b>   Box 6. Voluntary Federal Income Tax Withheld  Box 7. Address <b>SHARON GETZ 3132 SO LINCOLN BLVD YOUR CITY YS YZIP</b>  Box 8. Claim Number (use this number if you need to contact SSA) <b>015-00-6521A</b>	
Form <b>SSA-1099-SM</b>			

<input type="checkbox"/> CORRECTED (if checked)						
PAYER'S name Street address City or town, state or province, country, ZIP or foreign postal code Telephone no. <b>ALPINE PENSION FUND 7588 PEACH TREE STREET ATLANTA, GA 30301</b>			1 Gross distribution <div style="text-align: right; font-weight: bold;">\$12,743.00</div>	<div style="text-align: center; font-size: 24pt; font-weight: bold;">20XX</div> Form 1099-R		Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
PAYER'S TIN <div style="text-align: center;">12-1234567</div>			2a Taxable amount <div style="text-align: center;">X</div>		Total Distribution <div style="text-align: center;"> <input type="checkbox"/> </div>	
RECIPIENT'S name Street address (including apt.no.) City or town, state or province, country, ZIP or foreign postal <b>SHARON GETZ 3132 SO LINCOLN BLVD YOUR CITY, YOUR STATE, YZIP</b>			3 Capital gain (included in box 2a).	4 Federal income tax withheld <div style="text-align: right; font-weight: bold;">\$1,274.00</div>		
RECIPIENT'S TIN <div style="text-align: center;">015-00-6521</div>			5 Employee contributions/ Designated Roth contributions or		6 Net unrealized appreciation in employer's securities	
7 Distribution Code(s) <div style="text-align: center;">7</div>			8 Other <div style="text-align: center;"> <input type="checkbox"/> </div>		Copy B Report this income on your federal tax return. If this form shows federal income tax withheld in box 4, attach this copy to your return.  This information is being furnished to the IRS	
9a Your percentage of total distribution <div style="text-align: center;">%</div>			9b Total Employee Contributions <div style="text-align: right; font-weight: bold;">\$7,985.00</div>			
10 Amount allocable to IRR within 5 years			11 1st year of desig. Roth			
12 FATCA filing requirement <div style="text-align: center;"> <input type="checkbox"/> </div>			13 Date of payment		14 State tax withheld	
15 State/Payer's state no.			16 State distribution		17 Local tax withheld	
18 Name of locality			19 Local distribution		Account number (see instructions)	
Form <b>1099-R</b>						

- Sharon started receiving her pension on January 1, 2014, and did not select the joint or survivor option.
- Notice in the Alpine Pension Fund - Form 1099-R that Box 2a (Taxable amount) is blank, Box 2b (Taxable amount not determined) is checked, and Box 9b (Total Employee Contributions) has a value. This means that the taxpayer had contributed some of their already taxed compensation into this pension and a portion of the amount in Box 1 (Gross distribution) should not be taxed again. Determining the excludible and taxable amounts is calculated via the Simplified Method.
  - Enter the information from this Form 1099-R into the [Annuity/ Pension Exclusion calculator](#) in the [Colorado Resource Toolbox](#).
  - Check the output from the: [Sharon Getz Pension Exclusion Calculator](#).
  - Enter [calculator's](#) output - for Form 1099-R into TaxSlayer (see the two arrows below)
    - (Box 1) Gross Distribution (did not change)
    - (Box 2a) Taxable Amount (click to change the amount)
    - (Box 9b) Total employee contributions (did not change)

2023:

Federal Section > Income > IRA/Pension Distributions/1099-R or RRB-1099-R:	
Enter Taxable Amount directly or use the worksheet:	<b>Simplified General Rule Worksheet</b>
<b>Form 1099-R</b>	Gross distribution amount (from 1099-R) 12743
1 Gross Distribution 12743	Plan cost at annuity start date 7985
2a Taxable Amount 12287	Starting date of annuity 01/01/2014
9b Total employee contributions 7985	<input type="checkbox"/> Check here if this is a Joint or Survivor Annuity
	Death benefit exclusion 0
	Age of recipient at start date 67
	Number of months paid in 2023 12
	Amounts previously recovered 4104

- Print a copy of [Sharon Getz Pension Exclusion Calculator](#) from [Colorado Resource Toolbox](#) calculator for the taxpayer.
- In TaxSlayer go to Summary/Print, click on View/Print Return, then use "Print your 202X Tax Return" to create a PDF of the tax return.
- Find Form 1040 and other forms and fill in your answers in your Progress Sheet and compare with the Self-Study lesson [answers](#).

## CSA 1099-R, Office of Personnel Management with Public Safety Officer Exercise

### Your Tasks:

 Watch the [Form 1099-R Public Safety Officer \(PSO\) video](#) and revisit [Form 1099-R Pension Exclusion video](#)

- Use the NTTC-4012, Tab D-45 - D47.
- View the [Peter Getz Form 13614-C Intake/Interview & Quality Review Sheet](#) and the documents below.

Form <b>13614-C</b> (October 2023)		Department of the Treasury - Internal Revenue Service <b>Intake/Interview and Quality Review Sheet</b>				OMB Number 1545-1964	
<b>You will need:</b> <ul style="list-style-type: none"> <li>• Tax Information such as Forms W-2, 1099, 1098, 1095.</li> <li>• Social Security cards or ITIN letters for all persons on your tax return.</li> <li>• Picture ID (such as valid driver's license) for you and your spouse.</li> </ul>				<ul style="list-style-type: none"> <li>• Please complete pages 1-4 of this form.</li> <li>• You are responsible for the information on your return. Please provide complete and accurate information.</li> <li>• If you have questions, please ask the IRS-certified volunteer preparer.</li> </ul>			
<p>Volunteers are trained to provide high quality service and uphold the highest ethical standards. To report unethical behavior to the IRS, email us at <a href="mailto:wl.voltax@irs.gov">wl.voltax@irs.gov</a></p>							
<b>Part I – Your Personal Information</b> (If you are filing a joint return, enter your names in the same order as last year's return)							
1. Your first name <b>PETER</b>		M.I.	Last name <b>GETZ</b>		Best contact number <b>263-555-7878</b>		Are you a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. Your spouse's first name		M.I.	Last name		Best contact number		Is your spouse a U.S. citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No
3. Mailing address <b>3123 SO LINCOLN BLVD</b>				Apt #	City <b>YOUR CITY</b>		State <b>YS</b> ZIP code <b>X</b>
4. Your Date of Birth <b>07/08/1945</b>		5. Your job title <b>RETIRED</b>		6. Last year, were you:		a. Full-time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
				b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
7. Your spouse's Date of Birth		8. Your spouse's job title		9. Last year, was your spouse:		a. Full-time student <input type="checkbox"/> Yes <input type="checkbox"/> No	
				b. Totally and permanently disabled <input type="checkbox"/> Yes <input type="checkbox"/> No		c. Legally blind <input type="checkbox"/> Yes <input type="checkbox"/> No	
10. Can anyone claim you or your spouse as a dependent?				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure			
11. Have you, your spouse, or dependents been a victim of tax related identity theft or been issued an Identity Protection PIN?				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
12. Provide an email address (optional) (this email address will not be used for contacts from the Internal Revenue Service)				<b>PETERG@EMAIL.XXX</b>			
<b>Part II – Marital Status and Household Information</b>							
1. As of December 31, 2023, what was your marital status?		<input checked="" type="checkbox"/> Never Married (This includes registered domestic partnerships, civil unions, or other formal relationships under state law) <input type="checkbox"/> Married					
		a. If Yes, Did you get married in 2023? <input type="checkbox"/> Yes <input type="checkbox"/> No					
		b. Did you live with your spouse during any part of the last six months of 2023? <input type="checkbox"/> Yes <input type="checkbox"/> No					

- Open Practice Lab and create a new return for **Peter Getz, SSN: 015-00-7019**.
- Determine his filing status.
- Find help with TaxSlayer entries in [NTTC-4012](#) Tab D.

<b>PAID BY</b> OFFICE OF PERSONNEL MANAGEMENT RETIREMENT SERVICES PROGRAM P. O. BOX 45 BOYERS, PA 16017-0045	Copy B - File with Federal tax return		<b>20XX</b>		OMB No. 1545-0119 Form: 1099R Distribution From Pensions, Annuities Retirement or Profit- Sharing Plans, IRA's, Insurance Contracts, etc.
	PAYER's Federal Identification <b>16-5123456</b>	Recipient's ID No. (Annuitant) <b>015-00-7016</b>	Account number (Retirement Claim) <b>CSA 457156</b>		1. Gross distribution <b>\$25,864.00</b>
	5. Employee Contributions/ Designed ROTH Contributions or Insurance Premiums <b>\$3,275.00</b>	<b>PAID TO →</b> <b>PETER GETZ</b> <b>3132 SO LINCOLN BLVD</b> <b>YOUR CITY YS YZIP</b>		2a. Taxable amount <b>UNKNOWN</b>	4. Federal Income Tax Withheld <b>\$1,295.00</b>
	7. Distribution Code(s) <b>7-NONDISABILITY</b>			State 1	10. State Income Tax Withheld
	9b. Total Employee Contributions <b>\$49,872.00</b>			State 2	11. State Income Tax Withheld

- Peter retired in 2016 after 33 years as an FBI agent. He started receiving his pension on December 1, 2016.
- The Taxable Amount in box 2a is “unknown” and Peter has PSO health insurance premiums, so the Simplified Method is needed to calculate the Box 2a Taxable Amount.
- Follow the guidance in [NTTC-4012](#) on pages D-39 & D-40.

(Federal Section > Income > IRA/Pension Distributions > Nontaxable Distributions)

Select begin for the Simplified Method Worksheet (see page D-40). If the taxpayer has both retired public safety officer (PSO) health insurance exclusion and Simplified Method features, select the Simplified Method Worksheet.

see [NTTC-4012](#), Tab D-39

The [Annuity/Pension Exclusion Calculator](#) in the [Colorado Resource Toolbox](#) can be used to compute ages when annuity started. Be sure to print and check out the amortization schedule so that the basis is not over-recovered. Tell the taxpayer to be sure to keep this printout and bring it with them each year for tax preparation.



For a **combined Simplified Method and PSO Distribution**, you must create the Worksheet shown in [NTTC-4012](#), D-40 to get the required PSO notation on Form 1040. The [Annuity/Pension Exclusion Calculator](#) linked above is helpful to compute the entries for this Worksheet.

- Complete the [Annuity/Pension Exclusion Calculator](#) based upon Peter’s Form CSA 1099R, then click on “Print the table”.
- In TaxSlayer navigate to Federal Section > Income > IRA/Pension Distributions > Add or Edit 1099-R and add Peter’s Form CSA 1099R.
  - Input the form except leave 2a Taxable amount blank and instead click:
 

Do you need to calculate your taxable amount?  
 Click here for options.
  - Then, input the Simplified Method Worksheet ([NTTC-4012](#), D-40) and complete the TaxSlayer Form-R
- Navigate back to the TaxSlayer:  
 IRA/Pension Distributions > Non-Taxable Distribution >



Check here if you are an eligible retired public safety officer, and part of your distribution was used to pay the premiums for accident or health insurance, or to pay long-term care insurance.



Do not include any amount that was used to pay your insurance premium in Box 2a of your 1099-R. Be sure that your 1099-R Taxable Amounts are only the amounts that you want reported on your return as taxable income.

- TaxSlayer will cause “PSO” to be printed on the left side of the last line of the 1040 pg 1.
- The remaining \$275 of Box 5 (\$3,275) that exceeds the \$3,000 limit for the PSO deduction is available to use on Schedule A (medical deductions) or as a Self-Employed Health Insurance (SEHI) Deduction, (no Self-Employment in this exercise).
- In TaxSlayer go to Summary/Print, click on View/Print Return, then use “*Print your 202X Tax Return*” to create a PDF of the tax return.
- Find Form 1040 and other forms and fill in your answers in your Progress Sheet and compare with the Self-Study lesson [answers](#).

## Form CSF 1099-R (Office of Personnel Management) Exercise

### Your Tasks:

- Use the NTTC-4012, Tab D (*Income*), and instruction for the applicable forms.
- View the [Kathleen Getz Form 13614-C Intake/Interview & Quality Review Sheet](#) and the documents below.

Form <b>13614-C</b> (October 2023)		Department of the Treasury - Internal Revenue Service <b>Intake/Interview and Quality Review Sheet</b>				OMB Number 1545-1964	
<b>You will need:</b> <ul style="list-style-type: none"> <li>• Tax Information such as Forms W-2, 1099, 1098, 1095.</li> <li>• Social Security cards or ITIN letters for all persons on your tax return.</li> <li>• Picture ID (such as valid driver's license) for you and your spouse.</li> </ul>						<ul style="list-style-type: none"> <li>• Please complete pages 1-4 of this form.</li> <li>• You are responsible for the information on your return. Please provide complete and accurate information.</li> <li>• If you have questions, please ask the IRS-certified volunteer preparer.</li> </ul>	
Volunteers are trained to provide high quality service and uphold the highest ethical standards. To report unethical behavior to the IRS, email us at <a href="mailto:vi.voltax@irs.gov">vi.voltax@irs.gov</a>							
<b>Part I – Your Personal Information</b> (If you are filing a joint return, enter your names in the same order as last year's return)							
1. Your first name <b>KATHLEEN</b>		M.I. <b>GETZ</b>		Last name <b>GETZ</b>		Best contact number <b>402-555-4321</b>	
2. Your spouse's first name		M.I.		Last name		Best contact number	
3. Mailing address <b>3123 SO LINCOLN BLVD</b>				Apt #		City <b>YOUR CITY</b>	
4. Your Date of Birth <b>07/08/1965</b>		5. Your job title <b>RETIRED</b>		6. Last year, were you:		Are you a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
7. Your spouse's Date of Birth		8. Your spouse's job title		b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		a. Full-time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
				c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Is your spouse a U.S. citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No	
				b. Totally and permanently disabled <input type="checkbox"/> Yes <input type="checkbox"/> No		a. Full-time student <input type="checkbox"/> Yes <input type="checkbox"/> No	
				c. Legally blind <input type="checkbox"/> Yes <input type="checkbox"/> No		State <b>YS</b>	
				10. Can anyone claim you or your spouse as a dependent? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure		ZIP code <b>YZIP</b>	
				11. Have you, your spouse, or dependents been a victim of tax related identity theft or been issued an Identity Protection PIN? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
				12. Provide an email address (optional) (this email address will not be used for contacts from the Internal Revenue Service)		<b>KATHLEENG@EMAIL.XXX</b>	
<b>Part II – Marital Status and Household Information</b>							
1. As of December 31, 2023, what was your marital status?		(This includes registered domestic partnerships, civil unions, or other formal relationships under state law)					
<input type="checkbox"/> Never Married		a. If Yes, Did you get married in 2023? <input type="checkbox"/> Yes <input type="checkbox"/> No					
<input type="checkbox"/> Married		b. Did you live with your spouse during any part of the last six months of 2023? <input type="checkbox"/> Yes <input type="checkbox"/> No					
<input type="checkbox"/> Divorced		Date of final decree _____					
<input type="checkbox"/> Legally Separated		Date of separate maintenance decree _____					
<input checked="" type="checkbox"/> Widowed		Year of spouse's death <b>2013</b>					

- Open Practice Lab and create a new return for **Kathleen Getz, SSN 115-00-7017**.
- Determine her filing status.
- Find help with TaxSlayer entries in [NTTC-4012](#) Tab D.

- Enter the pension information into the [Annuity/Pension Exclusion Calculator](#) in the [Colorado Resource Toolbox](#).
  - Kathleen's husband, Johnathan Getz, died in 2016. He was a federal employee at the time of his death, having worked for 30 years with the federal government. Kathleen was able to start drawing his joint/survivor annuity on January 1, 2017.
    - Note: Since Kathleen's husband never started drawing his pension, the simplified method is based on her birthday alone.

<b>PAID BY</b>		OFFICE OF PERSONNEL MANAGEMENT RETIREMENT SERVICES PROGRAM P. O. BOX 45 BOYERS, PA 16017-0045		Copy B - File with Federal tax return	<b>20XX</b>	OMB No. 1545-0119 Form: 1099R Distribution From Pensions, Annuities Retirement or Profit- Sharing Plans, IRA's, Insurance Contracts, etc.
PAYER's Federal Identification	Recipient's ID No. (Survivor)	Account number (Retirement Claim No.)		1. Gross distribution		
16-5123456	115-00-7017	CSF-296189		\$18,985.00		
5. Employee Contributions/ Designated ROTH Contributions or Insurance Premiums	<b>PAID TO</b> → KATHLEEN GETZ 3132 SO LINCOLN BLVD YOUR CITY, YOUR STATE YZIP			2a. Taxable amount		
				UNKNOWN		
7. Distribution Code(s)				4. Federal Income Tax Withheld		
4-DEATH BENEFIT				\$1,300.00		
9b. Total Employee Contributions				State 1	10. State Income Tax Withheld	
\$37,360.00				YS	\$550.00	
				State 2	11. State Income Tax Withheld	

- Check the [Kathleen Getz Annuity Pension Exclusion Calculator](#) answer.
- Enter the 1099-R into TaxSlayer: Include the Gross Distribution Amount (Box 1) and manually change the Taxable Amount (Box 2a).
  - Take your earlier results from [Colorado Resource Toolbox](#) tool ([Kathleen Getz Pension Exclusion Calculator](#)) and input into the **TaxSlayer Simplified Method calculator** (follow the **red** arrow below).

2023:

Federal Section > Income > IRA/Pension Distributions/1099-R or RRB-1099-R:	
Enter Taxable Amount directly or use the worksheet:	<b>Simplified General Rule Worksheet</b>
<b>Form 1099-R</b>	
1 Gross Distribution	Gross distribution amount (from 1099-R)
18985	18985
2a Taxable Amount	Plan cost at annuity start date
17740	37360
9b Total employee contributions	Starting date of annuity
37360	01/01/2017
	<input type="checkbox"/> Check here if this is a Joint or Survivor Annuity
	Death benefit exclusion
	0
	Age of recipient at start date
	51
	Number of months paid in 2023
	12
	Amounts previously recovered
	7470



- Verify that the Taxable Amount (box 2a) in TaxSlayer matches the [Colorado Resource Toolbox](#) calculation.
- In TaxSlayer go to Summary/Print, click on View/Print Return, then use “*Print your 202X Tax Return*” to create a PDF of the tax return.
- Find Form 1040 and other forms and fill in your answers in your Progress Sheet and compare with the Self-Study lesson [answers](#).

## Evaluation & Feedback

For **Retirement Income** complete the [Skills Workout](#) in Link & Learn > [Income - Retirement](#) or view NTTC-4491, Chapter 11 (especially the examples & exercises). Choose one but not both.

## Income - Rental Income

Only 2 types of rental income are in scope for Tax-Aide: (1) land -only rental, with related interest and property taxes deductible only on Schedule A or (2) royalties with no expenses allowed. (see **F 1040, S E** in the [Tax-Aide Scope Manual](#)).

- Rental of personal residence for less than 15 days is an exception. This is not considered a rental activity and is not taxable income. This remains in scope and does not require reporting.
- Counselors with IRS Military certification are also allowed to prepare returns for active-duty military taxpayers with rental income from their personal residence.
- Schedule E is used to report rental and royalty income.

## Land Rental Income Exercise

**Tax-Aide only:** rental of land with no improvements is in scope and reported on Schedule E. All land rental income must be reported whether on a Form 1099-MISC or not. Deductible interest or taxes can be claimed on Schedule A if itemizing deductions. Taxpayers should be referred to a paid tax preparer when they wish to claim the expenses on Schedule E.  
see [NTTC-4491](#), Lesson, *Income – Schedule K-1, Royalties and Rental (12-3)*


## Your Tasks:

- Review Rental and Royalty Income in NTTC-4012, Tab D-55.
- View the [Joe Market Form 13614-C Intake/Interview & Quality Review Sheet](#) and the documents below.

<b>Form 13614-C</b> (October 2023)	Department of the Treasury - Internal Revenue Service <b>Intake/Interview and Quality Review Sheet</b>	OMB Number 1545-1964
<p><b>You will need:</b></p> <ul style="list-style-type: none"> <li>Tax Information such as Forms W-2, 1099, 1098, 1095.</li> <li>Social Security cards or ITIN letters for all persons on your tax return.</li> <li>Picture ID (such as valid driver's license) for you and your spouse.</li> </ul> <p style="text-align: right;"> <b>Please complete pages 1-4 of this form.</b>  <b>You are responsible for the information on your return. Please provide complete and accurate information.</b>  <b>If you have questions, please ask the IRS-certified volunteer preparer.</b> </p>		
Volunteers are trained to provide high quality service and uphold the highest ethical standards. To report unethical behavior to the IRS, email us at <a href="mailto:wi.voltax@irs.gov">wi.voltax@irs.gov</a>		
<b>Part I – Your Personal Information</b> (If you are filing a joint return, enter your names in the same order as last year's return)		
1. Your first name <b>JOE</b>	M.I.	Last name <b>MARKET</b>
2. Your spouse's first name	M.I.	Last name
3. Mailing address <b>20023 STATE STREET</b>		Best contact number <b>512-555-9393</b>
4. Your Date of Birth <b>04/12/1970</b>		Are you a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
5. Your job title <b>SALES</b>		Is your spouse a U.S. citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No
6. Last year, were you:	Best contact number	
a. Full-time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	State <b>YS</b>	
b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	ZIP code <b>YZIP</b>	
7. Your spouse's Date of Birth	8. Your spouse's job title	
9. Last year, was your spouse:	a. Full-time student <input type="checkbox"/> Yes <input type="checkbox"/> No	
b. Totally and permanently disabled <input type="checkbox"/> Yes <input type="checkbox"/> No	c. Legally blind <input type="checkbox"/> Yes <input type="checkbox"/> No	
10. Can anyone claim you or your spouse as a dependent? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure		
11. Have you, your spouse, or dependents been a victim of tax related identity theft or been issued an Identity Protection PIN? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
12. Provide an email address (optional) (this email address will not be used for contacts from the Internal Revenue Service) <b>JOEM@EMAIL.XXX</b>		
<b>Part II – Marital Status and Household Information</b>		
1. As of December 31, 2023, what was your marital status? <input checked="" type="checkbox"/> Never Married (This includes registered domestic partnerships, civil unions, or other formal relationships under state law) <input type="checkbox"/> Married		
a. If Yes, Did you get married in 2023? <input type="checkbox"/> Yes <input type="checkbox"/> No		
b. Did you live with your spouse during any part of the last six months of 2023? <input type="checkbox"/> Yes <input type="checkbox"/> No		

- Open Practice Lab and create a new return for **Joe Market, SSN 015-00-8002**.
- Determine his filing status.
- Find help with TaxSlayer entries in [NTTC-4012](#) Tab D.
- Enter Joe's Wage Income shown on the below W-2.
- Enter his Rental Income reflected in the below 1099-Misc.
  - Joe rented a parcel of his land (196 State Street, Your City, Your State, YZIP) for 12 months last year to the Boyd Construction Company where they staged building materials for a nearby project.
  - Joe was the sole owner of the property and managed the rental land himself.
  - The parcel of land has no buildings or improvements.
  - Joe had property taxes of \$600 and no expenses associated with the rental of this land.



a. Employee's social security number 015-00-8002		Save, accurate, FAST! Use				Visit the IRS website at www.irs.gov/efile	
b. Employer identification number (EIN) 12-1234567		1. Wages, tips, other compensation \$25,646.00		2. Federal income tax withheld \$2,500.00			
c. Employer's name, address, and ZIP code  STAPLE CORPORATION 12 STEP PLACE AUSTIN, TEXAS 78739		3. Social security wages \$25,646.00		4. Social security tax withheld \$1,590.05			
		5. Medicare wages and tips \$25,646.00		6. Medicare tax withheld \$371.87			
		7. Social security tips		8. Allocated tips			
d. Control number		9.		10. Dependant care benefits			
e. Employee's first name and initial Last name Suff. Employee's address and ZIP code  JOE MARKET 200 STATE STREET YOUR CITY, YOUR STATE, YZIP		11. Nonqualified plans		12a. See instructions for box 12			
		13. Statutory Retirement Third-party Employee Plan sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		12b.			
		14. Other		12c.			
				12d.			
15. State YS	Employer's state ID number 12-XXXXXXX	16. State wages, tips, etc. \$25,646.00	17. State income tax 1,250.00	18. Local wages, tips, etc.	19. Local income tax	20. Locality name	
<b>Form W-2 Wage and Tax Statement 20XX</b> <b>Copy B - To Be Filed With Employee's FEDERAL Tax Return.</b> This information is being furnished to the Internal Revenue Service.							

<input type="checkbox"/> CORRECTED (if checked)							
PAYER'S name Street address City or town, state or province, country, ZIP or foreign postal code Telephone no.  BOYD CONSTRUCTION 36 TRAIL RUN ROAD AUSTIN, TX 78749		1 Rents \$7,000.00		OMB No. 1545-0115  <b>20XX</b> Form 1099-MISC		<b>Miscellaneous Income</b>	
PAYER'S TIN 74-4561237		RECIPIENT'S TIN 015-00-8002		3 Other Income		4 Federal income tax withheld	
RECIPIENT'S name Street address (including apt.no.) City or town, state or province, country, ZIP or foreign postal code  JOE MARKET 200 STATE STREET YOUR CITY, YOUR STATE, YZIP		5 Fishing boat proceeds		6 Medical and health care payments		This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.	
7 Nonemployee Compensation		8 Substitute payments in lieu of dividends or interest		10 Crop Insurance proceeds			
9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale > <input type="checkbox"/>		11		12			
13 Excess golden parachute payments		14 Gross proceeds paid to an attorney					
Account number (see instructions)		FATCA filing requirement <input type="checkbox"/>		15a Section 409A deferrals		15b Section 409A income	
16 State tax withheld		17 State/Payer's state no.		18 State income			
Form 1099-MISC							

- In TaxSlayer go to Summary/Print, click on View/Print Return, then use "Print your 202X Tax Return" to create a PDF of the tax return.
- Find Form 1040 and other forms and fill in your answers in your Progress Sheet and compare with the Self-Study lesson [answers](#).

## Other Income

Income that does not have a specific line on Form 1040 is generally reported on Form 1040, Schedule 1. Gambling income and the income associated with cancellation of debt is covered in this lesson. Even if the taxpayer does not receive an income document from the payer, the taxpayer is required to report the income if it is taxable.

see [NNTC-4491](#) Lesson: **Other Income (15-1)**

## Other Income Exercises - Cancellation of Debt and Gambling Income



### Your Tasks:

- Review Less Common Income in NTTC-4012, Tab D (*Income*), and the instructions for the applicable forms.
- Read through NTTC Tax Law document: [Gambling Income, Losses & Expenses](#)
- View the [Margaret Martinez Form 13614-C Intake/Interview & Quality Review Sheet](#) and the documents below.

Form <b>13614-C</b> (October 2023)		Department of the Treasury - Internal Revenue Service <b>Intake/Interview and Quality Review Sheet</b>				OMB Number 1545-1964	
<b>You will need:</b> <ul style="list-style-type: none"><li>• Tax Information such as Forms W-2, 1099, 1098, 1095.</li><li>• Social Security cards or ITIN letters for all persons on your tax return.</li><li>• Picture ID (such as valid driver's license) for you and your spouse.</li></ul>						<b>Please complete pages 1-4 of this form.</b> <ul style="list-style-type: none"><li>• You are responsible for the information on your return. Please provide complete and accurate information.</li><li>• If you have questions, please ask the IRS-certified volunteer preparer.</li></ul>	
Volunteers are trained to provide high quality service and uphold the highest ethical standards. To report unethical behavior to the IRS, email us at <a href="mailto:wl.voltax@irs.gov">wl.voltax@irs.gov</a>							
<b>Part I – Your Personal Information</b> (If you are filing a joint return, enter your names in the same order as last year's return)							
1. Your first name <b>MARGARET MARTINEZ</b>		M.I.	Last name <b>MARTINEZ</b>		Best contact number <b>301-555-8899</b>		Are you a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. Your spouse's first name		M.I.	Last name		Best contact number		Is your spouse a U.S. citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No
3. Mailing address <b>2023 COLORADO BLVD</b>				Apt #	City <b>YOUR CITY</b>		State <b>YS</b> ZIP code <b>YZIP</b>
4. Your Date of Birth <b>07/08/1945</b>		5. Your job title <b>RETIRED</b>		6. Last year, were you: a. Full-time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
7. Your spouse's Date of Birth		8. Your spouse's job title		9. Last year, was your spouse: a. Full-time student <input type="checkbox"/> Yes <input type="checkbox"/> No b. Totally and permanently disabled <input type="checkbox"/> Yes <input type="checkbox"/> No		c. Legally blind <input type="checkbox"/> Yes <input type="checkbox"/> No	
10. Can anyone claim you or your spouse as a dependent? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure							
11. Have you, your spouse, or dependents been a victim of tax related identity theft or been issued an Identity Protection PIN? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							
12. Provide an email address (optional) (this email address will not be used for contacts from the Internal Revenue Service) <b>MARGARETM@EMAIL.XXX</b>							
<b>Part II – Marital Status and Household Information</b>							
1. As of December 31, 2023, what was your marital status?		<input checked="" type="checkbox"/> Never Married <input type="checkbox"/> Married		(This includes registered domestic partnerships, civil unions, or other formal relationships under state law)			
				a. If Yes, Did you get married in 2023?		<input type="checkbox"/> Yes <input type="checkbox"/> No	
				b. Did you live with your spouse during any part of the last six months of 2023?		<input type="checkbox"/> Yes <input type="checkbox"/> No	

- Open Practice Lab and create a new return for **Margaret Martinez, SSN 015-00-6525**.
- Determine his filing status.
- Find help with TaxSlayer entries in [NTTC-4012](#) Tab D.

- Enter Form SSA-1099:

FORM SSA-1099 - SOCIAL SECURITY BENEFIT STATEMENT		
<b>20XX</b> ○ PART OF YOUR SOCIAL SECURITY BENEFITS SHOWN IN BOX 5 MAY BE TAXABLE INCOME. ○ SEE THE REVERSE FOR MORE INFORMATION.		
Box 1. Name MARGARET MARTINEZ		Box 2. Beneficiary's Social Security 015-00-6525
Box 3. Benefits Paid in 20XX \$12,350.00	Box 4. Benefits Repaid to SSA in 20XX	Box 5. Net Benefits Paid for 20XX (Box 3 minus Box 4) \$12,350.00
<b>DESCRIPTION OF AMOUNT IN BOX 3</b> Paid by check or direct deposit \$10,568.00 Medicare Part B premiums deducted from your benefits \$1,782.00 Medicare Prescription Drug premiums (Part D) deducted from your benefits Total Additions \$1,782.00 Benefits for 20XX \$12,350.00  Benefits for 20XX-1 Benefits for 20XX-2 Benefits for 20XX-3		<b>DESCRIPTION OF AMOUNT IN BOX 4</b>  Box 6. Voluntary Federal Income Tax Withheld  Box 7. Address MARGARET MARTINEZ 2020 COLORADO BLVD YOUR CITY YS YZIP  Box 8. Claim Number (use this number if you need to contact SSA) 015-00-6525A
Form SSA-1099-SM		

- Enter Gambling Winning Income

- Margaret purchased 20 quick picks at \$2 each month which equates to \$2 x 20 x 12 months = \$480 in the tax year. She only had one winning ticket for the year that is reported on her Form W2-G.
- See [Gambling Income, Losses, and Expenses](#) and [NTTC-4012](#) Tab D-56.
  - **Note:** The W-2G reports gross winnings.
- Calculate her gambling losses that were associated with her monthly lottery purchases and enter on her Schedule A.

<input type="checkbox"/> CORRECTED (if checked)		OMB No 1545-0238	
PAYER'S name, street address, city or town, state or province, country, ZIP or Foreign Postal Code  STATE LOTTERY COMMISSION 578 DOLLAR TREE AVENUE YOUR CITY YS YZIP		1. Reportable winnings \$2,000.00	2. Date won 06/28/20XX
		3. Type of wager LOTTERY	4. Federal income tax withheld \$200.00
		5. Transaction	6. Race
		7. Winnings from identical wagers	8. Cashier
PAYER'S Federal identification number 86-0123456	Payer's Telephone number 800-555-1212	9. Winner's taxpayer identification no. 015-00-6525	10. Window
WINNER'S name, street address, city or town, state or province, country, ZIP or Foreign Postal Code  MARGARET MARTINEZ 2020 COLORADO BLVD YOUR CITY YS YZIP		11. First I.D. 201909051718	12. Second I.D.
		13. State/Payer's state identification no. YS0123456	14. State Winnings \$2,000.00
		15. State income tax withheld \$150.00	16. Local Winnings
		17. Local income tax withheld	18. Name of locality
Under penalty of perjury, I declare that, to the best of my knowledge and belief, the name, address, taxpayer identification number that I furnished correctly identify me as the recipient of this payment and any payment from identical wagers, and no other person is entitled to any part of these payments.			
Signature >		Date >	
Form <b>W-2G</b>			

- Enter Cancellation of Debt Income
  - Margaret was not insolvent at the time the debt was canceled.

<input type="checkbox"/> CORRECTED (if checked)		OMB No. 1545-1424	
CREDITOR'S name Street address City or town, state or province, country, ZIP or foreign postal code Telephone no.  CHASE CARD SERVICES PO BOX 17799 WILIMINGTON DE 19850-7799		1 Date of Identifiable Event 12/01/20XX	<b>20XX</b> Form 1099-C
		2 Amount of debt discharged \$1,623.47	
		3 Interest if included in Box 2 \$237.16	
		4 Debt description CREDIT CARD	
5 If checked, the debtor was personally liable for repayment of this debt . . . . . > <input checked="" type="checkbox"/>			
CREDITOR'S TIN 76-5123456	DEBTOR'S TIN 015-00-6525		
DEBTOR'S name Street address (including apt.no) City or town, state or province, country, ZIP or foreign postal code MARGARET MARTINEZ 2020 COLORADO BLVD YOUR CITY YS YZIP			
Account number (see instructions)		6 Identifiable Event Code	7 Fair market value of property
Form <b>1099-C</b>			

- In TaxSlayer go to Summary/Print, click on View/Print Return, then use "Print your 202X Tax Return" to create a PDF of the tax return.
- Find Form 1040 and other forms and fill in your answers in your Progress Sheet and compare with the Self-Study lesson [answers](#).

## Evaluation & Feedback

For **Other Income** complete the [Skills Workout](#) in Link & Learn > [Income - Other Income](#). or view NTTC-4491, Chapter 8 (especially the examples & exercises). Choose one but not both.

## Adjustments to Income

Certain adjustments to gross income are allowed. There are two exercises included in these self-study lessons:

- Self-employed health insurance (this is not on Schedule C that is related to self-employment income)
- Health Saving Accounts.

The adjustments for educator expenses, alimony paid, traditional IRA contributions, and student loan interest are part of the Self-Study New Volunteer Lessons. The adjustment for the "Deductible part of self-employment tax" is automatically calculated when applicable as mentioned earlier in the Self-Employment Business Income Exercise. The adjustment for "Penalty on early withdrawal of savings" is handled automatically if you've entered a Box 2 amount on a Form 1099-INT.

see [NTTC-4491](#), Lesson: *Adjustments to Income*, (17)

## Self-employed Health Insurance (SEHI) Exercise

### Your Tasks:

- Review Adjustments in NTTC-4012, Tab E, and the instruction for the Self-Employed Health Insurance Deduction. Note that contrary to its name, this is an adjustment, not a deduction.
- View the [Lisa Thomas Form 13614-C Intake/Interview & Quality Review Sheet](#) and the documents below.

Form <b>13614-C</b> (October 2023)		Department of the Treasury - Internal Revenue Service <b>Intake/Interview and Quality Review Sheet</b>				OMB Number 1545-1964	
<b>You will need:</b> <ul style="list-style-type: none"><li>• Tax Information such as Forms W-2, 1099, 1098, 1095.</li><li>• Social Security cards or ITIN letters for all persons on your tax return.</li><li>• Picture ID (such as valid driver's license) for you and your spouse.</li></ul>						<b>Please complete pages 1-4 of this form.</b> <ul style="list-style-type: none"><li>• You are responsible for the information on your return. Please provide complete and accurate information.</li><li>• If you have questions, please ask the IRS-certified volunteer preparer.</li></ul>	
Volunteers are trained to provide high quality service and uphold the highest ethical standards. To report unethical behavior to the IRS, email us at <a href="mailto:vi.voltax@irs.gov">vi.voltax@irs.gov</a>							
<b>Part I – Your Personal Information</b> (If you are filing a joint return, enter your names in the same order as last year's return)							
1. Your first name <b>LISA</b>		M.I.	Last name <b>THOMAS</b>		Best contact number <b>514-555-8974</b>		Are you a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. Your spouse's first name		M.I.	Last name		Best contact number		Is your spouse a U.S. citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No
3. Mailing address <b>2023 COLORADO BLVD</b>				Apt #	City <b>YOUR CITY</b>		State <b>YS</b> ZIP code <b>YZIP</b>
4. Your Date of Birth <b>07/081945</b>		5. Your job title <b>SELF-EMPLOYED</b>		6. Last year, were you: a. Full-time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
7. Your spouse's Date of Birth		8. Your spouse's job title		9. Last year, was your spouse: a. Full-time student <input type="checkbox"/> Yes <input type="checkbox"/> No b. Totally and permanently disabled <input type="checkbox"/> Yes <input type="checkbox"/> No		c. Legally blind <input type="checkbox"/> Yes <input type="checkbox"/> No	
10. Can anyone claim you or your spouse as a dependent? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure							
11. Have you, your spouse, or dependents been a victim of tax related identity theft or been issued an Identity Protection PIN? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							
12. Provide an email address (optional) (this email address will not be used for contacts from the Internal Revenue Service) <b>LISAT@EMAIL.XXX</b>							
<b>Part II – Marital Status and Household Information</b>							
1. As of December 31, 2023, what was your marital status?		<input checked="" type="checkbox"/> Never Married <input type="checkbox"/> Married		(This includes registered domestic partnerships, civil unions, or other formal relationships under state law)			
				a. If Yes, Did you get married in 2023?		<input type="checkbox"/> Yes <input type="checkbox"/> No	
				b. Did you live with your spouse during any part of the last six months of 2023?		<input type="checkbox"/> Yes <input type="checkbox"/> No	

- Open Practice Lab and create a new return for **Lisa Thomas, SSN 015-00-6527**.
- Determine her filing status.
- Find help with TaxSlayer entries in [NTTC-4012](#) Tab D.5
- Enter Social Security Income
  - Lisa's Social Security Benefits Statement includes an amount for her Medicare insurance premiums.
  - When considering self-employment health insurance, enter these premiums in TaxSlayer's Schedule C section in General Expenses as Health Insurance. Do not also enter these premiums on TaxSlayer's Social Security screen as doing so would flow them to Schedule A - Itemized Deductions too (and you can't use the same premiums for both SEHI and Itemization).

FORM SSA-1099 - SOCIAL SECURITY BENEFIT STATEMENT		
<b>20XX</b> ○ PART OF YOUR SOCIAL SECURITY BENEFITS SHOWN IN BOX 5 MAY BE TAXABLE INCOME. ○ SEE THE REVERSE FOR MORE INFORMATION.		
Box 1. Name <b>LISA THOMAS</b>		Box 2. Beneficiary's Social Security <b>015-00-1802</b>
Box 3. Benefits Paid in 20XX <b>\$19,000.00</b>	Box 4. Benefits Repaid to SSA in 20XX	Box 5. Net Benefits Paid for 20XX (Box 3 minus Box 4) <b>\$19,000.00</b>
<b>DESCRIPTION OF AMOUNT IN BOX 3</b> Paid by check or direct deposit <b>\$16,218.00</b> Medicare Part B premiums deducted from your benefits <b>\$1,782.00</b> Medicare Prescription Drug premiums (Part D) deducted from your benefits Total Additions <b>\$2,782.00</b> Benefits for 20XX <b>\$19,000.00</b>  Benefits for 20XX-1 Benefits for 20XX-2 Benefits for 20XX-3		<b>DESCRIPTION OF AMOUNT IN BOX 4</b>  Box 6. Voluntary Federal Income Tax Withheld <b>\$1,000.00</b>  Box 7. Address <b>LISA THOMAS</b> <b>2020 COLORADO BLVD</b> <b>YOUR CITY, YOUR STATE, YOUR ZIP</b>  Box 8. Claim Number (use this number if you need to contact SSA) <b>015-00-1802A</b>
Form <b>SSA-1099-SM</b>		

- Lisa works from home transcribing records for Metro Office and has no business expenses. Her business code is 541990.

<input type="checkbox"/> CORRECTED (if checked)				OMB No. 1545-0116		<b>Nonemployee Compensation</b>			
PAYER'S name Street address City or town, state or province, country, ZIP or foreign postal code Telephone no. METRO OFFICE 123 MAIN STREET YOUR CITY, YOUR STATE, YZIP			20XX Form 1099-NEC		<b>Copy B For Recipient</b>  This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.				
			1 Nonemployee compensation						
			\$15,000.00						
PAYER'S TIN 15-9876543		RECIPIENT'S TIN 015-00-6527	2						
RECIPIENT'S name Street address (including apt.no.) City or town, state or province, country, ZIP or foreign postal code LISA THOMAS 2020 COLORADO BLVD YOUR CITY, YOUR STATE, YZIP			3						
			4 Federal income tax withheld						
			FATCA filing requirement <input type="checkbox"/>						
Account number (see instructions)			5 State tax withheld		6 State/Payer's state no.		7 State income		
Form 1099-NEC									

#### Notes:

- When the total health insurance premium costs exceed the self-employed health insurance (SEHI) deduction limit, TaxSlayer includes any remaining premiums as an itemized medical expense deduction on Schedule A. TaxSlayer automatically flows the excess amount into Schedule A.
- Note that even though you entered the Health Insurance within the Schedule C section of TaxSlayer, this is not a Schedule C expense, and the SEHI deduction does not appear on Schedule C.
- Instead, TaxSlayer automatically calculates the deductible portion for SEHI and carries that to Form 1040, Schedule 1, the Part II, adjustments section.
- Check to see which use of SEHI is more beneficial, either entering on Schedule C expenses for an adjustment or entering all of the health insurance on Schedule A.

○

- In TaxSlayer go to Summary/Print, click on View/Print Return, then use "Print your 202X Tax Return" to create a PDF of the tax return.
- Find Form 1040 and other forms and fill in your answers in your Progress Sheet and compare with the Self-Study lesson [answers](#).

### Test Your Knowledge: SE Health Insurance Deduction

 Click to take the [Self-Employed Health Insurance Deduction Quiz](#).



## Health Saving Accounts (HSA) Exercise

 Your Tasks:




Watch:


- HSA Savings Account Contributions: Full Year video
- [HSA Savings Account Distributions video](#)
- Review HSAs in NTTC-4012, Tab E and the instruction for the applicable forms.
- Review IRS Resource: [Publication 4942](#), VITA/TCE Specialty Course - Health Savings Accounts (HSA)
- View [James and Diana Calhoun Form 13614-C Intake/Interview & Quality Review Sheet](#) and the documents below.

Form <b>13614-C</b> (October 2023)		Department of the Treasury - Internal Revenue Service <b>Intake/Interview and Quality Review Sheet</b>				OMB Number 1545-1964	
<b>You will need:</b> <ul style="list-style-type: none"> <li>• Tax Information such as Forms W-2, 1099, 1098, 1095.</li> <li>• Social Security cards or ITIN letters for all persons on your tax return.</li> <li>• Picture ID (such as valid driver's license) for you and your spouse.</li> </ul>				<ul style="list-style-type: none"> <li>• Please complete pages 1-4 of this form.</li> <li>• You are responsible for the information on your return. Please provide complete and accurate information.</li> <li>• If you have questions, please ask the IRS-certified volunteer preparer.</li> </ul>			
<p align="center">Volunteers are trained to provide high quality service and uphold the highest ethical standards. To report unethical behavior to the IRS, email us at <a href="mailto:vl.voltax@irs.gov">vl.voltax@irs.gov</a></p>							
<b>Part I – Your Personal Information</b> (If you are filing a joint return, enter your names in the same order as last year's return)							
1. Your first name <b>JAMES</b>		M.I. <b>P</b>	Last name <b>CALHOUN</b>		Best contact number <b>509-555-1234</b>		Are you a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. Your spouse's first name <b>DIANA</b>		M.I. <b>G</b>	Last name <b>CALHOUN</b>		Best contact number <b>509-555-9876</b>		Is your spouse a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3. Mailing address <b>16723 ROBERTS ST</b>				Apt #	City <b>YOUR CITY</b>		State <b>YS</b> ZIP code <b>YZIP</b>
4. Your Date of Birth <b>06/04/1964</b>		5. Your job title <b>ACCOUNTANT</b>		6. Last year, were you:		a. Full-time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
				b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
7. Your spouse's Date of Birth <b>12/04/1963</b>		8. Your spouse's job title <b>NURSE</b>		9. Last year, was your spouse:		a. Full-time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
				b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
10. Can anyone claim you or your spouse as a dependent? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure							
11. Have you, your spouse, or dependents been a victim of tax related identity theft or been issued an Identity Protection PIN? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							
12. Provide an email address (optional) (this email address will not be used for contacts from the Internal Revenue Service) <b>JAMESC@EMAIL.XXX</b>							
<b>Part II – Marital Status and Household Information</b>							
1. As of December 31, 2023, what was your marital status?		(This includes registered domestic partnerships, civil unions, or other formal relationships under state law)					
<input type="checkbox"/> Never Married		a. If Yes, Did you get married in 2023? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
<input checked="" type="checkbox"/> Married		b. Did you live with your spouse during any part of the last six months of 2023? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No					

- Open Practice Lab and create a new return for **James Calhoun, SSN 015-00-7028** and **Diana Calhoun, SSN 115-00-0000**.
- Determine their filing status.
- Enter W-2 Wage Income 12



a. Employee's social security number 015-00-7028		Save, accurate, FAST! Use		 Visit the IRS website at www.irs.gov/efile	
b. Employer identification number (EIN) 53-0123456		1. Wages, tips, other compensation \$27,418.00		2. Federal income tax withheld \$2,175.00	
c. Employer's name, address, and ZIP code  PATTERSON FOODS INC 1106 WILSON WAY INDIANAPOLIS IN 46205		3. Social security wages \$27,418.00		4. Social security tax withheld \$1,699.92	
		5. Medicare wages and tips \$27,418.00		6. Medicare tax withheld \$397.56	
		7. Social security tips		8. Allocated tips	
d. Control number		9.		10. Dependant care benefits	
e. Employee's first name and initial Last name Suff. Employee's address and ZIP code  JAMES P CALHOUN 1679 ROBERTS ST YOUR CITY YS YZIP		11. Nonqualified plans		12a. See instructions for box 12	
		13. Statutory Retirement Third-party Employee Plan sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		12b.	
		14. Other		12c.	
				12d.	
15. State YS	Employer's state ID number 530123456	16. State wages, tips, etc. \$27,418.00	17. State income tax 1,025.00	18. Local wages, tips, etc.	19. Local income tax
20. Locality name					
Form <b>W-2 Wage and Tax Statement</b> <b>20XX</b> Copy B - To Be Filed With Employee's FEDERAL Tax Return.					

a. Employee's social security number 115-00-0000		Save, accurate, FAST! Use		 Visit the IRS website at www.irs.gov/efile	
b. Employer identification number (EIN) 53-1123456		1. Wages, tips, other compensation \$14,327.54		2. Federal income tax withheld \$1,033.57	
c. Employer's name, address, and ZIP code  HARRIMAN EMERGENCY CLINIC 1250 OHIO BLVD INDIANAPOLIS IN 46205		3. Social security wages \$14,327.54		4. Social security tax withheld \$888.31	
		5. Medicare wages and tips \$14,327.54		6. Medicare tax withheld \$207.75	
		7. Social security tips		8. Allocated tips	
d. Control number		9.		10. Dependant care benefits	
e. Employee's first name and initial Last name Suff. Employee's address and ZIP code  DIANA G CALHOUN 1679 ROBERTS ST YOUR CITY YS YZIP		11. Nonqualified plans		12a. See instructions for box 12 W \$1,000.00	
		13. Statutory Retirement Third-party Employee Plan sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b.	
		14. Other		12c.	
				12d.	
15. State YS	Employer's state ID number 531123456	16. State wages, tips, etc. \$14,327.54	17. State income tax 453.26	18. Local wages, tips, etc.	19. Local income tax
20. Locality name					
Form <b>W-2 Wage and Tax Statement</b> <b>20XX</b> Copy B - To Be Filed With Employee's FEDERAL Tax Return.					

- Diana enrolled in an HDHP with family coverage for the full tax year and has an HSA through her employer. Diana's employer contributed \$1,000 to her HSA as part of her benefit program, during the year. Diana also contributed \$2,000 to her HSA. James and Diana have no other health insurance. Diana received a distribution from her HSA of \$1,900 that was spent on qualifying medical expenses.
- In TaxSlayer go to:  
Federal >Deductions >Adjustments> Health Savings Account (Form 8889)
- Enter Contributions

TRUSTEE'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number  <b>JACKSON BANK &amp; TRUST</b> <b>14907 S.W. GRAND ST.</b> <b>INDIANAPOLIS IN 46205</b>		1 Employee or self-employed person's Archer MSA contributions made in 2020 and 2021 for 2020 \$	OMB No. 1545-1518 <b>20XX</b> Form <b>5498-SA</b>	HSA, Archer MSA, or Medicare Advantage MSA Information
TRUSTEE'S TIN <b>54-2001234</b>		2 Total contributions made in 2020 \$ <b>3,000.00</b>		
PARTICIPANT'S TIN <b>115-00-0000</b>		3 Total HSA or Archer MSA contributions made in 2021 for 2020 \$ <b>0.0</b>	Copy A For Internal Revenue Service Center	
PARTICIPANT'S name <b>DIANA G CALHOUN</b> (Street address (including apt. no.) <b>1679 ROBERTS ST</b> City or town, state or province, country, and ZIP or foreign postal code <b>YOUR CITY, STATE, ZIP</b> Account number (see instructions)		4 Rollover contributions \$	5 Fair market value of HSA, Archer MSA, or MA MSA \$ <b>9,509</b>	File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2020 General Instructions for Certain Information Returns.
		6 HSA <input checked="" type="checkbox"/> Archer MSA <input type="checkbox"/> MA MSA <input type="checkbox"/>		
Form <b>5498-SA</b>		Cat. No. 38467V <a href="http://www.irs.gov/Form5498SA">www.irs.gov/Form5498SA</a> Department of the Treasury - Internal Revenue Service		

**Note:** Form 5498-SA is typically not available to the taxpayer by the April filing deadline. It is important to query the taxpayer and report contributions based upon the taxpayer's records. The HSA trustee's quarterly or monthly statements may be useful.

- Enter Distributions

<input type="checkbox"/> CORRECTED (if checked)					
TRUSTEE'S/PAYER'S name Street address City or town, state or province, country, ZIP or foreign postal code Telephone no.  JACKSON BANK & TRUST 14907 S.W. GRAND ST INDIANAPOLIS IN 46205		OMB No. 1545-1517  <div style="font-size: 2em; font-weight: bold;">20XX</div>  Form 1099-SA		Distributions From an HSA, Archer MSA, or Medicare Advantage MSA	
PAYER'S TIN  54-2001234	RECIPIENT'S TIN  115-00-0000	1 Gross Distribution  <div style="text-align: right;">\$1,900.00</div>	2 Earnings on excess cont.	<div style="text-align: center;"> <b>Copy B For Recipient</b> </div>   <div style="text-align: center;"> <small>This information is being furnished to the IRS.</small> </div>	
RECIPIENT'S name Street address (including apt.no.) City or town, state or province, country, ZIP or foreign postal  DIANA G CALHOUN 1679 ROBERTS ST YOUR CITY YS YZIP		3 Distribution Code	4 FMV on date of death		
		5 HSA <input checked="" type="checkbox"/> Archer MSA <input type="checkbox"/> MA MSA <input type="checkbox"/>			
Account number (see instructions)					
Form 1099-SA					

- Compare Form 8889 in TaxSlayer Summary/Print with the [Diana Calhoun Form 8889](#).
- In TaxSlayer go to Summary/Print, click on View/Print Return, then use "Print your 202X Tax Return" to create a PDF of the tax return.
- Find Form 1040 and other forms and fill in your answers in your Progress Sheet and compare with the Self-Study lesson [answers](#).

### Evaluation & Feedback

For **Health Savings Accounts** complete slides 28 to 54 (these address HSAs) of the [Skills Workout](#) in Link & Learn > [Adjustments to Income](#) or view NTTC-4491, Chapter 17 (especially the examples & exercises). Choose one but not both.

## Itemized Deductions

Taxpayers can choose to itemize their deductions instead of taking the standard deduction. If their allowable itemized deductions are higher than their standard deduction amount, then they will generally pay less tax by choosing to itemize deductions. Some states may permit itemizing state deductions even when the federal standard deduction is taken (beyond the scope of this self-study program which only covers federal taxation).

**Note:** A taxpayer who files as Married Filing Separately (MFS) must itemize their deductions if their spouse files as MFS and itemized their deductions. It does not matter who files first.

see [NTTC-4491](#), Lesson: *Deductions, (19-3)*

## Itemized Deductions Exercise

 Your Tasks:

 Watch the [Schedule A video](#).

- Review Schedule A in NTTC-4012, Tab F, and the instruction for the applicable forms.
- View the [Susan and Mark Taylor Form 13614-C Intake/Interview & Quality Review Sheet](#), their [Itemized Deduction Worksheet](#), and the documents below.

Form <b>13614-C</b> (October 2023)		Department of the Treasury - Internal Revenue Service <b>Intake/Interview and Quality Review Sheet</b>				OMB Number 1545-1964	
<b>You will need:</b> <ul style="list-style-type: none"><li>• Tax information such as Forms W-2, 1099, 1098, 1095.</li><li>• Social Security cards or ITIN letters for all persons on your tax return.</li><li>• Picture ID (such as valid driver's license) for you and your spouse.</li></ul>						<b>Please complete pages 1-4 of this form.</b> <ul style="list-style-type: none"><li>• You are responsible for the information on your return. Please provide complete and accurate information.</li><li>• If you have questions, please ask the IRS-certified volunteer preparer.</li></ul>	
Volunteers are trained to provide high quality service and uphold the highest ethical standards. To report unethical behavior to the IRS, email us at <a href="mailto:wl.voltax@irs.gov">wl.voltax@irs.gov</a>							
<b>Part I – Your Personal Information</b> (If you are filing a joint return, enter your names in the same order as last year's return)							
1. Your first name <b>SUSAN</b>		M.I.	Last name <b>TAYLOR</b>		Best contact number <b>513-555-4645</b>		Are you a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. Your spouse's first name <b>MARK</b>		M.I.	Last name <b>TAYLOR</b>		Best contact number		Is your spouse a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3. Mailing address <b>2023 COLORADO BLVD</b>				Apt #	City <b>YOUR CITY</b>		State <b>YS</b> ZIP code <b>YZIP</b>
4. Your Date of Birth <b>07/08/1965</b>		5. Your job title <b>OFFICE CLERK</b>		6. Last year, were you: a. Full-time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
7. Your spouse's Date of Birth <b>01/15/1965</b>		8. Your spouse's job title <b>OFFICE MANAGER</b>		9. Last year, was your spouse: a. Full-time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
10. Can anyone claim you or your spouse as a dependent? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure							
11. Have you, your spouse, or dependents been a victim of tax related identity theft or been issued an Identity Protection PIN? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							
12. Provide an email address (optional) (this email address will not be used for contacts from the Internal Revenue Service) <b>SUSANT@EMAIL.XXX</b>							
<b>Part II – Marital Status and Household Information</b>							
1. As of December 31, 2023, what was your marital status?		<input type="checkbox"/> Never Married <input checked="" type="checkbox"/> Married		(This includes registered domestic partnerships, civil unions, or other formal relationships under state law)			
				a. If Yes, Did you get married in 2023?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
				b. Did you live with your spouse during any part of the last six months of 2023?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

2. List the names below of:  
 • **everyone** who lived with you last year (other than your spouse)  
 • **anyone** you supported but did not live with you last year

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

									To be completed by a Certified Volunteer Preparer				
Name (first, last) Do not enter your name or spouse's name below	Date of Birth (mm/dd/yy)	Relationship to you (for example: son, daughter, parent, none, etc)	Number of months lived in your home last year	US Citizen (yes/no)	Resident of US, Canada, or Mexico last year (yes/no)	Single or Married as of 12/31/23 (S/M)	Full-time Student last year (yes/no)	Totally and Permanently Disabled (yes/no)	Is this person a qualifying child/relative of any other person? (yes/no)	Did this person provide more than 50% of his/her own support? (yes,no,n/a)	Did this person have less than \$4,700 of income? (yes,no,n/a)	Did the taxpayer(s) provide more than 50% of support for this person? (yes/no/n/a)	Did the taxpayer(s) pay more than half the cost of maintaining a home for this person? (yes/no)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)					
<b>PENNY TAYLOR</b>	<b>01/17/1943</b>	<b>MOTHER</b>	<b>0</b>	<b>Y</b>	<b>Y</b>	<b>S</b>	<b>N</b>	<b>N</b>	<b>N</b>	<b>N</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>

- Open Practice Lab and create a new return for **Susan Taylor, SSN 015-00-7660, Mark Taylor, SSN 115-00-0000, and Penny Taylor, SSN 015-00-4567.**
- Penny Taylor is Mark's mother. She only receives a small amount of Social Security income. Susan and Mark paid all of Penny's medical bills that were not reimbursed by Medicare. Penny lives in an Assisted Living facility. Helen and Mark pay more than 50% of Penny's support. Penny is not disabled.

### 2023 Itemized Deductions (Sch A) Worksheet

☐ I donated a vehicle worth more than \$500  
☐ I paid interest on borrowings for investments

☐ I made more than \$5,000 of noncash donations  
☐ I repaid income (taxed in prior year) over \$3,000

**If you checked any of the above, please stop here and speak with one of our Counselors.**

If none is checked: enter your totals below for each expense – we do not need the details.

Please ask if you are unsure or have any questions.

Your name: Susan and Mark Taylor

<b>MEDICAL EXPENSES</b>		<b>STATE/LOCAL TAXES</b>	
paid for you or your dependent that were not reimbursed			
Insurance* (specify)		State/local income tax paid (other than through withholding)	
Dental	<b>\$1,135</b>	Sales tax on car or home improvement purchases	<b>\$1,390</b>
		Real estate taxes (not service fees like garbage or sewer)	<b>\$4,901</b>
*Not paid pre-tax from paycheck for health, dental, vision, long-term care. Provide Form 1095-A from Marketplace if received.		Personal property (e.g. tax portion of car registration)	<b>\$389</b>
Doctors, dentist, etc.	<b>\$2,589</b>	Other taxes paid (specify):	
Hospital, medically needed care facility, etc.	<b>\$3,538</b>		
Prescriptions (even if filled with over the counter meds)	<b>\$1,795</b>	<b>INTEREST</b>	
Medical aids (canes, glasses, etc.)	<b>\$4,690</b>	Home mortgage interest on main home	<b>\$4,528</b>
COVID protective items		on second loan or home	
Other (specify):		Loan balance at Jan 1 or date acquired (Form 1098)	
<b>LT Care Premiums (Mark)</b>	<b>\$2,450</b>	Amount of loan used to buy, build, or improve home, less than the full amount	
<b>Counseling to stop smoking</b>	<b>\$800</b>	Mortgage insurance required by lender	
Parking		Year loan originated	
Bus or car service	<b>\$950</b>	Other (specify):	
Medical miles	<b>1,795 mi.</b>		
		<b>OTHER</b>	
<b>CHARITY (need to keep evidence of each: if \$250 or more, must be in writing from charity)</b>		Gambling losses/expenses	
Cash contributions (total)	<b>\$2,900</b>	Other (specify):	
Other than cash, specify name of charity (provide thrift store value) (no appreciated items)			
<b>salvation army (clothing)</b>	<b>\$475</b>		
Charitable miles	<b>mi.</b>		

We'll use your 2023 federal standard deduction shown below if more than your itemized deductions above:

Single	\$13,850	Married	\$27,700	HOH	\$20,800
Single (65+)	\$15,700	Married (one 65+)	\$29,550	HOH (65+)	\$22,650
		Married (both 65+)	\$31,400	(if blind, add \$1,750 or \$1,400 if married)	

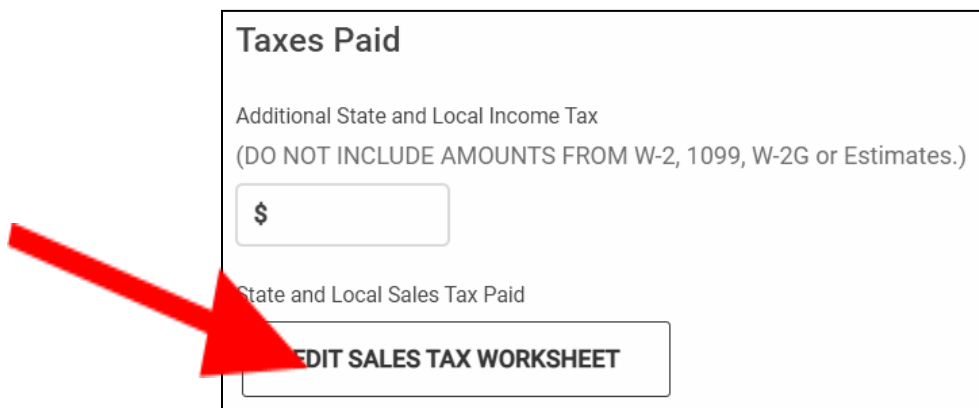
## Enter the W-2s

a. Employee's social security number 015-00-7660		Save. accurate, FAST! Use		Visit the IRS website at www.irs.gov/efile		
b. Employer identification number (EIN) 25-6234567		1. Wages, tips, other compensation \$12,283.00		2. Federal income tax withheld \$1,228.00		
c. Employer's name, address, and ZIP code  PETROLEUM OIL & GAS 624 KASPAR DRIVE YOUR CITY, YOUR STATE YOUR ZIP		3. Social security wages \$12,283.00		4. Social security tax withheld \$761.55		
		5. Medicare wages and tips \$12,283.00		6. Medicare tax withheld \$178.10		
		7. Social security tips		8. Allocated tips		
d. Control number		9.		10. Dependant care benefits		
e. Employee's first name and initial Employee's address and ZIP code  SUSAN TAYLOR 2020 COLORADO BLVD YOUR CITY, YOUR STATE YOUR ZIP		11. Nonqualified plans		12a. See instructions for box 12		
		13. Statutory Employee <input type="checkbox"/> Retirement Plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>		12b.		
		14. Other		12c.		
				12d.		
15. State YS	Employer's state ID number 312234567	16. State wages, tips, etc. \$12,283.00	17. State income tax 614.00	18. Local wages, tips, etc.	19. Local income tax	20. Locality name
<b>Form W-2 Wage and Tax Statement 20XX</b> <b>Copy B - To Be Filed With Employee's FEDERAL Tax Return.</b> This information is being furnished to the Internal Revenue Service.						

a. Employee's social security number 115-00-0000		Save. accurate, FAST! Use		Visit the IRS website at www.irs.gov/efile		
b. Employer identification number (EIN) 25-5234567		1. Wages, tips, other compensation \$21,010.27		2. Federal income tax withheld \$2,100.00		
c. Employer's name, address, and ZIP code  JEFFERSON SCHOOL 12210 ROBIN STREET INDIANAPOLIS IN 46204		3. Social security wages \$22,010.27		4. Social security tax withheld \$1,364.64		
		5. Medicare wages and tips \$22,010.27		6. Medicare tax withheld \$319.15		
		7. Social security tips		8. Allocated tips		
d. Control number		9.		10. Dependant care benefits		
e. Employee's first name and initial Employee's address and ZIP code  MARK TAYLOR 2020 COLORADO BLVD YOUR CITY, YOUR STATE YZIP		11. Nonqualified plans		12a. See instructions for box 12 D \$1,000.00		
		13. Statutory Employee <input type="checkbox"/> Retirement Plan <input checked="" type="checkbox"/> Third-party sick pay <input type="checkbox"/>		12b. DD \$4,734.53		
		14. Other		12c.		
				12d.		
15. State YS	Employer's state ID number 216234567	16. State wages, tips, etc. \$21,010.27	17. State income tax 1,051.00	18. Local wages, tips, etc.	19. Local income tax	20. Locality name
<b>Form W-2 Wage and Tax Statement 20XX</b> <b>Copy B - To Be Filed With Employee's FEDERAL Tax Return.</b> This information is being furnished to the Internal Revenue Service.						



- Determine Itemized Deductions:
  - Susan and Mark provide a summary of expenses that may qualify as itemized deductions in their [Itemized Deduction Worksheet](#).
  - Use NTTC-4012 and NTTC-4491 to determine what amounts qualify for an itemized deduction.
- Unreimbursed medical expenses include those incurred by Penny but paid by Susan and Mark when she was hospitalized after a fall.
- Taxes Paid, Schedule A - Taxes You Paid TaxSlayer
  - Property tax: (See Form 1098-Mortgage Interest Statement)
  - Personal Property tax (value-based): \$389.00
  - Calculate state and local sales tax



**Taxes Paid**

Additional State and Local Income Tax  
(DO NOT INCLUDE AMOUNTS FROM W-2, 1099, W-2G or Estimates.)

\$

State and Local Sales Tax Paid

**EDIT SALES TAX WORKSHEET**

- For state sales tax use the Zip Code 68101 for Omaha, NE (5.5% state, 1.5% local).
- Susan paid \$1,390 in sales tax for the new car she purchased in 2023.
- Verify with [Use the Sales Tax Deduction Calculator - IRS](#)
- Compare deductible sales tax to state withholdings. The greater value will be used automatically by TaxSlayer on Schedule A, Line 5a.

**Caution:** The IRS and TaxSlayer may update their calculators with tax rates provided by the states in January of the tax preparation year. This may cause variations to the answers in some exercises.

- Mortgage Interest

<input type="checkbox"/> CORRECTED (if checked)				
RECIPIENT'S/LENDER'S name, street address, city or town, state or province, country, ZIP or foreign postal code and telephone no.  US BANK NATIONAL ORGANIZATION 4801 FREDERICA ST OWENSBORO KY 42301		* Caution: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.	<b>20XX</b>  Form 1098	
		1. Mortgage interest received from payer(s)/borrower(s) * \$4,527.50	<b>Copy B For Payer/Borrower</b>  The information in boxes 1 through 9 is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points, reported in boxes 1 and 6; or because you didn't report the refund of interest (box 4); or because you claimed a non-deductible item.	
RECIPIENT'S/LENDER'S TIN 31-0841368	PAYER'S/BORROWER'S TIN 015-00-7660	2. Outstanding mortgage principal as of 1/1/20XX \$120,678.34		3. Mortgage origination date 05/23/2004
PAYER'S/BORROWER'S name, street address, city or town, state or province, country, ZIP or foreign postal code and telephone no.  SUSAN TAYLOR 2020 COLORADO BLVD YOUR CITY, YOUR STATE YOUR ZIP		4. Refund of overpaid interest		5. Mortgage insurance premiums
		6. Points paid on purchase of principal residence		
		7. <input checked="" type="checkbox"/> If address of property securing mortgage is the same as PAYER'S/BORROWER'S address, the box is checked, or the address or description is entered in box 8.		
9. Number of properties securing the mortgage	10. Other REAL ESTATE TAX: \$4900.76	8. Address or description of property securing mortgage (see Instructions)		
Account number (see instructions)				
Form <b>1098</b>				

### Compare Deductions

- Go to TaxSlayer > Federal Section>Deductions>Compare Deductions
- What is the Standard Deduction amount? \_\_\_\_\_
- What is the Itemized Deduction amount? \_\_\_\_\_

- In TaxSlayer go to Summary/Print, click on View/Print Return, then use "Print your 202X Tax Return" to create a PDF of the tax return.
- Find Form 1040 and other forms and fill in your answers in your Progress Sheet and compare with the Self-Study lesson [answers](#).

### Evaluation & Feedback

For **Itemized Deductions** complete the [Skills Workout](#) in Link & Learn > [Itemized Deductions](#) or view NTTC-4491, Chapter 20 (especially the examples & exercises). Choose one but not both.

## Credits

Credits are reported as refundable and nonrefundable. A nonrefundable credit is a dollar-for-dollar reduction of the tax liability and can only reduce the tax liability to zero. A refundable credit can reduce the tax liability and result in a refund to the taxpayer even if there is no tax liability.

### Credit for Child and Dependent Care Expenses

This nonrefundable credit, available to eligible taxpayers, is a percentage of their child and dependent care expenses. The credit may be claimed by taxpayers who, in order to work or look for work, pay a caregiver to care for their qualifying person. A qualifying person is a:

- A qualifying child who is the taxpayer's dependent and under age 13 when the care was provided. If the child is being claimed as a dependent by the noncustodial parent under the special rules for children of divorced and separated parents, only the custodial parent may treat the child as a qualifying person for this credit.
- Someone who was physically or mentally incapable of self-care who the taxpayer claims as a dependent or for whom the taxpayer could claim, except that:
  - The person had income greater than the current year threshold amount (gross income test for a qualifying relative)
  - The person filed a joint return
  - The taxpayer or spouse, if Married Filing Jointly, could be claimed as a dependent on someone else's current year tax return
- Spouses who were physically or mentally unable to care for themselves and lived with the taxpayer more than half the year.

see [NTTC-4491](#), Lesson: *Credit for Child and Dependent Care Expenses (21-1)*

### Credit for Child and Dependent Care Exercise



Your Tasks:




Watch the [Child and Dependent Care Credit video](#)


- Review in NTTC-4012, Tab G, and the instructions for the applicable forms.
- View [Greg and Alice Kohler Form 13614-C Intake/Interview & Quality Review Sheet](#) and the documents below.

<b>Form 13614-C</b> (October 2023)	Department of the Treasury - Internal Revenue Service <b>Intake/Interview and Quality Review Sheet</b>	OMB Number 1545-1964
<b>You will need:</b> <ul style="list-style-type: none"> <li>Tax Information such as Forms W-2, 1099, 1098, 1095.</li> <li>Social Security cards or ITIN letters for all persons on your tax return.</li> <li>Picture ID (such as valid driver's license) for you and your spouse.</li> </ul>		
<b>Please complete pages 1-4 of this form.</b> <b>You are responsible for the information on your return. Please provide complete and accurate information.</b> <b>If you have questions, please ask the IRS-certified volunteer preparer.</b>		
Volunteers are trained to provide high quality service and uphold the highest ethical standards. To report unethical behavior to the IRS, email us at <a href="mailto:wi.voltax@irs.gov">wi.voltax@irs.gov</a>		
<b>Part I – Your Personal Information</b> (If you are filing a joint return, enter your names in the same order as last year's return)		
1. Your first name <b>GREG</b>	M.I.	Last name <b>KOHLER</b>
2. Your spouse's first name <b>ALICE</b>	M.I.	Last name <b>KOHLER</b>
3. Mailing address <b>67423 NORTH ELM</b>	Apt #	City <b>YOUR CITY</b>
4. Your Date of Birth <b>03/15/1987</b>	5. Your job title <b>TEACHER</b>	6. Last year, were you: a. Full-time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
7. Your spouse's Date of Birth <b>06/24/1989</b>	8. Your spouse's job title <b>TEACHER</b>	9. Last year, was your spouse: a. Full-time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
10. Can anyone claim you or your spouse as a dependent? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure		
11. Have you, your spouse, or dependents been a victim of tax related identity theft or been issued an Identity Protection PIN? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
12. Provide an email address (optional) (this email address will not be used for contacts from the Internal Revenue Service) <b>GREGK@EMAIL.XXX</b>		
<b>Part II – Marital Status and Household Information</b>		
1. As of December 31, 2023, what was your marital status? <input type="checkbox"/> Never Married (This includes registered domestic partnerships, civil unions, or other formal relationships under state law) <input checked="" type="checkbox"/> Married		
a. If Yes, Did you get married in 2023? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No b. Did you live with your spouse during any part of the last six months of 2023? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

2. List the names below of: • <b>everyone</b> who lived with you last year (other than your spouse) • <b>anyone</b> you supported but did not live with you last year										If additional space is needed check here <input type="checkbox"/> and list on page 3				
To be completed by a Certified Volunteer Preparer														
Name (first, last) Do not enter your name or spouse's name below	Date of Birth (mm/dd/yyyy)	Relationship to you (for example: son, daughter, parent, none, etc)	Number of months lived in your home last year	US Citizen (yes/no)	Resident of US, Canada, or Mexico last year (yes/no)	Single or Married as of 12/31/23 (S/M)	Full-time Student last year (yes/no)	Totally and Permanently Disabled (yes/no)	Is this person a qualifying child/relative of any other person? (yes/no)	Did this person provide more than 50% of his/her own support? (yes,no,n/a)	Did this person have less than \$4,700 of income? (yes,no,n/a)	Did the taxpayer(s) provide more than 50% of support for this person? (yes/no/n/a)	Did the taxpayer(s) pay more than half the cost of maintaining a home for this person? (yes/no)	
<b>JASON KOHLER</b>	<b>5/16/2000</b>	<b>SON</b>	<b>12</b>	<b>Y</b>	<b>Y</b>	<b>S</b>	<b>Y</b>	<b>N</b>	<b>N</b>	<b>N</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	
<b>NAOMI KOHLER</b>	<b>2/17/2012</b>	<b>DAUGHTER</b>	<b>12</b>	<b>Y</b>	<b>Y</b>	<b>S</b>	<b>Y</b>	<b>N</b>	<b>N</b>	<b>N</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	

- Open Practice Lab and create a new return for **Greg Kohler, SSN 015-00-6518**, and **Alice Kohler, SSN 115-00-0000**.
- Determine their filing status.
- Complete the gray area to be completed by the "Certified Volunteer Preparer" for everyone who lived with them or that they supported but did not live with them last year and determine the qualifying dependents. Include children **Jason Kohler, SSN 115-00-0002** (a college student), and **Naomi Kohler, SSN 115-00-0003** as dependents in TaxSlayer.
- Enter the W-2s

a. Employee's social security number 015-00-6518		Save, accurate, FAST! Use		 Visit the IRS website at www.irs.gov/efile	
b. Employer identification number (EIN) 45-9456789		1. Wages, tips, other compensation \$30,956.23		2. Federal income tax withheld \$3,650.00	
c. Employer's name, address, and ZIP code  CARLSON COUNTY SCHOOL DISTRICT 34 WEST PINE CIRCLE YOUR CITY YS YZIP		3. Social security wages \$30,956.23		4. Social security tax withheld \$1,919.29	
		5. Medicare wages and tips \$30,956.23		6. Medicare tax withheld \$448.87	
		7. Social security tips		8. Allocated tips	
d. Control number		9.		10. Dependant care benefits	
e. Employee's first name and initial Employee's address and ZIP code  GREG KOHLER 6744 NORTH ELM YOUR CITY YS YZIP		11. Nonqualified plans		12a. See instructions for box 12 DD \$8,956.00	
		13. Statutory Retirement Third-party Employee Plan sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b.	
		14. Other		12c.	
				12d.	
15. State YS	Employer's state ID number 45-XXXXXXX	16. State wages, tips, etc. \$30,956.23	17. State income tax 1,325.00	18. Local wages, tips, etc.	19. Local income tax
20. Locality name					
<b>Form W-2 Wage and Tax Statement</b> <b>Copy B - To Be Filed With Employee's FEDERAL Tax Return.</b> This information is being furnished to the Internal Revenue Service.					

a. Employee's social security number 115-00-0000		Save, accurate, FAST! Use		 Visit the IRS website at www.irs.gov/efile	
b. Employer identification number (EIN) 25-7456789		1. Wages, tips, other compensation \$11,500.00		2. Federal income tax withheld \$1,120.00	
c. Employer's name, address, and ZIP code  HEARTFELT MEDICAL CENTER 674 WELLNESS ROAD YOUR CITY YS YZIP		3. Social security wages \$11,500.00		4. Social security tax withheld \$713.00	
		5. Medicare wages and tips \$11,500.00		6. Medicare tax withheld \$166.75	
		7. Social security tips		8. Allocated tips	
d. Control number		9.		10. Dependant care benefits \$2,000.00	
e. Employee's first name and initial Employee's address and ZIP code  ALICE KOHLER 67423 NORTH ELM YOUR CITY YS YZIP		11. Nonqualified plans		12a. See instructions for box 12	
		13. Statutory Retirement Third-party Employee Plan sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		12b.	
		14. Other		12c.	
				12d.	
15. State YS	Employer's state ID number 257456789	16. State wages, tips, etc. \$13,500.00	17. State income tax 250.00	18. Local wages, tips, etc.	19. Local income tax
20. Locality name					
<b>Form W-2 Wage and Tax Statement</b> <b>Copy B - To Be Filed With Employee's FEDERAL Tax Return.</b> This information is being furnished to the Internal Revenue Service.					

- Naomi received daycare services from **Marie Dawson**. Marie lives at **1498 Charles St., Your City, Your State, YZip**, and her phone number is 542-901-3636. Her Social Security number is **055-00-0005**.
- Marie provided a receipt for \$2,500 for Naomi's daycare after school while her parents were still at work.
- Enter the Child and Dependent Care Credit.
- In TaxSlayer go to Summary/Print, click on View/Print Return, then use "*Print your 202X Tax Return*" to create a PDF of the tax return.
- Find Form 1040 and other forms and fill in your answers in your Progress Sheet and compare with the Self-Study lesson [answers](#).

### **Evaluation & Feedback**

For **Credit for Child and Dependent Care** complete the [Skills Workout](#) in Link & Learn > [Credit for Child and Dependent Care](#) or view NTTC-4491, Chapter 21 (especially the examples & exercises). Choose one but not both.

## Education Credits

Eligible taxpayers may receive education credits based on qualified education expenses that the taxpayer and student paid during the tax year for themselves or their dependent(s).

Taxpayers can take education credits for themselves, their spouse, and/or dependents (claimed on the tax return) who were enrolled at or attended an eligible postsecondary educational institution during the tax year. The law requires that the student must generally receive a Form 1098-T, Tuition Statement, in order for the taxpayers to claim the education credit. The credits are based upon qualified education expenses.

The student's taxable scholarship income never goes on parents' tax return, even if the student is listed as a dependent on their parents' tax return. It only goes on the students' tax return, assuming they are filing a tax return.

Two most common education credits are:

- Lifetime Learning credit that is non-refundable to the taxpayer
- American Opportunity credit that has both a non-refundable and refundable portion to the taxpayer

The following taxpayers cannot claim the education credits for a dependent/student:

- 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
- Taxpayers (or the spouse) that were a nonresident alien for any part of the tax year unless one of the exceptions apply

see [NTTC-4491](#), Lesson: *Education Credits (22-1)* & [NTTC-4012](#) Tab J

## Education Credits Exercise



Your tasks:



Watch the [Education Credits Basics video](#).


- Study [NTTC-4012](#), Tab J for guidance on the different education credits, and their limits, and types of qualifying education expenses.
- View [John and Jane Floyd, Form 13614-C Intake/Interview & Quality Review Sheet](#) and the documents below.



Form <b>13614-C</b> (October 2023)	Department of the Treasury - Internal Revenue Service <b>Intake/Interview and Quality Review Sheet</b>	OMB Number 1545-1964																																																												
<p><b>You will need:</b></p> <ul style="list-style-type: none"> <li>• Tax Information such as Forms W-2, 1099, 1098, 1095.</li> <li>• Social Security cards or ITIN letters for all persons on your tax return.</li> <li>• Picture ID (such as valid driver's license) for you and your spouse.</li> </ul> <p style="text-align: center;">Volunteers are trained to provide high quality service and uphold the highest ethical standards.          To report unethical behavior to the IRS, email us at <a href="mailto:wi.voltax@irs.gov">wi.voltax@irs.gov</a></p>																																																														
<p><b>Part I – Your Personal Information</b> (If you are filing a joint return, enter your names in the same order as last year's return)</p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:30%;">1. Your first name <b>JOHN</b></td> <td style="width:10%;">M.I.</td> <td style="width:30%;">Last name <b>FLOYD</b></td> <td style="width:15%;">Best contact number <b>627-555-3840</b></td> <td style="width:15%;">Are you a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</td> </tr> <tr> <td>2. Your spouse's first name <b>JANE</b></td> <td>M.I.</td> <td>Last name <b>FLOYD</b></td> <td>Best contact number <b>627-556-3804</b></td> <td>Is your spouse a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</td> </tr> <tr> <td colspan="3">3. Mailing address <b>6723 NORTH ELM DRIVE</b></td> <td>Apt #</td> <td>City <b>YOUR CITY</b></td> </tr> <tr> <td colspan="2">4. Your Date of Birth <b>03/16/1987</b></td> <td colspan="2">5. Your job title <b>TEACHER</b></td> <td>6. Last year, were you: a. Full-time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</td> </tr> <tr> <td colspan="2">7. Your spouse's Date of Birth <b>06/24/1989</b></td> <td colspan="2">8. Your spouse's job title <b>HOME MAKER</b></td> <td>b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</td> </tr> <tr> <td colspan="2"></td> <td colspan="2"></td> <td>c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</td> </tr> <tr> <td colspan="2"></td> <td colspan="2"></td> <td>a. Full-time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</td> </tr> <tr> <td colspan="2"></td> <td colspan="2"></td> <td>b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</td> </tr> <tr> <td colspan="2"></td> <td colspan="2"></td> <td>c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</td> </tr> <tr> <td colspan="5">10. Can anyone claim you or your spouse as a dependent? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure</td> </tr> <tr> <td colspan="5">11. Have you, your spouse, or dependents been a victim of tax related identity theft or been issued an Identity Protection PIN? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</td> </tr> <tr> <td colspan="5">12. Provide an email address (optional) (this email address will not be used for contacts from the Internal Revenue Service) <b>JOHNF@EMAIL.XXX</b></td> </tr> </table>			1. Your first name <b>JOHN</b>	M.I.	Last name <b>FLOYD</b>	Best contact number <b>627-555-3840</b>	Are you a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	2. Your spouse's first name <b>JANE</b>	M.I.	Last name <b>FLOYD</b>	Best contact number <b>627-556-3804</b>	Is your spouse a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	3. Mailing address <b>6723 NORTH ELM DRIVE</b>			Apt #	City <b>YOUR CITY</b>	4. Your Date of Birth <b>03/16/1987</b>		5. Your job title <b>TEACHER</b>		6. Last year, were you: a. Full-time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	7. Your spouse's Date of Birth <b>06/24/1989</b>		8. Your spouse's job title <b>HOME MAKER</b>		b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					a. Full-time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	10. Can anyone claim you or your spouse as a dependent? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure					11. Have you, your spouse, or dependents been a victim of tax related identity theft or been issued an Identity Protection PIN? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					12. Provide an email address (optional) (this email address will not be used for contacts from the Internal Revenue Service) <b>JOHNF@EMAIL.XXX</b>				
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- Open Practice Lab and create a new return for **John Floyd SSN: 015-00-7651** and **Jane Floyd 113-00-0000**.
- Determine their filing status.
- Complete the gray area to be completed by the "Certified Volunteer Preparer" for everyone who lived with them or that they supported but did not live with them last year and determine the qualifying dependents. Appropriately include **Jason Floyd SSN: 013-00-0010** and **Amanda Floyd: SSN: 016-00-0000** as dependents in TaxSlayer.

- Enter W-2

a. Employee's social security number 015-00-7651		Save, accurate, FAST! Use		 Visit the IRS website at www.irs.gov/efile	
b. Employer identification number (EIN) 45-9456789		1. Wages, tips, other compensation \$42,658.33		2. Federal income tax withheld \$4,266.00	
c. Employer's name, address, and ZIP code  CARSON COUNTY SCHOOL DISTRICT YOUR CITY YS YZIP		3. Social security wages \$42,658.33		4. Social security tax withheld \$2,644.82	
		5. Medicare wages and tips \$42,658.33		6. Medicare tax withheld \$618.55	
		7. Social security tips		8. Allocated tips	
d. Control number		9.		10. Dependant care benefits	
e. Employee's first name and initial Employee's address and ZIP code  JOHN FLOYD 6744 NORTH EKM DRIVE YOUR CITYYS YZIP		11. Nonqualified plans		12a. See instructions for box 12 DD   \$7,568.00	
		13. Statutory Retirement Third-party Employee Plan sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b.	
		14. Other		12c.	
				12d.	
15. State YS	Employer's state ID number 45-XXXXXXX	16. State wages, tips, etc. \$42,658.33	17. State income tax	18. Local wages, tips, etc.	19. Local income tax
20. Locality name					
Form <b>W-2</b> Wage and Tax Statement <b>20XX</b> Copy B - To Be Filed With Employee's FEDERAL Tax Return. This information is being furnished to the Internal Revenue Service.					

- Study Floyd's situation to select and enter an education credit (use the better of the American Opportunity Credit or the Lifetime Learning Credit if eligible for either).
  - John and Jane completed this [Education Credits Worksheet](#) for Jason. He is a full-time sophomore student majoring in mechanical engineering at Oakland University. Jason received a scholarship that was restricted to qualified education expenses. His scholarship could not be used for room and board or any other non-qualified expense.
  - The Floyds have receipts of \$452 for the purchase of books that were required for Jason's classes.
  - Last year the Floyds claimed the American Opportunity Credit for Jason for the first time.
  - Jason has no felony drug convictions, received a 1098-T from Oakland University, and 1098-T, Box 7 is not checked.

**Note:** When the terms of a scholarship or grant do not restrict their use to only “qualified education expenses”, then the [Education Benefits Calculator](#) in the [Colorado Resource Toolbox](#) is a best practice tool to determine the amount of taxable scholarship income for students. Income designated for room and board are common unrestricted scholarship and grant income.

The [Education Benefits Calculator](#) provides the most favorable choice between the American Opportunity Credit and Lifetime Learning Credit and can determine the amount of a scholarship income that can maximize the taxpayer's credit.

See [Colorado Resource Toolbox](#)

**Review:** Scholarship/grant income always belongs to the student, just like wages.

- Dependent students are not eligible for education credits.
- If a student cannot be claimed as a dependent by anyone, then only the student can claim those credits.

For taxpayers with a dependent, always enter any available education credit on the taxpayer's return and enter any taxable scholarship/grant income on the dependent's return.

<input type="checkbox"/> CORRECTED (if checked)				
FILER'S name Street address City or town, state or province, country, ZIP or Foreign Postal Code Telephone number OAKLAND UNIVERSITY 677 OAKLAND DRIVE BLVD COLUMBUS OH 43216		1 Payments received for qualified tuition and related expenses \$10,200.00 2	OMB No. 1545-1574 <b>20XX</b> Form 1098-T	<b>Tuition Statement</b>
FILER'S employer identification no. 10-8456789	STUDENT'S TIN 013-00-0010	3 If this box is checked, your educational institution has changed its reporting method for 20XX. <input type="checkbox"/>		<b>Copy B For Student</b> This is important tax information and is being furnished to the IRS. This form must be used to complete Form 8863 to claim education credits. Give it to the tax preparer or use it to prepare the tax return.
STUDENT'S name Street address (including apt. no.) City or town, state or province, country, ZIP or Foreign Postal Code JASON FLOYD 6744 NORTH ELM DRIVE YOUR CITY, YS, YZIP		4 Adjustments made for a prior year 6 Adjustments to scholarships or grants for a prior year	5 Scholarships or grants \$6,700.00 7 Checked if the amount in box 1 or 2 includes amounts for an academic period beginning January-March 20XX+1. > <input type="checkbox"/>	
Service Provider/Acct No. (see instr.)	8. Checked if at least half-time student <input checked="" type="checkbox"/>	9 Checked if a graduate student <input type="checkbox"/>	10 Ins. contract reimb./refund	
Form <b>1098-T</b>				

- In TaxSlayer go to Summary/Print, click on View/Print Return, then use “*Print your 202X Tax Return*” to create a PDF of the tax return.
- Find Form 1040 and other forms and fill in your answers in your Progress Sheet and compare with the Self-Study lesson [answers](#).

## Evaluation & Feedback

For **Education Credits** complete the [Lesson](#) in Link & Learn > [Education Credits](#) or view NTTC-4491, Chapter 21 (especially the examples & exercises). Choose one but not both.

## Foreign Tax Credit

U.S. citizens and residents compute their U.S. taxes based on their worldwide income. This sometimes results in U.S. citizens having to pay tax twice on the same income – first to the government of the foreign country where the income was earned and again to the U.S. government.

The foreign tax credit was created to help taxpayers avoid this double taxation. Taxpayers who paid income, war profits, or excess profits taxes to a foreign country or U.S. possession may be entitled to a credit on their U.S. taxes. Like other nonrefundable credits, the foreign tax credit allows taxpayers to take a dollar-for-dollar reduction in the amount of U.S. tax owed. However, in some cases, not all taxes paid to a foreign government on foreign-sourced income can be used in the computation of the credit.

The Foreign Tax Credit is in scope only with Advanced certification when using the Simplified Limitation Election. That election requires total qualified foreign taxes to be \$300 (\$600 if MFJ) or less and requires the foreign source income to only be passive (such as interest and dividends). Use of Form 1116 for the Foreign Tax Credit (when the simplified limitation does not apply) is only in scope with international certification from the IRS.

see [NTTC-4491](#), Lesson: *Foreign Tax Credit (23-1)*

### Note:

- If the FATCA box is checked on any form, such as Form 1099-INT/DIV then the tax return is out of scope.
- Foreign tax credits from Form 1099-INT/DIV flow directly to Form 1040, Schedule 3, Line 1 when the Simplified Limitation Election is taken.

## Foreign Tax Credit Exercise


### Your Tasks:

- Review Foreign Tax Credits in NTTC-4012, Tab G and the instructions for the applicable forms.
- View the [Ray and Mallory Cooper Form 13614-C Intake/Interview & Quality Review Sheet](#), and the documents below.

Form <b>13614-C</b> (October 2023)		Department of the Treasury - Internal Revenue Service <b>Intake/Interview and Quality Review Sheet</b>				OMB Number 1545-1964	
<b>You will need:</b> <ul style="list-style-type: none"> <li>• Tax Information such as Forms W-2, 1099, 1098, 1095.</li> <li>• Social Security cards or ITIN letters for all persons on your tax return.</li> <li>• Picture ID (such as valid driver's license) for you and your spouse.</li> </ul>						<ul style="list-style-type: none"> <li>• Please complete pages 1-4 of this form.</li> <li>• You are responsible for the information on your return. Please provide complete and accurate information.</li> <li>• If you have questions, please ask the IRS-certified volunteer preparer.</li> </ul>	
Volunteers are trained to provide high quality service and uphold the highest ethical standards. To report unethical behavior to the IRS, email us at <a href="mailto:wi.voltax@irs.gov">wi.voltax@irs.gov</a>							
<b>Part I – Your Personal Information</b> (If you are filing a joint return, enter your names in the same order as last year's return)							
1. Your first name <b>RAY</b>		M.I. <b>M</b>	Last name <b>COOPER</b>		Best contact number <b>531-555-6363</b>		Are you a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. Your spouse's first name <b>MALLORY</b>		M.I. <b>S</b>	Last name <b>COOPER</b>		Best contact number <b>531-555-6456</b>		Is your spouse a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3. Mailing address <b>67423 NORTH ELM AVE</b>				Apt #	City <b>YOUR CITY</b>	State <b>YS</b>	ZIP code <b>YZIP</b>
4. Your Date of Birth <b>3/15/1987</b>		5. Your job title <b>OFFICE MANAGER</b>		6. Last year, were you:		a. Full-time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
				b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
7. Your spouse's Date of Birth <b>06/24/1989</b>		8. Your spouse's job title <b>HOME MAKER</b>		9. Last year, was your spouse:		a. Full-time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
				b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
10. Can anyone claim you or your spouse as a dependent?				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure			
11. Have you, your spouse, or dependents been a victim of tax related identity theft or been issued an Identity Protection PIN?				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
12. Provide an email address (optional) (this email address will not be used for contacts from the Internal Revenue Service)				<b>RAYMC@EMAIL.XXX</b>			
<b>Part II – Marital Status and Household Information</b>							
1. As of December 31, 2023, what was your marital status?		(This includes registered domestic partnerships, civil unions, or other formal relationships under state law)					
<input type="checkbox"/> Never Married		a. If Yes, Did you get married in 2023? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
<input checked="" type="checkbox"/> Married		b. Did you live with your spouse during any part of the last six months of 2023? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No					

- Open Practice Lab and create a new return for **Ray Cooper, SSN 015-00-7652** and **Mallory Cooper, SSN 115-00-0000**.
- Determine their filing status.

- Enter the W-2 Wage Income

a. Employee's social security number 015-00-7652		Save, accurate, FAST! Use		 Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a>	
b. Employer identification number (EIN) 45-9456789		1. Wages, tips, other compensation \$44,799.36		2. Federal income tax withheld \$4,479.00	
c. Employer's name, address, and ZIP code  CARLSON COUNTY SCHOOL DISTRICT 34 WEST PINE CIR YC, YS, YZIP		3. Social security wages \$44,799.36		4. Social security tax withheld \$2,777.56	
		5. Medicare wages and tips \$44,799.36		6. Medicare tax withheld \$649.59	
		7. Social security tips		8. Allocated tips	
d. Control number		9.		10. Dependant care benefits	
e. Employee's first name and initial Employee's address and ZIP code  RAY M COOPER 6744 NORTH ELM AVE YOUR CITY, YS, YZIP		11. Nonqualified plans		12a. See instructions for box 12	
		13. Statutory Employee <input type="checkbox"/> Retirement Plan <input checked="" type="checkbox"/> Third-party sick pay <input type="checkbox"/>		12b. DD \$8,345.00	
		14. Other		12c.	
				12d.	
15. State YS	Employer's state ID number 4537456789	16. State wages, tips, etc. \$44,799.36	17. State income tax 2,200.00	18. Local wages, tips, etc.	19. Local income tax
20. Locality name					
Form <b>W-2 Wage and Tax Statement</b> <b>20XX</b> <b>Copy B - To Be Filed With Employee's FEDERAL Tax Return.</b> This information is being furnished to the Internal Revenue Service.					

- Enter 1099-DIV Income

<input type="checkbox"/> CORRECTED (if checked)					
PAYER'S name Street address City or town, state or province, country, ZIP or foreign postal code Telephone no.  ACE FINANCIAL CORP PO BOX 162 BOSTON MA 02110		1 Total Ordinary Dividends \$356.50		OMB No. 1545--0110	
PAYER'S TIN 72-6456789		1b Qualified Dividends \$197.49		<b>20XX</b> Form 1099-DIV	
		2a Total capital gain distr. \$112.45			
		2b Unrecap. Sec. 1250 gain			
RECIPIENT'S TIN 015-00-7652		2c Section 1202 gain		2d Collectables (28%) gain	
RECIPIENT'S name Street address (including apt.no.) City or town, state or province, country, ZIP or foreign postal code  RAY M COOPER 6744 NORTH ELM AVE YOUR CITY, YS, YZIP		3 Nondividend distributions \$52.00		4 Federal income tax withheld	
		5 Section 199A dividends		6 Investment expenses	
		7 Foreign Tax Paid \$16.89		8 Foreign Country or US possession	
FATCA filing requirement <input type="checkbox"/>		9 Cash liquidation distributions		10 Noncash liquidation distribution	
		11 Exempt-Interest dividends \$200.16		12 Specified private activity bond interest dividends	
Account number (see instructions) 87230976		13 State	14 State Identification no.	15 State tax withheld	
Form <b>1099-DIV</b>					

**Dividends and Distributions**

**Copy B For Recipient**

This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

- In TaxSlayer go to Summary/Print, click on View/Print Return, then use “*Print your 202X Tax Return*” to create a PDF of the tax return.
- Find Form 1040 and other forms and fill in your answers in your Progress Sheet and compare with the Self-Study lesson [answers](#).

## Evaluation & Feedback

For **Foreign Tax Credit** complete the [Skills Workout](#) in Link & Learn > [Foreign Tax Credit](#) or view NTTC-4491, Chapter 23 (especially the examples & exercises). Choose one but not both.

## Miscellaneous Credits

### Credit for the Elderly or the Disabled Exercise

Individuals who qualify for the elderly or the disabled credit are:

- Age 65 or older or
- Under age 65, retired on permanent and total disability, receiving taxable disability income, and under the mandatory retirement age their company has set
- Are under income limits

Mandatory retirement age is the age set by a taxpayer’s employer at which the taxpayer would have been required to retire, had the taxpayer not become disabled.

Generally, disability income comes from an employer’s disability insurance, health plan, or pension plan. The payments replace wages for the time the taxpayer missed work because of the disability. The plan must provide for disability retirement for the payments to be considered disability income.

A taxpayer with a permanent and total disability is unable to engage in “substantial, gainful activity,” or in other words, paid employment. Taxpayers who can do such work are not considered disabled. Working in a sheltered workshop setting, however, is not considered a substantial, gainful activity.

see [NTTC-4491](#), Lesson: *Credit for the Elderly or the Disabled (25-6)*

### Test Your Knowledge: Elderly and Disabled Credit

- Use NTTC-4012, Tab G-17, to follow *the Credit for the Elderly or the Disabled – Screening Sheet*
- Take the [Credit for the Elderly or the Disabled Quiz](#) to determine if John is eligible for the credit.



## Retirement Savings Contributions Credit Exercise

The retirement savings contributions credit is a nonrefundable credit eligible taxpayers may claim if they made a qualifying voluntary contribution to a retirement plan. A taxpayer can qualify for this credit if the contribution is tax deductible (such as a traditional IRA) or nontax-deductible (such as Roth IRAs).

Generally, an individual who made a voluntary contribution to a retirement account, is at least 18 years of age, not a dependent, and not a full full-time student may be eligible to claim this credit subject to income limits.

see [NTTC-4491](#), Lesson: *Retirement Savings Contributions Credit (25-1)*

### Your Tasks:

- Review NTTC-4012, Tabs E & G and the instructions for the applicable forms.
- View the [Randy and Mary Duncan's Form 13614-C Intake/Interview & Quality Review Sheet](#), and the documents below.

Form <b>13614-C</b> (October 2023)		Department of the Treasury - Internal Revenue Service <b>Intake/Interview and Quality Review Sheet</b>				OMB Number 1545-1964	
<b>You will need:</b> <ul style="list-style-type: none"> <li>• Tax Information such as Forms W-2, 1099, 1098, 1095.</li> <li>• Social Security cards or ITIN letters for all persons on your tax return.</li> <li>• Picture ID (such as valid driver's license) for you and your spouse.</li> </ul>						<ul style="list-style-type: none"> <li>• Please complete pages 1-4 of this form.</li> <li>• You are responsible for the information on your return. Please provide complete and accurate information.</li> <li>• If you have questions, please ask the IRS-certified volunteer preparer.</li> </ul>	
<p>Volunteers are trained to provide high quality service and uphold the highest ethical standards. To report unethical behavior to the IRS, email us at <a href="mailto:wl.voltax@irs.gov">wl.voltax@irs.gov</a></p>							
<b>Part I – Your Personal Information</b> (If you are filing a joint return, enter your names in the same order as last year's return)							
1. Your first name <b>RANDY</b>		M.I.	Last name <b>DUNCAN</b>		Best contact number <b>765-555-3467</b>		Are you a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. Your spouse's first name <b>MARY</b>		M.I.	Last name <b>DUNCAN</b>		Best contact number <b>765-555-7643</b>		Is your spouse a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3. Mailing address <b>8923 ELM STREET</b>			Apt #	City <b>YOUR CITY</b>		State <b>YS</b>	ZIP code <b>YZIP</b>
4. Your Date of Birth <b>01/15/1989</b>	5. Your job title <b>PROGRAMMER</b>		6. Last year, were you:		a. Full-time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
				b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
7. Your spouse's Date of Birth <b>08/10/1989</b>	8. Your spouse's job title <b>WRITER</b>		9. Last year, was your spouse:		a. Full-time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
				b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
10. Can anyone claim you or your spouse as a dependent?				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure			
11. Have you, your spouse, or dependents been a victim of tax related identity theft or been issued an Identity Protection PIN?				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
12. Provide an email address (optional) (this email address will not be used for contacts from the Internal Revenue Service)				<b>RANDYD@EMAIL.XXX</b>			
<b>Part II – Marital Status and Household Information</b>							
1. As of December 31, 2023, what was your marital status?		<input type="checkbox"/> Never Married <input checked="" type="checkbox"/> Married		(This includes registered domestic partnerships, civil unions, or other formal relationships under state law)			
				a. If Yes, Did you get married in 2023?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
				b. Did you live with your spouse during any part of the last six months of 2023?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

- Open Practice Lab and create a new return for **Randy Duncan, SSN 015-00-7595** and **Mary Duncan, SSN 115-00-0000**.
- Determine their filing status.
- Enter the W-2
- Randy contributed \$2,000 to a Roth IRA during 2023.

Use the [IRA Worksheet \(Form 8606\)](#) in the [Colorado Resource Toolbox](#). This is a worksheet for Form 8606 Parts I and II for Nondeductible IRA contributions. It handles up to 5 IRAs for each taxpayer and indicates the amount taxable for each IRA if deductions or conversions are taken from more than one IRA. It computes the total for all transactions to provide the totals for input to create the Form 8606 in TaxSlayer.

a. Employee's social security number 015-00-7595		Save, accurate, FAST! Use		Visit the IRS website at www.irs.gov/efile	
b. Employer identification number (EIN) 45-4123456		1. Wages, tips, other compensation \$34,799.00		2. Federal income tax withheld \$1,504.00	
c. Employer's name, address, and ZIP code  MARC TECKTRONICS 45 ROCKVILLE PIKE GAITHERSBURG MD 20882		3. Social security wages \$34,799.00		4. Social security tax withheld \$2,157.54	
		5. Medicare wages and tips \$34,799.00		6. Medicare tax withheld \$504.59	
		7. Social security tips		8. Allocated tips	
d. Control number		9.		10. Dependant care benefits	
e. Employee's first name and initial Last name Suff. Employee's address and ZIP code  RANDY DUNCAN 8945 ELM STREET YOUR CITY YS YZIP		11. Nonqualified plans		12a. See instructions for box 12 DD \$9,876.00	
		13. Statutory Retirement Third-party Employee Plan sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b.	
		14. Other		12c.	
				12d.	
15. State	Employer's state ID number	16. State wages, tips, etc.	17. State income tax	18. Local wages, tips, etc.	19. Local income tax
20. Locality name					
<b>Form W-2 Wage and Tax Statement</b> <b>Copy B - To Be Filed With Employee's FEDERAL Tax Return.</b> This information is being furnished to the Internal Revenue Service.					

! Randy and Mary separately contributed \$2,000 to their individual Roth IRAs. The contributions could generate tax benefits for the Retirement Savings Contribution Credit. You can find more details on IRAs in the NTTC-4491. When dealing with taxpayers provide them a link to [IRS.GOV: Individual Retirement Arrangements \(IRAs\)](#)

- In TaxSlayer go to Summary/Print, click on View/Print Return, then use "Print your 202X Tax Return" to create a PDF of the tax return.
- Find Form 1040 and other forms and fill in your answers in your Progress Sheet and compare with the Self-Study lesson [answers](#).

### Evaluation & Feedback

For **Miscellaneous Credits** complete the [Skills Workout](#) in Link & Learn > [Miscellaneous Credits](#) or view NTTC-4491, Chapter 25 (especially the examples & exercises). Choose one but not both.

## Premium Tax Credit (PTC)

The premium tax credit helps eligible taxpayers pay for health insurance purchased through the Marketplace. When enrolling in qualified health coverage, the Marketplace estimates the amount of the PTC that eligible taxpayers may claim on their federal tax return. Based on the estimate, eligible taxpayers choose to either have advance payments of the premium tax credit (APTC) made on their behalf to their insurance company to offset their premiums, or to forgo the APTC and only get the benefit of the PTC when they claim the credit on their federal tax return.

Those who receive APTC in the tax year are required to file a federal tax return with a Form 8962 even if their gross income is below the income tax filing threshold. Form 8962 will reconcile the APTC payments that were made based on estimated data against the taxpayer's actual PTC calculated using their final tax return data. Form 8962 is also needed for taxpayers with qualifying health coverage that did not receive APTC but want to claim the PTC. To complete Form 8962, Form 1095-A is required (provided to the health insurance policyholder by the Marketplace).

see [NTTC-4491](#), Lesson: *Premium Tax Credit (26-1)*

## Premium Tax Credit with APTC for Part-Year Coverage Exercise

 Your Tasks:

 Watch the [Marketplace Insurance Video](#)

- Review Premium Tax Credit in NTTC-4012, Tab H, and the instructions for the applicable forms.
- View [Charles and Shay Baldwin Form 13614-C Intake/Interview & Quality Review Sheet](#) and the documents below.

<b>Form 13614-C</b> (October 2023)	Department of the Treasury - Internal Revenue Service <b>Intake/Interview and Quality Review Sheet</b>	OMB Number 1545-1964
<b>You will need:</b> <ul style="list-style-type: none"> <li>Tax Information such as Forms W-2, 1099, 1098, 1095.</li> <li>Social Security cards or ITIN letters for all persons on your tax return.</li> <li>Picture ID (such as valid driver's license) for you and your spouse.</li> </ul>		
<b>Please complete pages 1-4 of this form.</b> <ul style="list-style-type: none"> <li>You are responsible for the information on your return. Please provide complete and accurate information.</li> <li>If you have questions, please ask the IRS-certified volunteer preparer.</li> </ul>		
Volunteers are trained to provide high quality service and uphold the highest ethical standards. To report unethical behavior to the IRS, email us at <a href="mailto:vi.voltax@irs.gov">vi.voltax@irs.gov</a>		
<b>Part I – Your Personal Information</b> (If you are filing a joint return, enter your names in the same order as last year's return)		
1. Your first name <b>CHARLES</b>	M.I.	Last name <b>BALDWIN</b>
2. Your spouse's first name <b>SHAY</b>	M.I.	Last name <b>BALDWIN</b>
3. Mailing address <b>77623 BANKS STREET</b>		Best contact number <b>520-555-1234</b>
4. Your Date of Birth <b>12/03/1981</b>		Best contact number <b>520-555-4321</b>
5. Your job title <b>CUSTOMER SERVICE REP</b>	Apt #	City <b>YOUR CITY</b>
6. Last year, were you:	State <b>YS</b>	ZIP code <b>YZIP</b>
a. Full-time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
7. Your spouse's Date of Birth <b>06/10/1985</b>	8. Your spouse's job title <b>CASHIER</b>	9. Last year, was your spouse:
		a. Full-time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
10. Can anyone claim you or your spouse as a dependent? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure		
11. Have you, your spouse, or dependents been a victim of tax related identity theft or been issued an Identity Protection PIN? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
12. Provide an email address (optional) (this email address will not be used for contacts from the Internal Revenue Service) <b>CHARLESB@EMAIL.XXX</b>		
<b>Part II – Marital Status and Household Information</b>		
1. As of December 31, 2023, what was your marital status? <input type="checkbox"/> Never Married <input checked="" type="checkbox"/> Married (This includes registered domestic partnerships, civil unions, or other formal relationships under state law)		
a. If Yes, Did you get married in 2023? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b. Did you live with your spouse during any part of the last six months of 2023? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

2. List the names below of: • everyone who lived with you last year (other than your spouse) • anyone you supported but did not live with you last year									If additional space is needed check here <input type="checkbox"/> and list on page 3				
									To be completed by a Certified Volunteer Preparer				
Name (first, last) Do not enter your name or spouse's name below	Date of Birth (mm/dd/yy)	Relationship to you (for example: son, daughter, parent, none, etc)	Number of months lived in your home last year	US Citizen (yes/no)	Resident of US, Canada, or Mexico last year (yes/no)	Single or Married as of 12/31/23 (S/M)	Full-time Student last year (yes/no)	Totally and Permanently Disabled (yes/no)	Is this person a qualifying child/relative of any other person? (yes/no)	Did this person provide more than 50% of his/her own support? (yes, no, n/a)	Did this person have less than \$4,700 of income? (yes, no, n/a)	Did the taxpayer(s) provide more than 50% of support for this person? (yes/no/n/a)	Did the taxpayer(s) pay more than half the cost of maintaining a home for this person? (yes/no)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)					
<b>NATHANIEL BALDWIN</b>	<b>4/4/2004</b>	<b>SON</b>	<b>12</b>	<b>Y</b>	<b>Y</b>	<b>S</b>	<b>Y</b>	<b>N</b>	<b>N</b>	<b>N</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>
<b>KARLY BALDWIN</b>	<b>4/29/2006</b>	<b>DAUGHTER</b>	<b>12</b>	<b>Y</b>	<b>Y</b>	<b>S</b>	<b>Y</b>	<b>N</b>	<b>N</b>	<b>N</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>

- Open Practice Lab and create a new return for **Charles Baldwin, SSN 015-00-1806** and **Shay Baldwin, SSN 610-00-0000**.
- Determine their filing status.
- Complete the gray area to be completed by the "Certified Volunteer Preparer" for everyone who lived with them or that they supported but did not live with them last year, and determine the qualifying dependents. Include children **Nathaniel Baldwin, SSN 611-00-0000** and **Karly Baldwin, SSN 612-00-0000** as dependents in TaxSlayer.

## Enter the W-2s

a. Employee's social security number 610-00-0000		Save, accurate, FAST! Use		Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a>	
b. Employer identification number (EIN) 45-9123456		1. Wages, tips, other compensation \$17,750.00		2. Federal income tax withheld \$1,153.00	
c. Employer's name, address, and ZIP code  CARSON COUNTY SD 34 WEST PINE CIRCLE LAKEWOOD WA 98498		3. Social security wages \$17,750.00		4. Social security tax withheld \$1,100.50	
		5. Medicare wages and tips \$17,750.00		6. Medicare tax withheld \$257.38	
		7. Social security tips		8. Allocated tips	
d. Control number		9.		10. Dependant care benefits	
e. Employee's first name and initial Last name Suff. Employee's address and ZIP code  SHAY BALDWIN 775 BANKS STREET SAVANNAH GA 31405		11. Nonqualified plans		12a. See instructions for box 12	
		13. Statutory Retirement Third-party Employee Plan sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		12b.	
		14. Other		12c.	
				12d.	
15. State	Employer's state ID number	16. State wages, tips, etc.	17. State income tax	18. Local wages, tips, etc.	19. Local income tax
<b>Form W-2 Wage and Tax Statement</b>					
<b>Copy B - To Be Filed With Employee's FEDERAL Tax Return.</b>					

a. Employee's social security number 015-00-1806		Save, accurate, FAST! Use		Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a>	
b. Employer identification number (EIN) 45-9123456		1. Wages, tips, other compensation \$33,500.00		2. Federal income tax withheld \$1,820.00	
c. Employer's name, address, and ZIP code  CARSON COUNTY SD 34 WEST PINE CIRCLE LAKEWOOD, WA 98498		3. Social security wages \$33,500.00		4. Social security tax withheld \$2,077.00	
		5. Medicare wages and tips \$33,500.00		6. Medicare tax withheld \$485.75	
		7. Social security tips		8. Allocated tips	
d. Control number		9.		10. Dependant care benefits	
e. Employee's first name and initial Last name Suff. Employee's address and ZIP code  CHARLES BALDWIN 775 BANKS STREET YOUR CITY, YOUR STATE, YZIP		11. Nonqualified plans		12a. See instructions for box 12	
		13. Statutory Retirement Third-party Employee Plan sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		12b.	
		14. Other		12c.	
				12d.	
15. State	Employer's state ID number	16. State wages, tips, etc.	17. State income tax	18. Local wages, tips, etc.	19. Local income tax
YS	45-XXXXXXX	\$33,500.00	600.00		
<b>Form W-2 Wage and Tax Statement</b>					
<b>20XX</b>					

Charles' and Shay's employers did not offer health insurance coverage. Charles enrolled in a plan through the Marketplace that covered him, Shay, and both children with an effective date of March 1. He selected the second lowest-cost silver plan. They received the benefit of advance payments of the premium tax credit for their coverage.

- Enter Health Insurance Marketplace Information (Refer to NTTC-4491, Lesson 26 and NTTC-4012, Tab H for guidance)

<b>Form 1095-A</b> Department of the Treasury Internal Revenue Service	<b>Health Insurance Marketplace Statement</b> > Do not attach to your tax return. Keep for your records. > Go to <a href="http://www.irs.gov/Form1095A">www.irs.gov/Form1095A</a> for instructions and the latest information.	OMB No. 1545-2232 <div style="font-size: 2em; font-weight: bold; margin-top: 10px;">20XX</div>
<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		
<b>Part I Recipient Information</b>		
1 Marketplace Identifier <b>60-900400X</b>	2 Marketplace-assigned policy number <b>123456789</b>	3 Policy issuer's name <b>SXF</b>
4 Recipient's name <b>CHARLES BALDWIN</b>		5 Recipient's SSN <b>015-00-1806</b>
6 Recipient's date of birth <b>12/03/1981</b>		7 Recipient's spouse's name <b>SHAY BALDWIN</b>
8 Recipient's spouse's SSN <b>610-00-0000</b>		9 Recipient's spouse's date of birth <b>06/10/1985</b>
10 Policy start date <b>03/01/2023</b>	11 Policy termination date <b>12/31/2023</b>	12 Street address (including apartment number) <b>776 BANK STREET</b>
13 City or town, State or province, Country and ZIP or foreign postal code <b>YOUR CITY YS YZIP</b>		
<b>Part II Covered Individuals</b>		
A Covered individual name	B Covered individual SSN	C. Date of birth
D. Coverage start date	E. Coverage termination date	
16 CHARLES BALDWIN	015-00-1806	12/03/1981
17 SHAY BALDWIN	610-00-0000	06/10/1985
18 NATHANIEL BALDWIN	611-00-0000	04/04/2004
19 KARLY BALDWIN	612-00-0000	04/29/2006
20		
<b>Part III Coverage Information</b>		
Month	A Monthly Enrollment Premiums	B Monthly second lowest cost silver plan (SLCSP) premium
C. Monthly advance payment of premium tax credit		
21 January		
22 February		
23 March	\$789.00	\$789.00
24 April	\$789.00	\$789.00
25 May	\$789.00	\$789.00
26 June	\$789.00	\$789.00
27 July	\$789.00	\$789.00
28 August	\$789.00	\$789.00
29 September	\$789.00	\$789.00
30 October	\$789.00	\$789.00
31 November	\$789.00	\$789.00
32 December	\$789.00	\$789.00
<b>33 Annual Totals</b>	\$7,890.00	\$7,890.00
	\$607.00	\$6,070.00

- In TaxSlayer go to Summary/Print, click on View/Print Return, then use “*Print your 202X Tax Return*” to create a PDF of the tax return to fill in your answers in your Progress Sheet and compare with the Self-Study lesson [answers](#).

### **Evaluation & Feedback**

For **Premium Tax Credit** complete the [Skills Workout](#) in Link & Learn > [Tax Provisions for the Affordable Care Act](#) or view NTTC-4491, Chapter 26 (especially the examples & exercises). Choose one but not both.

## **Other Taxes**

These taxes are different from the income tax from the tax tables or figured using the Tax Computation Worksheet (TaxSlayer Tax Return). They include, but are not limited to:

- Self-employment tax
- Social Security and Medicare taxes on tip income
- Additional taxes on IRAs and other qualified retirement plans
- Repayment of first-time homebuyer credit

The tax amounts are calculated on their own form or schedule and entered on Form 1040, Schedule 2, and then added to the income tax to arrive at total tax.

## **Early Withdrawal from an IRA Exercise**

 Your Tasks:

 Watch: the [1099-R Early Distributions Video](#)

- Review **Other Taxes** in NTTC-4012, Tab H, and the instructions for **Form 5329**.
- View [Cynthia Pride Form 13614-C Intake/Interview & Quality Review Sheet](#) and the documents below.



<b>Form 13614-C</b> (October 2023)	Department of the Treasury - Internal Revenue Service <b>Intake/Interview and Quality Review Sheet</b>	OMB Number 1545-1964
<b>You will need:</b> <ul style="list-style-type: none"> <li>• Tax Information such as Forms W-2, 1099, 1098, 1095.</li> <li>• Social Security cards or ITIN letters for all persons on your tax return.</li> <li>• Picture ID (such as valid driver's license) for you and your spouse.</li> </ul>		
<ul style="list-style-type: none"> <li>• Please complete pages 1-4 of this form.</li> <li>• You are responsible for the information on your return. Please provide complete and accurate information.</li> <li>• If you have questions, please ask the IRS-certified volunteer preparer.</li> </ul>		
Volunteers are trained to provide high quality service and uphold the highest ethical standards. To report unethical behavior to the IRS, email us at <a href="mailto:wl.voltax@irs.gov">wl.voltax@irs.gov</a>		
<b>Part I – Your Personal Information</b> (If you are filing a joint return, enter your names in the same order as last year's return)		
1. Your first name <b>CYNTHIA</b>	M.I. <b></b>	Last name <b>PRIDE</b>
2. Your spouse's first name <b></b>	M.I. <b></b>	Last name <b></b>
3. Mailing address <b>1623 NORTH ELM DRIVE</b>		Best contact number <b>478-555-1676</b>
4. Your Date of Birth <b>03/16/1986</b>		Are you a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
5. Your job title <b>X-RAY TECHNICIAN</b>		Is your spouse a U.S. citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No
6. Last year, were you:	Apt # <b></b>	City <b>YOUR CITY</b>
a. Full-time student	State <b>YS</b>	ZIP code <b>YZIP</b>
b. Totally and permanently disabled		
c. Legally blind		
7. Last year, was your spouse:		
a. Full-time student		
b. Totally and permanently disabled		
c. Legally blind		
10. Can anyone claim you or your spouse as a dependent? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure		
11. Have you, your spouse, or dependents been a victim of tax related identity theft or been issued an Identity Protection PIN? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
12. Provide an email address (optional) (this email address will not be used for contacts from the Internal Revenue Service) <b>CYNTHIAP@EMAIL.XXX</b>		
<b>Part II – Marital Status and Household Information</b>		
1. As of December 31, 2023, what was your marital status? <input checked="" type="checkbox"/> Never Married (This includes registered domestic partnerships, civil unions, or other formal relationships under state law) <input type="checkbox"/> Married		
a. If Yes, Did you get married in 2023? <input type="checkbox"/> Yes <input type="checkbox"/> No		
b. Did you live with your spouse during any part of the last six months of 2023? <input type="checkbox"/> Yes <input type="checkbox"/> No		

- Open Practice Lab and create a new return for **Cynthia Pride, SSN 015-00-1807**.
- Determine her filing status.
- Enter W-2 Income

a. Employee's social security number <b>015-00-1807</b>		Save, accurate, FAST! Use  Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a>				
b. Employer identification number (EIN) <b>73-4561237</b>		1. Wages, tips, other compensation <b>\$32,256.04</b>	2. Federal income tax withheld <b>\$2,150.00</b>			
c. Employer's name, address, and ZIP code <b>JEFFERSON MEMORIAL HOSPITAL 101 N MARKET STREET PHILADELPHIA PA 19102</b>		3. Social security wages <b>\$34,256.04</b>	4. Social security tax withheld <b>\$2,123.87</b>			
		5. Medicare wages and tips <b>\$34,256.04</b>	6. Medicare tax withheld <b>\$496.71</b>			
		7. Social security tips <b></b>	8. Allocated tips <b></b>			
d. Control number <b></b>		9. <b></b>	10. Dependant care benefits <b></b>			
e. Employee's first name and initial Last name Employee's address and ZIP code <b>CYNTHIA PRIDE 16 NORTH ELM YOUR CITY YS YZIP</b>		11. Nonqualified plans <b></b>	12a. See instructions for box 12 D <b>\$2,000.00</b>			
		13. Statutory Retirement Third-party Employee Plan sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	12b. DD <b>\$6,780.00</b>			
		14. Other <b></b>	12c. C <b>\$450.00</b>			
		<b></b>	12d. <b></b>			
15. State <b>YS</b>	Employer's state ID number <b>734561237</b>	16. State wages, tips, etc. <b>\$32,256.04</b>	17. State income tax <b>1,100.00</b>	18. Local wages, tips, etc. <b></b>	19. Local income tax <b></b>	20. Locality name <b></b>
Form <b>W-2</b> Wage and Tax Statement <b>20XX</b> Copy B - To Be Filed With Employee's FEDERAL Tax Return. This information is being furnished to the Internal Revenue Service.						

<input type="checkbox"/> CORRECTED (if checked)			Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.	
PAYER'S name Street address City or town, state or province, country, ZIP or foreign postal code Telephone no. <b>LIBERTY NATIONAL</b> <b>PO BOX 7741</b> <b>AUSTIN TX 78739</b>			1 Gross distribution <b>\$2,500.00</b>	<b>20XX</b> <b>Form 1099-R</b>
2a Taxable amount <b>\$2,500.00</b>			2b Taxable amount not determined. <input checked="" type="checkbox"/>	
3 Capital gain (included in box 2a).			4 Federal income tax withheld <b>\$250.00</b>	
PAYER'S TIN <b>74-3344556</b>	RECIPIENT'S TIN <b>015-00-1807</b>		5 Employee contributions/ Designated Roth contributions or	
RECIPIENT'S name Street address (including apt.no.) City or town, state or province, country, ZIP or foreign postal <b>CYNTHIA PRIDE</b> <b>16 ELM STREET</b> <b>YOUR CITY YS YZIP</b>			7 Distribution Code(s) <b>1</b>	8 Other <input checked="" type="checkbox"/>
10 Amount allocable to IRR within 5 years			9a Your percentage of total distribution %	
11 1st year of desig. Roth contrib.			9b Total Employee Contributions	
FATCA filing requirement <input type="checkbox"/>			12 State tax withheld	
Account number (see instructions)			13 State/Payer's state no.	
Date of payment			14 State distribution	
15 Local tax withheld			16 Name of locality	
17 Local distribution			Form <b>1099-R</b>	

Cynthia is getting married soon and took money out of her IRA to put a deposit down on the wedding venue. Cynthia does not qualify for any early distribution exceptions.

- Enter 1099-R
- In TaxSlayer go to Summary/Print, click on View/Print Return, then use "Print your 202X Tax Return" to create a PDF of the tax return.
- Find Form 1040 and other forms and fill in your answers in your Progress Sheet and compare with the Self-Study lesson [answers](#).

## Evaluation & Feedback

For **Other Taxes** complete the [Skills Workout](#) in Link & Learn > [Other Taxes](#) or view NTTC-4491, Chapter 27 (especially the examples & exercises). Choose one but not both.

## Payments and Refundable Credits

Payments and refundable credits will increase the taxpayers' refund or lower the amount of tax owed.

### Estimated Payments Exercise

#### Your Tasks:

- Review Payments in NTTC-4012, Tab H, and the instructions for the applicable forms.
- View [Molly Mozart Form 13614-C Intake/Interview & Quality Review Sheet](#) and the documents below.

<b>Form 13614-C</b> (October 2023)	Department of the Treasury - Internal Revenue Service <b>Intake/Interview and Quality Review Sheet</b>				OMB Number 1545-1964
<p><b>You will need:</b></p> <ul style="list-style-type: none"> <li>• Tax Information such as Forms W-2, 1099, 1098, 1095.</li> <li>• Social Security cards or ITIN letters for all persons on your tax return.</li> <li>• Picture ID (such as valid driver's license) for you and your spouse.</li> </ul>					
<p>• Please complete pages 1-4 of this form.          • You are responsible for the information on your return. Please provide complete and accurate information.          • If you have questions, please ask the IRS-certified volunteer preparer.</p>					
<p>Volunteers are trained to provide high quality service and uphold the highest ethical standards.          To report unethical behavior to the IRS, email us at <a href="mailto:wl.voltax@irs.gov">wl.voltax@irs.gov</a></p>					
<b>Part I – Your Personal Information</b> (If you are filing a joint return, enter your names in the same order as last year's return)					
1. Your first name <b>MOLLY</b>	M.I.	Last name <b>MOZART</b>	Best contact number <b>406-555-1234</b>	Are you a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
2. Your spouse's first name	M.I.	Last name	Best contact number	Is your spouse a U.S. citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No	
3. Mailing address <b>123 MAIN STREET</b>		Apt #	City <b>YOUR CITY</b>	State <b>YS</b>	ZIP code <b>YZIP</b>
4. Your Date of Birth <b>07/15/1990</b>	5. Your job title <b>THEATER MANAGER</b>		6. Last year, were you:		
		b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		a. Full-time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
		c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
7. Your spouse's Date of Birth		8. Your spouse's job title		9. Last year, was your spouse:	
				b. Totally and permanently disabled <input type="checkbox"/> Yes <input type="checkbox"/> No	
				c. Legally blind <input type="checkbox"/> Yes <input type="checkbox"/> No	
10. Can anyone claim you or your spouse as a dependent? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure					
11. Have you, your spouse, or dependents been a victim of tax related identity theft or been issued an Identity Protection PIN? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
12. Provide an email address (optional) (this email address will not be used for contacts from the Internal Revenue Service) <b>MOLLYM@EMAIL.XXX</b>					
<b>Part II – Marital Status and Household Information</b>					
1. As of December 31, 2023, what was your marital status?		(This includes registered domestic partnerships, civil unions, or other formal relationships under state law)			
<input checked="" type="checkbox"/> Never Married		a. If Yes, Did you get married in 2023? <input type="checkbox"/> Yes <input type="checkbox"/> No			
<input type="checkbox"/> Married		b. Did you live with your spouse during any part of the last six months of 2023? <input type="checkbox"/> Yes <input type="checkbox"/> No			

- Open Practice Lab and create a new return for **Molly Mozart SSN 015-00-7801**.
- Determine her filing status.
- Molly Mozart works as a Self-Employed Contractor for the Bridger Bowl Community Theater. Her IRS Business code is 711100.
- She had no business expenses and no health insurance.
- Molly filled out the following Self-Employed Worksheet.

## 2023 Self-Employed (Sch C) Worksheet

(Complete a separate worksheet for each business)

Business owner's name: Molly Mozart

- |  |   |
|--|---|
| <input type="checkbox"/> I paid employees or other individuals         | <input type="checkbox"/> I want to deduct a home office             |
| <input type="checkbox"/> I had more than \$35,000 in business expenses | <input type="checkbox"/> I received Form 1095-A for health coverage |
| <input type="checkbox"/> I kept an inventory for my business           | <input type="checkbox"/> I need to report a business loss           |
| <input type="checkbox"/> I have assets to depreciate (any > \$2,500)   | <input type="checkbox"/> I don't use the cash method of accounting  |

**If you checked any of the above, please stop here and speak with one of our Counselors.**

*If you checked none of these above, please continue by completing the worksheet below for each business.*

<b>Income</b>	
Forms 1099 (-NEC, -MISC, -K)	<b>\$40,000</b>
Cash, checks, etc. (incl. tips)	
<b>Business expenses</b>	
Advertising	
Commissions and fees	
Health insurance premiums	
Business insurance	
Interest on business loans	
Office expense/supplies	
Rent (not home office)	
Repairs	
Supplies	
Licenses or fees	
<b>Business use of car or truck</b>	
Total mileage for year	<b>mi.</b>
Business miles	<b>mi.</b>
Commuting miles	<b>mi.</b>
Other miles	<b>mi.</b>
Vehicle description:	
Date placed in service:	

Business part of phone	
Training for this business	
Tools, etc. under \$2,500 each	
Travel away from home	
Business meals from restaurants	
Other business meals	
Other (specify)	

<b>Car or truck expenses</b>	
Car loan interest	
Parking, tolls	
Other (specify)	

7/2/2023

**Drivers** – be sure you have with you today:

- > All Forms 1099 AND the detail provided by the company (Door Dash, Lyft, Postmates, Uber, etc.) – you need to download and print the detail from each company's web site.
- > Your trip miles AND your between-trip miles (do not include from home to first stop nor from last stop to home).

- Enter Self-Employment Income using Form 1099-NEC provided by the theater.

<input type="checkbox"/> CORRECTED (if checked)		OMB No. 1545-0116		<b>Nonemployee Compensation</b>
PAYER'S name Street address City or town, state or province, country, ZIP or foreign postal code Telephone no. BRIDGER BOWL COMMUNITY THEATER RURAL ROUTE 201W WILSALL MT 59086		<b>20XX</b> Form 1099-NEC		
PAYER'S TIN 16-8123456		RECIPIENT'S TIN 015-00-7801		<b>Copy B For Recipient</b>  This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
RECIPIENT'S name Street address (including apt.no.) City or town, state or province, country, ZIP or foreign postal code MOLLY MOZART 101 MAIN STREET WILSALL MT 59086		1 Nonemployee compensation \$40,000.00		
		2		
		4 Federal income tax withheld		
		FATCA filing requirement <input type="checkbox"/>		
Account number (see instructions)		16 State tax withheld	17 State/Payer's state no.	18 State income
Form <b>1099-NEC</b>				

- Enter Estimated Payments

Molly made these estimated federal income tax payments:

1st payment	Apr 15, 2023	\$2,000
2nd payment	Jun 17, 2023	\$2,000
3rd payment	Sep 16, 2023	\$2,000
4th payment	Jan 18, 2024	\$2,000

Molly did not receive a refund last year.

- In TaxSlayer go to Summary/Print, click on View/Print Return, then use "Print your 202X Tax Return" to create a PDF of the tax return.
- Find Form 1040 and other forms and fill in your answers in your Progress Sheet and compare with the Self-Study lesson [answers](#).

## Evaluation & Feedback

For **Payments** complete the [Skills Workout](#) in Link & Learn > [Payments](#) or view NTTC-4491, Chapter 28 (especially the examples & exercises). Choose one but not both.

## Completing and Filing a Return

Important:

- **Ask the taxpayer if they have any additional income that is not reflected in their tax return.**
- Give the taxpayer the opportunity to review their tax filing and to ask questions.
- **Ask the taxpayer to double check their bank account information and to sign or initialize the paper copy of their tax return that contains the signed Form 8879.**
- This is the concluding interview and the taxpayer:
  - should have a complete record of the tax return
  - needs to understand what happens next
  - needs to know how to get answers to questions that may come up later

 Your Tasks:

- Review: [NTTC-4491, Lesson 31](#), Completing the Return or use: [NTTC-4012, Tab K-15](#), Quality Review Process.
- Review: [Gold Standards for Quality Review](#) (Tax-Aide/NTTC).
- Review: [Pub 5838 VITA/TCE Intake/Interview and Quality Review Handbook](#).
- Review: [Pub 5101 VITA/TCE Intake/Interview and Quality Review Training](#).

**Important:** AARP Foundation volunteers do not retain any of the taxpayer's information or documents. TaxSlayer is the only medium that adequately protects the taxpayer's personal information for Tax-Aide volunteers.

## Finishing the Return Exercise

 Your Tasks:

- View the [Bill and Cindy Colfax Intake/Interview and Quality Review Sheet](#).

<b>Form 13614-C</b> (October 2023)	Department of the Treasury - Internal Revenue Service <b>Intake/Interview and Quality Review Sheet</b>	OMB Number 1545-1964
<b>You will need:</b> <ul style="list-style-type: none"> <li>• Tax Information such as Forms W-2, 1099, 1098, 1095.</li> <li>• Social Security cards or ITIN letters for all persons on your tax return.</li> <li>• Picture ID (such as valid driver's license) for you and your spouse.</li> </ul>		
<b>Please complete pages 1-4 of this form.</b> • You are responsible for the information on your return. Please provide complete and accurate information. • If you have questions, please ask the IRS-certified volunteer preparer.		
Volunteers are trained to provide high quality service and uphold the highest ethical standards. To report unethical behavior to the IRS, email us at <a href="mailto:wi.voltax@irs.gov">wi.voltax@irs.gov</a>		
<b>Part I – Your Personal Information</b> (If you are filing a joint return, enter your names in the same order as last year's return)		
1. Your first name <b>BILL</b>	M.I. <b></b>	Last name <b>COLFAX</b>
2. Your spouse's first name <b>CINDY</b>	M.I. <b></b>	Last name <b>COLFAX</b>
3. Mailing address <b>6723 ELM DRIVE</b>		Best contact number <b>531-555-7979</b>
4. Your Date of Birth <b>03/15/1987</b>		Best contact number <b>531-555-7487</b>
5. Your job title <b>OFFICE MANGER</b>	Apt # <b></b>	City <b>YOUR CITY</b>
6. Last year, were you: a. Full-time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Are you a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
7. Your spouse's Date of Birth <b>06/24/1989</b>	8. Your spouse's job title <b>HOME MAKER</b>	Is your spouse a U.S. citizen? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9. Last year, was your spouse: a. Full-time student <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No b. Totally and permanently disabled <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	c. Legally blind <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
10. Can anyone claim you or your spouse as a dependent? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unsure		
11. Have you, your spouse, or dependents been a victim of tax related identity theft or been issued an Identity Protection PIN? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
12. Provide an email address (optional) (this email address will not be used for contacts from the Internal Revenue Service) <b>BILLC@EMAIL.XXX</b>		
<b>Part II – Marital Status and Household Information</b>		
1. As of December 31, 2023, what was your marital status? <input type="checkbox"/> Never Married <input checked="" type="checkbox"/> Married (This includes registered domestic partnerships, civil unions, or other formal relationships under state law)		
a. If Yes, Did you get married in 2023? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b. Did you live with your spouse during any part of the last six months of 2023? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

- Open Practice Lab and create a new return for **Bill Colfax, SSN 015-00-1808**, and **Cindy Colfax, SSN 276-00-0000**.
- Determine their filing status.
- Use NTTC-4012 for help with TaxSlayer entries.
- Enter W-2 Wage Income

a. Employee's social security number <b>015-00-1808</b>		Save, accurate, FAST! Use  Visit the IRS website at <a href="http://www.irs.gov/efile">www.irs.gov/efile</a>				
b. Employer identification number (EIN) <b>74-3456789</b>		1. Wages, tips, other compensation <b>\$38,461.20</b>	2. Federal income tax withheld <b>\$3,800.00</b>			
c. Employer's name, address, and ZIP code <b>BEST BOOK AND CAT CAFE 25 KITTY LANE AUSTIN TX 78739</b>		3. Social security wages <b>\$38,461.20</b>	4. Social security tax withheld <b>\$2,384.59</b>			
		5. Medicare wages and tips <b>\$38,461.00</b>	6. Medicare tax withheld <b>\$557.68</b>			
		7. Social security tips <b></b>	8. Allocated tips <b></b>			
d. Control number <b></b>		9. <b></b>	10. Dependant care benefits <b></b>			
e. Employee's first name and initial Last name Suff. Employee's address and ZIP code <b>BILL COLFAX 6744 NORTH ELM AVENUE YOUR CITY YS YZIP</b>		11. Nonqualified plans <b></b>	12a. See instructions for box 12 <b></b>			
		13. Statutory Retirement Third-party Employee Plan sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	12b. <b></b>			
		14. Other <b></b>	12c. <b></b>			
		<b></b>	12d. <b></b>			
15. State <b>YS</b>	Employer's state ID number <b>3456789</b>	16. State wages, tips, etc. <b>\$1,600.00</b>	17. State income tax <b></b>	18. Local wages, tips, etc. <b></b>	19. Local income tax <b></b>	20. Locality name <b></b>
Form <b>W-2</b> Wage and Tax Statement <b>20XX</b>						

- For Health Insurance/ Affordable Care Act Insurance Plans: Check on the taxpayer's *Intake / Interview & Quality Sheet*, Part V, item 9.
- Complete the E-File Section using [NTTC-4012, Tab K](#).
- Bill and Cindy want their federal refund deposited in this checking account:

CINDY ABD BILL COLFAX 12 STREET SIDE PLAZA YOUR CITY, YS YZIP		1234
PAY TO THE ORDER OF _____		\$ _____
MONEY INSTRUCTOR.COM BANK 1221 MAIN STREET ANYWHERE US 10001		DOLLARS
For _____	325070760 987123654	1234

- Mark the return *Ready for Review*
- *Save and Exit* the return
- Check your TaxSlayer Summary/Print PDF

Tax-Aide "states and districts" may have specific procedures for preparing a return for submission. Make sure you ask your Local Coordinator for guidance.

#### Tax-Aide Policy:

- Do not mail any taxpayer documents.
- Do not use Form 8453. This form is used to send various forms to the IRS. Tax-Aide volunteers do not do this.
- Protect taxpayer's information!

#### **Evaluation & Feedback**

For **Completing the Return** complete the [Lesson](#) in Link & Learn > [Completing the Return](#) or view NTTC-4491, Chapter 31 (check lists). Choose one but not both.

This concludes *Self-Study Certification Lessons*. Could you answer this survey to provide feedback to the National Tax Training Committee? Your participation and response is optional and anonymous.

Please click to participate in the

[\*\*Self-Study Certification Lessons - Concluding Survey\*\*](#)