

2025 Duck Book Errata & Updates

NOTE: The Duck Book website and .pdf are only updated in December and February.
Any corrections at other times are noted only in this Errata file.

Summary of Errata and Corrections found after the Feb. 2026 release:

- QCD: Don't manually adjust box 2a, now that TSO's updated QCD feature does that
 - pg. 38, 3rd bullet, delete the sentence beginning "In box 2a, ..."

Summary of Corrections Made in the Feb. 2026 Release (Details on corrected pages are below):

- Updated several old FTB Pub links
- removed mention of EFTPS for IRS payments, since it's going away some time next year
- deceased taxpayer with Form 1310: only need to mail something if return is filed by a court-appointed representative
- W-2: if treating MWP as income for EIC, there were some borderline cases not covered by NTTC 4012 or printed Duck Book. Also,
Any qualified Overtime on excluded income cannot also be deducted as No Tax On Overtime.
- 1099-INT: box 13 greater than box 8 **is** now in scope
- small clarification for 1099-DIV Box 12 tax-exempt income in CA
- 1099-MISC income threshold remains \$600, will increase to \$2,000 for TY2026
- 1099-R code 8 in box 7 is now In Scope
- IRA contribution limits remain unchanged from 2024
- SSA attorney fees no longer deductible for federal or CA
- Sch C utilities may be in-scope for a separate rented workspace (still OOS for residence / home office)
- No Tax on Tips is now entirely Advanced certification, to conform with new Scope Manual
- Senior Deduction requires an SSN *valid for employment*
- CTC: only 1 spouse must have a SSN, the other may have an ITIN, as long those ID #s were obtained prior to filing
- CA physical address is required by law (SB 592) on the CA return
- CA adjustments, additions and subtractions to income: removed incorrect statements about all manual adjustments appearing on Schedule CA Part I Section B line 8z.
- CA DFAS exclusion is allowed for each qualifying 1099-R on the return;
exclusion is allowed for any named beneficiary, not just a spouse.
Coast Guard Pension Plan also qualifies.
Added TaxSlayer instructions.

- CA Penalty for Lack of Health Insurance: affordability threshold was lowered to 7.28% of AGI
- CA Payment Due and Estimated Payments: added warnings and details about e-pay being required if TP previously had owed CA income tax over \$80,00, or made an estimated or extension payment over \$20,000 (such a current-year return would be OOS, but warning applies for subsequent years)
- Amended Returns – TSO is working to fix the bug where the **Schedule 1-A amount must be manually added**
- CA Amended Returns: If the IRS adjusted the return such as to increase the tax, if the CA tax would also increase accordingly, a CA amended return is required by the FTB.

Detailed Changes:

- pg. 18, Deceased Spouse/Taxpayer, 6th bullet: can efile federal and state;
Only need to mail Form 1310 with supporting document(s) if refund is claimed by a court-appointed representative.
- pg. 19, Dependents and Other Qualifying Children, 3rd main bullet, delete “\$2,000”
- pg. 27, W-2, Excludable Medicaid Waiver Payments, bullet 6, Key Concepts, change (1) to:
 - o (1) If boxes 1 and 12 are zero, and the taxpayer wants to treat the MWP payment as earned income, then make box 1 in TaxSlayer equal to box 3; else, *don't enter the W-2* (it causes an **e-file reject**).
 - o Note: TaxSlayer correctly handles excluding income when box 1 is zero and box 12 has code II.
- Add 4th key concept:
 - o **(4) Any qualified Overtime on excluded income cannot also be deducted as No Tax On Overtime.**
- pg. 27, W-2, Excludable MWP, last CA process note: change “you must set box 16 to equal box 1” to “you must set box 16 equal to the larger of box 3 and box 12 code II amount”.
- pg. 32, 1099-INT Box 8, TSO button is actually labeled “ADD DIVDEND ITEMS” (not “Interest”).
- pg. 32, 1099-INT Boxes 10 through 13, remove case (3) from 1st subbullet, and change 2nd subbullet to:
 - If there is an amount in box 13, **don't** enter that amount; instead, **subtract** it from the amount in box 8 of the paper 1099-INT, and enter the result in TaxSlayer box 8 (if negative, enter zero).
- pg. 34, 1099-DIV Box 12, 2nd bullet, change 1st subbullet to:
 - If less than 50% of fund assets were invested in CA, then all box 12 interest **is taxable** by CA.
- pg. 34, Lines 4 and 5 – Retirement Income, 2nd main bullet:
 - cross out “code 8”; see instructions on NTTC 4012 pg. D-63.
- pg. 45, Social Security Attorney fees (3rd main bullet), change to:
 - Attorney fees listed on a Form SSA-1099 don't affect the federal or state return.
 - [Delete rest of the paragraph]
- pg. 53, 1099-MISC, 2nd bullet: change “total at least \$2,000” to “total at least \$600”
- pg. 56, Schedule C General Expenses, 1st bullet, 1st subbullet, change final item to:

- Utilities for home office (utilities may be *in-scope* for a separate rented workspace)
- pg. 64, Cancellation of Debt, 1st bullet, 2nd subbullet, 2nd sub-sub-bullet, change “box 1” to “box 2”
- pg. 70, IRA Deduction, 3rd bullet: change \$7500 to \$7000, change \$8500 to \$8000
- pg. 85, No Tax on Tips: entire section is (A)dvanced (delete “(B)” in 4th bullet)
- pg. 85, Enhanced Deduction for Seniors, change 1st bullet to:
 - o \$6,000 deduction per taxpayer [*and spouse*] over age 64 with SSN *valid for employment*, not ITIN. *MFS not eligible*.
- pg. 86, Child Tax Credit, 1st bullet, remove 1st subbullet (“New for TY2025”)
- pg. 86, Child Tax Credit, 2nd bullet, replace 1st subbullet:
 - o *New for TY2025*: The taxpayer (or spouse if MFJ) *must* have a SSN; the other spouse may have an ITIN.
- pg. 92, Residential Energy Credits:
 - 1st bullet, change NTTC page to G-26 to 27
 - 2nd bullet, change pages to G-28 to 31
- pg. 102, Principal/Physical Address: If the TP is unwilling or unable to provide their physical address, ask if they can provide the address of a family member, trusted friend, or employer **that is in the same county where they normally reside**. A physical address is required by state law.
- pg. 103, Manually Entering Income Differences on Schedule CA:
 - 1st bullet, remove “Section B line 8z”, remove subbullet
- pg. 103, Additions to Income – Taxed in CA:
 - Delete “but as noted above, in TS they appear only on Section B line 8z”
- pg. 104, Subtractions from Income: delete “As noted above, in TS they appear only on line 8z ...”
- pg. 104, Subtractions from Income, 1st main bullet, Military retirement income, add bullet:
 - The \$20,000 limit is per qualifying 1099-R, not per taxpayer or per return.
 - 1st subbullet, change to:
 - AGI must be under \$250,001 if MFJ *or surviving spouse*, \$125,001 for all others.
 - 2nd subbullet, change first sentence to:
 - The exclusion is only for *uniformed servicemembers* or their named beneficiary.
 - change last subbullet to:
 - o Go to [State Section > Subtractions from Income > Other Subtractions] in TaxSlayer, enter amount in “Pensions and annuities” box. Entry posts to Section A line 5b.
 - *Warning*: TaxSlayer does **no validation or limit checking** on the amount entered.
- pg. 111, Coverage Exemption table, in last 2 rows, change 7.97% to 7.28%
- pg. 113, Balance Due, added 3rd main bullet for CA returns when large amounts were paid in a prior year
- pg. 131, Amended Returns, 3rd bullet, change 2nd subbullet to:
 - o **Note for CA returns**: Even if the federal adjustment proposed is correct and acceptable to the taxpayer, if the adjustment would also increase the CA tax owed, file a CA amended return so the CA

information agrees with the IRS-adjusted 1040 (see [FTB Pub 1008, Federal Tax Adjustments and Your Notification Responsibilities to CA](#)).

- pg. 132, Amended Returns, Step 2: Create the Federal Amended Return, 2nd bullet, add to 1st subbullet:
... except for the amount paid, amount refunded, and Schedule 1-A amount.